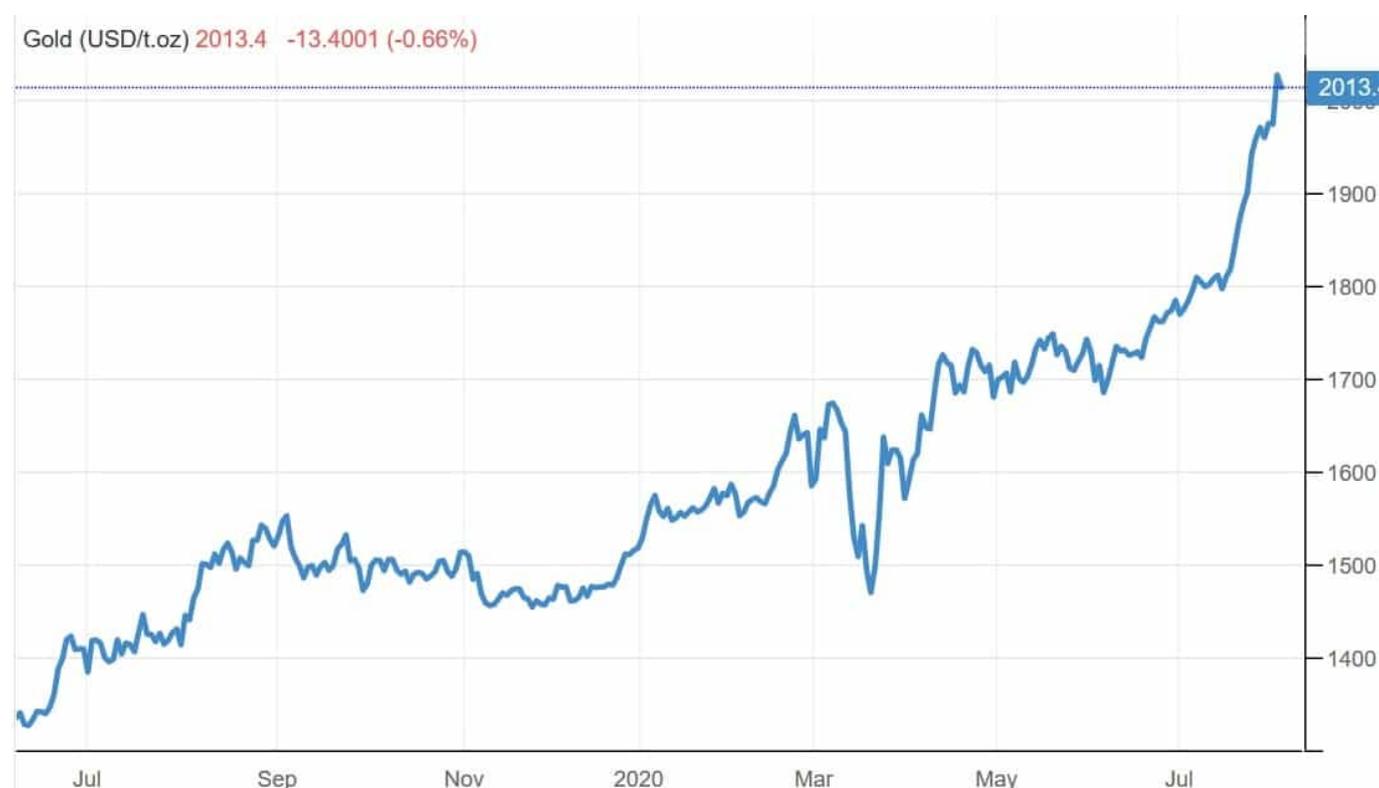


# Winners flying high as gold hits US\$2,000/oz

## A look at some winners and who might be the next

Gold just hit a new all-time record high, breaking through the US\$2,000/oz mark as the gold bull run continues in 2020. Gold started 2020 at US\$1,498, and as I write this article is at US\$2,013, for an impressive 37% gain YTD. Many gold miners are up much more than that due to their leverage to the gold price. Today we look at some of the strong performers and some others that may soon play catch up.

### Gold breaks through US\$2,000/oz to hit a new record high



Source: Trading Economics

Looking at the gold companies we follow at InvestorIntel, here are the past 1 year performances:

- Alkane Resources Ltd. (ASX: ALK | OTCQX: ALKEF) – Up 264%
- Angkor Resources Corp. (TSXV: ANK | OTC: ANKOF) – Down 18%
- Euro Sun Mining Inc. (TSX: ESM) – Up 46%
- Granada Gold Mine Inc. (TSXV: GGM) – Up 83%
- Harte Gold Corp. (TSX: HRT) – Down 36%
- Quebec Precious Metals Corp. (TSXV: CJC | OTCQB: CJCFF) – 0%
- West Red Lake Gold Mines Inc. (CSE: RLG | OTCQB: RLGMF) – Up 126%

Alkane Resources had the best year of the above group as they continued to produce good volumes of gold in a rising gold price environment. Harte Gold had the least impressive year of the group as their mine had start up issues and a COVID-19 interruption. They also had higher operating expenses (OpEx) as they have not yet dug deep enough to reach the high grade gold.

Reviewing the top 5 performers yesterday on InvestorChannel's Gold Watchlist Update, we see Granada Gold doing the best, up an impressive almost 35% on no news.

**The top 5 gold performers yesterday as gold broke through US\$2,000/oz**

- Granada Gold Mine Inc. (GGM.V)  
- CAD 0.29 (34.88% - Volume: 1,853,824)
- Gold Terra Resource Corp. (YGT.V)  
- CAD 0.45 (21.62% - Volume: 2,077,844)
- Eastmain Resources Inc. (ER.TO)  
- CAD 0.28 (7.55% - Volume: 4,159,939)
- McEwen Mining Inc. (MUX)  
- USD 1.45 (7.41% - Volume: 5,382,815)
- Novagold Resources Inc. (NG)  
- USD 9.56 (6.46% - Volume: 2,164,707)

Source: InvestorChannel's Gold Watchlist Update

Just last month I wrote "Granada Gold looks to be 'underestimated' by the market as drilling continues" and it looks like the market agreed with this yesterday.

Looking ahead, it is abundantly clear that those gold miners that can deliver will be handsomely rewarded. Investors need to always review the management to see if they have a good track record. Certainly if a gold miner can either increase their production and profits, grow their resource, or discover more gold (ideally high grade above 5 g/t), then at US\$2,000/oz the shareholders will likely be very well rewarded.

Of the seven gold stocks InvestorIntel covers above, all look promising in a strong gold price environment.

Even the laggards Angkor Resources and Harte Gold can turn things around very fast. In the case of Angkor the current

market cap (C\$14m) looks cheap considering their numerous gold, silver, base metals, oil & gas exploration assets in Cambodia. With Harte Gold it is more just a matter of patience as the mine gets deeper they can access the higher grade gold, thereby reducing operating costs and increasing profits. This means investors willing to give the Company another 1-2 years may be well rewarded at the current reduced market cap (C\$132m). Quebec Precious Metals is probably the most unloved and under the radar gold miner of the group covered, explaining their 0% one year return. With some good past drill results (1.15 g/t over 80.1 m, 14.20 g/t Au over 2 m, 5.05 g/t Au over 5.06 m, and 4.66 g/t Au over 3.50 m) and further results expected soon, a maiden resource estimate at the Sakami Project due by late 2020/early 2021, and with a market cap of just C\$18m, this is one to get excited about. You can read more in my recent article "Quebec Precious Metals announces a 'very promising gold discovery' in James Bay."

Of the recent winners – namely Alkane Resources, Euro Sun Mining, Granada Gold Mine, and West Red Lake Gold Mines – I would probably say Granada Gold Mine appears to have the most exciting potential given their existing ~1.2m I&I gold Resource, some exciting high grade drill results (including 11.45 g/t gold over 33 meters), and a market cap of only C\$27m. West Red Lake Gold Mines also continues to look very promising after the one year +126% return. That's because West Red Lake's 3,100 hectare property has a 12 km strike length and 3 former gold mines, and contains 1.1 million inferred ounces of high-grade gold (7.57g/t) open at depth. The market cap is still only C\$30m.

What a wonderful time to be following the gold miners. Let's hope the Bank of America forecast comes true and I am writing about US\$3,000/oz gold in the near future.

Disclosure: The author Matthew Bohlsen owns shares in Harte Gold, Eastmain Resources and Granada Gold, and may soon take a position in Quebec Precious Metals. The information in this

article is general in nature and should not be relied upon as personal financial advice.

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## **Harte Gold – The good and the bad news with this great potential high-grade gold producer**

**Investors patience has definitely been tested with the slow ramp and high AISCs of gold production from January 2019 until now, and again recently with the COVID-19 mine closure since the end of March 2020.**

Harte Gold Corp. (TSX: HRT) is a relatively new gold producer with its primary focus on its 100% owned Sugar Zone property 24 km north of White River, Ontario, Canada. Exploration on the Sugar Zone property includes 83,850 hectares encompassing a significant greenstone belt with a 35 kilometre strike length.

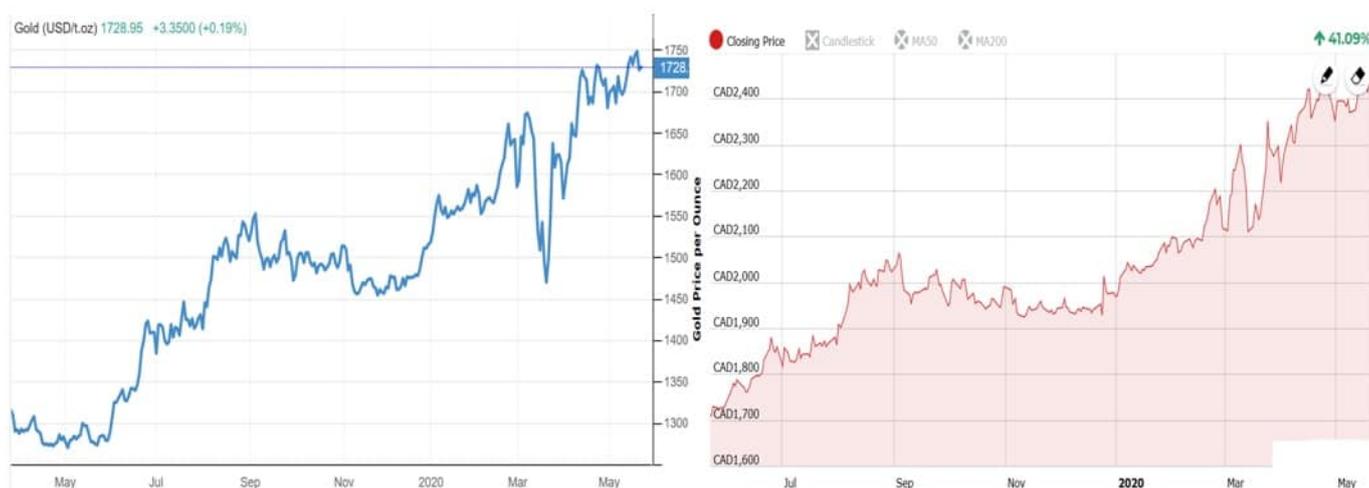
The property has huge exploration upside with ~90% yet to be explored. The 10% explored has already found 1.67 million gold ounces in the Indicated and Inferred categories. Harte Gold's Sugar Zone property has a M&I Resource estimate of 1.1 Moz contained Au @ 8.1 g/t, and Inferred Resource of 558 koz contained Au @ 5.8 g/t.

Gold production began in January 2019 but there has been some ramp up problems resulting in lower production and higher costs, which helps explain the current low stock price.

## The Good news

The good news for Harte Gold right now is the high gold prices, especially when converted to CAD. In fact gold is currently trading at USD 1,728, which equates to CAD 2,410. The CAD gold price is up 41.09% over the past one year.

## USD gold price (now US\$1,728) and CAD gold price (now \$2,410) 1 year price chart



The other good news is that Harte's gold production (prior to the COVID-19 stoppage) was trending higher. Gold production for the three months ended March 31, 2020 ("Q1") totaled 8,597 ounces, the highest quarterly production result to-date. Q1 production was 7% higher than Q4, 2019, and 42% higher than Q3 2019. Once back into full production the mine should be on track for a minimum run rate of 35,000 ounces pa, which should ramp steadily towards a 60,000 ounces pa run rate in 2021.

Combine rising gold production, reducing AISC's and we should start to see some profits later in 2020 or early 2021, assuming gold prices hold, and the mine reopens soon. As economies of scale kick in 2021 should be a significantly better year for Harte Gold.

Other good news was the December 2019 discovery of high grade gold that showed initial sampling returned grades of up to 247 g/t. This potential new high grade gold zone (the TT8 Discovery) is approximately 17 km southeast of the Sugar Zone Mine in an area previously mapped by OGS geologists as granite and not known to host gold mineralization. The TT8 Discovery is believed to be an extension of an existing known greenstone belt to the east. The Company reported that “17 chip samples across a 40 metre strike extent have returned gold values from 11.1 g/t to 247.0 g/t Au.”

## Q1 2020 performance – Increased gold production, reduced costs, improved grades

Figures in C\$ 000	Q1 2020 Performance	Improvement Over Q1 2019	Improvement Over Q4 2019
Ore processed (tonnes)	51,705	35% ✓	
Head grade (g/t)	5.50	13% ✓	9% ✓
Gold ounces produced	8,597	57% ✓	7% ✓
Key Financial Data (000 \$)			
Net revenues	15,667	93% ✓	1% ✓
Mine EBITDA <sup>1</sup>	3,891		104% ✓
Cost Statistics (in dollars)			
Cash Cost (US\$/oz) <sup>1</sup>	1,133	27% lower ↓	7% lower ↓
AISC (US\$/oz) <sup>1</sup>	1,951	20% lower ↓	4% lower ↓



## The bad news

The bad news for investors is that the stock price has fallen over the past year as the company has struggled to yet meet previous Feasibility Study targets for production and costs. AISCs in Q1 were still too high at USD 1,951/oz, despite falling 20% YoY (and 4% QoQ). Production whilst improving is well below the previous 60,000 ounces pa target.

The other bad news is the mine had to close due to COVID-19 at the end of March 2020. This will mean Q2 production will be negatively impacted. Harte Gold has stated:

“The Company is in constant review of the situation and will

make a decision on restart in due course. Detailed planning is underway that will allow the Company to mobilize and resume operations in an efficient manner once the decision to restart is made. Higher grade stope material expected later this year should have a positive impact on gold production. Further guidance will be provided once detailed planning is complete.”

## **Wrap up**

Investors patience has definitely been tested with the slow ramp and high AISCs of gold production from January 2019 until now, and again recently with the COVID-19 mine closure since the end of March 2020. The May 2020 announcement that BNP Paribas has agreed to defer debt payments removes any short-term liquidity concerns.

Despite a very testing start the fact remains the Sugar Mine and property has enormous potential. Grades are improving and get higher as they go deeper, with the average grade of the M&I Resource at 8.1 g/t, compared to the Q1 2020 mined grades of 5.5 g/t. Put another way, grades should steadily improve another 47% only to reach the average 8.1 g/t level. Combine this increased grade over the next few years with growing production to meet the mill’s capacity of 60,000 ounces pa, then AISCs should have dropped very significantly towards the forecast AISC of US\$845 in the April 2019 Feasibility Study. The December 2019 new high-grade gold discovery reminds investors again of the huge exploration potential across the vast 83,850 hectares Sugar Zone Property.

It appears that investors will still need some more patience in 2020; however with an experienced new management and operations team Q1 2020 has shown they are slowly turning things around. Q2 results will be poor due to the COVID-19 shutdown, but H2 2020, and 2021 should see great improvements.

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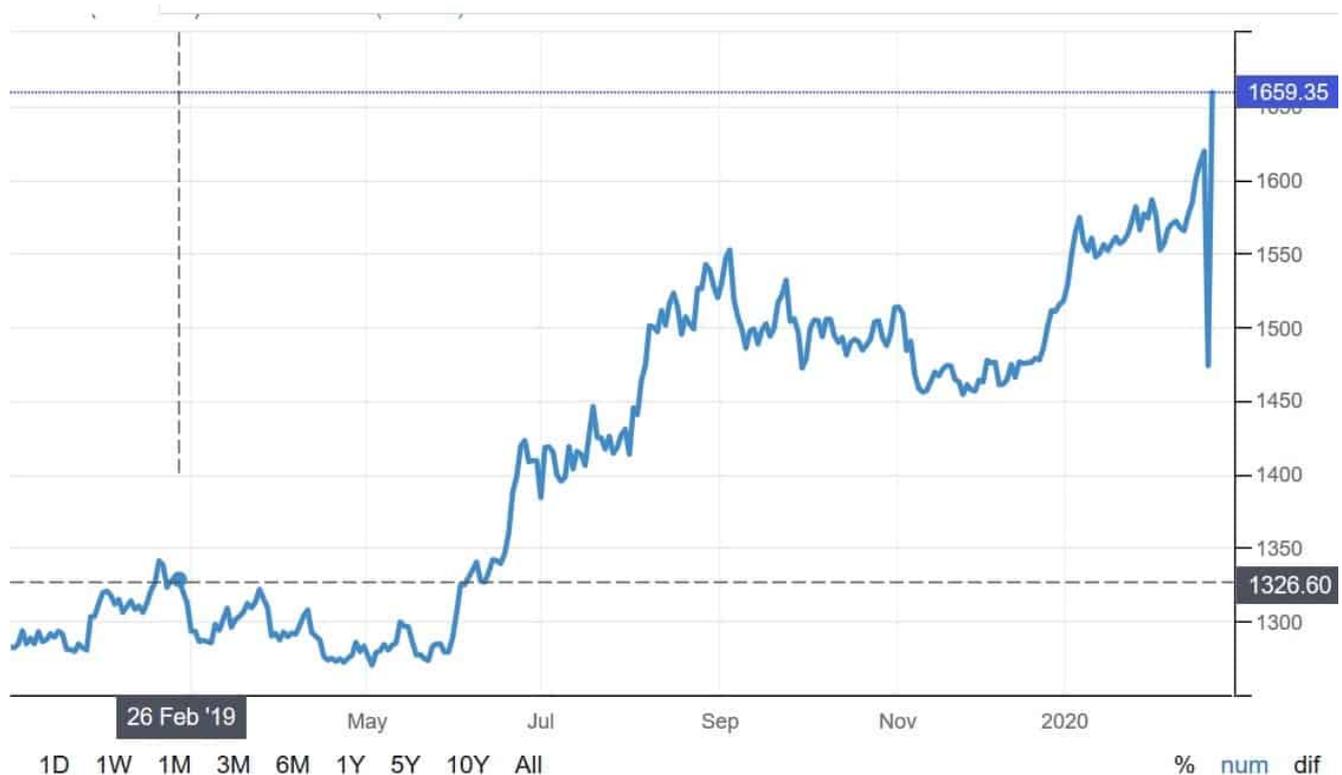
# **Gold rises as the coronavirus threatens to become a pandemic**

Gold is up ~25% over the past year and is up ~12% in 2020 outperforming almost all commodities so far this year. Of course, I should mention the emissions metals palladium and rhodium which were up 75% and 366% over the past year respectively.

## **Gold rises as coronavirus threaten to cause a pandemic**

The coronavirus and the threat of a pandemic are driving gold prices higher in 2020. A pandemic is defined as “an epidemic of disease that has spread across a large region; for instance multiple continents, or even worldwide.....” It also needs to be unstable, that is, new cases rising significantly.

**Gold is up ~25% over the past 1 year – Now at US\$ 1,659**



## Some history of flu virus pandemics

Some recent flu pandemics include: HIV, Spanish flu, and the 2009 swine flu.

- **The Swine flu pandemic (2009/10)** was an influenza pandemic that killed ~201,200 people worldwide. It ran for about 16 months from April 2009 – 10 August 2010.
- **The Spanish flu pandemic (1918-20)** infected 500 million people around the world, or about 27% of the then world's population at the time. The death toll is estimated to have been 40-50 million, and possibly as high as 100 million, making it one of the deadliest epidemics in human history. It should be noted that World War I was a factor.

## Gaining some perspective

It is estimated that the seasonal flu kills between 291,000 to 646,000 people worldwide each year, mostly the very old or the very young, or those with weakened immune systems.

To date, the coronavirus has caused 2,619 deaths.

## Coronavirus cases, deaths, and recovered cases as of February 23, 2020

Coronavirus Cases:

**79,561**

[view by country](#)

Deaths:

**2,619**

Recovered:

**25,076**

## Coronavirus deaths versus seasonal flu deaths so far in 2020

**2,619** Coronavirus deaths this year

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**72,721** Seasonal flu deaths [this year](#)

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### Source

What this means is that currently, the coronavirus is not yet a huge concern, even if we assume China's statistics are not accurate and that global cases were in fact 10x worse at 26,190 deaths. That would still only be 36% of the seasonal flu death toll. My conclusion, for now, is that the coronavirus 'at this stage' is still only a 'potential' significant threat to the global population and economy.

Economic disruption has been greater so far due to China's measures to try to contain the virus; however recent numbers in China suggest new cases are falling and workers are returning to work.

However given what we know from history that pandemics can cause millions of deaths then it would be very wise for

investors to add some insurance to their portfolios, just in case, the coronavirus does become a severe pandemic. Two ways to do that are to build up your cash levels and buy some gold or quality gold stocks.

## **10 gold stocks we are following at InvestorIntel**

### **Alkane Resources Ltd. (ASX: ALK | OTCQX: ANLKY)**

Alkane Resources is a gold production company with multi-commodity exploration and development projects predominantly in the Central West region of NSW, Australia. The Tomingley Project is expected to produce about 30,000 to 35,000 ounces of gold for FY20 at an AISC of A\$1,250 to A\$1,400 per ounce, in line with the recent move to underground mining. Alkane is also ramping up nearby regional gold exploration to help support the feed at the Tomingley Mill. The Company is also well known for its rare earths project known as the Dubbo Project which has a potential mine life of 70+ years. You can read more here.

### **Angkor Resources Corp. (TSXV: ANK)**

Angkor Resources (formerly Angkor Gold) is the first North American publicly-traded mineral exploration company in Cambodia. Angkor Gold is a project generator with a focus on gold exploration, and in more recent times oil and gas exploration. They have a huge land package (983 km<sup>2</sup>) in Cambodia with multiple prospects focused on gold, silver and base metals. Their oil and gas exploration license is known as Block VIII (7,300 km<sup>2</sup> concession). You can read more here.

### **Eastmain Resources Inc. (TSX: ER | OTCQX: EANRF)**

Eastmain is a Canadian gold exploration and development company focused on the James Bay area, Quebec, Canada. Eastmain has several gold projects; however, their flagship is the advanced Eau Claire Project with an open pit and underground M&I Resource estimate of 853,000 oz Au, grading

6.18 g/t. In total, Eastmain has a pipeline of 11 exploration projects ranging from early exploration to pre-development. You can read more here.

### **Euro Sun Mining Inc. (TSX: ESM)**

Euro Sun Mining is advancing its 100%-owned Rovina Valley Project, located in west-central Romania. It is the second-largest undeveloped gold deposit in Europe. Euro Sun has an M&I resource of 7.05 million gold ounces and 1.39 billion copper pounds at their Rovina Valley Project. In addition, Euro Sun has discovered four new gold-copper porphyry targets, with a cluster of three porphyry targets just 1.5 km apart from each other, only 6 km east from their existing Project. Grades are lower however that is normal in large size copper-gold porphyries. You can read more here.

### **Granada Gold Mine Inc. (TSXV: GGM)**

Granada Gold is a Canadian junior mining and exploration company with gold and silver properties in Quebec and Ontario. The Company's current focus is directed towards the development and continued exploration of the Granada Property situated in the heart of the famous Abitibi Greenstone Belt and along the prolific "Cadillac Trend". Drill results have been promising including from surface 7.67 g/t over 15 metres. You can read more here.

### **Harte Gold Corp. (TSX: HRT)**

Harte Gold Corp. commenced gold production in early 2019 at their wholly owned Sugar Zone underground mine in White River Ontario, Canada. The current Resource estimate is 1,108,000 contained gold ounces @8.12g/t Indicated and 558,00 contained gold ounces @5.88g/t Inferred. There is also excellent exploration upside with a 30 km strike potential with only 5km so far explored, over a massive 79,335 hectares land package. Full-year 2020 guidance is 42,000–48,000 ounces of gold production at an AISC estimate of US\$1,475–US\$1,650 per ounce.

Costs are expected to fall in subsequent years as the mine gets deeper and reaches higher grades. The mine is planned to ramp up to 61,000 Au ounces pa over an initial 14 year mine life. You can read more [here](#).

**Quebec Precious Metals Corp. (TSXV: CJC | OTCBB: CJCFF | FSE: YXEP)**

Quebec Precious Metals (QPM) is a new gold explorer with a large 874 square kilometre land position in the highly-prospective Eeyou Istchee James Bay region, Quebec, Canada (not far from Newmont Goldcorp Corporation's Éléonore gold mine). QPM's flagship project is the 100% owned Sakami Project with well defined drill ready targets. Sakami has already had some great drill results including 26.35g/t over 11 metres. In 2020 QPM plans to drill 25,000 meters at Sakami. The drill program is fully-funded. You can read more [here](#).

**Signature Resources Ltd. (TSXV: SGU | OTCQB: SGGTF)**

Signature Resources is a Canadian gold exploration company with advanced and early exploration assets. Their core asset encompasses the Lingman Lake Gold Mine in northwestern Ontario, Canada. Signature Resources has a historic resource estimate of 234,648 oz of contained gold, grading 6.86 g/t, over an area of 9,896.8 hectares. The Company's other assets include two new early exploration projects: Lingside West and Lingside East. All three projects are located within the Lingman Lake greenstone belt. Signature plans to advance and expand these projects centering on targeted diamond drilling of the high-grade gold zones. Some good airborne geophysical surveys results in 2019 are also positive for further exploration in a new area "known to host over 40 mineral occurrences, reported to contain gold, copper and molybdenum mineralization." This area is situated 12.5-kilometers west of the Lingman Lake gold mine. You can read more [here](#).

**TNR Gold Corp. (TSXV: TNR)**

TNR is a project generator that focuses on gold and the key energy metals, copper and lithium. TNR Gold's current three main projects involve gold in Alaska, copper and gold in Argentina, and lithium in Argentina. A 2013 resource estimate at their Shotgun Gold Project in Alaska resulted in an Inferred Resource of 20,734,313 tonnes at 1.06 grams per tonne (g/t) gold for a total of 705,960 ounces gold (Au). TNR holds a 0.36% net smelter return royalty on the 100% owned McEwen Mining Los Azules Project, and a 1.8% NSR royalty on the Mariana Lithium Project in Argentina which is being developed by a JV with Ganfeng Lithium and International Lithium (ILC). You can read more [here](#).

### **West Red Lake Gold Mines Inc. (CSE: RLG | OTCQB: RLGMF)**

West Red Lake Gold Mines is focused on gold exploration and development in the prolific Red Lake Gold District of Northwestern Ontario, Canada. The district is host to some of the richest gold deposits in the world and has produced 30 million ounces of gold from high grade zones. West Red Lake's 3,100 hectare property has a 12 km strike length and 3 former gold mines (Rowan Mine, Red Summit Mine, Mount Jamie Mine), and contains 1.1 million inferred ounces of high grade gold (7.57g/t) which remain open at depth. You can read more [here](#).

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## **A gold turnaround worth watching...**

Harte Gold started out well in H1 2019 however by H2 2019 they adjusted their 2019 production guidance lower and their AISC's ballooned. The stock fell 50% as a result, and a new CEO (Sam Coetzer) and Chief Operating Officer (Martin Raffield) were

hired in November 2019.

Harte Gold Corp. (TSX: HRT) is a junior gold producer from their massive 79,335 hectares Sugar Zone property in White River Ontario, Canada.

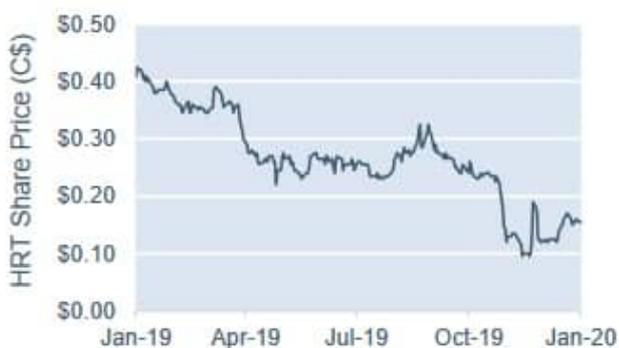
Harte Gold has a NI 43-101 Indicated Mineral Resource of 4,243,000 tonnes grading 8.12 g/t Au with 1,108,000 ounces contained gold, and an Inferred Mineral Resource of 2,954,000 tonnes grading 5.88 g/t Au with 558,000 ounces contained gold.

### Harte Gold Company snapshot

#### » Corporate Overview

As at January 31, 2020

<b>Headquartered</b>	Toronto, Canada
<b>Market Cap</b>	\$120 M (\$0.18/sh)
<b>Shares Outstanding</b>	677 M (basic) 757 M (fully diluted)
<b>Markets</b>	TSX: HRT Frankfurt: H40 OTCBB: HRTFF
<b>Analyst Coverage</b>	Haywood (Buy) Echelon (Following)



#### » Sugar Zone Mine Property<sup>1</sup>

<b>Ownership</b>	100% Harte Gold
<b>P+P Au Reserves</b>	890 koz @ 7.1 g/t
<b>M+I Au Resources</b>	1.1 Moz @ 8.1 g/t
<b>Inferred Au Resources</b>	558 koz @ 5.8 g/t
<b>Processing Plant</b>	800 – 900 tpd
<b>Mining Type</b>	Longhole stoping (underground)
<b>2020E Guidance:</b>	
<b>Production</b>	42,000 – 48,000 oz
<b>Cash Cost<sup>2</sup></b>	US\$900 – US\$1,100
<b>AISC<sup>2</sup></b>	US\$1,475 – US\$1,650
<b>Long Term Potential</b>	65,000 – 70,000 oz

Source

**How is the Harte Gold turnaround progressing?**

To date, the swift management changes of 2019 appear to be working. Three key measures highlight this:

- Q4, 2019 gold production was 8,017 ounces, the highest quarterly result to-date and a 32% increase over Q3, 2019.
- Total gold production for 2019 was 27,316 ounces, exceeding the revised guidance range of 24,000 to 26,000 ounces.
- Grade appears to be trending higher in December relative to previous months.

We will need to wait and see a few more quarter's results in 2020 before we can definitely call the turnaround a success, but certainly, the new trend is an improvement. Also, investors should keep in mind that the higher grades at depth take some time to reach.

## **2020 guidance**

Harte Gold's full-year 2020 guidance is:

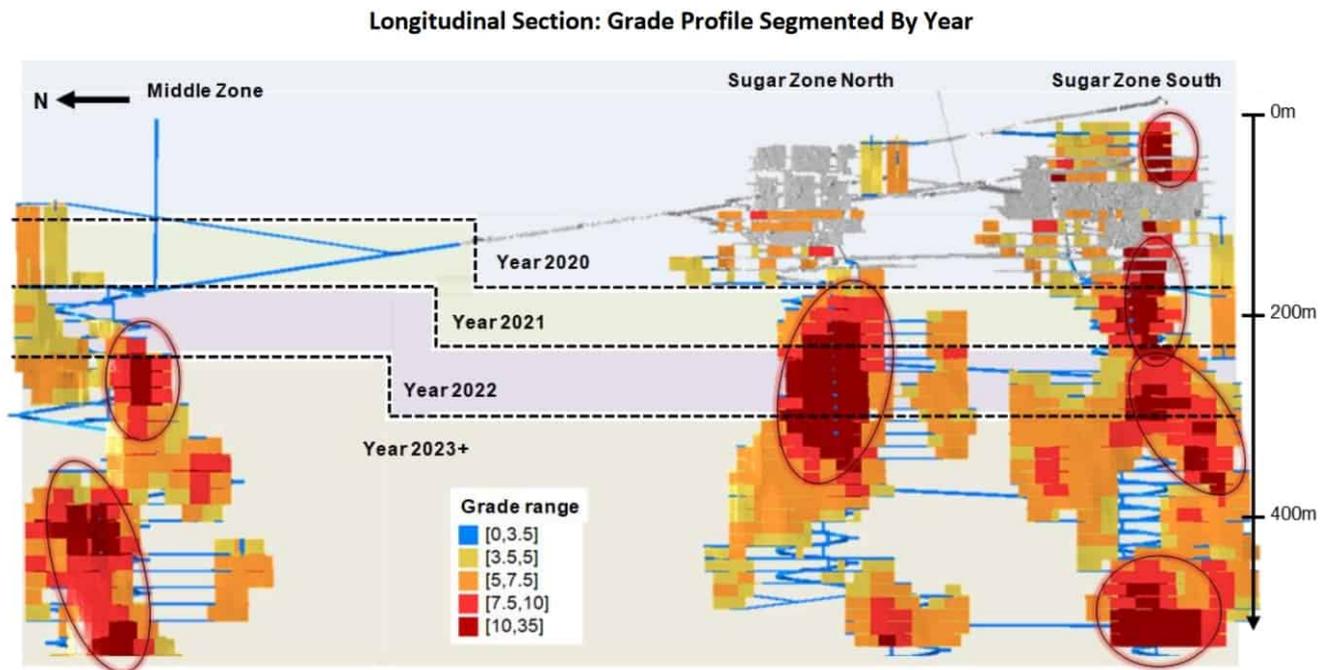
- 42,000–48,000 ounces of gold production (an increase of 54% to 76% over 2019 production).
- US\$900–US\$1,100 per ounce cash operating costs.
- US\$1,475–US\$1,650 per ounce All-In Sustaining Cost ("AISC").

Given the current gold price of US\$1,587 then AISC's of US\$1,475 –US\$1,650 still look to be too high. The AISC of US\$845 in the April 2019 Feasibility Study is still a way off. Of course, as they mine deeper and grade improves, combined with larger volumes, efficiencies of scale should see Harte Gold in a better position by end 2020, and even better each year thereafter (see chart below). Sugar Zone North looks to be very promising in later 2021, 2022, and 2023.

The Company states: "After 2020, production growth is expected to continue as higher-grade areas of the mine become

accessible. While mined tonnages are consistent in 2021 and 2022, the average grade of areas mined in those years is expected to improve.”

### **Harte Gold model showing mined gold grades will increase in 2021, 2022, and 2023+**



Source

### **Harte Gold is now drilling at their new TT8 discovery**

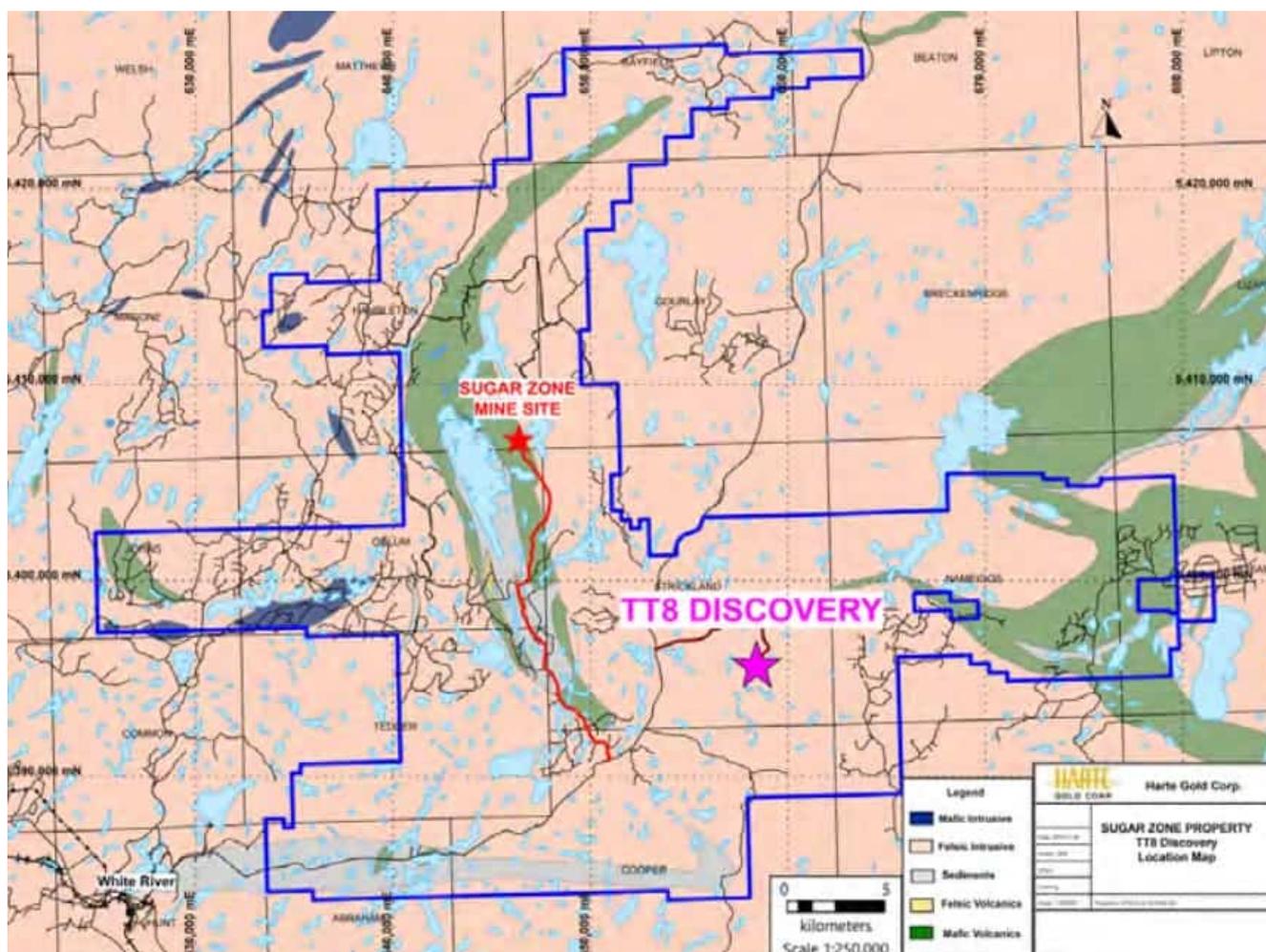
Drilling is underway at the TT8 discovery, approximately 17 Km southeast of the Sugar Zone Mine. The TT8 Discovery is believed to be an extension of an existing known greenstone belt to the east. Drilling will test the down dip potential of the mineralized outcrop. Drill results will be provided as they become available.

Back in December 2019, Harte announced the new discovery stating: “17 chip samples across a 40-metre strike extent have returned gold values from 11.1 g/t to 247.0 g/t Au.”

Sam Coetzer, President and CEO, commented: “We see this as very positive news, confirming the prospective potential of the overall Harte Gold land package. The TT8 Discovery will

now form the primary focus of the company's exploration plan. Our strategy is to find additional feed sources for our processing facility and this target potentially fits this goal. I am very excited and believe our exploration team have the ability to unlock significant further value from our overall property."

### Location of the TT8 discovery



### Harte Gold further strengthens management

On January 28 Harte Gold announced the appointment of Dan Gagnon, Mine General Manager, Sugar Zone Mine. The announcement stated: "Mr. Gagnon brings to Harte Gold over 30 years of experience in geology and general management from a wide range of operations across Canada."

The Company has also hired Christopher McCann as Director of Technical Services, a new position within the Company with the

primary focus on engineering design, scheduling and planning capabilities.

On February 12 Harte Gold announced further management changes with the appointment of Graham du Preez as Executive Vice President and Chief Financial Officer. The announcement stated: "Mr. du Preez is a senior executive with more than 20 years of finance experience, including leadership roles in a complex, publicly-traded, international mining company as well as junior mining companies."

### **Closing remarks**

The Harte Gold turnaround has begun but is by no means complete. At the Sugar Zone Mine new management have reduced costs and increased production, but still have some way to go.

When combining the above with the new TT8 discovery and its potential to feed further gold and the additional experienced management, I would say the turnaround looks likely to continue in 2020. Provided the gold price stays strong and Harte can continue to reduce costs and increase production in 2020, then by 2021 Harte should be in a much stronger position. Some nice high-grade drill results from the new TT8 discovery would also be very useful.

Harte Gold has a current market cap of C\$98 million, and an analyst's consensus target price of C\$0.25 representing 72% upside.

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## **Update on Harte Gold's Sugar**

# Zone Mine production and new high grade gold discovery

“We do a lot of exploration at Harte Gold around the Sugar Zone mine. We have been extending the deposit from an initial small resource of about 100,000 ounces, were now getting close I would say to 2 million ounces and that’s been done along a five-kilometer strike length. So, this latest discovery is south of the Sugar Zone. In an area we call the upper zone of the actual sugar zone deposit, and it’s an area that hadn’t been previously drilled. This extends the ore body 200 meters further south which again is going to have the potential to add a significant amount of new ounces to our resource.” States Stephen G. Roman, Chairman, President and CEO of Harte Gold Corp. (TSX: HRT), in an interview with InvestorIntel’s Tracy Weslosky.

Stephen continues to discuss Harte Gold’s recent financing, explaining how they were able to significantly reduce interest costs, along with discussion on Harte Gold’s Q1 results and vision moving forward.

To access the complete interview, [click here](#)

Disclaimer: Harte Gold Corp. is an advertorial member of InvestorIntel Corp.

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## Harte Gold CEO on Ontario’s

# newest high-grade gold mine in the last 10 plus years

“We actually have now shipped three shipments out of our Sugar Zone mine site, so the company is now a producer. We had a grand opening on the 24<sup>th</sup> of October that was attended by the Premier of the Province, Doug Ford and the Mines Minister Greg Rickford. We had about 300 people on site. It was a very excellent day, let us put it that way, to open this new facility. It is Ontario’s newest high-grade gold mine probably in the last 10 plus years.” States Stephen Roman, Chairman, President and CEO of Harte Gold Corp. (TSX: HRT), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

**Tracy Weslosky:** Now you just announced your gold pour, two weeks ago, three weeks ago?

**Stephen Roman:** Yes. We actually have now shipped three shipments out of our Sugar Zone mine site, so the company is now a producer. We had a grand opening on the 24<sup>th</sup> of October that was attended by the Premier of the Province, Doug Ford and the Mines Minister Greg Rickford. We had about 300 people on site. It was a very excellent day, let us put it that way, to open this new facility. It is Ontario’s newest high-grade gold mine probably in the last 10 plus years.

**Tracy Weslosky:** This is a significant accomplishment. For those of you out there with all of your cannabis dough, can you tell them why they should look at Harte Gold?

**Stephen Roman:** I think the cannabis group needs to take some profits and put it into the next rising sector, which will be gold and uranium and other commodities. They have been depressed for a while and now I think they are starting to move. We as a new producer, a new high-grade producer here in the Province of Ontario have a lot of upside. The last company

that was in our area that was taken over by a significantly larger company had a similar sized operation to us they went out for almost a billion dollars Canadian. Our market cap is \$250 million right now. If we start to move up into that level it will be a significant rise for anybody getting in at this point.

**Tracy Weslosky:** Earlier this year Stephen you also announced tripling your resource. Is that correct?

**Stephen Roman:** That is correct. That was the last NI 43-101 we put out. That was for drilling done in 2017. We went from about a half a million ounces to 1.5 million ounces so a very large increase. What we are doing now, of course, we kept drilling and we have been drilling through 2018. We will have another resource update in the first quarter. We expect another increase in our resource.

**Tracy Weslosky:** For all of you InvestorIntel members following the Australia gold buzz and you are looking for a gold story here in Canada, can I have you back up and try and give us an overview of the Sugar Zone Project and just introduce us to it please Stephen.

**Stephen Roman:** Okay. The Sugar Zone was discovered about the time of the Hemlo deposit in the early eighties. Really it languished there. It was viewed as a small insignificant deposit. When we took over managing the company in 2009 there was about 100,000 to 150,000 ounces. Subsequently did a drill program and built that up to a half a million ounces. The following drill program built that up to a million and a half ounces. It is a project that has got a lot of legs. It is open on strike down dip and it just requires the work and the drilling to prove up a larger resource...to access the complete interview, [click here](#)

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# **\$25 million financing deal brings Harte a step closer to gold production**

A string of recent successes at their Sugar Zone property in Ontario has brought Harte Gold Corp. (“Harte”) (TSX: HRT) a step closer to their goal of production.

So my version – again this wastes my time for what should be an easy read over: Over the years, Harte has been steadily adding value to its property. Harte first undertook drilling back in 2010 when it located a near-surface, high grade area of gold directly under a series of surface trenches, which showed conclusively that the Sugar Zone had significant mineralisation below 300m depth. Then in 2012, the Company received a positive preliminary economic assessment which promised an annual revenue of \$98million over a six-year mine life.

On November 15 Harte announced that they had discovered an entirely new deposit located between two previously explored zones. The new ore is contained within four mineralised areas over twenty-eight meters and features grades of up to 60g/t. The area was included in a 3D induced polarisation/resistivity survey completed in the spring and summer of 2016. Subsequently it was drilled as part of the project’s advanced exploration and bulk sampling program and now represents a significant addition to the company’s asset.

From impressive grades, to an impressive management team, Harte boasts a team comprised of strong technical and operational backgrounds that are responsible for bringing us

the discovery and subsequent sale of Gold Eagle Mines Ltd. to Goldcorp for \$1.5bn in 2008.

In August 2016, management completed the initial sampling of material efficiently and within the timeline provided. The results showed a record 5,942 tonnes of ore, producing refined material at an average grade of 9.84g/t. Stephen Roman, President and CEO of Harte, commented:

*“The advanced exploration bulk sample program continues to exceed expectations. We are pleased with the progress to date and would like to take this opportunity to express our appreciation of the excellent work being done by our geological and technical team and the contract miner, Technica Mining Inc. with whom we have accomplished these milestones efficiently and safely with no lost time accidents”.*

On November 24<sup>th</sup>, Harte revealed that they had secured proceeds of \$25 million to accelerate exploration and development work at the Sugar Zone property. This financing was recently concluded on the 14th of December.

The financing consists of a \$15 million from Cantor Fitzgerald Canada Corporation and a concurrent \$10 million from Appian Natural Resources Fund for the advanced exploration and bulk sampling program still underway. A permit to extract a further 30,000 tonnes of material for commercial production is expected before the end of Q1 2017, and Harte is hopeful that full commercial production can be underway by Autumn 2017. We understand that in this respect, Harte has already commissioned BluMetric Environmental Inc. to design, supply and install a green million dollar mine-water treatment system.

Harte's Sugar Zone is a sweet deal. The deposit is high-grade, surrounded by producing gold mines and in a politically

stable authority. Positive cash flow has already been achieved from the extraction of 70,000 tonnes of ore, under a toll milling agreement with Barrick Gold at nearby Hemlo Mine, and full commercial production is expected to be at 500tpd, with multi-million ounce potential over time.