

# Harte Gold Announces First Closing Of US\$82.5 Million Financing



June 12, 2019 ([Source](#)) – HARTE GOLD CORP. (“Harte Gold” or the “Company”) (TSX: HRT / OTC: HRTFF / Frankfurt: H40) is pleased to announce it has closed the investment with ANR Investments B.V. (“Appian”) for gross proceeds of US\$10 million (the “Appian Investment”).

The Company is also pleased to announce that it has signed a credit agreement with BNP Paribas (the “Credit Agreement”) in respect of its previously-announced US\$72.5 million debt financing package, consisting of a US\$52.5 million non-revolving term facility and a US\$20 million revolving term facility. Drawdown under the Credit Agreement is subject to the satisfaction of certain customary conditions precedent. Proceeds of the Credit Agreement will be used for general corporate purposes and the refinancing of existing indebtedness of the Company.

## **Appian Investment**

Pursuant to a subscription agreement entered into between Appian and Harte Gold (the “Subscription Agreement”), Harte Gold issued Appian 10,000,000 series “A” Special Shares (the “Special Shares”) of the Company. The Special Shares are convertible into common shares (“Common Shares”) of the Company at a price of \$0.27 per Common Share, subject to adjustment in certain circumstances and the receipt of shareholder approval.

Pursuant to the Subscription Agreement and as consideration

for the standby agreement and bridge facility extension (see press release dated May 6, 2019), the Company also issued to Appian 5,000,000 Common Share purchase warrants ("Warrants") that are exercisable at \$0.27 per Common Share (subject to the receipt of shareholder approval) for a period of five years from closing.

The Board, excluding Messrs. Scherb and Cohen, unanimously determined the Appian Investment is in the best interests of the Company and recommends that shareholders vote IN FAVOUR of the transaction at the Company's Annual and Special Meeting of shareholders, which is scheduled for July 4, 2019. Shareholder approval is required because, among other things, Appian is expected to hold more than 20% of the Company's issued and outstanding Common Shares following conversion of the Special Shares (since it currently holds approximately 19.24%). Shareholder approval is also required to permit the Warrants issued today to have an exercise price that was less than the market price when the Appian Investment was originally announced and to permit the amendment of previously issued Warrants to permit Appian to hold more than 20%. As part of the Appian Investment, the Company also agreed to a plan to bolster the management team and other operational roles that may be required as mining ramps up to 800 tpd.

The Appian Investment described herein 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 Appian Investment in reliance on sections 5.5(a) and 5.7(a), respectively, of MI 61-101, as the fair market value of the Appian Investment does not exceed 25% of the Company's market capitalization calculated in accordance with MI 61-101. The material change report in respect of the Appian Investment will be filed less than 21 days before the closing of the transaction as the

Company requires the consideration it will receive in connection with the Appian Investment immediately in order to close the financing under the Credit Agreement.

### **Maximos Transaction**

The Company is also pleased to announce it has entered into an agreement with Maximos Metals Corp. ("Maximos") for the provision of Maximos' proprietary 2D Nanospectra Geophysical Surveying System to the Company for the generation of new exploration targets on the Company's extensive 79,335 hectare land package east of White River, Ontario.

Upon transfer of proprietary target acquisition data to Harte Gold, the Company has agreed to grant Maximos 1,000,000 stock options with an exercise price equal to the closing price of the Common Shares on the TSX on the trading day prior to grant. The stock options will be exercisable for a period of five years from the date of grant with 50,000 options vesting immediately and the balance vesting at certain discovery milestones, the final milestone being a NI 43-101 compliant Mineral Resource Estimate of at least 500,000 oz Au.

### **About Maximos Metals Corp.**

Maximos is a private Canadian exploration company with a proprietary method for the identification and characterization of in-ground mineral elements ("Nanospectra"). The 2D Nanospectra geophysical surveying and interpretation is a new method, developed over a 20 year period in private research laboratories. The novel system utilizes newly discovered aspects of Hyperspectral Imaging and advanced satellite sensory equipment to support interpretations irrespective of commodity, location, climate, or season. Maximos currently has asset interests and partnerships throughout North America and Africa.

### **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 19, 2019 contains an Indicated Mineral Resource of 4,243,000 tonnes grading 8.12 g/t Au with 1,108,000 ounces contained gold and an Inferred Mineral Resource of 2,954,000 tonnes, grading 5.88 g/t Au with 558,000 ounces contained gold. Exploration continues on the Sugar Zone Property, which encompasses 79,335 hectares covering a significant greenstone belt.

*This news release includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements in this news release include statements regarding drawdown under the Credit Agreement, the use of proceeds under the Credit Agreement, the Company's plan to bolster management and statements regarding the shareholders' meeting. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry, including operational risks in exploration, development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and*

activities; and health, safety and environmental risks, the risk of commodity price and foreign exchange rate fluctuations, the ability of Harte Gold to fund the capital and operating expenses necessary to achieve the business objectives of Harte Gold, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves or resources described may be profitably produced in the future.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

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