Harte Gold Announces Positive PEA For the Sugar Zone Project

03.05.2018 | GlobeNewswire

TORONTO, May 03, 2018 (GLOBE NEWSWIRE) -- HARTE GOLD CORP. (“Harte Gold” or the “Company”) (TSX:HRT) (OTC:HRTFF) (Frankfurt:H4O) is pleased to announce the results of a positive Preliminary Economic Assessment (“PEA”) for the Company’s 100% owned Sugar Zone Project (“Sugar Zone” or the “Project”), near White River, Northern Ontario.

Legend: Yellow = Indicated Mineral Resources, Grey = Inferred Mineral Resources. Scale in metres.

Longitudinal Projection Illustrating Gold Grade Contours, Infill Drill Results And Future Mine Development

Mine Design – Grade Distribution

Throughput and Diluted Head Grade

Annual Gold Production Over LOM

Highlights:

- 80,700 ounces of average annual gold production at a C1 cash cost of US$507/oz Au and AISC of US$708/oz Au over an 11 year mine life from 2019 onwards.
- 904,000 ounces of total recovered gold production over mine life, approximately two thirds of the combined Indicated and Inferred Mineral Resources announced February 15, 2018.
- The PEA studied a phased development approach with a goal of achieving near-term cash flow while minimizing initial underground development work, starting at 540 tpd at the Sugar Zone, increasing to 1,400 tpd by year 2021 as access to the Middle Zone Mineral Resources are incorporated into the mine plan.
    - The benefit of mining the higher grade areas of the Sugar and Middle Zones in parallel is expected to increase average annual gold production to over 100,000 ounces from 2021 to 2025.
    - 54,500 ounces of average annual gold production is targeted for 2019 and 2020.
    - C$58 million remains to be spent in 2018 as of March 31, 2018, on process plant completion, underground development and working capital. Process plant construction is over 80% complete. The Company expects to be starting production by July 2018.
- Management have identified a number of opportunities, outside the scope of the mine plan studied in the PEA, which could further improve the mine plan and economics of the Project. These opportunities, while still being explored, were recognized based on the positive infill drilling and mine plan optimizations, currently underway.
- The following table summarizes NPV and IRR at various gold price and exchange rate sensitivities:

NPV and IRR Summary

	Unit	Gold Price Sensitivities US$1,150/oz	PEA Pricing	US$1,350/oz
Macro Parameters				
Gold Price	*US$/oz*	$ 1,150	$ 1,250	$ 1,350
Exchange Rate	*CAD:USD*	0.80	0.80	0.80
Pre-Tax NPV and IRR				
NPV @ 5%	*M C$*	$ 263	$ 344	$ 425
IRR	*%*	40 %	50 %	60 %
Post-Tax NPV and IRR				
NPV @ 5%	*M C$*	$ 189	$ 244	$ 299
IRR	*%*	34 %	42 %	50 %

Stephen G. Roman, President and CEO of Harte Gold, commented “The PEA demonstrates an economically robust, low cost operation with a scalable mine plan designed to match underground development. With a target of 1,400 tonnes per day producing over 100,000 ounces per year, Harte Gold will have the cash flow to continue property wide exploration and the ability to target high impact acquisition opportunities.”

Mr. Roman added “We are particularly encouraged by the value opportunities being explored. As illustrated with previous infill drilling, grade is expected to improve as we tighten spacing, which will have a significant, positive effect on the diluted head grade mined and the number of ounces incorporated into the mine plan. There are over 500,000 ounces of resource currently not included within the PEA mine plan. As we continue drilling, we expect the economics of the Sugar Zone Project should only improve.”

PEA Summary
The PEA was prepared by P&E Mining Consultants Inc. and is summarized as follows:

PEA Base Case Summary Parameters

Input	Unit	Value
Macro Parameters		
Gold Price	*US$/oz*	$ 1,250
Exchange Rate	*CAD:USD*	0.80
Physical Parameters		
Total Tonnes Processed (Life of Mine)	*Tonnes*	4,539,800
Average Annual Throughput (2019+)	*tpa*	403,000
Diluted Head Grade	*Au g/t*	6.5
Gold Recovery	*%*	95.4 %
Mine Life	*Years*	12
Total Ounces Recovered	*Ounces*	904,000
Average Annual Production (2019 – 2020)	*Ounces*	54,500
Average Annual Production (2021 – 2025)	*Ounces*	106,900
Average Annual Production (LOM)	*Ounces*	80,700
Peak Annual Production (2024)	*Ounces*	121,400
Cost Parameters		
Mining Costs	*C$/tonne*	$ 90.83
Processing Costs	*C$/tonne*	$ 28.71
Site G&A	*C$/tonne*	$ 8.46
Total Costs	*C$/tonne*	$ 128.01
Capital Cost (LOM)		
Underground Development	*M C$*	$ 176
Equipment	*M C$*	$ 5
Infrastructure	*M C$*	$ 24

Tailings Expansion	*M C$*	$ 18
Process Plant Construction	*M C$*	$ 59
Cost Summary		
LOM Average Cost	*US$/oz*	$ 507
LOM ASIC	*US$/oz*	$ 708

Mineral Resource
The Mineral Resource incorporated into the PEA is based on the National Instrument (“NI 43-101”) 43-101 Mineral Resource Estimate with an effective date of February 15, 2018.

Mineral Resource Estimate, at 3.0 g/t Au Cut-Off[1-6]

	Zone	Tonnes	Grade (g/t Au)	Contained Gold (ounces)
	Sugar Zone	2,148,000	8.6	594,700
Indicated	Middle Zone	460,000	8.1	119,500
	Total	2,607,000	8.5	714,200
	Sugar Zone	1,802,000	6.4	369,300
Inferred	Middle Zone	1,788,000	6.8	391,500
	Total	3,590,000	6.6	760,800

(1) *Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.*

(2) *The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*

(3) *The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.*

(4) *The Mineral Resources in the PEA were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.*

(5) *Advanced Exploration Bulk Sample mined out area removed from the model.*

(6) *The 3g/t Au cut-off was derived from US$1,250 Au price, US$0.80 exchange rate, C$86/t mining cost, C$28/t processing cost, C$5/t G&A cost, C$10/t sustaining Capex, US$5/oz refining cost, 96% processing recovery and US$115/oz shipping, smelting and royalty charges (averaged across total production).*

Mineable Mineralization for Mine Planning Purposes
For purposes of mine planning, and after factoring in planned dilution, varying cut-off grades for stope and low grade development material, the Potentially Mineable Mineralization is comprised of 4.5 million tonnes at a diluted grade of 6.5 g/t Au, containing 941,000 ounces of gold.

Potentially Mineable Mineralization For Mine Planning

	Zone	Tonnes	Diluted Grade (g/t Au)	Contained Gold (ounces)
	Sugar Zone	2,057,000	7.2	474,000
Indicated	Middle Zone	451,000	6.8	98,000
	Total	2,508,000	7.1	571,000
	Sugar Zone	731,000	6.0	141,000
Inferred	Middle Zone	1,260,000	5.6	228,000
	Total	1,991,000	5.8	370,000

Some figures may not add up due to rounding

The Potentially Mineable Mineralization was determined using several cut-off grades ranging from 3.5 g/t Au for stope cut-off grades, down to 1.5 g/t Au for low grade development, with an average 4.3 g/t Au cut-off grade applied that included mine development capital costs.

Approximately 534,000 ounces of the Mineral Resources were excluded from the PEA mine plan due to drill density and lower grade mineralization. A majority of the mineralization excluded is classified as Inferred Mineral Resources, located below the Sugar Zone North Ramp at 500 metres depth and the Middle Zone Ramp at 750 metres depth, illustrated in the following longitudinal projections.

Photos accompanying this announcement are available at

http://resource.globenewswire.com/Resource/Download/d5e59c9d-b1ff-4f03-a13a-368846bc044c

http://resource.globenewswire.com/Resource/Download/e4b85afe-9b1e-45b8-89ac-9cb714c55d6f

Mine Plan

Longitudinal longhole retreat stoping was selected as the mining method based on a favourable geometry, geotechnical understanding and the success of the Bulk Sample program completed in 2017. Both the mineralized material and the host rock are sufficiently competent to support the void sizes required for effective longhole stoping. Paste backfill will be the primary fill type.

A level-by-level, bottom up stope sequence was applied to the stopes within each mining block. The Sugar Zone stope design was based on 15 metre levels, 50 metre lengths and factoring in 38% dilution. The Middle Zone stope design was based on 20 metre levels, 30 metre lengths and factoring in 28% dilution.

The Sugar Zone North and South ramp stopes are targeted first, to maximize near-term production and minimize pre-production development costs. These areas are lower in grade for the first 18 months and will be mined before reaching higher grade stopes below. Average diluted grade over the first 18 months of production is 5.5 g/t Au.

During years 2020 to 2025, the higher grade areas of both the Sugar and Middle Zones will be accessible, providing access to high grade stopes averaging a diluted head grade of 7.3 g/t Au during this period.

From 2025 onward, the Inferred Mineral Resource currently classified as lower grade are mined at an assumed diluted grade averaging 5.3 g/t Au.

Longitudinal projections illustrating the diluted mining grades and mining sequence by year are provided below.

A photo accompanying this announcement is available at http://resource.globenewswire.com/Resource/Download/b65aa266-2c9b-494f-ab5d-0acd2e5cdc8c

Initial mine production is targeted at a nominal rate of 540 tpd and will increase as underground development continues as per the schedule below:

Phased Mine Production Schedule

Phase 1 Mining Rate: 540 tpd (2018 – 2019)	● Initial operations are permitted to operate at 540 tpd ● Low risk ramp-up to commercial production ● Use of mine contractors in early years limits mining risk ● Process plant to operate up to 800 tpd, augmented by surface stockpiles

Phase 2 Mining Rate: 800 tpd (2020)	• Existing surface and underground mining infrastructure is sufficient to support increased th • Increase throughput via notification to Canadian Environmental Assessment Agency (&ldq
Phase 3 Mining Rate: 1,400 tpd (2021+)	• Throughput increased by adding second ball mill and leach circuit to eliminate concentrate • Incorporation of the Middle Zone allows for multiple stoping areas • Transition to owner operated mining • Impact Benefit Agreement covers all future expansions on the property

Processing and Recovery

800 tpd Process Plant

The process plant design was sized to support the initial Phase 1 mining rate of 540 tpd and Phase 2 increase of the mining rate to 800 tpd. The process plant commences by producing both a doré bar and a bagged gold concentrate through gravity concentration and flotation circuits, respectively. This process plant is currently under construction and is over 80% complete. The major process steps are as follows:

- Primary and Secondary crushing;
- Fine feed storage (stockpile);
- Grinding (ball mill);
- Gravity concentration;
- Flotation;
- Filtration; and
- Tailings thickening.

Increasing to 1,400 tpd

Harte Gold commissioned Halyard Inc. (“Halyard”) to prepare a study examining the Phase 3 process plant expansion to 1,400 tpd and incorporation of a flotation concentrate leaching circuit that would allow the Project to produce only a doré, rather than a combined doré and flotation concentrate output.

The simplest option to support throughput expansion is to build a parallel ball mill, gravity circuit with 600 tpd capacity, then combine flotation concentrates in a common leaching circuit. In order to minimize duplicative capital and operating costs, some level of integration in combining circuits was examined.

The Halyard study concluded that an additional process plant building is necessary to house a parallel ball mill and gravity circuit, a concentrate leaching circuit and a cyanide leach solution handling/gold recovery circuit, adjacent to the existing process plant facility. Other areas such as crushing, feed storage and flotation equipment can be successfully combined. Construction of the expanded process plant facility and flotation concentrate leaching circuit is expected to be completed by the end of year 2020 and operational for 2021.

The following charts illustrate the positive impact of increased production.

http://resource.globenewswire.com/Resource/Download/bd238b69-eb01-4a95-a479-d1d6ab32294e

http://resource.globenewswire.com/Resource/Download/baec1796-cf3c-4c2a-82a9-2b39c21aa8be

Capital Costs and Working Capital

Capital Costs (C$ Millions, As at March 31, 2018)

Input	Pre-Production (2018)	Sustaining (2019+)	Total (LOM)
Underground Development	$ 12	$ 164	$ 176
Process Plant Construction	$ 36	$ 23	$ 59
Underground Infrastructure	$ 9	$ 15	$ 24
Tailings Expansion	$ 0	$ 18	$ 18

Equipment	$ 1	$ 3	$ 5
Total Capital Costs	$ 58	$ 223	$ 281

Pre-Production Capital Costs
Due to of the amount of work already completed, very little additional development is required prior to stope production, serving to minimize commissioning risk. The remaining work includes completing sill development on five levels, long-hole drilling in advance of stope blasting, and ventilation drift development.

Process plant construction is well underway. Detailed engineering began in Q1 2017, long lead equipment purchases were made in Q2 2017 and site construction began shortly thereafter. The process facility is over 60% completed. The total cost of process plant construction will be C$83 million, including the paste fill plant, tailings management, site power and other surface infrastructure, of which C$36 million remains.

No significant pre-production underground infrastructure is required. The ventilation raise is completed and underground distribution has been upgraded. Remaining major infrastructure items include ventilation fans, a surface substation, paste fill distribution system and various underground support investments, which will be completed over the period of May through September 2018.

Sustaining Capital Costs
The largest sustaining capital item is the cost of underground development and maintaining a development rate that is sufficient to open enough working faces to support the planned mining rate. Increasing the mine production to 1,400 tpd will require developing the ramp from the Sugar Zone to the Middle Zone, which is scheduled to begin upon the start of commercial production. The Sugar Zone requires two ramps, the Sugar Zone North Ramp and Sugar Zone South Ramp, developed to a depth of approximately 1,000 metres and 500 metres, respectively. The Sugar Zone ramps incorporate linking ramps at approximately 180 metre intervals to support ventilation, pumping, etc.

Approximately C$23 million of sustaining capital has been budgeted for the process plant throughput expansion to 1,400 tpd, which requires the following modifications:

- Additional cone crusher to increase capacity of the crushing circuit.
- A second parallel ball mill.
- Storage modifications and additional conveyors for the second ball mill.
- Three additional flotation cells.
- Concentrate regrind and leaching equipment.

To support expansion of operations, the tailings management capacity will need to be increased over the life of mine. The initial expansion involves a second raise of the tailings dam in Q3 2020 and thereafter, development of a second tailings management facility, which was included as part of the approved environmental assessment.

Opportunities To Enhance Project Value
The Company has recognized several areas for opportunity to further enhance value at the Sugar Zone Project.

Area of Focus	Opportunities to Explore
Higher Head Grade	• During previous Mineral Resource model updates, incr • Recent drilling in the Middle Zone (occurring after the d
Convert Additional PEA Mineral Resource Into Mine Plan	• A significant amount of the NI 43-101 Inferred Mineral I • Infill drilling is underway in these areas and could subs
Grow Property Wide Mineral Resource Base	• The Sugar and Middle Zones remain open at depth and • Incorporating new zones such as the Wolf Zone and th • A property wide, systematic exploration programs acro

Optimize Mine Plan Scheduling, Reduce Mining Cost	● Sublevel spacings are considered conservative in an e ● Sill drift dimensions are expected to be optimized as dr ● Optimization of the mining sequence within each minin ● The assumed underlying contractor mining costs in the ● Increasing the availability and implementation of batter

Project Economics
The Project economics are summarized in the following table. A 2.0% net smelter royalty (“NSR”) is payable over mine life. The existing 3.5% NSR can be reduced to 2.0% on payment of $1.5 million. The Company expects to buy down the NSR in August 2018.

NPV figures calculated on an after-tax basis factor in a 25% corporate income tax rate and 10% Ontario Mining Tax rate.

NPV and IRR Summary

	Unit	Gold Price Sensitivities						
		US$1,150/oz		PEA Pricing		US$1,350/oz		
Macro Parameters								
Gold Price	*US$/oz*	$	1,150	$	1,250	$	1,350	
Exchange Rate	*CAD:USD*		0.80		0.80		0.80	
Pre-Tax NPV and IRR								
NPV @ 5%	*M C$*	$	263	$	344	$	425	
IRR	*%*		40	%	50	%	60	%
Post-Tax NPV and IRR								
NPV @ 5%	*M C$*	$	189	$	244	$	299	
IRR	*%*		34	%	42	%	50	%

QA/QC Statement
The Company has implemented a quality assurance and control (“QA/QC”) program to ensure sampling and analysis of mine and exploration work is conducted in accordance with industry standards. Drill core is sawn in half with one half of the core shipped to Actlabs Laboratories located in Thunder Bay, ON, while the other half is retained at the Company’s core facilities in White River, ON, for future verification. Certified reference standards and blanks are inserted into the sample stream on a regular interval basis and monitored as part of the QA/QC program. Gold analysis is performed by fire assay using atomic absorption, gravimetric or pulp metallic finish. The Mineral Resource Estimate was prepared in compliance with NI 43-101 guidelines.

Qualified Persons and NI 43-101 Disclosure
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.

Independent Qualified Person, Eugene Puritch, P.Eng., FEC, CET of P&E Mining Consultants Inc. has reviewed and approved the technical contents of this news release.

The PEA is preliminary in nature and includes Inferred Mineral Resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that PEA results will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

About Harte Gold Corp.
[Harte Gold Corp.] is focused on the exploration and development of its 100% owned Sugar Zone Property where it has recently completed a 70,000 tonne Advanced Exploration Bulk Sample at the Sugar Zone Deposit and mined 30,000 tonnes under its Phase I Commercial Production Permit. The Sugar Zone Property is located 80 kilometres east of the Hemlo Gold Camp. Using a 3 g/t Au cut-off, the Mineral

Resource Estimate dated February 15, 2018 contains an Indicated Mineral Resource Estimate of 2,607,000 tonnes grading 8.52 g/t Au for 714,200 ounces of contained gold and an Inferred Mineral Resource Estimate of 3,590,000 tonnes, grading 6.59 g/t Au for 760,800 ounces of contained gold. Harte Gold also holds the Stoughton-Abitibi property located on the Destor-Porcupine Fault Zone, east of Timmins, Ontario, and adjacent to the Holloway Gold Mine.

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This presentation contains forward-looking information under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to completion of any financings; Harte Gold’s development potential and timetable of its operating, development and exploration assets; Harte Gold’s ability to raise additional funds necessary; the future price of gold; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production, development and exploration; costs of future activities; capital and operating expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental and permitting risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". All information contained in this news release, other than statements of current and historical fact, is forward looking information. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Harte Gold to be materially different from those expressed or implied by such forward-looking statements, including but not limited to those risks described in the annual information form of Harte Gold and in its public documents filed on SEDAR from time to time.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Although management of Harte Gold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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. Harte Gold does not undertake to update any forward-looking statements, except in accordance with applicable securities laws. Readers should also review the risks and uncertainties sections of Harte Gold’s annual and interim MD&As.

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