

Harte Gold Declares Commercial Production At Sugar Zone Mine

☒ January 8, 2019 (Source) – HARTE GOLD CORP. (“Harte Gold” or the “Company”) (TSX: HRT / OTC: HRTFF / Frankfurt: H40) is pleased to announce commercial production has been achieved at the Sugar Zone Mine, effective January 1, 2019.

Highlights:

- Following a successful commissioning period, the Sugar Zone Mill is operating consistently at the permitted 575 tonnes per day (“TPD”).
- Start-up, commissioning and commercial production was achieved within a three month period since receipt of commercial production permits.
- The mill averaged a 90.8% gold recovery rate for December, which is expected to improve during the transition to commercial operation.
- A 2019 budget and life of mine plan is underway, expected to improve overall economics. This information will form the basis of a NI 43-101 Feasibility Study targeted for Q1 2019.

Mr. Stephen G. Roman, President and CEO of Harte Gold, stated, “Since start-up of the mill, our focus has been on reaching commercial production in an efficient and cost effective manner. I believe our team has done a remarkable job getting to capacity with no significant operational issues. We are now progressing the permit to increase throughput to 800 TPD.”

Mr. Jeff Hanson, Mill Superintendent of Harte Gold, stated, “The mill is currently at steady state and our focus will now shift to improving recoveries.”

Mill Operations

For the month of December, the mill processed 16,400 tonnes over a 29 day period. During commissioning, mill feed was a combination of material from the surface stockpile, development material and stope production. As underground mining continues to accelerate, a majority of the mill feed will be supplied by higher grade stope material. The surface stockpiles will remain a source of auxiliary supply. The stockpiles were sampled in December and are estimated to contain 19,470 tonnes of material at an average grade of 5.08 g/t.

Underground Mining

First blasts between the 140 and 155 levels were successful and downhole drilling and blasting is confirming planned dilution control.

The Company is optimizing its mine plan with the intent to improve grade, particularly in the early years of the mine life. The Company will incorporate these optimizations into an updated life-of-mine plan which will form the basis of a Feasibility Study expected in the first quarter of 2019.

Resource Update

Infill and step-out drilling is now complete and an updated NI 43-101 Mineral Resource Estimate is underway. Drilling for 2018 focused on the upgrade of Inferred Mineral Resources to Indicated and the expansion of Inferred Mineral Resources boundary along strike and at depth across the Sugar, Middle and Wolf zones. The Company expects to deliver an updated Mineral Resource Estimate in early 2019.

Financing

Harte Gold has executed an agreement (the "Bridge Loan Extension") with ANR Investments B.V. ("Appian") to extend the term of the debt facility with Appian (the "Bridge Loan") to May 9, 2019. Details of the Bridge Loan were previously announced by the Company on May 3, 2018 and June 1, 2018.

Pursuant to the Bridge Loan Extension, the Company has issued to Appian 2,000,000 common share purchase warrants at an exercise price of \$0.50 per share and expiring on May 11, 2023.

The Bridge Loan Extension with Appian is a “related party transaction” as defined in Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The Company is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Bridge Loan Extension in reliance on sections 5.5(a) and 5.7(a), respectively, of MI 61-101, as the fair market value of the transaction does not exceed 25% of the Company’s market capitalization calculated in accordance with MI 61-101.

QA/QC Statement

Robert Kusins, P. Geo., Harte Gold’s Senior Mineral Resource geologist, is the Company’s Qualified Person and has prepared, supervised the preparation, or approved the scientific and technical disclosure in this news release.

About Harte Gold Corp.

Harte Gold is Ontario’s newest gold producer through its wholly owned Sugar Zone Mine in White River Ontario. Using a 3 g/t gold cut-off, the NI 43-101 compliant Mineral Resource Estimate dated February 15, 2018 contains an Indicated Mineral Resource of 2,607,000 tonnes grading 8.52 g/t for 714,200 ounces contained gold and an Inferred Mineral Resource of 3,590,000 tonnes, grading 6.59 g/t for 760,800 ounces contained gold. The Company has completed a 90,000 metre drill program on near mine and exploration targets, results of which will be incorporated into an updated NI 43-101 compliant Mineral Resource Estimate and mine plan targeted for early 2019. Exploration continues on the Sugar Zone property, which encompasses 83,850 hectares covering a significant greenstone belt.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.