

Headwater Gold Completes Drill Program at Spring Peak Project, Nevada

Vancouver, British Columbia, September 15, 2021: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce the successful completion of the first-pass drill program at its Spring Peak Project, located in Nevada, USA.

Summary Highlights:

- Headwater's initial program consisted of five reverse circulation ("RC") drill holes totaling 1,350 metres and was completed on schedule and under budget;
- The drill holes cut across the interpreted principal structural controls on the alteration cell at vertical depths between 100-200 metres below surface;
- Epithermal quartz veins were intercepted in four of the five drill holes at a variety of elevations and within multiple structures. Individual vein zones range from 1.5 to 18.3 metres in drilled width; and
- Assay results are expected in approximately six weeks.

Caleb Stroup, Headwater's President and CEO, states: *"We are very pleased with our rapid accomplishments at Spring Peak, having completed the first-pass drilling within two months of acquisition. Our drill program marks the first drilling on the Project since 1989, and the first ever drilling below approximately 100 metres vertical depth where we believe the potential exists for high-grade precious metals. The alteration and epithermal veins intercepted in the Headwater drilling largely confirm our general exploration thesis by proving the presence of quartz vein material in structures at depth below a high-level alteration zone. Assays are required to determine the economic significance of these new vein zones and are expected in late October."*

About the Spring Peak 2021 Drill Program:

The Spring Peak Project is located in the Aurora Mining District of west-central Nevada, approximately 50 kilometres southwest of the town of Hawthorne and adjoins Hecla Mining's Aurora mine complex. A large hydrothermal alteration cell occurs in the center of the Spring Peak Project area, which is interpreted by Headwater geologists as representing the high-level manifestations of an epithermal precious metal system. Using a variety of geological and geophysical targeting tools, Headwater geologists identified several previously undrilled high-grade vein targets at depth beneath this high-level alteration cap, which were tested by the recent drilling. Four of the five Headwater drill holes intersected epithermal quartz vein material. Drilling successfully intersected veins at a range of elevations in multiple structures. Individual vein zones ranged from 1.5 to 18.3 metres in drilled width and in many cases consisted of multiple veins. Too little is known about the orientation of the veins at present to determine true thicknesses. Assays, once received from the laboratory, together with textural information, will provide Headwater geologists with critical information for future targeting. RC drilling has proven to be a highly productive and cost-effective method for this initial exploration drilling at Spring Peak.

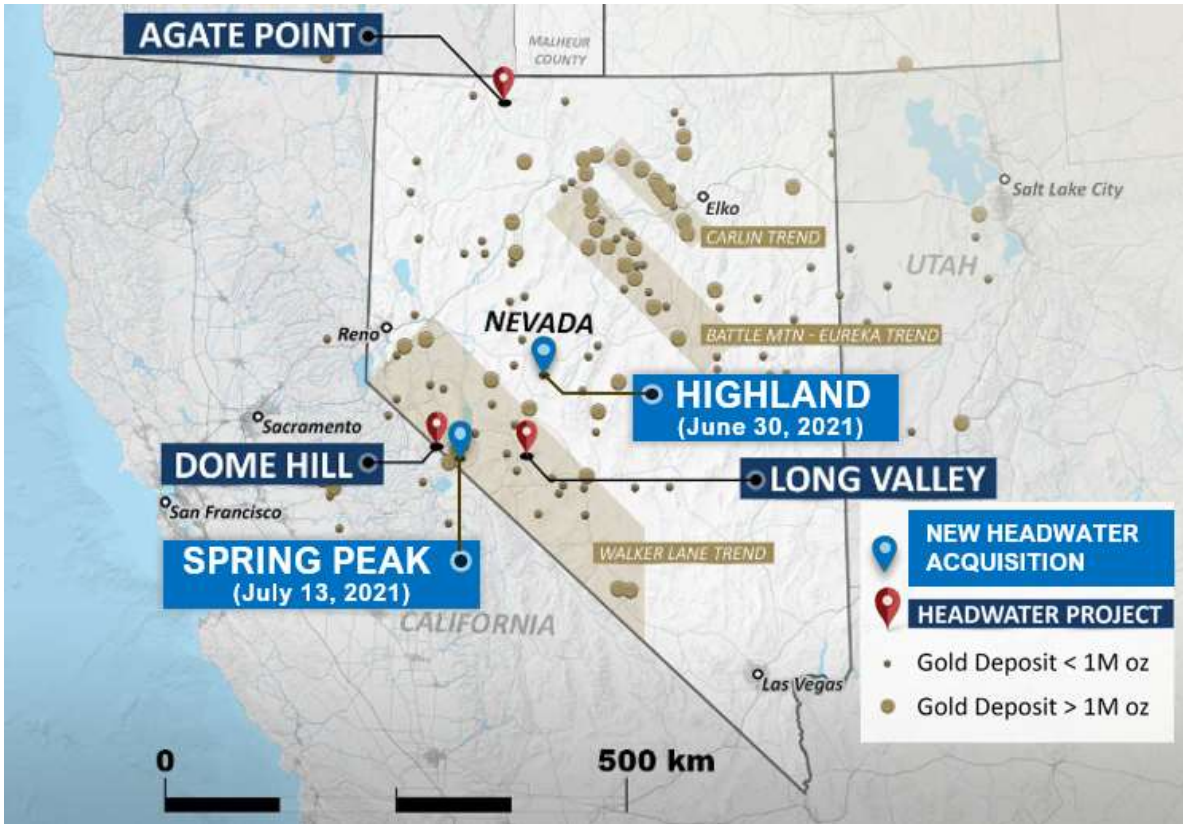


Figure 1: Location of the Spring Peak Project and other Headwater Nevada projects.

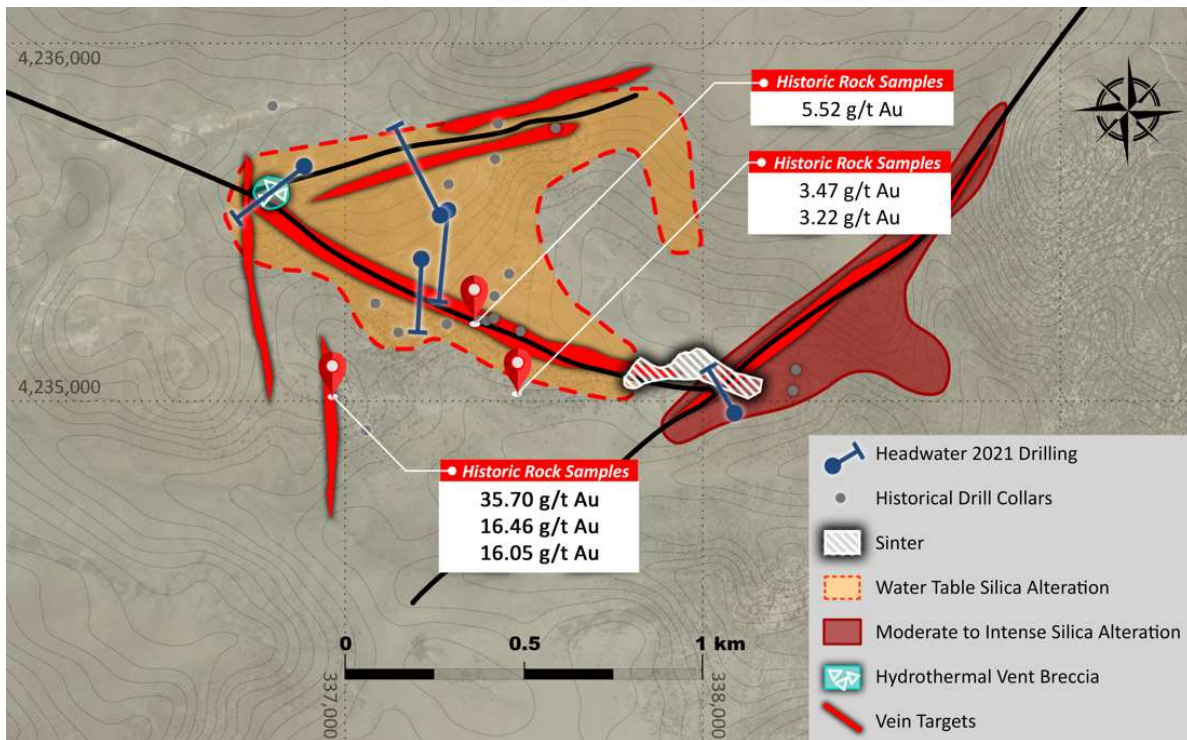


Figure 2: Principal vein targets at the Spring Peak Project relative to drill traces of completed 2021 Headwater drill holes, key geologic features and select historic rock sampling highlights.

Principal Terms of the Spring Peak Option Agreement:

The Agreement allows for Headwater to acquire a 100% undivided interest, subject to retained royalties, in the Spring Peak project from Orogen Royalties Inc. ("Orogen") by incurring exploration expenditures of US\$250,000 prior to July 2023, making a cash or share payment totaling US\$250,000 (subject to receipt of certain future permitting milestones) and maintaining all required underlying option payments and royalties as outlined below.

Orogen will retain a 0.5% net smelter return ("NSR") royalty and an option to purchase an additional 0.5% NSR royalty for US\$1,000,000. The underlying option payments include an annual lease payment commencing at US\$40,000 and escalating up to US\$60,000 (indexed to inflation) with a US\$500,000 buyout. The underlying optionor will retain a 2.5% NSR royalty of which 1.5% of the NSR may be purchased for US\$1,500,000 at any time.

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 aggressively 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 is systematically drill testing several of its 100% owned projects in Nevada, Idaho, and Oregon.

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

Investor Webinar**Thursday, September 16th at 9:00 am (PDT) / 12:00 pm (EDT)**

We welcome you to join our President & CEO Caleb Stroup and three other industry leaders from Gold Bull, Contact Gold, and Ridgeline Minerals; for an insightful discussion on the current state and future of mining in Nevada.

To register for the webinar, [please click here](#)

On Behalf of the Board of Directors

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Qualified Person

The technical information contained in this news release has been reviewed and approved by Mr. Derrick Strickland, P.Geo. (1000315), a "Qualified Person" ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

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.