

## Headwater Gold Completes First-Pass Drill Program On Its Mahogany Gold Project and Commences Drilling at Katey

**Vancouver, British Columbia, November 16, 2021:** Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce the successful completion of the first-pass core drill program on its 100% owned Mahogany gold project. The Company also announces it has commenced drilling on its 100% owned Katey gold project located in Southeast Oregon.

### **Highlights:**

- Headwater's drill program at Mahogany consisted of five diamond core drill holes totaling 810 metres and was completed on schedule and on budget;
- Epithermal quartz veins and vein breccias, ranging in drilled thickness from 0.1 metres to 8.1 metres, were intercepted in four of the five drill holes at a variety of elevations;
- Drilling targeted the Main Ridge Fault zone, which hosts intense silicification and epithermal quartz veining at the surface, including rock grab samples which returned gold values up to 170 grams per tonne; and,
- The drill rig has moved to Headwater Gold's 100% owned Katey Project, located 30 km northwest of Mahogany.

Caleb Stroup, Headwater's President and CEO, states: *"The completion of the Mahogany drill program marks the third successfully executed program since our public listing, approximately five months ago. Initial geologic indications from Mahogany confirm that the Project hosts a significant epithermal system. The breccias and quartz vein textures encountered in the drilling are indicative of the upper portions of the boiling horizon, implying we are targeting the correct level of the system, with additional targets still remaining at depth. Assays are required to better understand the significance of individual drill intercepts, but the presence of quartz veining and favourable alteration combined with detailed structural information collected from the oriented core is enabling the Company to further refine the exploration model and move forward with improved confidence. Drilling has now begun on the nearby Katey Project, where our objective is to test for vein mineralization in structural feeders immediately below mineralization encountered in shallow historic drilling"*.



Figure 1: Core photographs of representative epithermal textures encountered in the Headwater 2021 drilling. Core is HQ size, and each row is approximately 60 cm in length. A) Chalcedonic quartz vein from hole MH21-01; B) Heterolithic silica cemented breccia with sub-rounded clasts of milled wallrock from drill hole MH21-01; C) Multiphase vein cemented breccia from drill hole MH21-02; and D) fault-hosted brecciated chalcedonic vein from drill hole MH21-03.

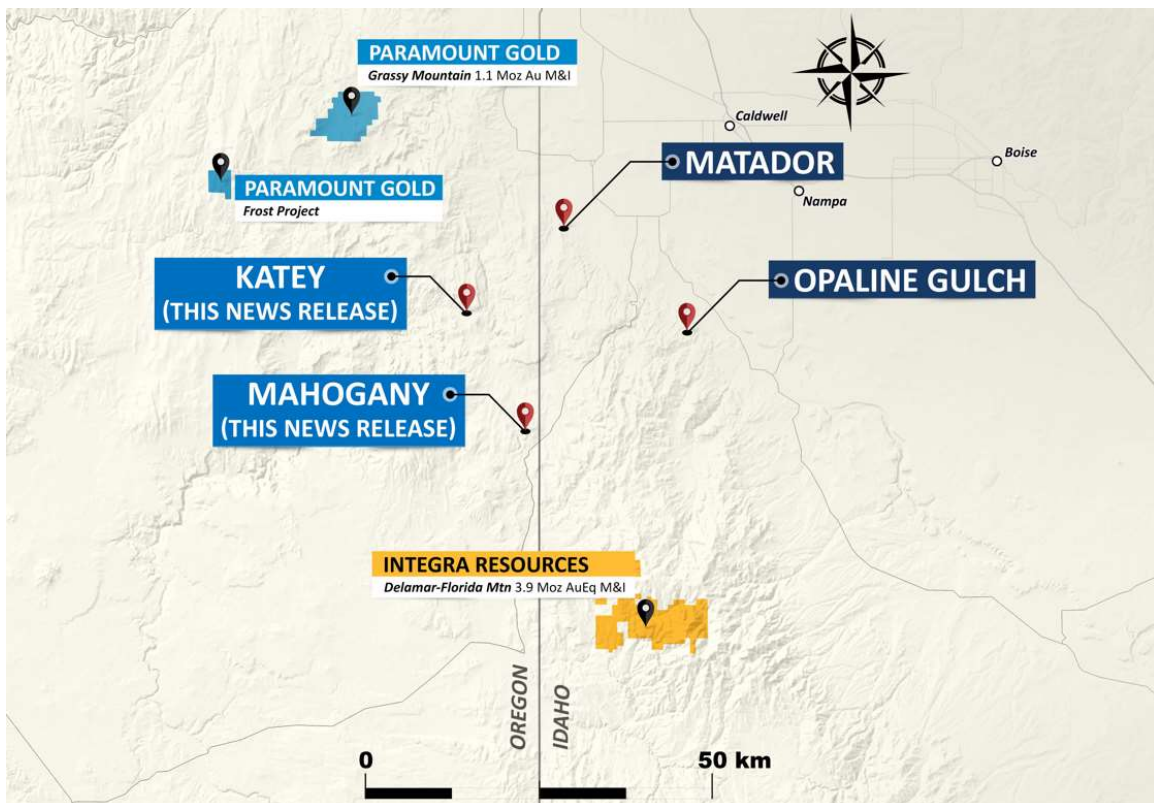


Figure 2: Location map of Headwater projects in the region including Katey and Mahogany<sup>1</sup>.

### **About the Mahogany Drill Program:**

The Mahogany Project is located in Southeastern Oregon, 20 km northwest of Integra Resources' DeLamar deposit. Using a variety of geological and geophysical targeting tools, Headwater geologists identified a high-level epithermal system with high-grade gold at the surface up to 170.0 g/t Au (from rock grab samples). The highest priority targets were tested by the Headwater program, which consisted of an initial five drill holes. Drilling focused on a 500-metre segment of the Main Ridge Fault Zone, which Headwater Geologists interpreted as a principal feeder to the alteration cell manifest at surface. Drilling reached vertical depths of 225 metres, targeting high-grade precious metals in the inferred epithermal boiling zone. No historic drilling has penetrated to these depths at Mahogany. Drill intercepts of epithermal quartz veins and vein breccias, ranging from 0.1 metres to 8.1 metres along core axis were intercepted in four of the five drill holes, all within the interpreted projection of the Main Ridge Fault zone. Epithermal textures range from weakly banded chalcedonic quartz (+/- calcite) to quartz vein matrix supported breccias with angular to sub-rounded clasts of milled wall rock. The true thicknesses of drill intervals reported above cannot yet be verified and will only be determined with additional drilling.

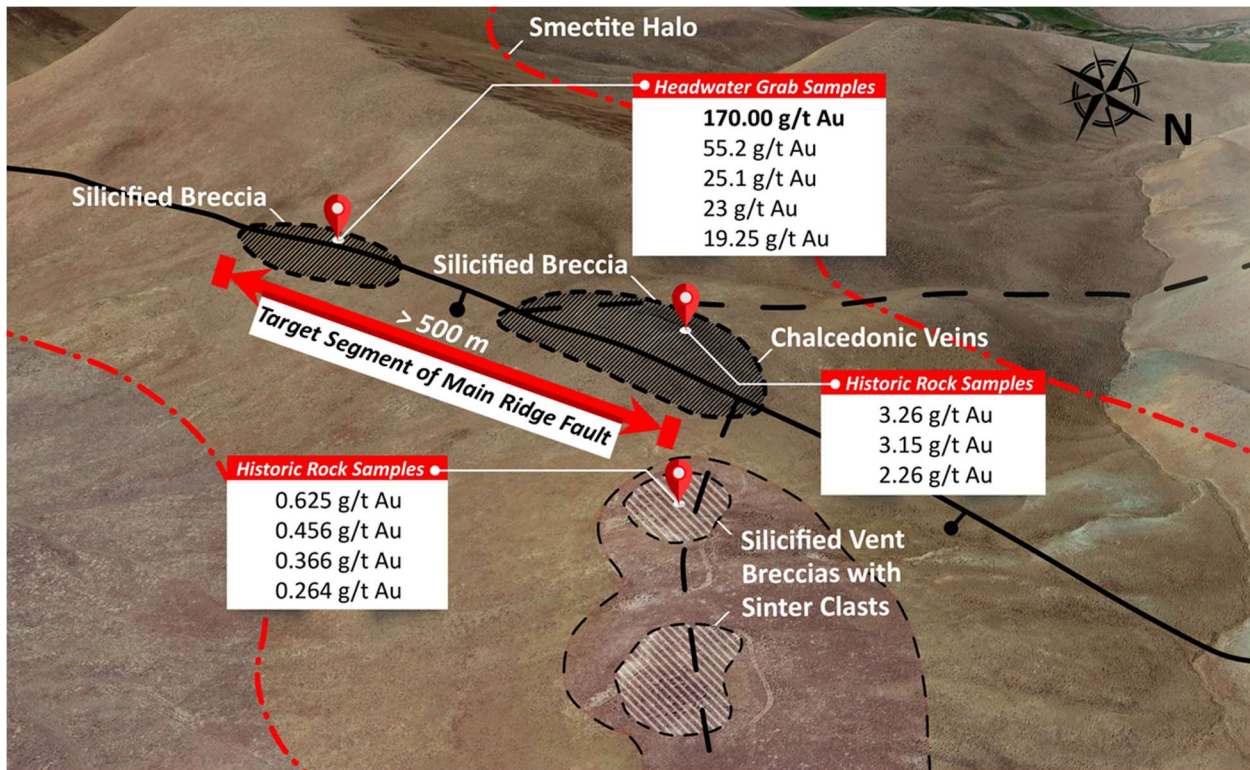


Figure 3: Principal vein targets at the Mahogany Project, key geologic features and select historic rock sampling highlights.

### **About the Katey Drill Program:**

The Katey Project is located in Southeastern Oregon, 50 km northwest of Integra Resources' DeLamar deposit. Using a variety of geological and geophysical targeting tools, Headwater geologists have identified a high-level epithermal system with gold values at the surface up to 7.1 g/t Au (from rock grab samples). Limited historic drilling reportedly returned multiple zones of

anomalous gold mineralization within 100 metres of surface (KT 88-2 – 3.0 m grading 6.17 g/t Au; KT 88-12 – 3.0 m grading 6.6 g/t Au; KTR-89-5 – 36.6 m grading 0.7 g/t Au) but failed to test the high-grade vein target zone at depth. The highest priority targets will be tested with the Headwater program, which is planned to consist of an initial 2-3 holes. Drilling is planned to reach vertical depths of 200 metres, targeting high-grade precious metals in the inferred epithermal boiling zone.

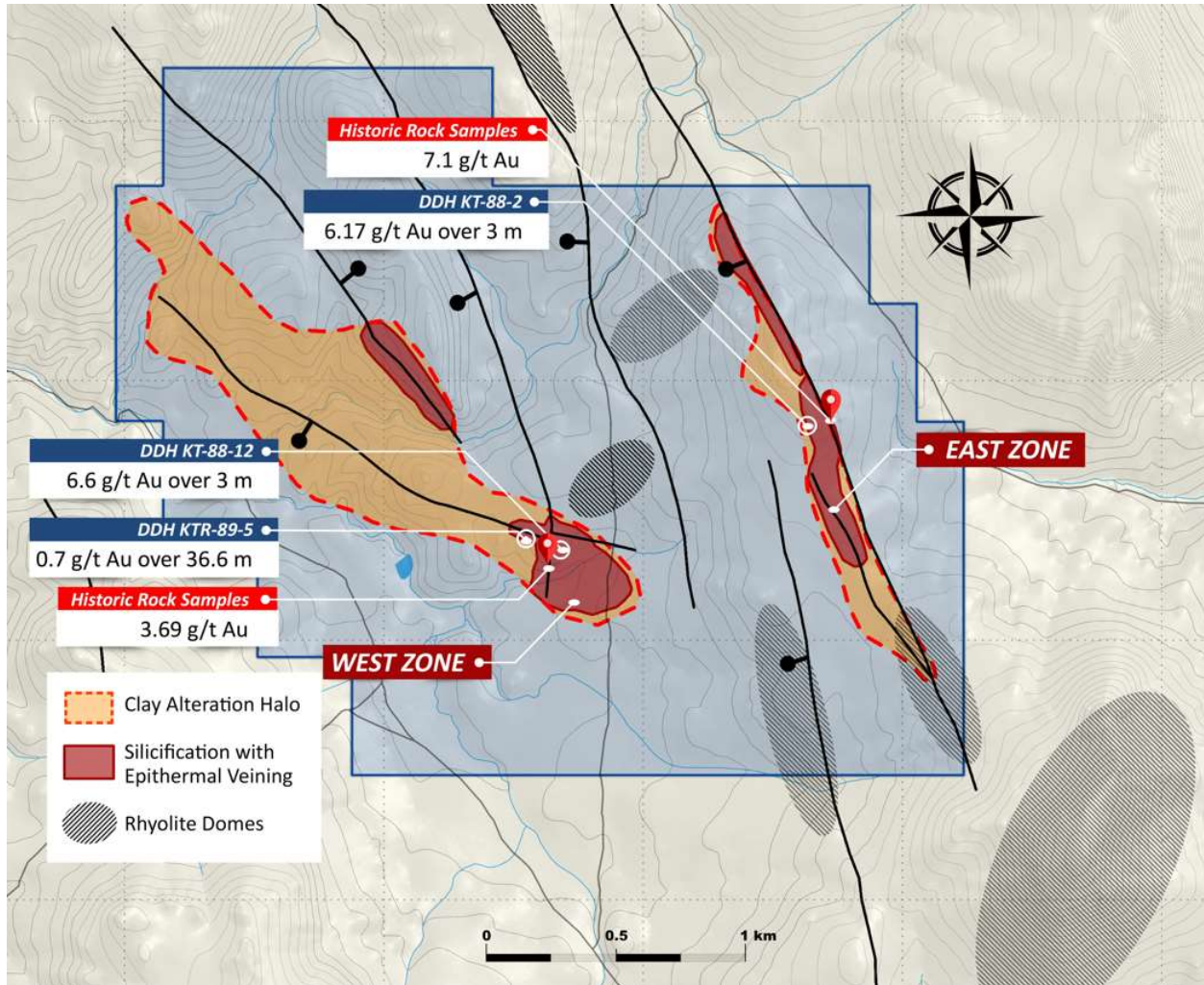


Figure 4: Primary targets at the Katey Project, key geologic features, select historic drilling and rock sampling highlights.

### **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 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](http://www.headwatergold.com).

## On Behalf of the Board of Directors

"Caleb Stroup"

President & CEO

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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.

<sup>1</sup>The Qualified Person has been unable to verify the information on the adjacent properties. Mineralization hosted on adjacent and/or nearby and/or geologically similar properties is not necessarily indicative of mineralization hosted on the Company's properties. Historical resource estimates and historical drill intercepts are treated by the Company as historical in nature, and not current.

### 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](http://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.*