

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1. NAME AND ADDRESS OF COMPANY

Headwater Gold Inc. ("**Headwater**" or the "**Company**")
1210 – 1130 West Pender Street
Vancouver, BC V6E 4A4

ITEM 2. DATE OF MATERIAL CHANGE

August 30, 2022

ITEM 3. NEWS RELEASE

Headwater issued a news release on August 31, 2022 that was distributed through the facilities of TheNewswire and a copy was subsequently filed on SEDAR.

ITEM 4. SUMMARY OF MATERIAL CHANGE

Headwater announced that, further to its news release of August 16, 2022, the Company has completed a non-brokered private placement to Newcrest Mining Limited of 5,446,397 common shares at a price of \$0.16 per share for gross proceeds of \$871,424.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

For full description of the material change, please see the Company's news release dated August 31, 2022 attached as Schedule "A" hereto.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

Not applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

This report is not being filed on a confidential basis.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. EXECUTIVE OFFICER

Contact: Caleb Stroup
Telephone: +1 (775) 409-3197

ITEM 9. DATE OF REPORT

August 31, 2022

SCHEDULE "A"

Headwater Gold Completes Non-Brokered Private Placement of Common Shares to Newcrest

Vancouver, British Columbia, August 31, 2022: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce that further to its news release of August 16, 2022, the Company has completed the non-brokered private placement to raise gross proceeds of \$871,424 through the sale of 5,446,397 common shares priced at \$0.16 per share to a wholly owned subsidiary of Newcrest Mining Limited ("Newcrest") (ASX, TSX, PNGX: NCM) (the "Equity Transaction").

The Equity Transaction has resulted in Newcrest, through its subsidiary, owning approximately 9.9% of the total issued and outstanding common shares of Headwater on a non-diluted basis immediately following the Equity Transaction.

The proceeds from the Equity Transaction will be used for potential project acquisitions, ongoing exploration activities on the Company's 100% owned mineral projects in Idaho, Nevada and Oregon, and for general working capital.

All securities issued in connection with the Equity Transaction will be subject to a statutory hold period expiring December 31, 2022.

About Headwater Gold:

Headwater Gold Inc. (CSE: HWG, OTCQB: HWAUF) is a technically-driven mineral exploration company focused on the exploration and discovery of 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 comprised 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

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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, the intended use of proceeds of the Equity Transaction, 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, risks related to the anticipated business plans and timing of future activities of the Company, including the Company's exploration plans and 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) for the Equity Transaction, the ability of the Company to obtain the required permits, 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.