
Headwater Gold Initiates OTCQB Listing and Grants Stock Options

Vancouver, British Columbia, July 5, 2021: Headwater Gold Inc. (CSE: HWG) (the "Company" or "Headwater") is pleased to announce that it has initiated the process to list the Company's common shares on the OTCQB Market (the "OTCQB") in the United States. Admission to the OTCQB will allow the Company to grow its shareholder base in the United States, a market that traditionally has a strong demand for investment in gold focused exploration companies.

The Company anticipates that the move to the OTCQB will provide enhanced investor benefits including access to the most current information while reducing the trading limits and restrictions, greater access to analyst coverage and news services. The OTCQB is considered by the Securities and Exchange Commission ("SEC") as an "established public market" for the purpose of determining the public market price when registering securities for resale with the SEC. The OTCQB increases transparency, management certification and compliance requirements, and most broker dealers trade stocks on the OTCQB. Historically this has resulted in greater liquidity and awareness for companies that reach the OTCQB tier.

Stock Options

The Company has granted 1,220,000 incentive stock options (the "Options") to directors, officers, employees and consultants of the Company. Each Option is exercisable to purchase one common share of the Company at a price of \$0.36 for a five year term, such Options to vest six months after the date of grant. The Options are subject to the acceptance of the Canadian Securities Exchange.

About Headwater Gold

Headwater Gold Inc. is a technically-driven mineral exploration company focused on exploring for high-grade precious metal deposits in the Western USA. Headwater is actively exploring one of the most well-endowed and mining-friendly jurisdictions in the world with a goal of making world-class precious metal discoveries. Headwater has a large portfolio of epithermal vein exploration projects, and a technical team composed of experienced geologists with diverse capital markets, junior company, and major mining company experience. The Company is well funded and plans an aggressive 2021 exploration season, with the intent to drill several of its 100% owned projects in Nevada, Idaho, and Oregon.

For more information, please visit the Company's website at www.headwatergold.com.

On Behalf of the Board of Directors

"Caleb Stroup"
President & CEO

For further information, please contact:

Brennan Zerb
Investor Relations Manager
+1 (778) 867-5016
bzerb@headwatergold.com

Forward-Looking Statements:

This news release includes certain forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding future capital expenditures, anticipated content, commencement, and cost of exploration programs in respect of the Company's projects and mineral properties, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Often, but not always, forward looking information can be identified by words such as "pro forma", "plans", "expects", "may", "should", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "potential" or variations of such words including negative variations thereof, and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or 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 differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, statements as to the anticipated business plans and timing of future activities of the Company, including the Company's exploration plans, the proposed expenditures for exploration work thereon, the ability of the Company to obtain sufficient financing to fund its business activities and plans, delays in obtaining governmental and regulatory approvals (including of the Canadian Securities Exchange), permits or financing, changes in laws, regulations and policies affecting mining operations, the Company's limited operating history, currency fluctuations, title disputes or claims, environmental issues and liabilities, as well as those factors discussed under the heading "Risk Factors" in the Company's prospectus dated May 26, 2021 and other filings of the Company with the Canadian Securities Authorities, copies of which can be found under the Company's profile on the SEDAR website at www.sedar.com.

Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update any of the forward-looking statements, except as otherwise required by law.