



HARTE GOLD CORP.

ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2011

MARCH 23, 2012

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INTRODUCTORY NOTE

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled “General Development of the Business”, “Narrative Description of the Business” and “Risk Factors” in this Annual Information Form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Annual Information Form and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

ITEM 1: CORPORATE STRUCTURE

Harte Gold Corp. (the “Company” or “Harte”) was incorporated under the *Business Corporations Act* (Ontario) in Ontario, on January 22, 1982, under the name Harte Resources Company. By Articles of Amendment dated December 31, 2003, the Company changed its name to Harte Gold Corp. The Company’s registered office and principal business office is located at 8 King Street East, Suite 1700 Toronto, Ontario M5C 1B5.

The Company is a reporting issuer in the Provinces of Ontario, Alberta and British Columbia and its outstanding common shares are listed on the Toronto Stock Exchange under the symbol “HRT” and the Frankfurt Stock Exchange under the symbol “H4O”.

ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS

OVERVIEW

The Company has acquired and explored various gold properties located in the Provinces of Ontario and Quebec. In recent years, exploration has occurred on two properties in Ontario: (i) a property located approximately 25 km northeast of the Town of White River (either the “Dayohessarah Lake Property” or the “Sugar Zone Property”) located in the north-south trending Dayohessarah greenstone belt, and covers a gold occurrence referred to as the “Sugar Zone”; and (ii) a property located on and adjacent to the Destor Porcupine Fault Zone in close proximity to the 2.5 million ounce Holloway-Holt Gold Mine in the Timmins Porcupine gold camp (the “Stoughton-Abitibi Property”). The Company has conducted various diamond drill and other exploration programs on these two properties.

THREE YEAR HISTORY

2009

As a result of the Special Shareholders Meeting held January 30, 2009 the former Board of Directors was replaced and a new management team appointed.

Subsequent to the Meeting, two former officers and directors of the Company filed claims against the Company in the aggregate amount of \$610,000 relating to services allegedly provided but unpaid. Management took the position that the claims were without merit and advised the claimants accordingly.

During the year ended November 30, 2009, the Company completed four private placements and raised gross proceeds of \$664,500.

Management initiated an internal review to follow up on preliminary forensic audit work undertaken in 2008 in connection with historical cash disbursements and property acquisitions.

In conjunction with the above, and pursuant to an audit by the Canada Revenue Agency (“CRA”) of 2003 exploration expenses, Management also conducted a review of expenditures incurred and filings made in respect of flow-through share issuances during the period 2003 – 2008. This review uncovered issues related to the use of flow-through funds, timing of expenditures and other related compliance matters that required the Company to file and/or re-file certain documents with CRA related to the issuance of flow-through Common Shares during the review period.

Based on its internal review of concerns raised by the forensic and CRA audits, the new management team determined that it will file a claim in an amount equal to or greater than the amount of penalties, interest and any re-assessments levied by CRA in respect of the prior flow-through issues, against the former Directors and Officers of the Company during the relevant period.

2010

The Company filed a notice of change of year end with the Canada Revenue Agency from November 30th to December 31st. The first year end after the change is December 31, 2010.

During the year, the Company raised \$8,447,783 under working capital and flow through financings to provide working capital for corporate operations and funds for mineral exploration.

The Company entered into a Letter Agreement with Corona dated March 5, 2011 to acquire an option on Corona's 51% interest in the Sugar Zone Property (the "Sugar Zone Property Joint Venture"). Upon an initial payment of \$10,000 and the issuance of 7,180,000 Common Shares on March 10, 2010 Harte became the operator of the Sugar Zone Property under the Sugar Zone Property Joint Venture.

Harte entered into an option agreement with Corona effective May 28, 2010 (the "Comprehensive Agreement") upon payment of \$2,000,000 together with the issuance of an additional 4,331,638 Common Shares to Corona. Under the Comprehensive Agreement, Harte has the option to acquire all of Corona's interest with the payment of an additional \$2.5 million prior to the second anniversary of the Comprehensive Agreement or \$3.0 million prior to the third anniversary of the Comprehensive Agreement, plus an amount of \$90,000 every 6 months.

As of June 28, 2010 the Company entered into an option agreement with Lloyd Joseph Halverson, Eugene Belisle and John E. Ternowesky (the "Halverson Option Agreement") to acquire 3 mining claims contiguous to the 326 claims previously held in the Sugar Zone Property. Under the Halverson Option Agreement, to earn a 100% interest in the claims, the Company must make cash payments of \$225,000 and incur work commitments of \$300,000 over 5 years and issue 200,000 Common Shares over 3 years. These claims are subject to a 3% net smelter return that can be reduced to 1.5% upon payment of \$1,500,000. Additionally, if an economically viable deposit is found, the Company must make advance royalty payments of \$20,000 per year over 5 years or alternatively, may make annual payments of \$20,000 to extend the Halverson Option Agreement for a further 5 years to complete the purchase of the claims.

As operator of the Sugar Zone Property Joint Venture, the Company accelerated the pace of exploration at the Sugar Zone Property and began a comprehensive exploration program designed to expand the resource and test numerous targets along the seven kilometer mineralized structure on strike identified during the summer 2009 exploration program.

The Company completed an initial 2,097 meter diamond drill program in March and April, 2010. Four deep holes were drilled to test the zones between 300 and 600 meters below surface and six shallow holes were drilled that provided samples for metallurgical work.

Drill core material was sent for metallurgical testing and the results of such testing indicated total gold recovery of up to 98%, with up to 80% being recoverable by gravity concentration.

The resource estimates for the Sugar Zone were updated and reported in a *National Instrument 43-101* ("NI 43-101") compliant technical report dated September 19, 2010 titled "2010 Diamond Drilling Program and Revised Resource Estimate of the Sugar Zone Project" (the "NI 43-101 Technical Report"), prepared by David S. Hunt, P. Geo. of Sharpstone Geoservices Ltd.

In the spring of 2010, a program of line cutting was undertaken, followed by Induced Polarization ("IP") surveys around the areas where high grade surface samples had been discovered during the summer 2009 prospecting, reconnaissance and mapping program.

The high grade sample from the zone located 1.7 kilometres north of the Sugar Zone (the "Peacock", now referred to as the "Wolf Zone") was corroborated with a new grab sample, with a significant conclusion reached that this mineralized zone was metasediment with significant disseminated sulphides, quite distinct from the quartz vein Sugar Zone structure. High correlation between an IP anomaly and the Peacock showing was noted and the IP survey was expanded to cover a larger area around the Peacock showing.

A Magnetometer ("Mag") survey was also performed over the New Zone (also now referred to as the "Wolf Zone") and many of the Mag anomalies were consistent with the locations of IP anomalies.

Grab samples from a second IP anomaly just north of the Peacock anomaly returned significant sulphide hosted gold mineralization and led the Company to conclude that a new discovery had been made, referred to as the "Wolf Zone".

The Wolf Zone was discovered using IP and Mag surveys, followed by a trenching and sampling program (see the Company's news release dated October 5, 2010). The surveys and follow up programs produced very positive results indicating the presence of Hemlo-style disseminated sulphide gold mineralization.

A drilling program on the Wolf Zone began in October and was completed in December 2010. The first of two holes made a significant intersection. Hole Number NZ10-02, drilled beneath Trench 2, intersected 9.5 g/t over 7.5 metres from 22 metres to 29.5 metres. Included in the interval are 22.9 g/t over 3.5 metres which includes 111 g/t over 0.5 metres. The mineralization occurred as disseminated sulphides with varying amounts of fine visible gold (VG).

The drill program had the objective of expanding the Wolf Zone along strike and down dip and tested a number of IP and Mag anomalies.

Mineralization was encountered in all holes except WZ-10-05 and WZ-10-06 which were stopped short of the target zone. Significant gold mineralization including high grade intervals with visible gold ("VG"), were encountered in WZ-10-02-03, WZ-10-16 and WZ-10-18 (see news release dated January 6, 2011).

As a result of this important new discovery at the Wolf Zone and encouraging drill results from the initial drill program, Harte completed an IP and Mag survey area over the 1.7 kilometre area between the Wolf Zone and Sugar Zone. Targets will be tested under the winter 2011 drill program to determine the potential and extent of gold mineralization between the two Zones.

Harte identified an apparent Synform Structure or "Fold Nose" (the "Fold Closure") formation located 5 kilometres north-west of the Wolf Zone. Harte completed line cutting on the "Fold Nose" area and followed up with an IP / Mag survey over the area.

With the discovery of the Fold Closure and interpretive work based on a property wide airborne survey, Harte has interpreted a potential gold mineralization corridor that runs for a distance of 18 kilometres from the Fold down the western and eastern limbs. Both the Sugar Zone and the Wolf Zones are located on the eastern limb and have current strike lengths of 800 and 600 meters respectively.

2011

During the year, the Company raised \$1,645,000 under flow through financings to provide funds for mineral exploration and \$3,235,689 through the exercise of common share purchase warrants and the exercise of stock options.

The Company completed a 7,500 meter diamond drill program during the winter and summer drill seasons. Four deep holes were drilled to test the zones between 300 and 600 meters below surface and six shallow holes were drilled that provided samples for metallurgical work.

Assay results from the 2011 program include consistent, high grade mineralization that has enabled the Company to extend the Deposit Zone an additional 100 metres to cover an area from surface to 400 metres. Assays from two drill holes below the 400 metre level show high grade gold mineralization and a narrowing of the distance between the upper and lower zones.

Continued high grade intercepts and the possible convergence of the two mineralized zones at depth are positive developments for the Harte Gold exploration program and provide a strong indication that the Sugar Zone deposit extends at depth. A down-hole geophysics program conducted in summer 2011 indicates the presence of additional deep and parallel targets.

Exploration drill programs in the vicinity of the Wolf Zone (1,200 m over 4 holes) and the Fold Nose Zone (3,400m over 15 holes) confirmed the presence of sulphide mineralization but returned no significant gold values. These areas will be further explored.

The Company conducted several IP and Mag surveys over the course of 2011 in order to build a database of prospective targets that can be categorized and systematically drilled. This regional exploration effort combined with a recent VTEM survey targeting VMS mineralization is designed to generate drill targets over a wide area.

Harte applied for a listing on the Toronto Stock Exchange and graduated from the TSX Venture Exchange to the Toronto Stock Exchange effective June 6, 2011.

Harte has retained NordPro Engineering ("NordPro") of Thunder Bay to coordinate permitting and technical studies associated with advanced exploration and mine production. As part of this initiative NordPro is proceeding with a Preliminary Economic Assessment ("PEA"). The PEA will specify mine design and mining and milling methods and overall project economics.

Towards the end of 2011 Harte retained Watts, Griffis and McQuat Limited ("WGM") to prepare a Block Model of the Sugar Zone Deposit.

The Block Model incorporates results from late 2010 and 2011 drill programs and outlines a National Instrument 43-101("NI 43-101") compliant mineral resource containing an Indicated Resource of 319,300 ounces of gold grading 10.13 grams / tonne and an Inferred Resource of 156,000 ounces of gold grading 8.36 grams / tonne, uncapped. The capped model contains 275,000 ounces grading 8.72 g/t of Indicated Resources and 131,300 ounces grading 7.03 g/t of Inferred Resources.

The NI 43-101 Report prepared by WGM is dated February 27, 2012 and is available on the Harte website at www.hartegold.com or on the Sedar website at www.sedar.com.

Current initiatives:

Harte Gold's 2012 exploration program at the Sugar Zone property includes the following:

- Harte's current 7,000 metre drill program is testing mineralized extensions of the Sugar Zone Deposit at depth and is designed to double the mineral resources of the existing Deposit. The program will also test potential down dip and parallel targets indentified in the summer 2011 down-hole geophysics program.
- Harte has retained NordPro Engineering ("NordPro") to coordinate permitting and technical studies associated with advanced exploration and production at the Sugar Zone Deposit.
- NordPro is working towards completion of a PEA for June 2012. The PEA will provide an assessment of capital costs, mine lay-out and design, mining and milling operations and project economics.
- The Company will conduct further IP and Mag surveys over a northwest – southeast trending mafic volcanic - sedimentary contact zone, west of the Sugar Zone Deposit. The Contact Zone has returned numerous high grade gold assays from surface samples.
- Harte will also extend the VTEM survey to cover substantially the entire greenstone belt because of positive results obtained from the first survey.
- Continuing roadwork to provide improved access and permitting related to bulk sample are on-going.

The Sugar Zone property covers close to 80,000 acres and consists of a greenstone belt within a surrounding buffer zone of claims staked in November 2010. Based on exploration results to date, management is confident that there is considerable potential to increase the size of the Sugar Zone Deposit and discover additional gold resources.

ITEM 3: NARRATIVE DESCRIPTION OF THE BUSINESS**DESCRIPTION OF THE COMPANY'S BUSINESS**

The Company is a mineral exploration company which has been engaged in exploring for gold on its two properties that are located in Ontario: the Sugar Zone Property and the Stoughton-Abitibi Property.

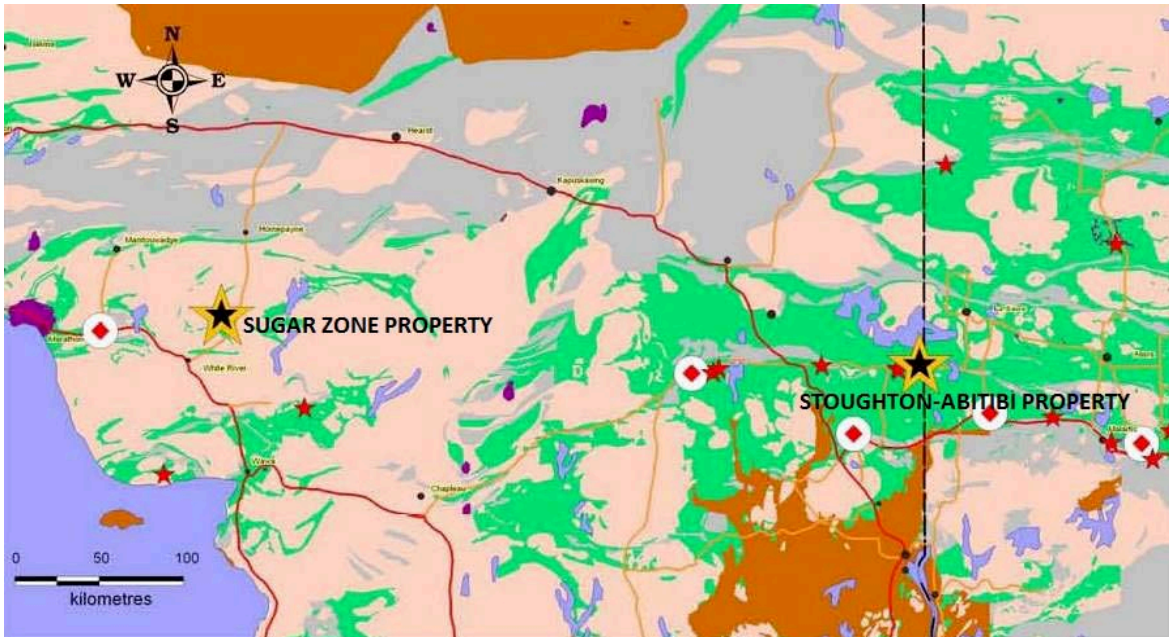


Figure 1 Property Location Map

Consultants / Employees

As at the date hereof, the Company has 10 consultants or employees located in Toronto, Ontario and in White River, Ontario. Executive officers of the Company are retained through personal holding companies to provide services to Harte.

Harte is dependent on the services of key executives, including the Chairman, President and Chief Executive Officer of the Company and a small number of highly skilled and experienced executives and personnel. See *“Risk Factors – Dependence on Key Personnel”*.

Environmental Protection

All phases of Harte’s operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. These regulations set forth a wide range of sanctions and penalties, both criminal and civil, for violations of the regulations.

To date, applicable environmental legislation has had no material financial or operational effects on the operations of the Company. See also *“Risk Factors – Environmental Regulations”*.

Competitive Conditions

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies which have greater financial resources and experience. The market price of metals and minerals is determined in international markets, is volatile and is beyond the Company’s control. See *“Risk Factors – Competition”*.

Specialized Skill and Knowledge

All aspects of the business of the Company require specialized skill and knowledge. Such skill and knowledge include the areas of geology, drilling, logistical planning, engineering, construction, mine operations, metallurgical processing, environmental compliance and accounting. The Company

employs or retains a number of technical personnel with relevant experience, education and professional designations, and constantly evaluates the need for additional employees and or consultants with particular expertise.

DESCRIPTION OF THE SUGAR ZONE PROPERTY

The technical information in this description of the Sugar Zone Property is based on WGM's NI 43-101 Technical Report dated February 27, 2012. The NI 43-101 Technical Report was commissioned at the request of Harte Gold management. Unless specifically noted otherwise, the following disclosure regarding the Dayohessarah Lake Property has been prepared with the consent of the authors of the Technical Report, each a "qualified person" within the meaning of NI 43-101, and, in some cases, is a direct extract from the Technical Report. Certain information noted in the summary below is noted as having arisen subsequent to the effective date of the Technical Report and therefore has not been confirmed by the authors of the Technical Report. The full Technical Report is available under the Company's corporate profile on SEDAR at www.sedar.com.

1. Description of Property

(a) Location

The Dayohessarah Lake Property is situated approximately 25 km northeast of the Town of White River (Trans Canada Highway No. 17) and 60 km east of the Hemlo gold camp. The Property is approximately equidistant from Sault Ste. Marie to the east and Thunder Bay to the west (see Figure 1). The overall Property encompasses NTS zones 42C/ 10, 11, 14 and 15 and the gold mineralized occurrences are exposed at Latitude 48°48' North, Longitude 85°10' West and covers portions of Odlum, Strickland, Gourlay, Tedder and Hambleton Townships and falls within the Sault Ste. Marie Mining Division.

(b) Description

The Dayohessarah Lake Property consists of 413 unpatented, unsurveyed, contiguous mining claims comprising 1,840 claim units, and covering approximately 28,600 hectares. Claims are held in the name of Corona Gold Corporation, Harte Gold Corp. and Lloyd Joseph Halverson and are subject to an option agreement, as described in Section 1(c) below. The Property boundaries are marked by claim lines but have not been surveyed (Figure 2).

There are two mining alienations which border parts of Harte's current claim block. The largest (W-LL-C1521) lies to the east of the current claim area and shortly borders claim 4260617 on the east, and Hwy 631 on the west. The second alienation (No. 2847) lies completely within Harte's current claim block, west of Dayohessarah Lake. Surface rights are held by the Crown and timber cutting rights are held by White River Forest Products Ltd.

The Property comprises the following unpatented mining claims: SSM 937765 – 768, SSM 937770 – 772, SSM 1043698, SSM 1043701 – 712, SSM 1043715 – 717, SSM 1043803, SSM 1043806 – 812, SSM 1043814 – 828, SSM 1044094 – 097, SSM 1044100 – 103, SSM 1055500 – 543, SSM 1055576 – 589, SSM 1069100, SSM 1069120 and 121, SSM 1069186 – 194, SSM 1069196 – 199, SSM 1069300 – 350, SSM 1069352 – 376, SSM 1069378 – 391, SSM 1078243 – 259, SSM 1078265 – 277, SSM 1078314 – 319, SSM 1135498 and 499, SSM 1140638 – 649, SSM 1140658 – 660, SSM 1174765 – 766, SSM 1182993 and 994, SSM 1183012 – 021, SSM 1194337, SSM 1194339 and 340, SSM 1232640 and 641, SSM 1235594 and 595, SSM 3012217 – 218, SSM 3018389 – 393, SSM 4201064 – 067, SSM 4201069 – 071, SSM 4201074 – 081, SSM 4201082 – 093, SSM 4228496 and 497, SSM 4228499, 4260601 – 683, and SSM 4267212. All claims are within the Sault Ste Marie Mining Division of Ontario.

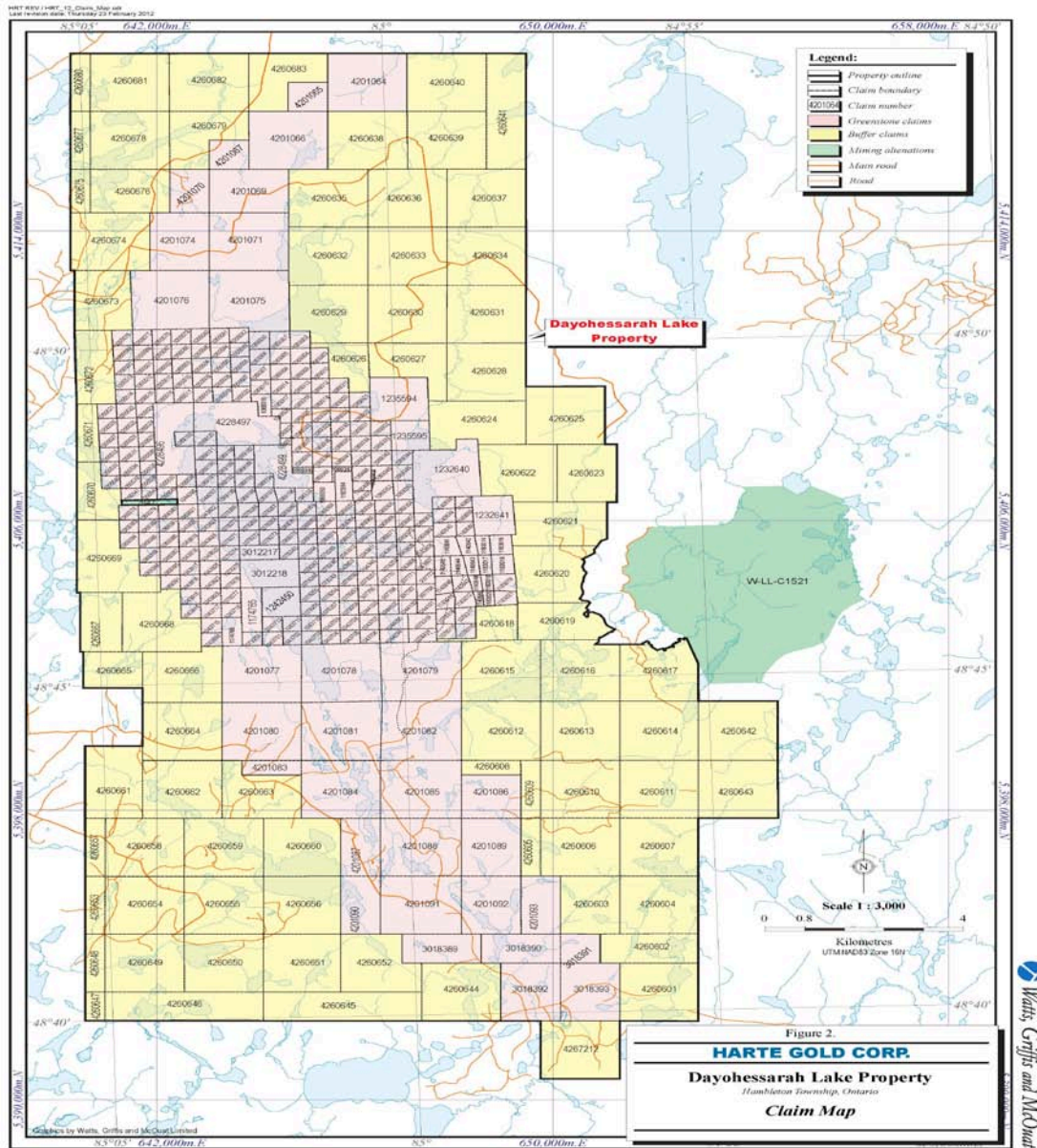


Figure 2 Claim Map

(c) Nature and Extent of Company's Interest

In 1998, Harte entered into an option agreement with John E. Ternowesky, Lloyd Halverson, Ernie Beaven, Eino Ranta, The Estate of Omer L. Belisle, Broad Horizons Trust and Broad Horizons Inc. on most of the unpatented mining claims comprising the Property. Harte subsequently entered into an Option and Joint Venture Agreement with Corona Gold Corporation ("Corona") dated July 10, 1998 (the "Sugar Zone Joint Venture"). Under the Sugar Zone Joint Venture, Corona was granted the right to acquire a 51% interest in, and become the Operator of, the Property upon the payment on Closing of \$50,000 to Harte and the payment of \$1 million in exploration expenditures within forty-eight (48) months of the Agreement. Corona also had the right to increase its interest in the Property to 75% on payment of an additional \$200,000 to Harte and an additional \$700,000 in exploration expenditures within forty-eight (48) months of the date of the Sugar Zone Joint Venture.

Pursuant to a Letter Agreement dated March 5, 2010 between Harte and Corona, the parties entered into an Option Agreement (the "Corona Option") dated May 28, 2010, entitling Harte to acquire Corona's 51% interest in the Sugar Zone Joint Venture on completion of certain conditions, including:

- an initial cash payment to Corona of \$10,000 and 7,180,000 Harte common shares, whereupon Harte became the operator of the project;
- Pursuant to the Corona Option agreement, Harte made a further cash payment to Corona of \$2,000,000 and an additional 4,331,638 common shares; and
- \$90,000 in cash on or before the six month anniversary of the Corona Option agreement, and \$2,500,000 on or before the second anniversary of the option, or \$3,000,000 on or before the third anniversary of the option agreement.

Effective March 10, 2010, Harte became the Operator of the Joint Venture for as long as the Corona Option is in good standing. In the event that Harte does not earn its interest under the Corona Option agreement described above, the claims will again become subject to the Option and Joint Venture Agreement between Corona and Harte.

The original 313 claims are subject to 3.5% net smelter royalty ("NSR"). The Joint Venture participants, namely Corona (51%) and Harte (49%), have the option of acquiring 1.5% of the 3.5% NSR for \$1.5 million, in proportion to their respective interest and have, in addition, the right of first refusal on the remaining 2.0% NSR.

On June 28, 2010, Harte entered into an option agreement to acquire three mining claims (the Halverson Claims, SSM 4228496, 4228497 and 4228499) situated in the central part of the Property from vendors Lloyd Halverson, Eugene Belisle and John E. Ternowesky. Terms of the agreement are as follows: to earn 100% interest in the claims, Harte must make cash payments of \$225,000 and incur work commitments of \$300,000 over five years and issue 200,000 common shares over three years, subject to a 3% NSR, which NSR can be reduced to 1.5% on payment of \$1,500,000. In addition to the above and after the five year option period, if an economically viable deposit is found on the claims as defined by an independent feasibility study, Harte will make annual payments of \$20,000 against future NSR payments. In the event an economically viable deposit is not found, Harte may make annual payments of \$20,000 for a period of five years to complete its purchase of the claims (Option Agreement, June 28, 2010).

In November 2010, eighty-three unpatented mining claims were staked around the Property in order to provide a buffer zone around the core mining claims. Originally staked in the name of Dan Patrie Exploration Ltd., the claims were transferred into the name of Harte effective March 3, 2011.

As of the date hereof, Harte holds a total of 413 mining claims covering an area of approximately 28,600 hectares. Current exploration at the Property is focused on the Sugar Zone Deposit.

(d) Environmental

No mine workings, waste rock piles, tailings ponds or other environmental liabilities are known to occur on the Property.

(e) Known Mineralized Zones

The major linear structure on the Property is the Sugar Deformation Zone, which trends northwest-southeast for approximately 3.5 km. The deformation zone is a complex system with strain

intensities varying from strongly deformed mafic volcanics to undeformed massive mafic flows. Stratigraphically-conformable porphyritic intermediate intrusions swarm through the deformation zone and both the mafic volcanics and the intermediate dykes/sills exhibit moderate linear fabrics caused by shearing and hydrothermal alteration.

The Sugar Zone is defined by sets of parallel mineralized quartz veining, quartz flooding of strongly altered wallrock, thin intermediate porphyry lenses and dykes/sills parallel to the foliation. The gold-bearing Sugar Zone is broken down into the Hanging Wall Volcanics, Upper Zone, Interzone Volcanics, Lower Zone and Footwall Volcanics. Only the Upper Zone and Lower Zone are mineralized. The hanging wall, footwall and interzone rocks generally consist of mafic volcanic flows, mafic pillow flows and occasionally coarse to very coarse grained, locally gabbroic-textured mafic volcanics.

The Upper and Lower zones range in thickness from 1.5 to 10 m, strike at 140° and dip between 65° and 75° with minor undulations and are separated by 20 to 30 m of barren volcanics. The Upper Zone and Lower zones appear to be geologically consistent both down dip and along strike; the Lower Zone has consistently larger widths, as well as consistently higher grades of gold mineralization. Gold mineralization in the Sugar Zone mostly occurs in quartz veins, stringer and quartz flooded zones within the hydrothermally altered, and sheared mafic volcanics and intermediate porphyries. Fine to coarse grained specks and blebs of gold are commonly observed in the drill core from the Sugar Zone quartz veins. Sulphide mineralization within the Sugar Zone consists of pyrrhotite, pyrite, chalcopyrite, sphalerite, molybdenite and arsenopyrite. The presence of galena, sphalerite and/or arsenopyrite is a strong indication of the presence of visible gold.

The gold-bearing Wolf Zone lies north of the Sugar Zone and may represent the northern strike extension of the Sugar Deformation Zone. The Wolf Zone is defined as highly strained mafic volcanic flows and gabbro units ranging in thickness from 0.5 to 8.0 m. Like the Sugar Zone, the Wolf Zone is moderately to highly sheared, and consists of a network of intermediate porphyry dykes/sills. There is a strong pervasive silicic alteration throughout the zone, as well as seams of magnesium biotite alteration. Gold mineralization mostly occurs in quartz veins, stringers and quartz flooded zones and fine grained visible gold is occasionally observed in the quartz veins. Sulphide mineralization consists of pyrite and pyrrhotite, but does not appear to be directly related to visible gold mineralization.

(f) Required Permits

Areas surrounding Dayohessarah and Hambleton Lakes are designated by the Ontario Ministry of Natural Resources as 'Restricted Access'. Locked gates on Road No. 200 and Road No. 305 control vehicular access in order to prevent access to remote lodge operations on two lakes. Permits are required for road access to most of the Sugar Zone property for mineral exploration purposes. Harte has entered into an agreement with the Remote Lodge Operator which agreement provides a framework for access by Harte and its employees, contractors and others associated with the exploration and development of the Property to Restricted Access areas. This agreement expires as of June 15, 2012. As of the date hereof, Harte is negotiating a more comprehensive agreement intended to govern the parties' working relationship through advanced exploration, productions and mine closure.

2) Accessibility, Climate Local Resources, Infrastructure and Physiography

(a) Accessibility

The western and southern portions of the Property are accessible via a series of logging roads controlled by White River Forest Products Limited. Road No. 100 extends north from the western end of White River. Road No. 200 intersects Road No. 100 20 km from Highway 17 and provides access to

the western and southern portions of the property. Road No. 300 intersects Road No. 100 36 km from Highway 17 and provides access to the very northern portion of the Property. Road No. 305 intersects Road No. 300 6 km from Road No. 100 and provides access to northern and eastern parts of the Property. Road access to within 400 m of the Sugar Zone is available via a small road heading south and southwest from Road No. 305 for 8.8 km. From there, access to the Sugar Zone is available via all-terrain or tracked vehicles in the summer, and snowmobiles, tracked vehicles and trucks in the winter. The distance from White River to the Sugar Zone is approximately 60 km by road.

(b) Climate

The climate is northern boreal, with short hot summers and cold, snowy winters. Some field operations, such as drilling, can be carried out year-round while other operations, such as prospecting and mapping, can only be carried out during the late spring, summer and early autumn months.

The temperatures can range from -35°C in the winter to +30°C in the summer; though the mean temperatures are around -21°C to +20°C. Rainfall is about 727 mm annual average, with the wettest month being September (120 mm average). Snow is abundant, often reaching several metres with December and January having the heaviest snowfall (about 80 cm). Snow is on the ground by late October and the ice begins to thaw on the lakes by April.

(c) Local Resources

The Property is located approximately 25 km northeast of the town of White River (population of between 500 and 800 people, depending on activity in the area), Ontario. The cities of Sault Ste. Marie and Thunder Bay are located 311 km south and 383 km west of White River, respectively, along Highway 17. Highway 631, a secondary paved highway, extends north from White River through Hornpayne to Highway 11, and passes approximately 11 km east of the Property.

(d) Infrastructure

A Hydro One electrical transmission line passes through White River. Canadian Pacific's transcontinental main line also passes through White River.

Mining infrastructure and competent workers are present in the two communities serving the Hemlo mining camp, Marathon and Manitouwadge, about 65 km west of White River. The main commercial centres for the area are Sault Ste. Marie and Thunder Bay, as well as, to a lesser extent, Wawa and Marathon. Surface rights over the entire Property are held by the Crown. Local lakes and minor streams should provide adequate water for future mining and milling operations.

(e) Physiography

The topography on the Property varies from moderate to rugged, with lake levels generally at 390 m above sea level, and occasional hills up to 480 m elevation. The overburden is generally between 0 to 20 m deep on the Property, with occasional bouldered terrain, and normally approximately 2 to 3 m overlying the Sugar Zone. Vegetation is boreal, with jack pine, fir, poplar and birch occupying dry uplands and cedar, tamarack and spruce growth on more poorly drained terrain.

3) History

Exploration for gold and base metals has been performed on the Property since 1969. Though the historical descriptions presented are generally believed to be accurate, WGM has not independently

verified the data. This historic information is drawn heavily from Sharpstone's 2010 NI 43-101 Report and is summarized below:

- 1969 Canex Aerial Exploration Ltd. drilled three diamond drillholes in the vicinity of the mafic/ultramafic intrusives and flows near the north end of Dayohessarah Lake. Results include an intersection of 0.326% Ni and 0.08% Cu over 5 ft. in metagabbroic rocks.
- 1983-1986 Pezamerica Resources Limited conducted an exploration program which included an airborne Mag and EM survey that outlined thirty-one geophysical anomalies in the area. Twenty-four of these anomalies were investigated by Teck Exploration on behalf of Pezamerica. Teck Exploration drilled nine airborne geophysical targets based on coincidental soil gold anomaly trends. In all cases, the airborne anomalies were explained by pyrite/pyrrhotite rich horizons within felsic volcanics. Hole PZ-6 returned appreciable amounts of sphalerite mineralization (0.47% Zn over 2.8 feet). None of the assayed core returned significant gold values.
- 1990 Most of the Dayohessarah Greenstone Belt is staked by a prospecting syndicate.
- 1991 The Property is optioned from the prospectors by Hemlo Gold Mines Inc. Initial prospecting uncovered the gold-bearing Sugar Zone deposit. Based on bedrock exposure and trenching, the Sugar Zone was traced for 750 m, and a ground IP survey outlined the Sugar Zone structure extending for 1,500 m.
- 1993 Hemlo Gold conducted a preliminary diamond drill program to test the Sugar Zone for economic gold mineralization. A grid was cut with a 6 km baseline and tie-lines ranging in spacing between 100 m and 1,000 m. Six diamond drillholes were completed totalling 800 m. All drillholes intersected significant gold mineralization in the Sugar Zone. A small trenching program is initiated on the Sugar Zone.
- 1994 Hemlo Gold proceeds with initial geological mapping, prospecting and a follow-up drill program. Fifteen diamond drillholes are completed on the Property, totalling 2,416 m. Eight of the drillholes intersected the Sugar Zone. An I.P. survey is completed over the southern portion of the Property, and a Mag survey is completed over the entire grid. After the exploration program, the Property was returned to the prospecting syndicate who initially staked the ground, due to legal reasons.
- 1998-1999 Most of the Property is optioned from the prospectors syndicate. The mining claims were subject to a Joint Venture agreement between Corona Gold Corporation (51%) and Harte Gold Corp. (49%). Corona was the operator. The initial 313 claims are subject to a 3.5% net smelter royalty ("NSR"), and the Joint Venture participants have the option to acquire 1.5% of the 3.5% NSR for \$1.5 million, and have the right of first refusal on the remaining 2.0% NSR.
- Corona carries out an extensive exploration program. The existing grid was rehabilitated and new grid lines established east of Dayohessarah Lake. In total, 96.1 km of grid lines with 100 m spacing oriented at 320° azimuth are cut over the Sugar Zone area. An oriented soil sampling program is carried out on the grid, as well as mapping and sampling. Prospecting was limited to the Sugar Zone and extensions of the Sugar Zone to the south and to the north. A surface power trenching program is conducted on parts of the Sugar Zone and six trenches were excavated, washed,

channel sampled and mapped in detail. A detailed Mag-VLF and reconnaissance gradient I.P. survey is performed on the Property.

A diamond drilling program totalling 9,937 m of NQ core in 53 holes is completed, mostly into and around the Sugar Zone. The drillholes cover 3 km of strike length, and intersect the zone at approximately 50 m spacing at shallow depths. A secondary purpose of the program was to follow-up low grade mineralization encountered in previous drilling by Hemlo Gold and to test previously untested/poorly tested I.P. anomalies west of the Sugar Zone and east of Dayohessarah Lake.

Preliminary Mineral resource estimates of the Sugar Zone mineralization in the 12000 N to 13100 N area were prepared, based on the drilling program noted above. Another estimate was made, using revised and refined criteria and polygonal methods, in the spring 1999, following additional data evaluation (Hunt and Drost, 1999).

2003-2004 Corona conducts a diamond drilling program totalling 7,100 m in 26 holes. The drill program mostly intersects the Sugar Zone and is successful in its purpose of expanding the strike and dip extent of the zone, as well as increasing the level of confidence in the continuity of mineralization by in-fill drilling.

2004 Corona conducts another diamond drilling program totalling 3,588 m in 11 holes. The program is successful in increasing the mineralization extent of the Sugar Zone, as well as increasing the defined Sugar Zone depth to a vertical depth of 300 m. A new Mineral resource estimate was completed.

2008 A helicopter airborne geophysical survey was flown over the Property by Fugro Airborne Surveys Corp., under contract from Corona. The survey used a DIGHEM multi-coil, multi-frequency electromagnetic system along with a high sensitivity cesium magnetometer. A total of 1,917 line km were flown. It was recommended by Hunt that compilation of historic exploration data on the remainder of the Property be followed by a program of reconnaissance mapping and prospecting to evaluate the Fugro airborne conductor axes on the ground, as well as to identify additional target areas extending both north and south of existing Sugar Zone mineralization and elsewhere on the property.

2009 During March, Corona undertook a drilling program totalling 2,020 m in 10 holes. The purpose of the program was to test airborne electromagnetic conductors, magnetic anomalies, induced polarization chargeability anomalies and geologically defined possible extensions to the north and the south of the known Sugar Zone mineralization.

During July to September, a prospecting, reconnaissance geological mapping and channel sampling program was undertaken on geophysical targets outlined by the Fugro airborne geophysical anomalies. Highlights included sampling of a float rock returning a value of 87.80 g Au/t, as well as grab samples from quartz veining east of the Sugar Zone returning values of 30.40 and 9.04 g Au/t.

2010 Harte Gold Corp. initiates its first drilling program. During March, a diamond drill program totalling 2,097.31 m in 12 holes, two of which were aborted before reaching the Sugar Zone. The program was successful in locating a high grade area of the Sugar Zone located near surface and directly under a series of surface trenches. The drill program was also successful in determining that the Sugar Zone has significant mineralization below 300 m depth.

There is no historic production from within the Dayohessarah Greenstone Belt.

4) Geological Setting

(a) Regional

The Dayohessarah Greenstone Belt is situated between two larger greenstone belts; the Hemlo Greenstone Belt to the west and the Kabinakagami Greenstone Belt to the east. These greenstone belts are part of the larger, east trending Schrieber-White River Belt of the Wawa Subprovince of the Superior Craton. The Late Archean Dayohessarah Greenstone Belt trends northwest and forms a narrow, eastward concave crescent (Figure 3). The belt is approximately 36 km in length and varies in width from 1.5 to 5.5 km. Principal lithologies in the belt are moderately to highly deformed metamorphosed volcanics, volcanoclastics and sediments that have been enclosed and intruded by tonalitic to granodioritic quartz-porphyry plutons.

The greenstone belt is bordered to the east by the Strickland Pluton and to the west by the Black Pic Batholith. The Danny Lake Stock borders the south western edge of the Dayohessarah Greenstone Belt. The Strickland Pluton is characterized by a granodioritic composition, quartz phenocrysts, fine grained titanite, and hematitic fractures. The Black Pic Batholith is similar to the Strickland Pluton, but locally more potassic. The Black Pic Batholith also contains interlayers of monzogranite. The Danny Lake Stock is characterized by hornblende porphyritic quartz monzonite to quartz monzodiorite (G. M. Stott, 1999).

The Dayohessarah Greenstone Belt has been metamorphosed to upper greenschist to amphibolite facies. The Strickland Pluton seems to have squeezed the greenstone belt and imposed upon it a thermal metamorphism. Most of the mafic volcanics are composed primarily of plagioclase and hornblende. Almandine garnets are widely observed in the clastic metasediments and locally, along with pyrope garnets, in the mafic volcanics (G.M. Stott, 1996).

Alteration throughout the belt consists of diopsidation, albitization, weak magnesium biotization, weak carbonatization and moderate to strong silicification which accompanied the emplacement of the porphyry dykes/sills and quartz veining.

The belt has been strongly foliated, flattened and strained. Deformation seen in the supracrustal rocks has been interpreted to be related to the emplacement of the Strickland Pluton. Strongly developed metamorphic mineral lineations in the supracrustal rocks closely compare with the orientations of the quartz phenocryst lineations seen in the Strickland Pluton. This probably reflects a constant strain aureole imposed by the pluton upon the belt. The strain fabric is best observed a few hundred meters from the Strickland Pluton in the Sugar Zone, which has been characterized as the most severely strained part of the belt.

Foliations and numerous top indicators define a synclinal fold in the central portion of the belt. The synclinal fold has been strongly flattened and stands upright with the fold hinge open to the south and centered along Dayohessarah Lake.

(b) Property

Near Dayohessarah Lake, the belt is dominated by a basal sequence of massive to pillowed mafic volcanics, commonly with ellipsoidal, bleached alteration pods, overlain by intermediate tuff and lapilli tuff. The tuffaceous units rapidly grade upwards to a sedimentary sequence consisting of greywacke and conglomerates derived from volcanics, sediments and felsic intrusive sources (G. M. Stott, 1996). Several thin, continuous cherty sulphide facies iron formations are found in the mafic volcanic sequence. Spinifex textured komatiitic flows stratigraphically underlie the main sedimentary sequence and can be traced around the north end of Dayohessarah Lake. Also at the north end of Dayohessarah Lake, mafic and ultramafic sills and stocks underlie the komatiites.

Several fine to medium grained, intermediate feldspar porphyry dykes/sills have intruded and swarmed the belt. Swarming of the intermediate porphyry dykes is more intense east of Dayohessarah Lake. Stott has interpreted the porphyry sills and associated porphyry bodies to be related to the Strickland Pluton. A smaller granitic quartz porphyry body containing some sulphide mineralization is located northwest of Dayohessarah Lake. The porphyritic texture of the dykes/sills is often nearly, or completely, obliterated by the degree of foliation in the greenstone belt, or by the degree of shear in the Sugar Zone. These intermediate dykes/sills vary in abundance across the Property, but increase in regularity within, and around, the Sugar Zone. There is also a consistent, weak pervasive silicic alteration in the intermediate intrusives, as well as consistently trace amounts of very fine grained disseminated pyrite.

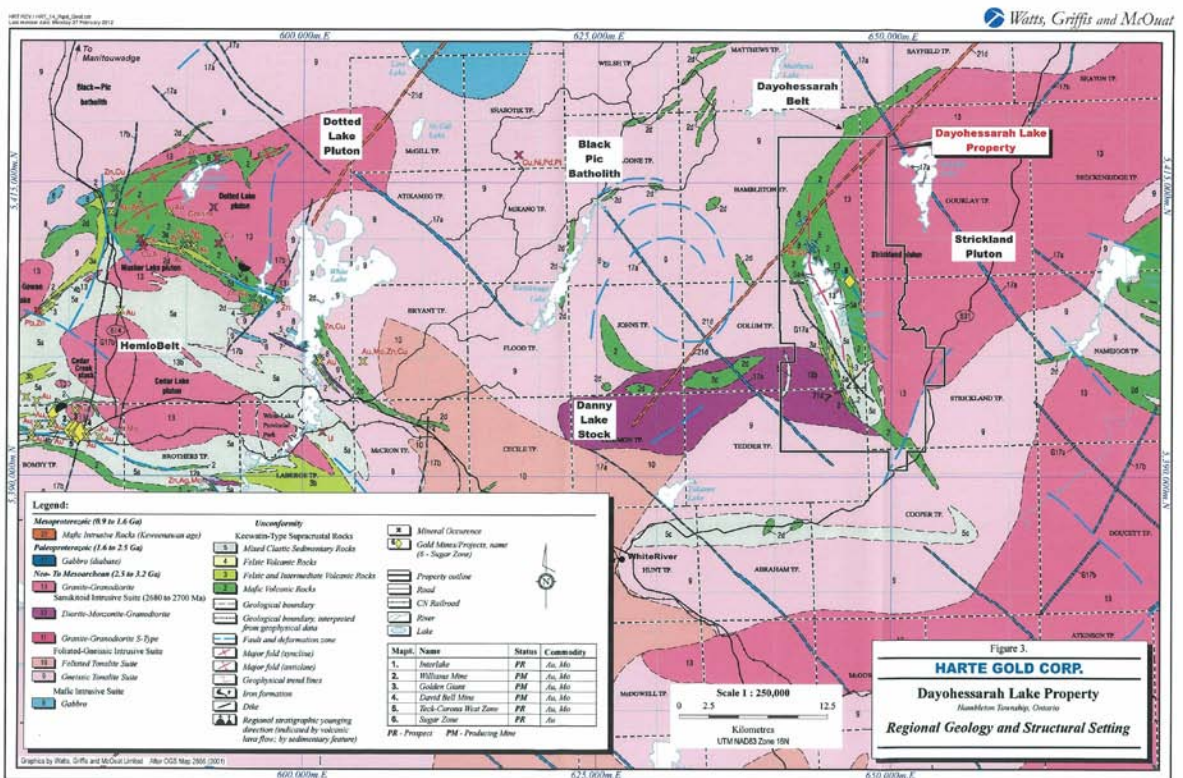


Figure 3 Geology

The major linear structure recognized on the Property is the Sugar Deformation Zone (SDZ) that trends northwest-southeast for approximately 3.5 km and dips southwest between 65° and 75°. The SDZ appears to be spatially related to the Strickland Pluton and is a complex system with strain intensities varying from strongly deformed-pillow mafic volcanics to undeformed massive mafic flows to anastomosing linear areas. Stratigraphically-conformable porphyritic intermediate intrusions

swarm through the SDZ. Both the mafic volcanics and the intermediate intrusives exhibit moderate linear fabrics along with hydrothermal alteration (i.e., silicification).

In general, the northwesterly striking, southwesterly dipping stratigraphy hosting the gold mineralized portions of the Sugar Zone can be subdivided into the following units:

- Hanging Wall Volcanics;
- Upper Zone (Sugar Zone mineralization);
- Interzone Volcanics;
- Lower Zone (Sugar Zone mineralization); and
- Footwall Volcanics.

The Hanging Wall, Interzone and Footwall volcanic horizons consist predominantly of massive and pillowed basalt flows generally striking northwest and dipping at an average angle of 64° to the southwest. Coarse to very coarse grained, locally gabbroic-textured phases form a significant component of the Hanging Wall mafic volcanic package. It is believed that these phases represent thick, slowly-cooled portions of the massive mafic flows, as they commonly grade into finer grained, more recognizable basaltic flows, and eventually even pillow flows. In much of the area which drilling on the Sugar Zone was carried out, a distinctive, very coarse grained mafic volcanic flow was observed consistently about 15 m stratigraphically above the Upper Zone. Other than this unit, specific mafic flows, as well as intermediate porphyry units, are nearly impossible to interpret/distinguish between holes.

The Upper and Lower zones range in thickness from 1.5 to 10 m, strike at 140° and dip between 65° and 75° with minor undulations.

The auriferous Wolf Zone lies in the northern extent of the SDZ, but drilling between the two zones indicates that the zones are complexly separate from each other. Like the Sugar Zone, the Wolf Zone is north-northwesterly striking, and southwesterly dipping. Unlike the Sugar Zone, there is only one gold mineralized zone, and not two or more parallel zones.

A northerly-striking, sub-vertically dipping, dark grey-black, diabase dyke intrudes the older rock types in the greenstone belt, and cuts across the SDZ. The diabase obliterates the SDZ when it is encountered. The diabase dyke is aphenetic around the edges and, where thick enough to do so, grades to a coarse grained euhedral rock in the middle of the dyke. The dyke exhibits very coarse grained greenish quartz-epidote phenocrysts up to 3 cm across throughout. The dyke is weakly pervasively magnetic. A very small amount of lateral movement of the zones has been interpreted locally on either side of the dyke, suggesting that very minor dyke-related faulting has occurred.

Other than the diabase, the youngest intrusive rocks observed on the Property are white to pale grey, fine grained to medium grained and occasionally pegmatitic felsite dykes. The dykes generally consist of varying amounts of plagioclase, quartz and muscovite. These generally thin dykes strike northeast and where they intersect the SDZ, they completely wipe out the zone. These dykes are undeformed and clearly postdate the mineralization and deformation events.

5) Exploration

Previous exploration of the Property directed by then operator Corona is described in Section 3 dealing with the history of the Property. Exploration described below consists exclusively of diamond

drilling carried out by Harte, the current operator of the project. This is described below under Section 7, Drilling.

6) Mineralization

Sugar Zone

The auriferous Upper and Lower zones of the Sugar Zone lie within the SDZ. They are defined as highly strained packages consisting of variously altered mafic volcanic flows, intermediate porphyritic intrusions and boudinaged auriferous quartz veins. The two zones range in true thickness from about 1.5 to 10 m, and are separated by 20 to 30 m of barren volcanics.

Each zone is made up of one or more porphyritic intrusions, flanked by altered basalt and hosting stratigraphically conformable quartz veins. Alteration within the mafic volcanic portions of the zones consists primarily of silicification (both pervasive and as quartz veining), diopsidation and biotization. The porphyry units of the zones exhibit biotite and silica alteration as well, but no diopside alteration.

The Upper and Lower zones appear geologically consistent both down dip and along strike. The Lower Zone has consistently larger widths, as well as mostly consistently higher grades of gold mineralization, however both the width, and the gold grade within each zone seem to follow the same trends across the zone. That is to say, that where the Upper Zone exhibits larger widths and higher gold grades, the Lower Zone also exhibits larger widths and higher gold grades. The zones are observed on surface to pinch and swell over distances of 50 m or more.

Gold mineralization mostly occurs in quartz veins, stringers and quartz flooded zones predominantly associated with porphyry zones, porphyry contact zones, hydrothermally altered basalts and, rarely, weakly altered or unaltered basalt within the Upper and Lower zones.

Fine to coarse grained specks and blebs of visible gold are common in the Sugar Zone quartz veins, usually occurring within marginal, laminated or refractured portions of the veins. The visible gold itself is often observed to be concentrated within thin fractures, indicating some degree of remobilization. Quartz veins and floods also contain varying amounts of pyrrhotite, pyrite, chalcopyrite, galena, sphalerite, molybdenite and arsenopyrite. The presence of galena, sphalerite and/or arsenopyrite is a strong indicator of the presence of visible gold. Pyrite, chalcopyrite and, rarely, molybdenite form a minor component of total sulphides and do not appear to be directly related to the presence of gold mineralization.

Other mineralized zones have been observed between, above and below the Sugar Zone Upper and Lower zones, in diamond drilling. Most of these intercepts are believed to be quartz veining originating in either the Upper or Lower zone, that have been diverted from the sheared part of the zone, up to 15 m from the main bodies of mineralization. One of these zones is the historically discovered Zoe Zone, which has been recently renamed the Lynx Zone, which lies east of the southern end of the Sugar Zone.

Wolf Zone

The auriferous Wolf Zone lies along strike of the Sugar Zone, and may represent the northern extension of the SDZ. It is defined as highly strained packages consisting of variously altered mafic volcanic flows and gabbros. The zone ranges in true thickness from 0.5 to 8 m.

The zone is made up of highly sheared mafic volcanics, and a network of intrusive, intermediate quartz-feldspar porphyry dykes/sills. Alteration in the mafic volcanic and gabbro units consists mainly

of silicification (both pervasive and quartz veining), diopside alteration and magnesium rich, brown biotite alteration. Alteration within the intermediate porphyry units consist of mostly silicification, with small amounts of magnesium-rich brown biotite, and no diopside. The zone is observed in trenches to pinch and swell over 30 m.

Gold mineralization mostly occurs in quartz veins, stringers and quartz flooded zones predominantly associated with porphyry zones, and hydrothermally altered basalts and gabbros.

Fine grained specks of visible gold are occasionally observed in the Wolf Zone quartz veins. The visible gold itself is often observed to be concentrated within thin fractures, indicating some degree of remobilization. Quartz veins and floods also contain varying amounts of pyrrhotite, pyrite and occasional galena. The presence of galena is a strong indicator of the presence of visible gold. Pyrite and pyrrhotite form most of the total sulphides, but do not appear to be directly related to the presence of gold mineralization.

7) Drilling

Drilling has primarily focused on exploration and definition of the Sugar Zone in the Dayohessarah Greenstone Belt. Drillholes were thus far designed to target the Sugar Zone based on an interpreted attitude of the vein and shear systems striking at approximately 140° and dipping between 65° and 75° to the southwest.

The Sugar Zone consists of two separate gold bearing shear/vein systems called the Upper Zone and the Lower Zone. The two systems vary from 20 to 30 m apart, and are separated by barren mafic volcanic flows and mafic pillow flows. Both the Upper and Lower zones consist of sheared mafic volcanic rocks and sheared intermediate feldspar porphyry dykes. The dykes seem to run parallel or sub-parallel to the shear. The shear zone hosts one or several dark grey quartz veinlets, often creating a quartz-stockwork system. Most of the gold mineralization is within the quartz veinlets, and is often associated with elevated sulphide mineralization, especially galena and sphalerite.

Currently, the Lower Zone hosts higher grade gold mineralization than the Upper Zone. The true widths of the zones range from less than 1 m (diluted out for the Mineral resource estimate to 1.5 m minimum horizontal width) to about 6 m, with the Lower Zone overall averaging slightly wider than the Upper Zone.

Table 1 summarizes the location, azimuth, dip and depth of all diamond drillholes completed in the Sugar Zone area; the majority of which were used in the current Mineral resource estimate.

Additional drilling has been completed in separate 2010 and 2011 diamond drill programs in areas on the Property other than on the Sugar Zone. All of the drilling on the Property, from 1993 to present, is presented below.

**TABLE 1
SUMMARY OF DRILLHOLES**

Hole ID	Easting	Northing	Elevation (M.A.S.L.)	Azimuth	Dip	Depth
1993						
HD93-1	646192	5407167	452	50	-45	153
HD93-2	646311	5406991	461	50	-45	153
HD93-3	645995	5407420	438	50	-45	129
HD93-4	645945	5407488	418	50	-45	93
HD93-5	645803	5407695	412	50	-45	122
HD93-6	646072	5407329	462	50	-45	150
Subtotal	6	Holes				800
1994						
HD94-7	645908	5407448	421	50	-70	180
HD94-9	646256	5407020	453	50	-72	204
HD94-10	646613	5406527	448	50	-46	107
HD94-16	645817	5407380	410	50	-70	306
HD94-17	645896	5407510	411	50	-55	114
HD94-18	645957	5407435	429	50	-55	120
HD94-19	645875	5407546	402	50	-45	99
HD94-20	645760	5407436	408	50	-70	309
HD94-21	645864	5407495	412	50	-70	165
Subtotal	9	Holes				1,604
1998						
CH-01	645913	5407385	430	50	-55	187
CH-02	645913	5407385	430	50	-69	219
CH-03	645925	5407447	423	50	-53	147
CH-04	646093	5407211	453	50	-49	177
CH-05	645856	5407455	415	50	-52	183
CH-06	645856	5407455	415	50	-67	213
CH-07	645823	5407420	411	50	-69	270
CH-09	645823	5407355	411	50	-49	267
CH-11	646210	5407110	449	50	-50	156
CH-12	645823	5407355	411	50	-60	300
CH-14	646222	5407106	451	50	-50	156
CH-15	645805	5407476	408	50	-54	240
CH-16	646309	5407000	461	50	-50	153
CH-18	646330	5406952	463	50	-50	153
CH-20	645805	5407476	408	50	-64	261
CH-21	646397	5406880	465	50	-50	150
CH-22	645844	5407527	409	50	-59	162
CH-24	646418	5406756	458	50	-50	171
CH-25	645825	5407575	405	50	-51	171
CH-26	645967	5407376	438	50	-50	160
CH-27	646488	5406686	451	50	-50	153
CH-28	645567	5407860	418	50	-45	285
CH-30	646009	5407336	451	50	-50	159
CH-33	646107	5407154	452	50	-50	150
CH-35	646146	5407116	452	50	-45	189
CH-38	646165	5407070	447	50	-50	177
CH-39	646140	5406966	443	50	-70	327
CH-41	646821	5405985	421	70	-50	123
Subtotal	28	Holes				5,459

TABLE 1
SUMMARY DRILL HOLES (continued)

Hole ID	Easting	Northing	Elevation (M.A.S.L.)	Azimuth	Dip	Depth
2003-2004						
CH-57	646404	5406615	439	50	-50	225
CH-58	646125	5407031	439	50	-50	240
CH-59	646110	5407082	444	50	-50	210
CH-60	646059	5407114	442	50	-49	240
CH-61	645990	5407187	439	50	-49	237
CH-62	645958	5407230	434	50	-45	243
CH-63	645964	5407303	440	50	-52	210
CH-64	645921	5407333	431	50	-60	246
CH-65	645697	5407446	409	50	-55	330
CH-66	645742	5407325	408	50	-70	414
CH-67	645925	5407125	432	50	-55	336
CH-68	645988	5407050	437	50	-51	351
CH-69	646042	5407024	438	50	-52	300
CH-70	646062	5406982	438	50	-52	324
CH-72	646042	5407024	438	50	-70	375
CH-73	646062	5406982	438	50	-67	363
CH-74	645955	5407085	435	50	-55	348
CH-75	645884	5407152	428	50	-55	315
CH-76	645895	5407238	423	50	-61	312
CH-77	645848	5407268	416	52	-57	300
CH-78	646142	5406977	443	50	-55	279
CH-79	646210	5406900	445	50	-55	267
CH-80	645785	5407533	411	50	-55	225
CH-81	645771	5407443	405	50	-73	372
CH-82	645966	5407300	440	50	-70	252
CH-83	645992	5407187	440	50	-64	261
CH-84	646204	5406899	442	50	-72	300
CH-85	646203	5406769	448	50	-63	312
CH-89	645709	5407449	409	50	-68	381
CH-90	645910	5406981	434	50	-72	600
Subtotal	30	Holes				9,168
2009						
SZ-09-96	646589	5406535	447	50	-45	201
SZ-09-100	646524	5406480	432	50	-45	222
Subtotal	2	Holes				423
2010						
SZ-10-101	645986	5407044	437	44	-60	393.12
SZ-10-102	645986	5407044	437	45	-72	423.67
SZ-10-103	645921	5407128	432	44	-69	408.43
SZ-10-104	646062	5406982	438	45	-78	487.68
SZ-10-105	645988	5407504	423	50	-45	54.86
SZ-10-106	645988	5407504	423	40	-55	60.96
SZ-10-107	645988	5407504	423	50	-65	65.53
SZ-10-108	645988	5407504	423	45	-45	54.86
SZ-10-109	645988	5407504	423	40	-55	60.96
SZ-10-110	645988	5407504	423	45	-60	65.53
Subtotal	10	Holes				2,075.60

TABLE 1
SUMMARY DRILL HOLES (continued)

Hole ID	Easting	Northing	Elevation (M.A.S.L.)	Azimuth	Dip	Depth
2011						
SZ-11-01	645924.9	5407508	409.861	50	-70	114.91
SZ-11-02	645979	5407450	105.77	50	-50	105.77
SZ-11-03	645895.4	5407426	419.407	50	-70	221.59
SZ-11-04	645763.3	5407442	402.385	50	-50	291.08
SZ-11-05	646056.2	5407373	447	50	-45	90.24
SZ-11-06	646033.4	5407033	430.853	50	-58	370.94
SZ-11-07	646166.9	5407209	452.326	50	-50	252.13
SZ-11-08	646218.1	5407048	443.651	50	-50	160.37
SZ-11-09	645749.5	5407040	421.306	50	-70	663.85
SZ-11-10	646257.7	5407153	453.071	50	-45	62.8
SZ-11-11	646047.8	5407164	439.226	50	-55	233.23
SZ-11-12	646047.4	5407164	439.151	50	-70	273.78
SZ-11-13	645938.7	5407208	427.576	50	-55	270.43
SZ-11-14	645889.8	5406766	425.308	50	-70	747
SZ-11-15	645938.5	5407207	427.537	50	-70	334.37
SZ-11-16	645894	5407307	415.685	50	-60	224.49
SZ-11-17	646162.4	5406943	435.165	50	-55	297.79
SZ-11-18	645787.6	5407220	406.518	50	-70	444.09
SZ-11-19	645875	5406885	435	50	-70	624.09
SZ-11-20	645715	5407212	406	50	-70	612.57
SZ-11-21	645821	5407260	416	50	-55	348.69
SZ-11-22	646479	5406823	475	50	-50	245.36
SZ-11-23	646514	5406781	465	50	-55	208.79
SZ-11-24	646452	5406725	459	50	-55	195.42
SZ-11-25	646449	5406862	460	50	-50	117.65
Subtotal	25	Holes				7,511.43

Pre-1993 Drilling

WGM has not reviewed pre-1993 drilling on the Property, however, this drilling is summarized in the History Section above. No pre-1993 drillholes are used for the current Mineral resource estimate.

Hemlo Gold Mines Inc. 1993 to 1994 Drilling

Six (6) diamond drillholes were drilled by Hemlo targeting the Sugar Zone between September 17 and September 25, 1993. Fifteen (15) more diamond drillholes were completed between September and October, 1994 by Hemlo, of which nine (9) targeted the Sugar Zone. The drilling was done by Chibougamau Diamond Drilling Inc. All of the diamond drillholes are NQ sized. The diamond drill core from within the Sugar Zone is currently being stored at the Harte core logging facility in White River, ON and the rest of the core is currently stored in pallets along Road 305, north of the Sugar Zone.

All core samples were sent to Chemex Laboratories Ltd., which is was changed to ALS Chemex Laboratories Ltd., and more recently to ALS Minerals Ltd. ("**ALS**"), Vancouver, B.C. All samples were assayed for gold using a fire assay using lead collection and an AAS finish.

All drillhole collars were spotted in reference to the nearest picket on a recently cut grid of 100 m spaced lines oriented at 50°. WGM has no information on how or if down-hole surveys were completed. The drillhole collars were located and recorded by Harte personnel with a Trimble 3000 GeoXT, in December of 2011, in order to locate the drill collars with sub-meter accuracy.

Corona - Harte 1998 to 2009 Drilling

General

A total of 100 NQ diamond drillholes were drilled by Corona over three diamond drill program phases between 1998 and 2009. All of the drilling was carried out by Chibougamau Diamond Drilling, QC. Field supervision and logging for all four diamond drill programs was mostly carried out by David S. Hunt, P. Geo. The diamond drill core prior to 2009 from the within the Sugar Zone is currently being stored at the Harte core logging facility in White River, ON. The remainder of the core is currently stored in pallets along Road 305, north of the Sugar Zone. All the diamond drill core from the 2009 program is currently stored at the core logging facility in White River.

All core samples were sent to Accurassay.

All drillhole collars were spotted in reference to the nearest grid line picket. The drillhole collars were located and recorded by Harte personnel with a Trimble 3000 GeoXT, in December of 2011, in order to locate the drill collars with sub-meter accuracy. The drill was oriented using a Brunton compass by the supervising geologist, and down-hole surveys were taken at 50 m intervals using a Reflex E-Z Shot single shot unit by the drillers.

The programs are subdivided below into separate sections.

1998 Diamond Drill Program

During the period of October 24 to December 8, 1998, a total of 9,937.0 m of drilling was completed in 53 holes on the Dayohessarah Lake property, including 28 diamond drillholes which targeted and intersected the Sugar Zone.

The purpose of the program was to test the Sugar Zone 'Resource Area' at pierce point spacings of 50 m, along a 3 km strike length at shallow depths and to test previously untested IP anomalies west of the Sugar Zone. An initial Mineral resource estimate of the Sugar Zone was prepared by David Hunt after the completion of the 1998 program.

2003-2004 Diamond Drill Program

During the period of November 30, 2003 to March 18, 2004, a total of 7,100 m of drilling was completed in 26 holes on the Dayohessarah Lake property, including 22 diamond drillholes which targeted and intersected the Sugar Zone.

The purpose of the program was to follow up on results obtained by the extensive surface and diamond drilling exploration carried out in 1998. The program was designed to test the strike and dip extensions of mineralization in two previously defined high grade shoots, and to collect data to be used in an updated Mineral resource estimate for the Sugar Zone. The estimate of the Sugar Zone was revised by David Hunt after the completion of the 2003-04 drilling program.

2004 Diamond Drill Program

During the period of October 13 to November 26, 2004, a total of 3,588 m of drilling was completed in 11 holes on the Dayohessarah Lake property, including 8 diamond drillholes which targeted and intersected the Sugar Zone.

The purpose of the program was to follow up on results obtained by the extensive surface and diamond drilling exploration carried out in the 1998 and the 2003-04 diamond drilling programs. The program was designed to improve the economics of the Sugar Zone deposit by increasing the Mineral resources at depth to approximately 300 m, and to collect data to be used in an updated Mineral resource estimate for the Sugar Zone. The estimate of the Sugar Zone was revised by David Hunt after the completion of the 2004 drilling program.

2009 Diamond Drill Program

During the period of March 26 to April 20, 2009, a total of 2,007 m of drilling was completed in 10 holes on the Dayohessarah Lake Property, including two diamond drillholes which targeted and intersected the Sugar Zone. The drilling was carried out by Chibougamau Diamond Drilling, QC. Field supervision and logging was mostly carried out by David Hunt.

The purpose of the program was to test both the northern and southern extensions of the Sugar Zone in an attempt to extend the strike length of the Mineral resource area. Diamond drillholes SZ09-90 to SZ09-95 were drilled north of the Sugar Zone and did not intercept any significant gold mineralization, and SZ09-96 to SZ09-100 were drilled south of the Sugar Zone. Only drillholes SZ09-96 and SZ09-100 were targeted in the Sugar Zone proper and all the other holes did not intercept strong gold mineralization and were outside the northern or southern extents of the current Mineral resource estimate.

Harte Gold 2009 to 2011 Drilling

General

A total of 35 diamond drillholes were completed by Harte over three diamond drill phases between 2009 and 2011. All the diamond drill core is currently being stored at the Harte core logging facility in White River, ON and the rest of the core is currently stored in pallets along Road 305, north of the Sugar Zone.

All core samples were sent to Activation Laboratories Ltd. ("**Actlabs**"), Thunder Bay, ON.

All drillhole collars were spotted using a Garmin GPSmap 76CSx. The drillhole collars were located and recorded with a Trimble 3000 GeoXT, in December of 2011, in order to record the drill collars with sub-meter accuracy. The drill was oriented using a Brunton compass, and down hole surveys were taken at 50 m intervals by the drillers, using a Reflex E-Z shot.

The Harte drilling programs are subdivided below into separate sections.

2010 Diamond Drill Program

Sugar Zone

During the period of March 28 to April 25, 2010, a total of 2,075.60 m of drilling was completed in 10 holes which targeted and intersected the Sugar Zone. Two additional holes were abandoned before they intersected the Sugar Zone. The drilling was carried out by More Core Diamond Drilling Services Ltd. ("**More Core**"), Prince George, B.C. The drill program was supervised by David Hunt, P. Geo. The drilling was helicopter supported.

The purpose of the program was to test previously untested areas of the mineralized zones between 300 and 600 m depth in four (4) long holes, and to test both the Upper and Lower zones a short distance below the surface; beneath surface trenches from a 1998 surface program.

The Mineral resource estimate of the Sugar Zone was revised again by D. Hunt after the completion of the 2010 program.

Wolf Zone

During the period of October 17 to December 12, 2010, 5,387.94 m of diamond drilling was completed in 33 diamond drillholes targeting the newly discovered Wolf Zone. The drilling was carried out by drilling contractors More Core and Ed Core. The drill program was supervised by George Flach, P. Geo., Vice-President of Exploration of Harte, and David Power-Fardy, P. Geo., Senior Geologist of WGM.

The purpose of the program was to locate the source of the recently discovered Peacock Boulder Showing, and eventually to further explore and define the newly discovered Wolf Zone. Six (6) diamond drillholes were originally drilled (NZ10-01 to NZ10-06) in an attempt to locate the source of the Peacock Boulders. NZ10-02 intersected what is now referred to as the Wolf Zone, and the hole was renamed WZ10-01. An additional 27 holes (WZ10-02 to WZ10-28) were drilled, all targeting the Wolf Zone.

Diamond drilling returned significant gold results in the middle of the zone, but drilling at depth, and to the northern and southern edges of the zone had less promising results. Table 2 summarizes a table of significant results from the Wolf Zone drilling.

**TABLE 2
SUMMARY OF WOLF ZONE SIGNIFICANT DRILLHOLE RESULTS**

Hole Number	From (m)	To (m)	Width (m)	Grade (g/t Au)
NZ-10-02	22.0	29.5	7.5	9.5
Including	23.0	26.0	3.0	22.9
Including	25.0	25.5	0.5	111
WZ-10-03	87.0	99.0	12.0	2.25
Including	88.5	93.5	5.0	4.3
Including	90.0	91.0	1.0	13.6
WZ-10-06	78.6	81.1	2.5	8.81
WZ-10-08	27.5	45.0	17.5	2.1
Including	37.0	45.0	8.0	3.1
Including	37.0	38.0	1.0	8.1
WZ-10-16	123.8	125.14	1.34	7.33
Including	124.2	124.65	0.45	21.6
WZ10-18	140.5	145.5	5.0	4.8
Including	144	145.5	1.5	15.4
Including	144.5	145.0	0.5	35.1

2011 Diamond Drill Program

Sugar Zone

During the periods of February 11 to April 13, 2011 and July 17, 2011 to Sept 16, 2011, a total of 7,511.43 m of drilling was completed in 25 holes which targeted and intersected the Sugar Zone. The drilling was carried out by Blackhawk Diamond Drilling Ltd., Smithers, B.C. The drill program was supervised by both Roland Landry, P. Geo., and Gregory McKay. Some of the drilling was helicopter supported.

The purpose of the program was to expand on the current Mineral resource estimate of the Sugar Zone for both the Upper and Lower zones, and to test the continuity of the Sugar Zone at vertical depths of between 300 and 600 m.

Wolf Zone

During the period of September 11, 2011 to October 11, 2011, 1,197.39 m of diamond drilling was completed in four diamond drillholes. The holes were done between drilling at the Sugar Zone and the Fold Nose. Two holes (WZ11-29 and WZ11-32) targeted the north end of the Wolf Zone, and intercepted no significant gold mineralization. The other two holes (WZ11-30 and WZ11-31) targeted an area between the Sugar Zone and the Wolf Zone, and also intercepted no significant gold mineralization.

Fold Nose

A total of 3,430.93 m of NQ diamond drilling was completed in 15 diamond drillholes over two drill programs from April 6 to April 23, and October 12 to December 7, 2011. The last 11 holes were not drilled all together, but instead with some Sugar Zone and some Wolf Zone drilling between them.

All of the holes targeted north striking IP chargeability anomalies to the west and north-west of Hambleton Lake. The drillholes intercepted several sedimentary packages, with up to 10% pyrrhotite, but no significant gold mineralization was detected.

Surveys

Before the 2004 diamond drilling program the drill collar sites were located using a grid system using 100 m spaced lines running at 50°. During and after the 2004 diamond drill program, drillholes were spotted using a global positioning system ("GPS"). Casings for all of the drillholes were subsequently surveyed in 2011 by a Harte prospector using NAD 83 UTM co-ordinates on a Trimble 3000 GeoXT device. The data was post-processed and corrected using the CORS, Hearst Base Station.

All drillholes are spotted by either a Harte prospector or a Harte field geologist. Two fore-sites were used to spot the holes because of the configuration of the drill shack. Drillers and/or a geologist lined up the drills for azimuth. The drillers submitted daily work reports for day and night shifts for each drill rig. The drillers are in radio and/or cell phone contact with their foreman, and Harte's Project Geologist, in case of any problems, or needs.

For all drilling, Reflex EZ-SHOT was used to test the orientation of the hole at approximately 50 m intervals down-the-hole. All surveys with a magnetic intensity outside of 5550 to 5700 were disregarded, and assumed to be affected by magnetic factors in rock in the immediate area.

8) Sample Preparation, Analysis and Security

Pre-1993 Drilling Programs

WGM has not reviewed any pre-1993 program data for the Property and none of these holes have been used in the current Mineral resource estimate. Information relating to the drilling programs between 1993 and 2011 are included below.

1993 TO 2011 Core Handling and Logging Procedures

During the period September 1993 to December 2011, all surface diamond drillholes were NQ in diameter. After pulling the rods, the core is placed in wooden core boxes by the drillers. The boxes are sealed by the drillers at the drill site and delivered to the core logging facility at 128 Tukanee Lake Rd. in White River, ON, at the end of every drill shift.

The core logging protocol by Harte geologists is summarized as follows:

- A geotechnician orients the core in the core box and measures the core marking 1.0 m intervals with a green China marker; these are measured against the depth blocks inserted by the drillers at the end of every run. The core is re-measured by the geologist that also checks that the drillers' metre blocks are correctly placed and labelled. The meterage at the start and end of each box is also recorded on the core using a green China marker. Any lost or ground core, zones of poor RQD (i.e. <75%) or reaming are noted within the drill log;
- After being measured, and before being logged, the core is photographed using a digital camera, in three or four box pictures, except at the end of the hole when there are less boxes available. The pictures are then copied onto the office computer, and labelled accordingly. In each picture, the hole number, meterage and box numbers are recorded on a dry erase board centred below the bottom box of core;
- The core boxes are then labelled using a metal dymo tag, which is stapled onto the left end of the box. The dymo tag label has a record of the drillhole number, box number and meterage; and
- The core is logged in detail and recorded in a digital format using a Microsoft Excel spreadsheet.

1993 TO 2011 Core Sampling Procedures

Core displaying obvious mineralization and preferable alteration is sampled. The samples are marked by the geologist using a red China marker and two sample tickets are inserted in the core box at the beginning of the sample. Depending on the lithology, alteration and mineralization, the sample widths taken are predominantly between 0.2 m to 1.1 m in length.

The samples are entered on the drill logs and for each sample the percentage of quartz- carbonate veining and sulphide mineralization are estimated and entered on the log. Other noticeable features, such as degree of alteration, magnetism, foliation and shearing, are also recorded in the log. The samples are then cut in half by a Harte geotechnician using a Vancor diamond core saw. Any visible gold is circled using a red China marker and these samples are shown to the geologist before being placed in the sample bag. Half the core is placed in a plastic bag with a sample ticket, displaying only the sample number, and the other half is put back in the box with a duplicate sample ticket, displaying the metre interval and sample number, at the beginning of each sampled interval. The bagged samples are placed in rice bags, a lab work order is prepared and the samples are delivered via Greyhound bus shipping, or delivered in person by one of the Harte staff, to Actlabs in Thunder Bay. Samples taken prior to the 1998 diamond drilling program were sent to Accurassay in Thunder Bay.

2008 Core Storage and Security

All of the boxes of core from within the Sugar Zone, drilled during the 1993-94, 1998 and 2004 diamond drill programs are stored in the core yard behind the core shack in White River, ON. The rest of the core drilled during the 1993-94, 1998 and 2004 diamond drill programs are stored on pallets to the side of Road 305. All of the core from the 2009, 2010 and 2011 diamond drill programs is stored in the core yard behind the core shack in White River.

WGM found that the drilling and sampling programs were generally well run and to industry standards and best practice guidelines.

Laboratory Sample Preparation and Analysis

Pre-1993 Drilling Program Laboratory analysis

Lab analyses from all sampling programs prior to 1993 were not well documented. As a result, the lab procedures from those programs are not described below.

Laboratory Sample preparation and Analysis

Hemlo completed diamond drilling of 21 holes on the Dayohessarah Lake Property over the course of two programs in 1993 and 1994. Of the 21 holes, 14 intersected the Sugar Zone, all at depths of less than 50 m.

All core samples for the 1993-94 drilling programs were sent to Accurassay. All samples were assayed for gold using a fire assay using lead collection and an Atomic Absorption finish. If sample assays returned a value greater than 3,000 ppb Au, they were re-assayed using a metallic screen method.

Corona/Harte's 1998 diamond drilling program was designed to test the Sugar Zone "resource area" at pierce points of 50 m spacing along a 3 km strike length at shallow depths, and to test the reported '124 shoot' in the Sugar Zone. Additional drilling was completed in 2004 and from 2009 through 2011, and drilling is ongoing at the time of writing WGM's report. Actlabs was the Primary laboratory used for all of the assay work for all samples taken during and after the 2009 program.

All samples were assayed for gold using a fire assay using lead collection and an AAS finish. If sample assays returned a value greater than 3,000 ppb Au, they were re-assayed using a metallic screen method.

There has not been significant assaying for base metals or other precious metals, including silver, on the Sugar Zone in any program due to the limited concentration and potential of these metals in the Sugar Zone.

To date, there has been no Secondary lab used for check assaying of the sample pulps.

For Corona's programs prior to 2009, there were no field-inserted Standards and/or Blanks. For Corona and Harte's 2009 to 2011 (and current) programs, field-inserted Certified Reference Standards and Blanks supplemented Actlabs internal Quality Assurance/Quality Control ("QA/QC") programs on Blanks and Standards (Table 3).

TABLE 3
SUMMARY OF ASSAY METHODS – 2009 TO PRESENT

Sample Type	Number of Assays
Routine Au Sample Assays	1,801
Gravimetric Assays	103
Metallic Screen Assays	59
Assays of Field-inserted Blanks	46
Assays of Field-inserted Gold Assay Control Certified Reference Standards	54

In addition to the details in the following Table 4, Actlabs internal QA/QC procedures call for the insertion of Blanks and Standards. This data has been compiled by Harte.

Actlabs is accredited by the Standards Council of Canada (SCC) for International Standards Organization (ISO/IEC) 17025, Mineral Analysis/geological tests (CAN-P-1579). The accreditation program includes ongoing audits which verify the QA system and all applicable registered test methods. Accurassay is also accredited by the Standards Council of Canada to ISO/IEC 17025 guidelines for gold analysis.

Sample preparation and gold analysis procedure at Actlabs are as follows:

Sample Preparation

Once the samples have been received and sorted, they are given an Actlabs reference number in a file batch. The samples are then checked for dryness prior to any sample preparation and dried if needed. The samples are then crushed to 70% passing 10 mesh (2 mm) and then split into 250 g sub-sample size using a Jones Riffle Splitter. These sub-samples are then pulverized (using rings and pucks to 90% passing 200 mesh (0.075 mm)) and homogenized prior to analysis. Compressed air is used to clean crushers, riffles and pans between each sample to prevent any cross contamination. Random screen analysis is performed daily to check for attainable mesh size.

Gold Analysis

All routine gold analysis is performed using a 30 g charge by Fire Assay using lead collection with a silver inquart. The detection limit is 5 ppb Au. The beads are then digested and an Atomic Absorption finish is used.

Gold Pulp Metallic Analysis

Screened Pulp Metallic Analysis includes crushing of the entire sample to 90% -10 mesh and using a Jones Riffle to split the sample to a 2 kg sub-sample. The entire sub-sample is pulverized to 90% -150 mesh and subsequently sieved through a 150 mesh screen. The entire +150 mesh portion is assayed, along with two duplicate cuts of the -150 mesh portion.

Results are reported as a calculated weighted average of gold in the entire sample. Gold pulp metallic analysis is carried out on samples originally assaying greater than 3 g Au/t.

Laboratory Quality Assurance and Quality Control

A Certified Standard and Blank assay are run with each batch of samples. In addition, a Replicate assay is run on every 10th sample to be used for checking the reproducibility of the assays. Non-reproducible check assays are an indication of nugget problems within the sample.

All Standards run are graphed to monitor the performance of the laboratory. The Warning Limit is 2 times the Standard Deviation and the Control Limit is three times the Standard Deviation. Any work order with a Standard running outside of the Warning Limit will have selected re-assays performed, and any work order with a Standard outside of the Control Limit will have the entire batch of samples re-assayed.

All QA/QC data run with each work order is kept with the client's file. If desired, the client may have all the Blanks and Certified Standards reported on a certificate to correspond to the client's samples.

The laboratory also keeps daily log books for the sample throughput. These logs record all information pertaining to: 1) who performed the analysis; 2) when the analysis was done; 3) how the analysis was performed; and 4) what other samples were analyzed at the same time. This is done to help eliminate the possibility of misrepresentation and cross-contamination of the samples.

The Atomic Absorption instruments are calibrated using ISO traceable Calibration Standards and Quality Control Standards, created from separate solutions. The instruments are directly tied to the lab program eliminating the need for manual data entry, hence, reducing human error.

Actlab internal QA/QC protocol includes analytical Duplicates and assaying of Certified Reference Standards. Figure 4 shows the results for Certified Reference Standards for gold and Table 4 summarizes statistical results for these Standards versus Certified values.

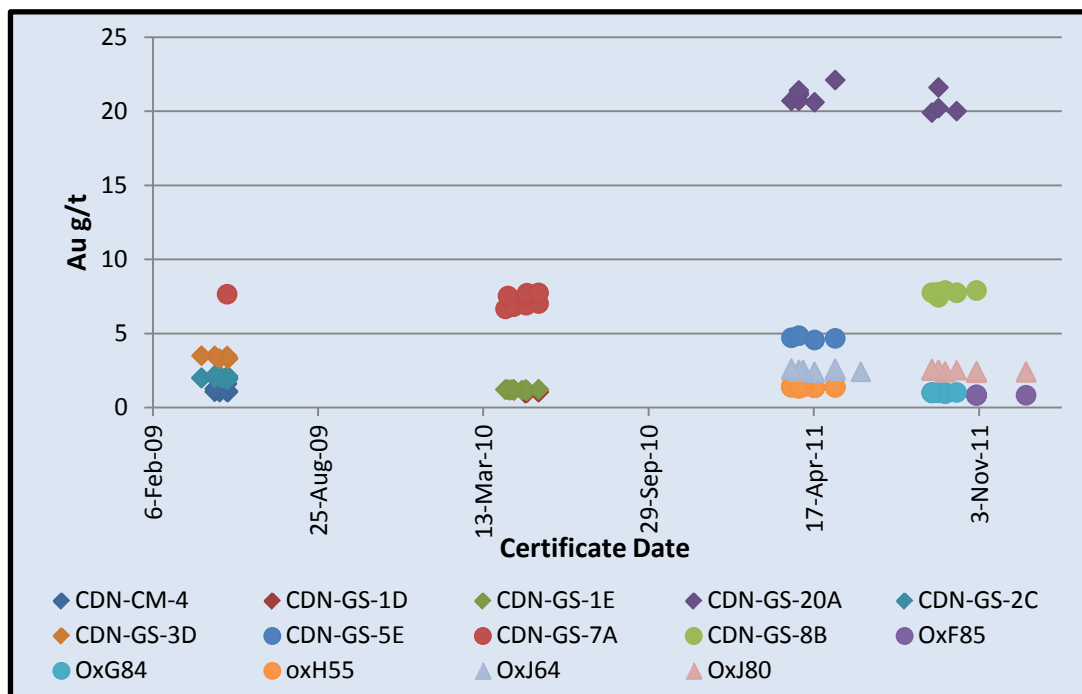


Figure 4 - Gold assay results for Actlabs-inserted Certified Reference Standards (2009 to 2011)

TABLE 4
STATISTICAL SUMMARY FOR GOLD ASSAYS FOR
ACTLABS-INSERTED CERTIFIED REFERENCE STANDARDS (2009 to 2011)

Standard	Provider	Certified Value (g Au/t)	95% Confid.	Standard Deviation	Count	Avg (g Au/t)	Median (g Au/t)	Min (g Au/t)	Max (g Au/t)	Date Usage
OxF65	Rocklabs	0.805	0.014	0.034	277	0.79	0.79	0.74	0.86	Feb 10 to Feb 11
CDN-CM-4	Rocklabs	1.18	0.04	0.12	9	1.14	1.07	1.03	1.6	Apr 09 to May 09
CDN-GS-1D	Rocklabs	1.05	0.06	0.1	8	1.06	1.06	0.954	1.15	Apr 10 to May 10
CDN-GS-1E	Rocklabs	1.16	0.03	0.06	17	1.18	1.19	1.12	1.22	Apr 10 to May 10
CDN-GS-2C	Rocklabs	2.06	0.07	0.15	25	1.98	2.01	1.89	2.17	Apr 09 to May 09
CDN-GS-3D	Rocklabs	3.41	0.10	0.25	7	3.38	3.34	3.29	3.49	Apr 09 to May 09
CDN-GS-5E	Rocklabs	4.83	0.23	0.37	4	4.69	4.66	4.55	4.84	Apr 11 to May 11
CDN-GS-7A	Rocklabs	7.20	0.34	0.6	9	7.28	7.52	6.65	7.73	Apr 10 to May 10
CDN-GS-8B	Rocklabs	7.72	0.11	0.2	6	7.75	7.75	7.43	7.89	Sep 11 to Oct 11
CDN-GS-20A	Rocklabs	21.12	0.61	1.54	12	20.89	20.7	19.9	22.1	Mar 11 to Oct 11
OxF85	Rocklabs	0.805	0.008	0.025	5	0.825	0.820	0.808	0.846	Oct 11 to Dec 11
OxG84	Rocklabs	0.922	0.01	0.033	11	0.984	0.989	0.922	1.01	Sep 11 to Oct 11
OxH55	Rocklabs	1.282	0.015	0.038	23	1.37	1.36	1.28	1.45	Mar 11 to May 11
OxJ64	Rocklabs	2.366	0.031	0.079	19	2.48	2.49	2.35	2.62	Mar 11 to Jun 11
OxJ80	Rocklabs	2.331	0.014	0.042	22	2.45	2.41	2.34	2.58	Sep 11 to Dec 11

Additional Assaying

A total of 103 samples from the 2009-2011 drill programs, in addition to routine assaying, were re-assayed by Gravimetric Fire Assay and another 50 samples by the Screened Pulp Metallic method. Both gravimetric and metallic screen assaying are assaying strategies used to help mitigate the effects of coarse gold towards obtaining more representative assays.

The gravimetric finish was performed for all samples which originally assayed over 3.0 g Au/t, with two exceptions (12.2 g/t and 30.1 g/t samples). The metallic screen assaying was performed on all samples which originally assayed over 10.0 g Au/t, or when there was too much of a discrepancy between the original fire assay value and the gravimetric fire assay value. In addition to this, there were 30 samples from the 2010 program which were only sampled by the metallic screen assay method, as requested by the project geologist at the time.

For a gravimetric fire assay at Actlabs a sample size of 30 g is used. The sample is mixed with fire assay fluxes (borax, soda ash, silica, litharge); the flux is free of silver. The mixture is placed in a fire clay crucible, is preheated at 850° C, intermediate at 950° C and finished at 1060° C; the entire fusion process lasts 60 minutes. The crucibles are then removed from the assay furnace and the molten slag is carefully poured from the crucible into a mould, leaving a lead button at the base of the mould. The lead button is then placed in a preheated cupel which absorbs the lead when cupelled at 950° C to recover the Ag and Au. The cupellation bead is controlled in the final point by the volatile of the silver. Au is separated from the Ag in the doré bead by parting with nitric acid. The gold flake remaining is weighed gravimetrically on a microbalance.

For the metallic screen fire assay at Actlabs, a representative 500 g split is sieved at 100 mesh with fire assays performed on the entire +100 mesh, and 2 splits on the -100 mesh fraction. The total amount of the sample and the +100 mesh and -100 mesh fraction is weighed for assay reconciliation. Measured amounts of cleaner sand is used between samples and saved as gold may plate on the mill. The entire metallic screen is mixed with fire assay fluxes (borax, soda ash, silica, litharge) and with Ag added as a collector, and the mixture is placed in a fire clay crucible, preheated at 850° C, intermediate at 950° C and finished at 1060° C; the entire fusion process lasts 60 minutes. The crucibles are then removed from the assay furnace and the molten slag is carefully poured from the crucible into a mould, leaving a lead button at the base of the mould. The lead button is then placed in a preheated cupel which absorbs the lead when cupelled at 950° C to recover the Ag and Au. The cupellation bead is controlled in the final point by the volatile of the silver. Au is separated from the Ag in the doré bead by parting with nitric acid. The gold flake remaining is weighed gravimetrically on a microbalance. Two splits on the -100 mesh fraction is weighed and analyzed by fire assay with a gravimetric finish. A final assay is calculated based on the weight of each separated fraction and the values.

Harte Quality Assurance and Quality Control

QA/QC for assays includes components initiated by Harte and also components conducted by the assay laboratories used. Actlabs is Harte's Primary assay laboratory and carries out its own internal QA/QC programs consisting of the insertion of Duplicates and Certified Reference Standards into the routine sample stream, as outlined above.

Harte's In-field QA/QC Protocols

Starting with the definition drilling program in 2009 (Hole SZ-09-91), Harte's QA/QC program was implemented. Harte initiated insertion of Certified Gold Reference Standards and Blanks into the sample stream at frequencies of one control sample every 25th regular/routine sample. Prior to 2011, Blank samples were ½ drill core of un-mineralized basalt which had been previously sampled and

returned a gold value below the detection limit. During and after 2011, Blanks were granite from near the intersection of Road 100 and Highway 17. The granite Blank was originally assayed by sending 20 samples to Actlabs and 20 samples to SGS Labs, Toronto, ON. All of the sampled Blanks returned assay values less than the detection limit of 5 ppb Au. These Blanks were inserted after samples that were expected to have the highest gold values; which was determined visually during logging. Figure 5 shows assay results for field-inserted Blanks since start of program in early 2009.

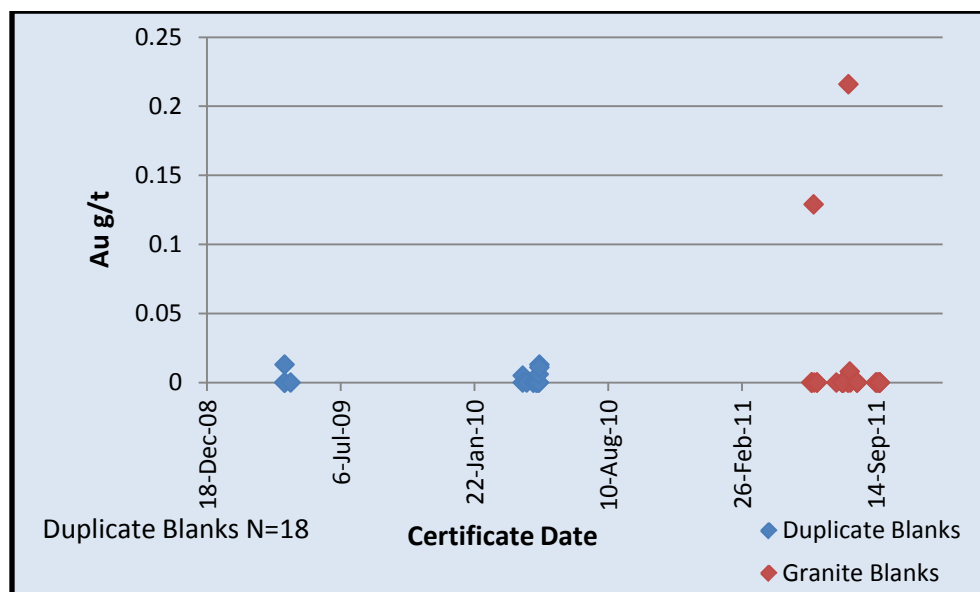


Figure 5 - Gold assay results for field-inserted Blanks from 2009 to 2011

The two Blank samples in the above graph were inserted after high grade routine samples and may indicate improper cleaning between samples at the lab. WGM recommends that Harte keeps track of these blanks on a more consistent basis and reports any discrepancies immediately to the lab for a possible re-run of the sample or the batch.

The Certified Reference Standards were purchased from Actlabs. Four different field Standards have been used since the beginning of the 2009 drilling program. These control samples were inserted in the field by the core logging geologist. The Standards were supplied in sealed paper pouches, and were inserted in the same plastic bags used for the core samples. The sample bags were numbered in accordance with the routine sampling scheme. The identity of the control material was not provided to Actlabs. Table 5 summarizes the statistical results for Harte’s field-inserted Au Standards.

TABLE 5
STATISTICAL SUMMARY FOR GOLD ASSAYS FOR
FIELD-INSERTED CERTIFIED REFERENCE STANDARDS (2009-2011)

Standard	Provider	Certified Value (g Au/t)	95% Confid.	Standard Deviation	Count	Avg (g Au/t)	Median (g Au/t)	Min (g Au/t)	Max (g Au/t)	Date Usage
OREAS-10C	O.R.E.	6.60	0.075	0.16	25	6.45	6.42	4.73	6.89	Apr 10 to Sep 11
OREAS-16A	O.R.E.	1.81	0.03	0.06	22	1.84	1.84	1.64	1.97	Apr 10 to Sep 11
OREAS-10Pb	O.R.E.	7.15	0.09	0.18	4	7.26	7.24	7.11	7.39	Apr 09 to Aug 11
OREAS-15Pa	O.R.E.	1.02	0.02	0.04	3	0.956	0.953	0.950	0.964	Apr 09 to Apr 09

No re-assaying was done by Harte on the basis of the results for field-inserted Blanks and Standards. There is one Standard that did appear to give erroneous results, and WGM suggests that this is looked into. If this group/batch of assays did not return any significant values, then this is not critical, but if

there are “ore grade” values in the mineralized zone in this batch, then the lab should re-run these pulps to check the original results.

Outside Check Assay Program

To date, there have been no pulps or rejects from the Sugar Zone assayed at a Secondary lab.

Sample Shipping and Security

Samples are delivered by Greyhound Shipping from White River to Actlabs in Thunder Bay. The White River core shack, where the core is stored, is surrounded by fences and locked gates are in place at all road access points to the site.

WGM found that Harte’s QA/QC protocols and procedures are generally to industry standards, but made some recommendations for future drilling programs. The most important recommendations were that Harte should initiate a more active monitoring of lab and field QA/QC results as they are received and appropriate steps should be taken when assay or sample irregularities are observed. Harte should also continue to develop and document QA/QC protocols. More of the quality control materials submitted to the lab should be “blind” and a program of second half core assaying (Field Duplicates) should be implemented on a regular/routine basis. WGM also recommended that Harte should contract an outside Secondary lab to supplement and check its regular/routine assaying with Actlabs and this should be done throughout the exploration program, not after-the-fact. These steps should be established immediately and will lead to improved quality and confidence of data. Overall, WGM did not identify any material errors that delegitimize these processes and believes program results are of sufficient quality to support the current Mineral resource estimate.

9) Mineral Resource Estimate

WGM prepared an updated Mineral resource estimate for two sub-zones (Upper and Lower zones) in the Sugar Zone. These mineralized zones have sufficient data to allow for continuity of geology and grades. A summary of the Mineral resources is provided in Table 6.

TABLE 6
WGM SUMMARY OF SUGAR ZONE MINERAL RESOURCE ESTIMATE
(Cutoff of 3.0 g Au/t)

Category	Tonnage (Tonnes)	Au (uncapped) (g/t)	Contained Au (uncapped) (oz)	Au (capped) (g/t)	Contained Au (capped) (oz)
Indicated	980,900	10.13	319,300	8.72	275,000
Inferred	580,500	8.36	156,000	7.03	131,300

Note: Au is capped at 30 g/t for the Upper Zone and 50 g/t for the Lower Zone.

Geological Modelling and Block Model Parameters

The 3-D wireframe of the Upper and Lower zones (Figure 6) and the resultant block model were created using Gemcom International Inc.'s ("Gemcom") software package to create a grid of regular blocks to estimate tonnes and grades. WGM also digitized the boundaries of a sub-vertical diabase dyke that cuts through the Upper and Lower zones along most of the strike length of approximately 700 m. Zone boundaries were digitized from drillhole to drillhole at a nominal 0.50 g Au/t cutoff that showed continuity of strike, dip and grade, generally from 50 to 120 m in extent. Some dip projections were extended quite a bit further on sections (more than 200 m), especially at depth as there was relatively little drilling information. As both the Upper and Lower zones are quite regular in orientation and more or less mirror each other, WGM felt confident (from a geological perspective) in projecting these zones further if there was supporting drillhole information on adjacent cross sections. The block sizes used were:

- Width of columns = 1.0 m
- Width of rows = 3.0 m
- Height of blocks = 1.0 m

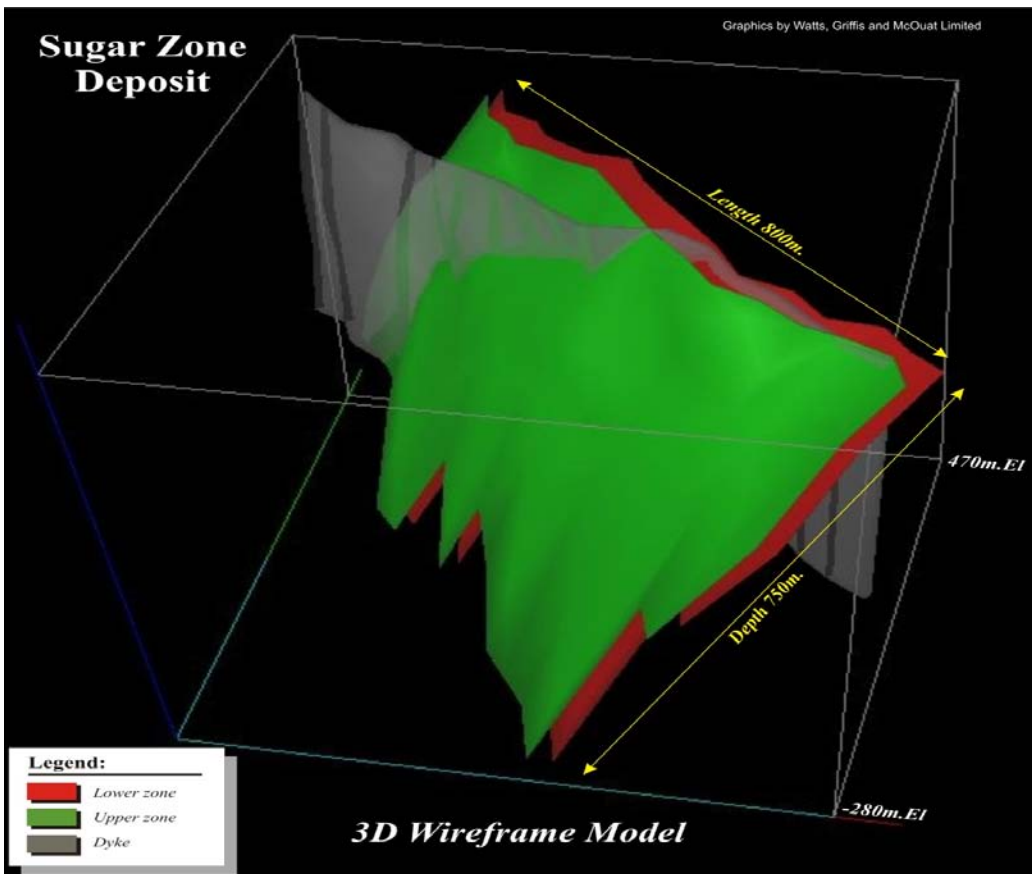


Figure 6 3-D Model of Mineralized Zones and Diabase Dyke

Grade Interpolation

In order to carry out the Mineral resource grade interpolation, a set of equal length composites of 0.5 m was generated from the raw drillhole intervals within each zone composite. WGM studied various capping levels for the zones together and individually and determined that capping was more appropriate for the 0.5 m composites, as opposed to the raw assay intervals, as the raw interval lengths were too variable and sample length normalization should be completed first. The capping

levels were set to 30 g Au/t for the lower grade Upper Zone and 50 g Au/t for the higher grade Lower Zone. The net result of WGM's capping of Au for the Mineral resource estimate at a 3.0 g Au/t cutoff grade was to reduce the Indicated Resource Au grade and contained metal by 13.9%, and to reduce the Inferred Resource Au grade and contained metal by 15.8%. WGM used a constant value of 2.62 for the current Mineral resource estimate. WGM strongly recommended that Harte completes more SG tests representing the different rock types and representative mineralization.

Variograms for both the Upper and Lower zones were generated as support for empirical observation and to assist with the categorization of the Mineral resources. The Upper Zone shows less grade continuity than the Lower Zone and is substantially lower grade overall, however, the Upper Zone can still be identified by careful logging of the core, regardless of the grade.

The Mineral resources have been estimated using the Inverse Distance Cubed ("ID³") estimation technique with blocks 1 m x 3 m x 1 m in size. After additional drilling is completed (which is presently ongoing), a more detailed statistical and geostatistical analysis will be done and grade Kriging (or multiple capping) will be completed to compare with the ID method for the updated Mineral resource estimate. This may provide better local grade estimates, but it is doubtful that it will have much effect on the global resource numbers.

Cutoff Grade and Minimum Width

For the current Mineral resource estimate, a minimum horizontal width of 1.5 m and a 3.0 g Au/t cutoff was determined to be appropriate at this stage of the project, and is also partially based on the three year average gold price of approximately US\$1,100/oz at the time of writing WGM's report. These parameters were chosen based on a preliminary review of the parameters that would likely determine the economic viability of an underground mining operation and comparison to similar projects in the area that are currently being mined or are at an advanced stage of study / development.

In some instances, assay intervals that fell below the 0.5 g Au/t cutoff grade for zone definition were included in the overall zone composite in order to satisfy the minimum composite length criteria or to provide continuity of the zone for 3-D modeling purposes. Also, internal or shoulder intervals that were not sampled were included at 0 g Au/t if required to bring the zone out to 1.5 m minimum horizontal width.

Mineral Resource Categorization

The current Mineral resource estimate conforms with the definitions provided in NI 43-101 and WGM confirms that the classification has followed the guidelines adopted by the Council of the Canadian Institute of Mining Metallurgy and Petroleum ("**CIM**") Standards.

To categorize the Mineral resources, WGM generated a distance model (distance from actual data point to the block centroid) and reported the estimated resources by distances which represented the category or classification. WGM chose to categorize the blocks that had a distance of 50 m or less to be Indicated category and +50 m to be Inferred category. Also, all blocks below 100 m elevation were classified as Inferred due to the lack of drilling below this elevation. Due to the nature of mineralization, WGM did not categorize any of the Mineral resources as Measured.

Table 7 summarizes the categorized Mineral resource estimate by sub-zone for the Sugar Zone Deposit based on a minimum horizontal width of 1.5 m and a 3 g Au/t cutoff, using a gold price of US\$1,100/oz.

TABLE 7
WGM SUGAR ZONE MINERAL RESOURCE ESTIMATE BROKEN DOWN BY ZONE
(Cutoff of 3.0 g Au/t)

Zone/Category	Tonnes	Au (g/t) (Uncapped)	Ounces (Uncapped)	Au (g/t) (Capped)	Ounces (Capped)
Upper Zone					
Indicated	240,400	6.94	53,600	6.31	48,800
Inferred	38,700	4.65	5,800	4.56	5,700
Lower Zone					
Indicated	740,500	11.16	265,700	9.50	226,200
Inferred	541,800	8.62	150,200	7.21	125,600
Total Mineral resources					
Indicated	980,900	10.13	319,300	8.72	275,000
Inferred	580,500	8.36	156,000	7.03	131,300

Notes:

1. Interpretation of the mineralized zones were created as 3D wireframes/solids based on a 0.5 g Au/t cutoff grade.
2. Mineral resources were estimated using a block model with a block size of 1m x 3m x 1 m.
3. Grade capping was done on 0.5 m composited assays; Upper Zone was capped at 30 g Au/t and Lower Zone was capped at 50 g Au/t. Tonnages and grades reported above are undiluted.
4. Assumed gold price was US\$1,100/ounce.
5. Mineral resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues;
6. The quantity and grade of reported Inferred Mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral resource category;
7. The Mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards for Mineral resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

10) Exploration Activities

Harte's proposed work program includes further exploration and Mineral resource definition drilling (currently ongoing), complete a Preliminary Economic Assessment ("PEA") to evaluate the economics of the project (currently in progress by NordPro Engineering Ltd. of Thunder Bay, ON), carry out additional metallurgical testwork, environmental baseline studies and further geophysical surveys.

This work is estimated to cost approximately \$7.27 million and upon completion, Harte will make a decision on whether to advance the project to the pre-feasibility stage. WGM endorses this exploration program and budget which is summarized in the table below.

Dayohessarah Lake Property Work Program and Budget (2012-2013)

Main Task	Units	Cost(C\$)
Current Drilling – 300 m to 600 m	7,000 m	C\$1,200,000
PEA (In Progress)		200,000
PHASE 1		
Drilling – Surface to 100m	3,200 m	C\$640,000
Drilling – Metallurgical Testwork		200,000
Geology, Assaying, Accommodations		60,000
Geophysics – I.P. Survey	35,000 m	150,000
Contingency (10%)		<u>105,000</u>
Total		1,155,000
PHASE 2		
Drilling	38,400 m	C\$4,000,000
Geology, Assays, Accommodations		285,600
Contingency (10%)		<u>428,560</u>
Total		4,714,160
GRAND TOTAL		C\$7,269,160

The majority of the budget is for a two-phase program of definition diamond drilling. The purpose of Phase I is to: a) drill those portions of the Sugar Zone Deposit between surface and 100 m which are currently defined as Indicated and Inferred categories at such intervals required to upgrade the confidence level of these portions of the deposit to the Measured and Indicated categories; and b) drill sufficient representative portions of that part of the Sugar Zone Deposit from surface to 100 m to provide adequate material for further metallurgical testing. The purpose of Phase II is to drill those portions of the Sugar Zone Deposit between 100 m and 400 m which are currently defined as Indicated and Inferred at such intervals required to upgrade these Mineral resources to the Measured and Indicated categories.

A program of metallurgical testwork has been proposed to determine the recovery of gold and silver from the Sugar Zone and to develop a process flowsheet. The program has been designed to provide a more comprehensive gold recovery figure from drillholes intersecting the Sugar Zone at several mineralized pierce points to get representative samples across the deposit.

Harte is in the process of outlining a program of grid-line cutting, and follow-up ground geophysics covering the Sugar Zone, and extending west to Dayohessarah Lake, where several gold mineralized boulders have been sampled. This is to be run in conjunction with the Phase 1 drilling program outlined above and will consist of a geophysical program consisting of Induced Polarization over an area of approximately 5 km² running west of the Sugar Zone Deposit to Lake Dayohessarah from Little Dayohessarah to the north end of Lake Dayohessarah. The grid will cover the contact between the mafic volcanics and the sedimentary unit around Dayo Lake and be approximately 45,600 m.

DESCRIPTION OF STOUGHTON-ABITIBI PROPERTY

The Stoughton-Abitibi Property (formerly known as Stoughton-Porcupine property), is located along the Destor-Porcupine Fault, 110 km east of the Timmins, 50 km north-east of Kirkland Lake, Ontario

and 10 km due east of the Holloway-Holt gold mine and mill and consists of a 90% interest in 9 claims and a 100% interest in 25 claims in the Larder Lake Mining Division of Ontario. The latter 25 claims are subject to a 3.5% net smelter royalty.

In October 2007, the Company received an NI 43-101 report on the Stoughton-Abitibi Property prepared by Mr. Robert Kusins, P.Geo. (a copy can be found at www.sedar.com). Exploration drilling continued in the spring of 2008 and the Company acquired adjacent claims located in the Province of Quebec. Since 2008, there has been no further work performed on the Stoughton-Abitibi Property and in 2009, the Company concluded that the results of exploration work performed no longer justified the capitalization of exploration expenditures. Also, in early 2010, the Quebec claims were allowed to lapse. At this time, the Company has no plans to pursue further exploration on the Stoughton-Abitibi Property.

ITEM 4: RISK FACTORS

An investment in the securities of the Company is speculative and involves significant risks which should be carefully considered by prospective investors before purchasing such securities. In addition to the other information set forth elsewhere in this Annual Information Form, the following risk factors should be carefully reviewed by prospective investors:

History of Losses

The Company is a junior mining, exploration and development corporation with no producing properties. There is no assurance that any of the properties which the Company now has or may hereafter acquire or obtain an interest in will generate earnings, operate profitably, or provide a return on investment in the future.

Risks inherent in the nature of mineral exploration and development

Mineral exploration and development involves several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any precious metal deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Company's properties to justify commercial operation.

All phases of the mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that would limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company. In the context of environmental permitting, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and

how stringently the regulations are implemented by the permitting authority. The Company is not aware of any material environmental constraint affecting any of its development properties that would preclude the economic development or operation of any specific property.

Uncertainty of reserve and resource estimates

The mining and exploration business relies upon the accuracy of determinations as to whether a given deposit has significant mineral reserves and resources. This reliance is important in that reported mineral reserves and resources are only estimates and do not represent with certainty that estimated mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and inherently carry the uncertainty that samples may not be representative of actual results.

Political Risk

The properties are located in Canada. Accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in this country.

The Company's ability to conduct future exploration and development activities is subject to changes in government regulations and shifts in political attitudes over which Harte has no control.

Business Risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below.

The Company's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect Harte's operations and financial performance.

Commodity Price Risk

The price of the Common Shares, its financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in the price of lithium, gold and/or other metals. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale of precious and base metals or interests related thereto. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Funding Risk

There can be no assurance that any funding required by the Company will become available, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that

the Company will be able to secure new mineral properties or projects, or that they can be secured on competitive terms. Depending upon if and when commercial quantities of ore are found, the Company may or may not have the financial resources at that time to bring a mine into production. The only sources of funding which might be available to the Company at such time may be limited to the sale of equity capital, mineral properties, royalty interests or the entering into of joint ventures, there being no assurances that any of the foregoing forms of funding will be available to the Company.

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and Permitting

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Dilution

In the event the Company seeks to procure additional financing through the sale and issuance of its securities, or in the event that current common share option or warrant holders exercise their options or warrants, the then shareholders of the Company may suffer immediate and substantive dilution in their percentage ownership of the issued and outstanding shares of the Company. As of the date of this AIF, there were common share purchase warrants outstanding allowing the holders of such warrants to purchase up to 93,000 Common Shares. In addition, 13,280,000 incentive stock options granted to certain directors, officers, employees and consultants of the Company, pursuant to the Company's Stock Option Plan, as amended, are also outstanding. As of the date of this AIF, there are 164,888,114 Common Shares outstanding, meaning that the exercise of all of the existing common share purchase options and warrants would result in further dilution to the existing shareholders of approximately 8% of the outstanding Common Shares. Should such common share options and warrants be exercised, the increase in the number of Common Shares issued and outstanding, and the possibility of sales of such shares may have a depressive effect on the price of the Common Shares. In addition, the voting power of the Company's existing shareholders will be diluted.

Absence of Dividends

The Company has no earnings or dividend record and since it intends to employ available funds for mineral exploration and development it does not intend to pay any dividends in the immediate or foreseeable future. The future dividend policy will be determined by the Board of Directors.

Potential Volatility of Material Price of Common Shares

The Toronto Stock Exchange has, from time to time, experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Company's Common Shares. In addition, the market price of the Common Shares is likely to be highly volatile. Factors such as the price of gold, and other minerals, announcements by competitors, changes in stock market analyst recommendations regarding the Company, and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the Common Shares. Moreover, it is likely that during the future quarterly periods, the Company's results and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the Common Shares could be materially adversely affected.

ITEM 5: DIVIDENDS

The Company has not declared or paid any dividends on its Common Shares since the date of its formation. The Company intends to retain its earnings, if any, to finance the growth and development of its business and has no present intention of paying dividends or making any other distributions in the foreseeable future.

ITEM 6: DESCRIPTION OF CAPITAL STRUCTURE

General Description

The Company is authorized to issue an unlimited number of Common Shares of which, as of the date hereof, 164,888,114 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares.

The holders of the Common Shares are entitled to dividends, if, as and when declared by the Board of Directors, to notice of and to one vote per share at meetings of the shareholders of the Company and, upon liquidation, to receive such assets of the Company as are distributable to the holders of the Common Shares. All of the Common Shares outstanding are fully paid and non-assessable.

Prior Sales

The following table contains details of the prior sales of securities of the Company during the previous fiscal year and to the date of this Annual Information Form:

Date of Issue	Method of sale	Number of Common Shares	Price per Common Share
January 7, 2011	Exercise of Warrants	10,000	\$0.24
February 17, 2011	Exercise of Warrants	45,000	\$0.15
March 4, 2011	Exercise of Warrants	175,000	\$0.15
March 15, 2011	Exercise of Warrants	50,000	\$0.15

Date of Issue	Method of sale	Number of Common Shares	Price per Common Share
March 28, 2011	Exercise of Warrants	72,916	\$0.24
April 7, 2011	Exercise of Warrants	1,458,332	\$0.24
April 28, 2011	Exercise of Warrants	780,000	\$0.24
May 6, 2011	Exercise of Warrants	50,000	\$0.15
June 1, 2011	Exercise of Warrants	10,000	\$0.24
June 24, 2011	Exercise of Warrants / property option payment	75,000	\$0.15/\$0.38
June 30, 2011	Exercise of Stock Options	50,000	\$0.15
July 5, 2011	Private placement of flow through common shares	2,250,000	\$0.40
July 13, 2011	Exercise of Warrants	250,000	\$0.15
July 15, 2011	Private placement of flow through common shares	612,500	\$0.40
July 18, 2011	Exercise of Warrants	250,000	\$0.15
August 12, 2011	Exercise of Warrants	250,000	\$0.15
September 6, 2011	Exercise of Stock Options	50,000	\$0.15
September 8, 2011	Exercise of Warrants	75,000	\$0.15
September 9, 2011	Exercise of Warrants	250,000	\$0.15
September 26, 2011	Exercise of Warrants	50,000	\$0.15
September 30, 2011	Cancellation of common shares	-125,000	\$0.15
October 20, 2011	Exercise of Warrants	350,000	\$0.15
November 4, 2011	Exercise of Warrants	150,000	\$0.15
November 14, 2011	Exercise of Warrants	89,400	\$0.10/\$0.125/\$0.15
November 16, 2011	Exercise of Warrants	171,600	\$0.10/\$0.15
November 16, 2011	Exercise of Warrants	14,996,500	\$0.10/\$0.125/\$0.15
December 5, 2011	Exercise of Warrants	450,551	\$0.10/\$0.15
December 16, 2011	Exercise of Warrants	255,000	\$0.10/\$0.15
December 23, 2011	Private placement of flow through common shares	2,000,000	\$0.25

ITEM 7: MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares of the Company trade on the Toronto Stock Exchange. The following table sets forth the price ranges and trading volumes of the Common Shares from January 1, 2011 to March 23, 2012:

Period	High	Low	Volume
January 2011	0.70	0.43	9,473,237
February 2011	0.51	0.405	5,834,239
March 2011	0.47	0.35	4,031,522
April 2011	0.51	0.35	6,751,952
May 2011	0.42	0.295	3,078,187
June 2011	0.43	0.28	3,911,868
July 2011	0.38	0.325	1,601,857
August 2011	0.385	0.31	1,861,975
September 2011	0.43	0.34	2,834,394
October 2011	0.365	0.29	1,433,045
November 2011	0.30	0.245	2,017,850
December 2011	0.27	0.18	2,665,231
January 2012	0.275	0.21	2,164,462
February 2012	0.23	0.185	1,312,225
March 23, 2012	0.34	0.23	3,070,706

Note: The Company's Common Shares traded on the TSX Venture Exchange until June 6, 2011, at which time the Company's Common Shares began trading on the Toronto Stock Exchange. Trading Data in the table above is from the TSX Venture Exchange and Toronto Stock Exchange.

ITEM 8: DIRECTORS AND OFFICERS

NAME, OCCUPATION AND SECURITY HOLDING

The following sets forth certain information about the directors and executive officers of the Company.

Name, Province and Country of Residence	Position with the Company	Principal Occupation During Preceding Five Years
Stephen G. Roman, B.A Ontario, Canada	Resource Consultant and Chairman, President & CEO	Chairman, President & CEO of the Company since January, 2009; Chairman, President & CEO of Global Atomic Fuels Corporation since 2005; Chairman, President & CEO of Silvermet Inc. since 2005; Chairman, President & CEO of Romex Mining Company since October, 2010. Executive Chairman, Exall Energy Corporation since 2007.
George A. Flach, P.Geo. Ontario, Canada	Director & Vice President Exploration	Director & Vice President Exploration of the Company since 2009; Director & Vice President Exploration of Global Atomic Fuels Corporation since 2005; Director & Vice President Exploration of Romex Mining Company since October, 2010.
Richard R. Faucher P.Eng.(1)(2)	Director	Director of the Company since June 2011; Director of Karmin Exploration Inc. since 2011, Director of Aurizon Mines Ltd. since 1999, Director of Silvermet Inc. since 2010, Director and Chairman of Robex Resources Inc. since 2010, Director of Plexmar Resources Inc. since 2005.
Bernard Kraft, C.A., CBV(1) 2 Ontario, Canada	Director	Director of the Company since July, 2010; Director of Agnico Eagle Gold Mines Limited since 1992; Director of Estrella Gold Company since 1996; Director of St. Andrew Goldfields Ltd. Since 2004; Consultant to Kraft, Berger LLP, Chartered Accountants, since his retirement in 2005.
Derek C. Rance, P.Eng., MBA(1)(2) Ontario, Canada	Director	Director of the Company since July, 2010; Principal of Behre Dolbear & Company, Inc. since 1997; Director of Silvermet Inc. since 2009. Director of Gold Eagle Mines Ltd. from 2006 to 2008.

Rein A. Lehari, C.A., CBV Ontario, Canada	Chief Financial Officer	President of Reindalyne Enterprises Inc. since 2002 and provides financial consulting services including, Chief Financial Officer of the Company since January, 2009; Chief Financial Officer of Global Atomic Fuels Corporation since 2010; Chief Financial Officer of Romex Mining Company since 2010; Director of Silvermet Inc. since 2009;
Timothy N. Campbell B.A. Hons Ontario, Canada	Vice President & Corporate Secretary	President, Public Company Services Inc. Since 1995 provides corporate finance, regulatory compliance and operations management services to junior issuers. Vice President & Corporate Secretary of the Company since June, 2009, of Romex Mining Corporation since 2010, Global Atomic Fuels Inc. and Silvermet Inc. since 2011, Director of Rockcliff Resources Inc. since 2009.

(1) Members of the Audit Committee.

(2) Members of the Nominating and Compensation Committee and Corporate Governance Committee

The directors and executive officers of the Company, as a group, currently beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 9,822,342 Common Shares representing 5.96% of the issued and outstanding Common Shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Except as disclose below, to the knowledge of the Company, no director or executive officer of the Company or shareholder holding a sufficient number of securities to affect materially the control of the Company (a) is, as at the date of this Annual Information Form, or has been, within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company, including the Company, that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) is, as at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or (c) has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director. Mr. Stephen G. Roman was a director of Roman Corporation Limited when it filed for protection under the *Companies' Creditors Arrangement Act* on January 31, 2006.

(1) Penalties or Sanctions

None of the directors or officers of the Company or shareholder holding a sufficient number of securities to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities

regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

(2) Individual Bankruptcies

None of the directors or officers of the Company has, within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

CONFLICTS OF INTEREST

To the best of the Company's knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Company, its promoters, directors, officers or other members of management of the Company except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies and their duties as a director, officer, promoter or management of the Company.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty to any of its directors and officers.

ITEM 9: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings or regulatory actions by or against the Company or affecting the Company's business as of the date of this Annual Information Form except as described below:

Mr. John Ternowesky, a former director of the Company, has filed a Statement of Claim in the amount of \$3,000,000 against the Company in the Ontario Superior Court of Justice. The claim alleges that Mr. Ternowesky had provided services as a director and consultant to the Company during the period November 1993 through June 2001. The Company has filed a Statement of Defence and Counterclaim. Management is of the position that the claim by Mr. Ternowesky is without merit as there are no corporate records of any such services or agreements. The Company's Counterclaim is in respect of Mr. Ternowesky's breach of his duties as a director in respect of flow-through share issuances (see below) and seeks damages in the amount of \$750,000 plus a discharge of any royalties owing to Mr. Ternowesky (Mr. Ternowesky holds a portion of the royalties on Sugar Zone Property) and legal costs.

Pursuant to a 2009 audit by the Canada Revenue Agency ("CRA") of 2003 exploration expenses, current management conducted a review of expenditures incurred and filings made in respect of flow-through share issuances during the period 2003 – 2008. This review uncovered issues related to the use of flow-through funds, timing of expenditures and other related compliance matters. The Company has filed the required documents with CRA related to the issuance of flow-through common shares during this period and estimates it may incur interest charges and penalties associated with the foregoing and may incur other costs. These financial statements contain a provision of \$146,500 to reflect the interest charges and penalties that are likely under the Part XII.6 provisions in the Income Tax Act. In addition, the Company may be obligated to reimburse investors for an estimated

amount of \$283,300, which has been accrued, in tax liabilities and interest due to CRA re-assessments which re-assessments are a result of flow through funds raised during the period 2003 – 2008 and not spent within prescribed time limits and/or not spent on eligible exploration expenditures. The Company has approached CRA with a proposal to minimize payments associated with the above.

In addition to the Counterclaim against Mr. Ternowesky as noted above, the Company has filed a claim in respect of the CRA liabilities related to previous flow-through issuances in the amount of \$750,000 plus legal costs against former directors and officers of the Company who were retained, employed or otherwise engaged by the Company during the relevant period.

ITEM 10: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, senior officer or principal shareholder of the Company, or any associate or affiliate of the foregoing has had any material interest, direct or indirect, in any transaction within the last three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or will materially affect the Company.

ITEM 11: TRANSFER AGENT AND REGISTRAR

Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5M 4H1 is the registrar and transfer agent for the Company.

ITEM 12: MATERIAL CONTRACTS

There are no material contracts entered into outside the ordinary course of business.

ITEM 13: INTERESTS OF EXPERTS

None of WeirFoulds LLP, Michael Kociumbas B.Sc. P.Geo. and David Power-Fardy B.Sc. P.Geo. of Watts Griffis McQuat Limited and Collins Barrow LLP, Chartered Accountants, or any director, officer, employee or partner thereof received or has received a direct or indirect interest in the property of the Company or of any associate or affiliate of the Company. As at the date hereof, none of the aforementioned individuals, companies and partnerships, nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any securities of the Company or its associates and affiliates.

No director, officer, partner or employee of any of the aforementioned companies and partnerships is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associates or affiliates of the Company.

ITEM 14: ADDITIONAL INFORMATION

Additional information may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors, and additional financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial reporting periods.

The Company will provide to any person, upon request to the Secretary of the Company:

1) when securities of the Company are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of its securities:

i) one copy of the Annual Information Form of the Company, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the Annual Information Form;

ii) one copy of the comparative financial statements of the Company for its most recently completed financial year together with the report of the auditor and one copy of any interim financial statements of the Company subsequent to the financial statements for its most recently completed financial year;

iii) one copy of the management information circular in respect of the most recent annual meeting of shareholders that involved the election of directors or one copy of any annual filing prepared in lieu of that information circular, as appropriate and,

iv) one copy of any other documents incorporated by reference into the preliminary short form prospectus or the short form prospectus not required to be provided under (i) to (iii) above; or

2) at any other time, one copy of any other documents referred to in (i), (ii) and (iii) above, provided that the Company may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Company

ITEM 15: AUDIT COMMITTEE INFORMATION

AUDIT COMMITTEE'S CHARTER

The Company's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as **Schedule "A"**.

COMPOSITION OF THE AUDIT COMMITTEE

The Company's Audit Committee is currently comprised of three (3) directors; Richard R. Faucher, Bernard Kraft and Derek C. Rance. As defined in MI 52-110, each of Richard R. Faucher, Bernard Kraft and Derek C. Rance is independent and financially literate.

AUDIT COMMITTEE OVERSIGHT

Since the commencement of the Company's most recently completed fiscal year, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

RELEVANT EDUCATION AND EXPERIENCE

The following is a summary of the relevant education and experience of each of the members of the Company's Audit Committee.

Richard R. Faucher

Mr. Faucher is a Professional Engineer trained in metallurgical engineering. Mr. Faucher has had extensive experience in the management of large mining and metallurgical projects and has held

senior management positions in several large mining companies and metallurgical projects including serving as Vice-President, Brunswick Mining & Smelting, for Noranda Inc. and, President and General Manager for Falconbridge Dominicana, a large nickel mine. As a result, he has gained an understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Company.

Bernard Kraft

Mr. Kraft is an independent director of Agnico-Eagle. Mr. Kraft is recognized as a Designated Specialist in Investigative and Forensic Accounting by the Canadian Institute of Chartered Accountants. Mr. Kraft is a retired senior partner of the Toronto accounting firm Kraft, Berger LLP, Chartered Accountants. As a result, he has gained an understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Company.

Derek C. Rance

Mr. Rance is a principal of Behre Dolbear & Company Inc. a global mining industry consultancy, and previously President and COO of Iron Ore Company of Canada, Mine Manager at the Dickenson Mine, Red Lake, Ontario and has served on the Board of Directors of a number of public companies including Gold Eagle Mines Ltd. As a result, he has gained an understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Company.

RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of MI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

EXTERNAL AUDITORS SERVICE FEES (BY CATEGORY)

The fees paid by the Company’s external auditors in each of the last two fiscal years for audit fees are as follows:

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u> ⁽¹⁾	<u>Tax Fees</u> ⁽²⁾	<u>All Other Fees</u> ⁽³⁾
2011	\$35,000	\$Nil	\$Nil	\$Nil
2010	\$36,505	\$Nil	\$Nil	\$Nil

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under Audit Fees.
(2) Fees charged for tax compliance, tax advice and tax planning services.
(3) Fees for services other than disclosed in any other column. Fees related to review of prior year’s financial statements in relation to the Company’s initial public offering.

Schedule “A”

CHARTER OF THE AUDIT COMMITTEE

Charter of the Audit Committee of the Board of Directors

PURPOSE

The Audit Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for Harte Gold Corp. (the “**Company**”). The Committee’s primary duties and responsibilities are to:

- review the quarterly and annual financial statements and management's discussion and analysis of the Company and report thereon to the Board;
- select and monitor the independence and performance of the outside auditors of the Company (the “**Independent Auditors**”), including meetings with the Independent Auditors;
- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- provide oversight to related party transactions entered into by the Company; and
- if necessary, assess the integrity of internal controls and financial reporting procedures of the Company and review the internal control report prepared by management required to be included with the annual report of the Company;

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the Toronto Stock Exchange.
2. The Committee shall be composed of three or more directors, one of whom shall serve as the Chair; both the members and the Chair shall be designated by the Board from time to time.
3. A majority of the members of the Committee shall not be officers or employees of the Company or any of its affiliates.
4. The Committee shall meet at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, and a majority of the members of the Committee shall constitute a quorum.
5. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

6. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee.
7. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
8. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
9. The Committee may invite such officers, directors and employees of the Company and its subsidiary as it may see fit, from time to time, to attend at meetings of the Committee.
10. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
11. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose; actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

The Committee members will be elected annually at the first meeting of the Board following the annual meeting of shareholders.

RESPONSIBILITIES

A. Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles (“GAAP”) and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management’s response.
3. The Committee shall be satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements, management’s discussion and analysis and interim financial press releases, and periodically assess the adequacy of these procedures.
4. The Committee shall review management’s discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim financial press releases, that are required to be reviewed by the Committee under any applicable laws before the Company publicly discloses this information.

5. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.
6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management, has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
9. The Committee shall provide oversight to related party transactions entered into by the Company.

B. Independent Auditors

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with the terms of this charter.
4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.
8. The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.

10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor the independence and objectivity of the external auditors.

C. Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

Policy and Procedures for Disclosure Concerning Financial/Accounting Irregularities

Overview

The Company requires its directors, officers and employees to observe high standards of professional and ethical conduct in maintaining the financial and accounting records of the Company and to ensure the accuracy of its publicly disclosed financial records. Consistent with this commitment, the Company has adopted procedures for handling complaints or submissions received from employees, directors or officers to ensure that information that could improve the quality of the Company's financial and accounting records is available to the Company's Audit Committee. In order to ensure that all relevant information is disclosed and that the integrity of both the financial and accounting records of the Company are maintained, these procedures are being adopted by the Company.

When to Submit a Complaint

Information should be submitted in good faith, based on reasonable belief and in accordance with the procedures described below if it is felt that such information indicates that the Company is experiencing problems with its financial, accounting, internal control or auditing matters. For example, information should be submitted if it is felt that the Company, or any of its employees, officers or outside consultants, have engaged in conduct that could:

- affect the accuracy of the Company's accounting records or information;
- compromise the Company's system for gathering and recording accounting information; or
- bring into question the independence of the Company's relationship with its outside auditor; or
- be contrary to law.

Reporting Violations

It is the responsibility of all directors, officers and employees to report all suspected irregularities in the Company's financial or accounting records in accordance with this policy. The Company maintains an open door policy and suggests that employees share their questions, concerns, suggestions, complaints or suspected irregularities with the Chairman of the Company's Audit Committee. In addition, complaints will be received by the Company's corporate secretary, **Timothy N. Campbell**. Following initial review, all complaints that warrant further action or consideration are forwarded to all members of the Company's Audit Committee. The Audit Committee serves to provide independent review and oversight of the Company's accounting, financial reporting process and internal controls. All information received will be considered carefully, and if necessary, action will be initiated by the Audit Committee to resolve the identified problems or concerns.

Confidentiality

Employees are not required to identify themselves when submitting information to Timothy N. Campbell. As such, if an employee does not feel comfortable discussing his or her questions, concerns, suggestions or complaints confidentiality will be facilitated by allowing employees to use postal delivery (which, cannot easily be traced) to submit such complaints. In addition, anyone that does identify himself or herself will be protected from any reprisal by management. Those submitting information will not be punished, formally or informally. The Company recognizes that by reporting problems or concerns you will be advancing the overall interests of the Company, and helping to safeguard the Company's financial integrity and reputation.

How to Submit a Confidential Complaint

Confidential Complaints should be mailed to the following address:

Timothy N. Campbell
Vice President & Corporate Secretary
1700 – 8 King Street E.
Toronto, Ontario M5C 1B5

All complaints should identify as many relevant facts as possible, including, if applicable: (i) the date(s) relevant to the identified concern; (ii) the name of any persons involved in the identified activity; (iii) the specific facts that give rise to the concerns expressed; and (iv) any suggestions for resolving or dealing with the problems or issues identified. Following initial review by the above specified person, all complaints will be promptly reviewed, investigated and resolved by the Company's Audit Committee.

Privacy Violations

In addition to these rules regarding accounting, internal controls and auditing matters, recent privacy legislation (the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Freedom of Information and Protection of Privacy Act* (Ontario)) provide that any person who believes that there has been a contravention of either Act may notify the relevant Privacy Commissioner. The Company may not dismiss, suspend, discipline, harass or otherwise disadvantage an employee because the employee, acting in good faith and on reasonable belief, has disclosed to the Privacy Commissioner that the Company may or may be about to contravene either Act. Any employee that feels a complaint in conjunction with these provisions is warranted may also provide the information under this Policy on a confidential and anonymous basis to the Company's corporate counsel as identified above.