

Headwater Gold Commences Exploration Programs on Four Earn-In Projects in Partnership with Newcrest

Vancouver, British Columbia, September 8, 2022: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce it has initiated the first phase of exploration activities on four projects partnered with Newcrest Mining Limited ("Newcrest"). Pursuant to the earn-in agreements (the "Agreements") announced on August 16, 2022, Newcrest has the option to earn up to a 75% interest in the four Headwater projects by expending an aggregate of US\$145,000,000 and completing Pre-Feasibility Studies on or before the sixth anniversary of the Agreements (Figure 1).

Exploration Program Highlights:

- Approximately 2,000 metres ("m") of core drilling and 2,000 m of RC drilling is initially planned on the Spring Peak project in Nevada to offset mineralization encountered in Headwater's 2021 discovery drill hole SP21-03, which intersected 38.1 m of 1.0 grams per tonne gold ("g/t Au");
- A comprehensive geophysical and sampling field program has been initiated on the Midas North project in Nevada with a goal of rapidly developing high-priority drill targets in this historic high-grade mining district;
- A maiden RC drill program on the Agate Point project in Nevada consisting of approximately 2,000 m of drilling is planned to test for high-grade mineralization at depth; and,
- A core drilling and electrical geophysical survey will be completed on the Mahogany project in Oregon. Approximately 2,000 m of drilling is planned to follow up on Headwater's successful 2021 core drill program.

Caleb Stroup, Headwater's President and CEO, states: *"We are very pleased to get off to such an aggressive start on the Newcrest earn-in projects. High-quality geoscience and fast-paced exploration have been the core of Headwater's exploration strategy since the Company's inception. Our partnership with Newcrest allows us to take this approach to the next level. As the operator of the exploration programs, we are confident in our ability to advance these projects rapidly and efficiently."*

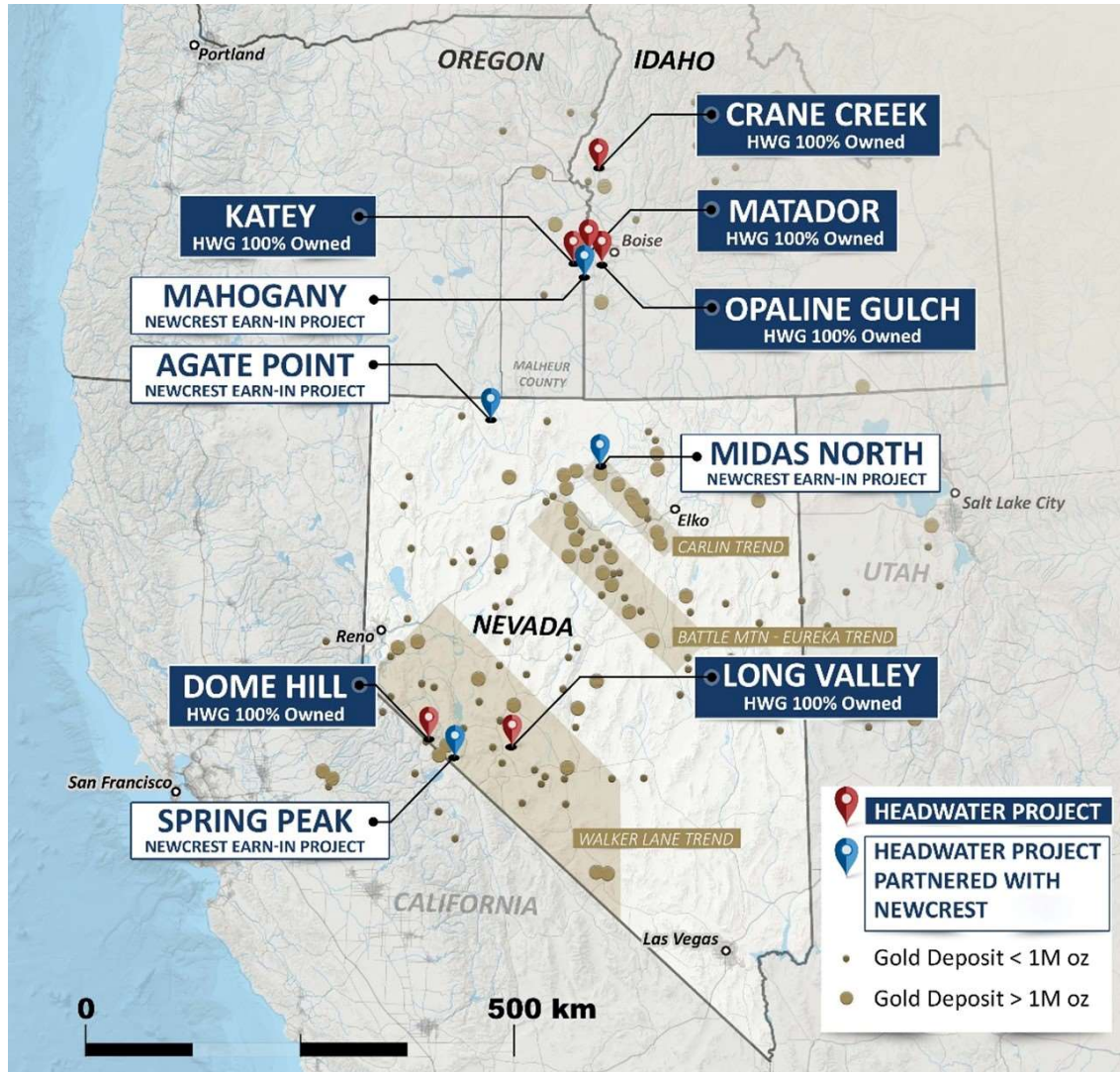


Figure 1: Headwater project portfolio including the location of Newcrest earn-in projects.

Exploration Programs

Spring Peak Project

The Spring Peak exploration program will include follow-up core and RC drilling to offset Headwater's 2021 blind discovery of 38.1 m of 1.0 g/t Au (see Headwater News Release dated November 22, 2021). Drilling will also test additional targets in multiple structural corridors on the Property where Headwater's scout drilling previously discovered highly anomalous gold mineralization at depth, in some cases ending in mineralization. Further work throughout the recently expanded land position is ongoing (Figure 2), in the pursuit of identifying new priority drill targets.

- Drill contract now in place with Boart Longyear, scheduled to commence RC drilling in the first half of September. Approximately 2,000 m of RC drilling planned, including pre-collars for core tails.
- Core rig scheduled to mobilize late September or early October. An initial 2,000 m of core drilling planned on multiple targets.

- District-scale SpecTIR Airborne hyperspectral survey (SWIR, VNIR, and LWIR) – 178 km² completed, with data processing and interpretation in progress.
- High-definition drone photogrammetry survey, 36 km², currently in progress.
- Comprehensive prospecting and geological mapping of recently expanded land position, including the area between the Spring Peak discovery and Hecla's Aurora Mine Complex.

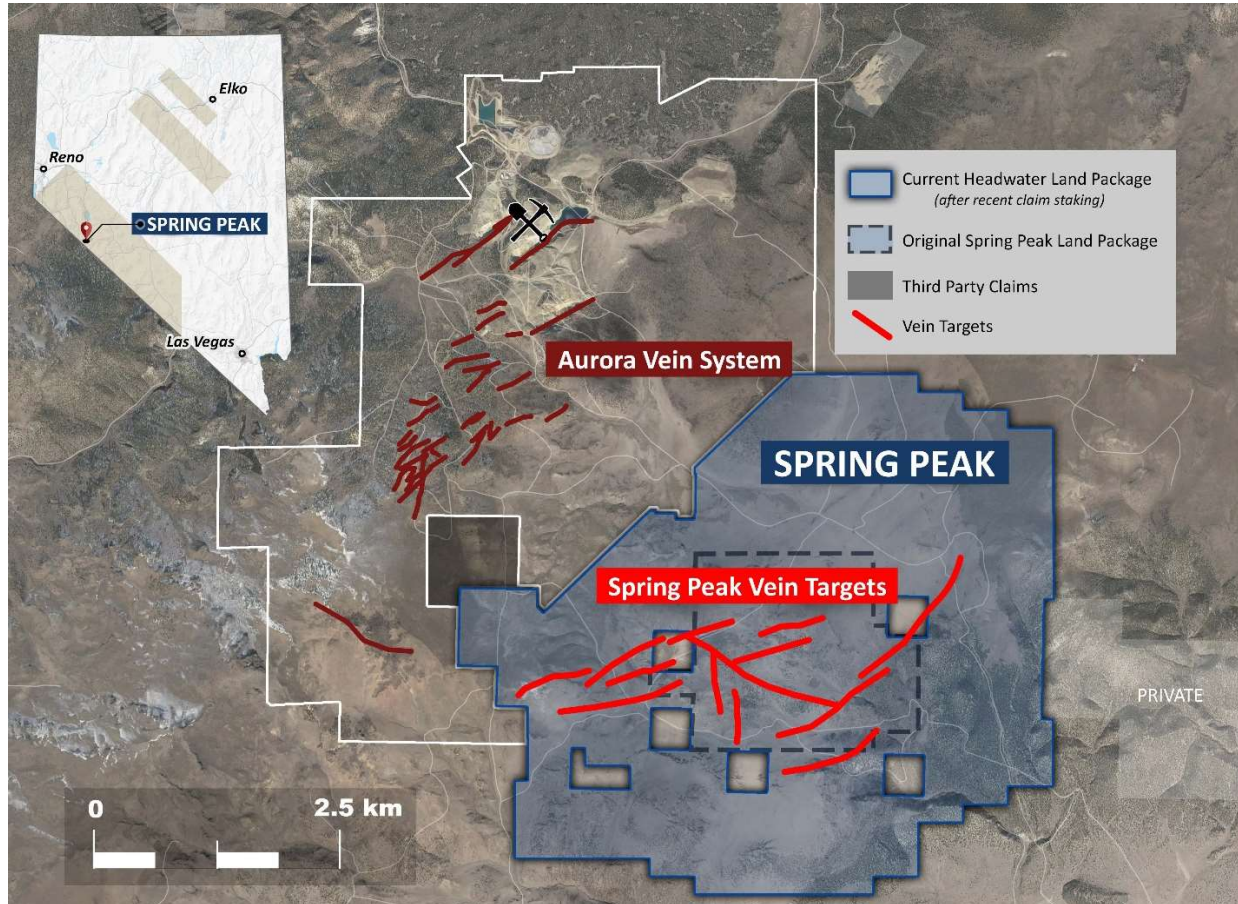


Figure 2: Spring Peak Project land position and vein targets.

Midas North Project

The Midas North exploration program currently underway consists of a multi-faceted geophysical, geological, and geochemical program designed to systematically cover the core land position with high-quality data layers to allow for rapid identification and prioritization of drill targets. Much of the Midas North project area is under shallow alluvial gravel and post-mineral cover and the preliminary data from these geophysical programs confirm the utility of using magnetics, radiometrics, and resistivity, together with geology, for generating drill targets. Preliminary CSAMT data received by the Company in particular appears to be effective in mapping potentially mineralized feeder zones beneath surface alteration.

- Radiometric survey totalling 32.5 km² completed with data interpretation in progress.
- Helicopter aeromagnetic survey totalling 357 line-km completed at 100 m spacing. Processing and interpretation in progress.

- CSAMT resistivity survey totalling 36.3 line-km currently in progress, with 5 of 8 lines already acquired. Processing and interpretation underway.
- District-scale SpecTIR airborne hyperspectral survey (SWIR, VNIR, and LWIR) – 96 km² completed, data processing and interpretation in progress.
- Gravity survey to be completed with a 200 m spaced grid over core land position and 400 m grid regionally.
- High-definition drone photogrammetry survey planned, totalling 65 km².
- Detailed prospecting in progress – recent grab sample assay yielded 1.14 g/t Au in newly discovered sinter on northern end of the Property.
- Systematic geologic mapping program to commence shortly.
- Soils – 800 samples planned, with collection to commence shortly.

Agate Point Project

Exploration at Agate Point this year is planned to consist of scout RC drilling to test a number of structural targets below surface alteration and geochemistry indicative of high-level epithermal mineralization. The Company believes this drilling will be the first ever test for a precious metal-bearing epithermal boiling zone at Agate Point.

- Fully permitted for drilling with a bond in place.
- Drill contract signed for maiden RC drill program totalling approximately 2,000 m scheduled for Q4, 2022.
- High-definition drone photogrammetry survey planned, totalling 23 km².

Mahogany Project

Continued geological interpretation, with technical support from Newcrest geologists, has resulted in an updated geological model for the Mahogany project. This model will be further refined by a planned induced polarization (“IP”) chargeability and resistivity geophysical survey to commence shortly, followed by core drilling later in the year.

- IP Survey totalling 12 line-km planned for late 2022.
- 2,000 m diamond drill program planned for late 2022.
- High-definition drone photogrammetry survey planned for late 2022, totalling 48 km².

About the Spring Peak Project:

The Spring Peak project is located in the Aurora Mining District of west-central Nevada, approximately 50 kilometres southwest of the town of Hawthorne. The project adjoins Hecla Mining’s (NYSE: HL) Aurora Mine complex, where existing infrastructure includes a 350 ton per day mill, several production water wells, and high-voltage three-phase power.

A large hydrothermal alteration cell occurs in the center of the Spring Peak project area, which represents a high-level manifestation of an epithermal precious metal system. An approximate 5-metre thick silica sinter, which extends over 500 metres in strike, occurs in the center of this

alteration cell and displays various vent facies textures interpreted to reflect a high-energy hydrothermal vent environment.

In 2021, Headwater conducted an initial first-pass RC drill program consisting of five holes totalling 1,350 metres. Drilling successfully intersected epithermal quartz veins at a range of elevations in multiple structures (see Headwater News Release dated November 22, 2021). Individual vein zones range from 1.4 to 18.3 metres in drilled width with the widest zone of veining and mineralization occurring 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 Au over 38.1 metres, including 9.2 metres of 2.49 g/t Au, representing a new, blind gold discovery and a confirmation of the Headwater exploration model. Mineralization encountered in SP21-03 is open up and down-dip, as well as along strike. The nearest drill hole which penetrated to the appropriate depth is SP21-02, is located approximately 900 metres to the west, which ended in 16.8 metres grading 0.28 g/t Au.

Headwater holds an option to acquire a 100% undivided interest in the Spring Peak project from the underlying owner, subject to retained royalties and subject to Newcrest's option to acquire 75% of the Spring Peak project following certain expenditures and preparation of a Pre-Feasibility Study within a designated timeframe.

About the Midas North Project:

Headwater's 100% owned and royalty-free Midas North project adjoins Hecla Mining Company's (NYSE: HL) Midas Mine complex and covers a large hydrothermal alteration cell, extending at least 4 kilometres in strike and 1 kilometre in width. Rock chip and stream sediment samples collected by the Company from the project area which have highlighted several priority areas of anomalous precious metal values with highly anomalous values of epithermal pathfinder elements (see Headwater News Release dated October 4, 2021). Extensive epithermal alteration exists on the project, including widespread zones high-level chalcedonic to opaline silica flooding, clay alteration, and local sinter formation, including fossilized geyser vents. The project has seen very limited historic exploration with no documented exploration drilling. The Company believes the project has potential for high-grade epithermal mineralisation at depth similar to that found at Hecla's Midas Mine complex.

About the Agate Point Project:

The 100% owned and royalty-free Agate Point project is located in Northwestern Nevada, 50 km along trend from the historic, bonanza grade Sleeper Gold Mine. The claim block covers a linear ridge of untested widespread, high-level epithermal alteration with consistent highly anomalous trace element geochemistry typical of other known epithermal systems. There has been limited exploration on the project and no known exploration for high-grade vein targets.

About the Mahogany Project:

The 100% owned and royalty-free Mahogany project is located in Southeastern Oregon, 20 km northwest of Integra Resources' (NYSE: ITRG) DeLamar deposit. Surface alteration at Mahogany is typical of a high-level epithermal system. Headwater's initial drill program at Mahogany completed in late 2021 consisted of five diamond core drill holes totaling 810 metres (see Headwater News Release dated January 27, 2022). Drilling focused on a 500-metre segment of the Main Ridge Fault zone, which Headwater geologists interpreted as a possible feeder to the epithermal alteration cell manifest at surface. Drilling confirmed the presence of structurally-

controlled high-grade gold zones, including a drill intercept that returned 9.37 g/t Au over a drilled thickness of 0.73 metres in hole MH21-02. Multiple priority targets on the project remain to be tested.

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.

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Qualified Person

The technical information contained in this news release has been reviewed and approved by Scott Close, P. Geo (158157), 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, Newcrest's anticipated funding of the earn-in projects and the timing thereof, 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, the risk that Newcrest will not elect to obtain any additional interest in the Projects in excess of the minimum commitment, 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.