

Headwater Gold Announces New Blind Epithermal Gold Discovery at Spring Peak, Nevada and Triples Size of Land Position

Vancouver, British Columbia, November 22, 2021: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to report results from five reverse circulation ("RC") drill holes completed on its first-pass drill program at its Spring Peak Project, located in Nevada, USA, immediately adjacent to the past producing high-grade Aurora gold mine owned by Hecla Mining Company ("Hecla").

Highlights

- New blind gold discovery made with drill hole SP21-03 which intersected 38.1 metres ("m") grading 1.00 grams per tonne ("g/t") gold including 9.2 m grading 2.49 g/t gold;
- Four of five holes encountered significant intervals of gold mineralization beginning approximately 100 metres depth below surface;
- Drill results validate Headwater's exploration model, confirming the presence of a laterally continuous gold-bearing epithermal boiling zone below a cap of silica sinter and barren alteration occurring on surface;
- Vein textures and multi-element geochemistry suggest the mineralization encountered occurs in the top of the targeted boiling horizon, with clear follow-up targets presented immediately down dip;
- The Company has expanded the Spring Peak land position through claim staking, and approximately tripled the size of the claim block since optioning the Project from Orogen Royalties Inc.; and
- Follow-up drilling is currently being planned by the Company.

Table 1: Drill results from the Spring Peak Project, Nevada¹

Hole ID	From (m)	To (m)	Interval (m)	Gold Grade (g/t)	Az (deg)	Inc (deg)	TD (m)	Comments
SP21-02	161.5	164.6	3.1	1.36	180	-55	269.7	Hole ended in 16.8m of 0.28 g/t Au
<i>including</i>	163.1	164.6	1.5	2.82				
<i>and</i>	176.8	181.4	4.6	0.76				
<i>and</i>	240.8	245.4	4.6	0.41				
<i>and</i>	253.0	269.7 TD	16.8	0.28				
SP21-03	182.9	221.0	38.1	1.00	330	-65	227.1	Maximum value of 4.31 g/t Au Hole ended in 4.6m of 0.10 g/t Au
<i>including</i>	193.5	202.7	9.2	2.49				
SP21-04	230.1	237.7	7.6	0.43	180	-45	274.3	Hole ended in 1.5m of 0.34 g/t Au
<i>and</i>	251.5	268.2	16.7	0.44				
SP21-05	271.3	275.8	4.5	0.38	330	-45	333.8	
<i>and</i>	300.2	310.9	10.7	0.43				

¹Reported grades were calculated using a 0.2 g/t cut-off grade for primary intervals and a 2 g/t cut-off grade for included intervals. Intervals correspond to downhole thickness, with insufficient information available to calculate true thickness.

Caleb Stroup, Headwater's President and CEO, states: "We are very impressed with the widespread and consistent nature of anomalous gold mineralization beginning at approximately 100 metres below surface at Spring Peak; depths which were not tested by shallow historic drilling. In particular, the grades and widths encountered in SP21-03 represent a new blind gold discovery in a prolific historic district², with compelling follow-up targets immediately down dip. Although limited in scale, the first-pass drilling has clearly accomplished our primary goal of demonstrating the existence of significant blind gold mineralization below a barren alteration cap. We very much look forward to future drilling on the Project and are excited to test the size and grade potential of this new discovery."

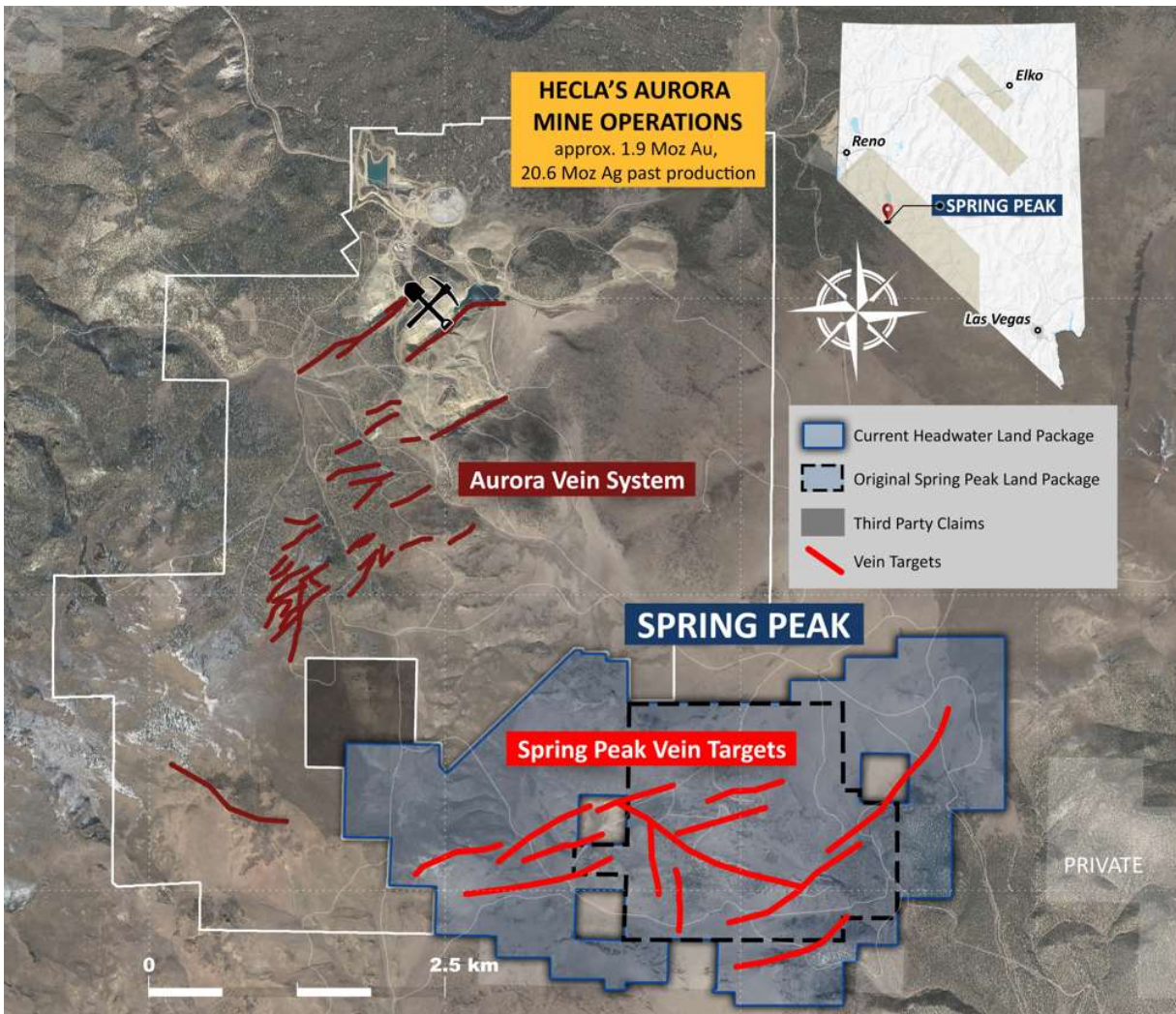


Figure 1: Location of the Spring Peak Project relative to Hecla Mining Company's Aurora mine complex.

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.

Headwater's initial first-pass RC drilling program consisted of five drill holes totalling 1,350 metres. Drilling successfully intersected epithermal quartz veins at a range of elevations in multiple structures. Individual vein zones range from 1.4 to 18.3 metres in drilled width. The widest zone of veining and mineralization occurred in hole SP21-03 which intersected a fault-hosted vein zone immediately beneath a mapped silica sinter at surface. This interval returned gold values of 1.00 g/t gold over 38.1 metres, including 9.2 metres of 2.49 g/t gold, representing a new, blind gold discovery and a confirmation of the Headwater exploration model. Drill hole SP21-03 was terminated due to challenging drilling conditions while still in alteration, and only 6.1 metres beyond the reported 1.00 g/t interval. The vein textures encountered in SP21-03 range from clean, white chalcedonic quartz to finely banded chalcedonic quartz with quartz-after-platy-calcite textures, and minor stringers and clots of dark grey sulfosalts. These textures, together with the relatively low Ag:Au ratio (approximately 10:1), and the absence of appreciable base metal values, suggest SP21-03 only penetrated the very upper parts of the targeted boiling zone, with the primary high-grade target remaining at depth and yet to be drill tested. The mineralization encountered in SP21-03 is open in all directions. The nearest drill hole which penetrated to the appropriate depth is SP21-02, approximately 900 metres to the west, which ended in 16.8 m grading 0.28 g/t Au.

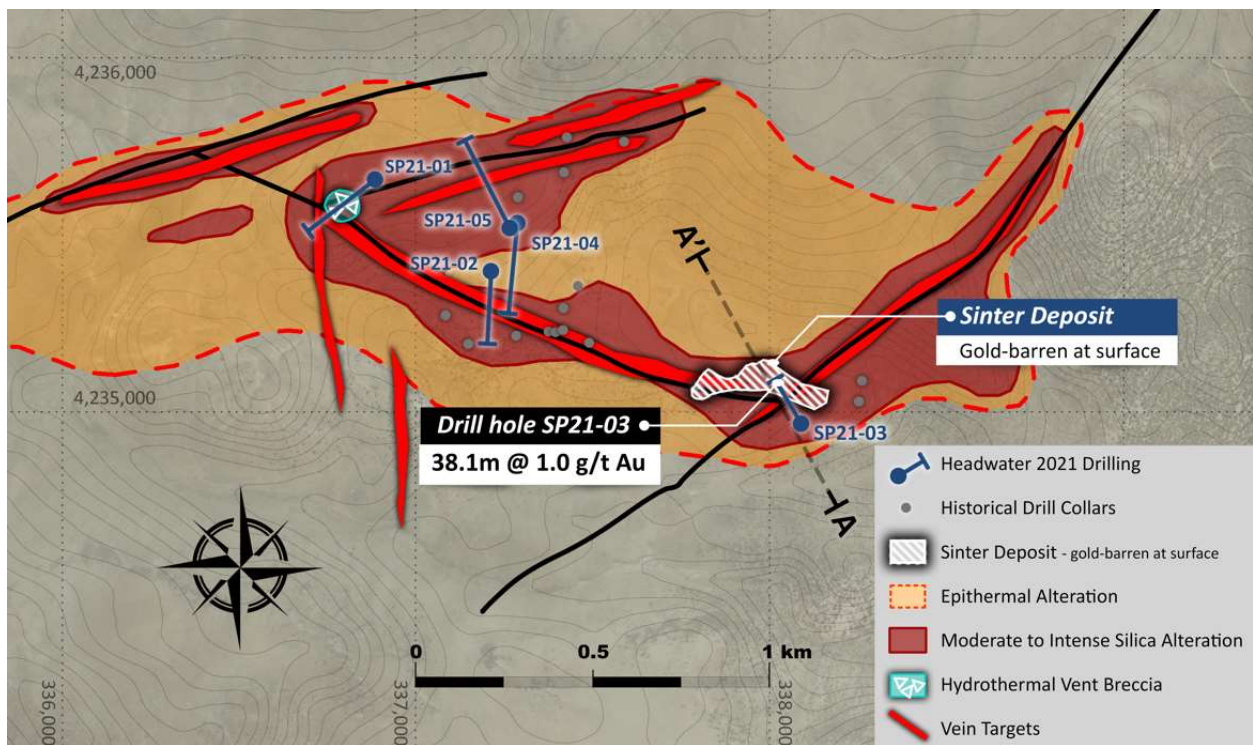


Figure 2: Plan map of the Spring Peak alteration footprint and interpreted principle structural controls, with 2021 drill hole locations, and location of section line shown in Figure 3.

Drill holes SP21-02, SP21-04, and SP21-05 also intercepted significant intervals of gold mineralization in stockwork quartz vein zones beginning approximately 100 metres below the modern surface; depths which were previously not tested by historic drilling. Drill hole SP21-01 returned no significant gold intercepts. In aggregate, these results demonstrate the presence of a significant >1 kilometre zone of highly-anomalous gold values in the upper portions of a widespread epithermal boiling horizon. Headwater geologists believe this to be highly encouraging, especially given the proximity and geologic similarity with the mineralization in the nearby high-grade Aurora mine area², approximately three kilometres to the northwest.

Phase II Follow-up:

The Company believes that RC drilling was an efficient and cost-effective means to confirm the presence of a viable epithermal precious metal system at depth, but has inherent limitations in the depth extent to which it is practical. Future programs will include a combination of RC drilling and diamond core to better test the true width and grade of the veins encountered and better ensure target depths can be reached. Future core drilling will also implement oriented core technologies, allowing the collection of detailed structural information critical for projecting and offsetting vein intercepts. Headwater geologists are currently updating the exploration model at Spring Peak by incorporating all new information and expanding the geologic mapping and surface geochemical sampling. The extensive CSAMT resistivity geophysical data collected by previous operators on the property appears to be an excellent tool for delineating zones of silicification and veining at depth, and additional resistivity modelling efforts are being initiated to help the targeting process.

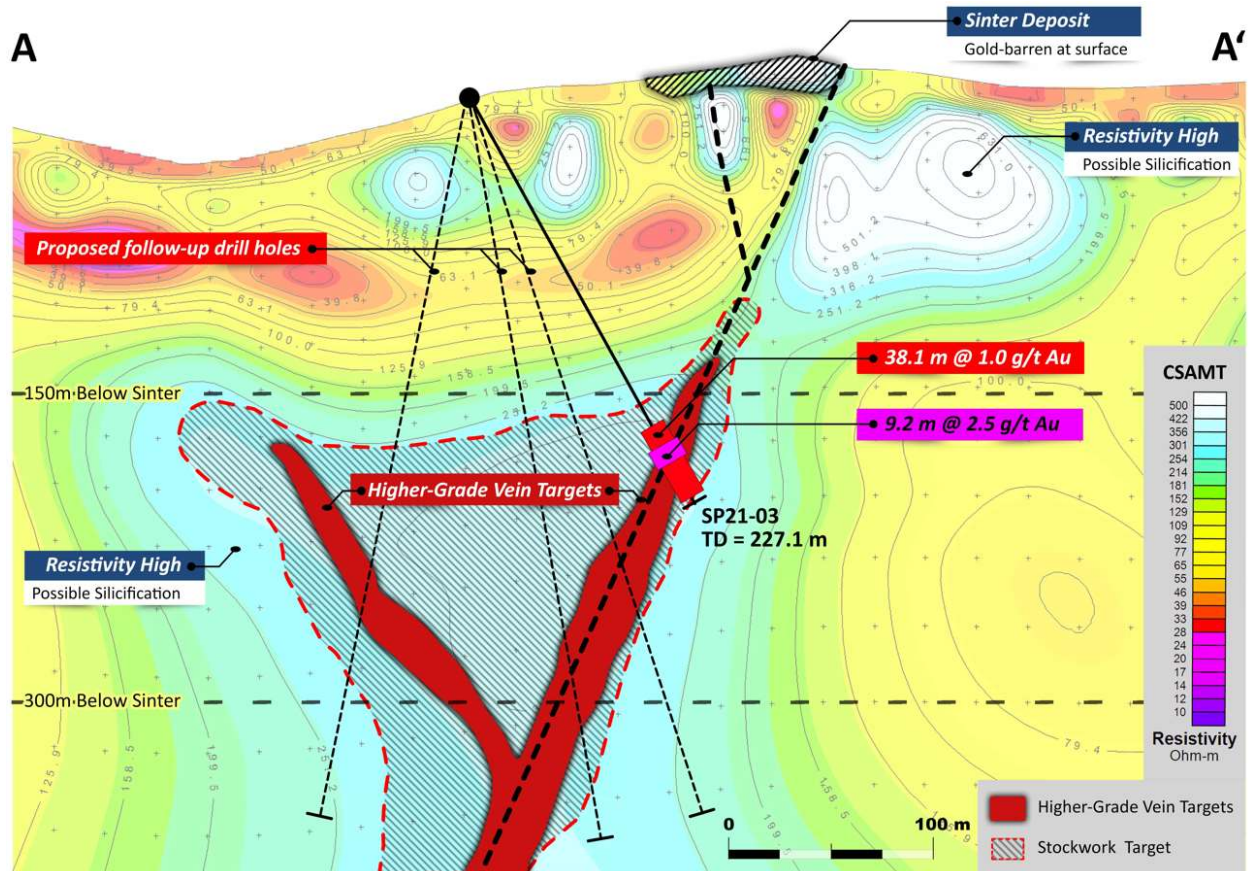


Figure 3: Interpretive geological cross section A-A' showing CSAMT resistivity, drill hole SP21-03 with results, and proposed future offset drill holes.

The Company is in the process of planning a drill program to offset the newly discovered gold mineralization at depth and test additional portions of the strike extent of the system. Diamond core follow-up holes will be designed to offset the vein zone encountered in SP21-03 at depth, as well as other structural zones in a favorable geologic setting for the formation of high-grade veins (Figure 3).

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.

Sample Quality Control:

Drilling at Spring Peak was conducted by Boart Longyear using a wheel-mounted reverse circulation drill rig. The drill chips were logged on site and at Company offices in Reno, Nevada. Samples were transported from site to American Assay Laboratories (“AAL”), located in Sparks, Nevada by American Assay personnel. Prior to dispatch, samples were placed in numbered bags with regular insertion of blind internationally certified reference materials, blanks, or a sample duplicate. American Assay Laboratories are an accredited analytical laboratory meeting ISO/IEC 17025:2017 and AC89 IAS requirements. Samples were prepared by standard AAL crushing and grinding methods. The pulps were then assayed for 21 elements via AAL method ICP-2AM21 using a 0.5 g sample after a two acid near total digest with an ICP-OES/MS finish. Gold was assayed by fire assay using AAL method FA-Pb30 using a 30g sample charge and ICP-OES finish. Laboratory standards and QA-QC are monitored by the Company.

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 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

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Qualified Person

The technical information contained in this news release has been reviewed and approved by Scott Close (158157), a “Qualified Person” (“QP”) as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

¹Reported grades were calculated using a 0.2 g/t cut-off grade for primary intervals and a 2 g/t cut-off grade for included intervals. Intervals correspond to downhole thickness, with insufficient information available to calculate true thickness.

²The 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 or NI 43-101 compliant

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.