

Headwater Gold Announces Completion of 2022 Drilling Campaigns at the Spring Peak and Agate Point Projects, Nevada

Vancouver, British Columbia, December 7, 2022: Headwater Gold Inc. (CSE: HWG | OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce the completion of the 2022 drill programs at the Spring Peak and Agate Point projects located in Nevada, United States. Drilling was suspended due to the onset of inclement winter weather. All drilling was 100% funded by Newcrest Mining Limited ("Newcrest") pursuant to the earn-in agreements announced on August 16, 2022.

Highlights:

- Headwater's 2022 drill program at Spring Peak consisted of ten drill holes totaling 3,173 metres, all of which encountered significant epithermal veining and alteration zones. All assays are pending and expected in early 2023;
- Spring Peak drilling targeted high-grade epithermal vein mineralization in multiple interpreted structural feeder zones, including four holes offsetting the Disco Vein zone discovered by Headwater in 2021;
- The thickest vein intervals observed in this year's Spring Peak drilling were along the up and down-dip projection of the Disco Vein zone, where all four holes intercepted broad intervals of ginguero banded epithermal veining, silicification and hydrothermal breccias along an apparently planar structural zone; and,
- 1,027 metres of wide-spaced scout reverse circulation ("RC") drilling in four drill holes was also completed at Agate Point. Two of the holes encountered significant epithermal alteration at depth. Assays are pending.



SPRING PEAK PROJECT

Drill Hole: SP22-13

Interval: 275.9 m - 276.5 m



Figure 1: 3D image of ginguero banded quartz vein from the Disco Vein zone intersected in drill hole SP22-13. Core is HQ size. Full resolution video is available [here](#).

Caleb Stroup, Headwater's President and CEO, states: "Spring Peak is a project that continues to show all the classic signs of a large low-sulfidation epithermal vein system. We are highly encouraged that our initial offset drilling along the Disco Vein is demonstrating geologic continuity consistent with our exploration model. The epithermal vein textures and mineralogy encountered in the four core intersections of the Disco Vein are exactly what we were hoping to see. Veining occurs within a greater than 25-metre-thick structural zone, with multiple individual banded veins ranging from centimetre-scale to greater than 2 metres. Several additional zones of veining and alteration were also identified with step-out exploration drilling. This season's drilling has clearly accomplished our initial goals of offsetting last year's vein discovery and simultaneously demonstrating the property-wide potential of this large and fully intact epithermal system."



SPRING PEAK PROJECT

Drill Hole: SP22-11

Interval: 205.1 m - 205.6 m



Figure 2: 3D image of ginguro banded quartz vein from the Disco Vein zone intersected in drill hole SP22-11. Core is HQ size. Full resolution video is available [here](#).

About the 2022 Spring Peak Drill Program:

The Company successfully utilized a combination of core and RC drilling at Spring Peak to complete 3,173 metres of drilling in a short time frame prior to the winter shut-down. The program consisted of 993 metres of core drilling, 1,076 metres of RC pre-collars and 1,104 metres of RC exploration drilling. All RC samples have been submitted for assay and core processing is underway to be expedited for laboratory analysis.

The Disco Vein was the top priority target of the program and was intersected with oriented core in all four holes designed to test the target. The four holes that intersected the Disco Vein structural zone were drilled on a single fence with mineralization open up-dip, down-dip and along strike.

An additional six drill holes tested a variety of targets at depths greater than 150 metres elsewhere on the property. All holes encountered epithermal alteration and veining, confirming that the epithermal system extends beneath silica alteration mapped at surface over a large area of the property.



Figure 3: Core drilling at Spring Peak, looking southwest along trend of the Disco Vein.

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) past producing 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 drill program consisting of five holes totalling 1,350 metres where drilling 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 both up and down-dip, as well as along strike in both directions.

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

About the 2022 Agate Point Drill Program:

The first-pass drill program completed at Agate Point consisted of an initial four RC holes, totaling 1,027 metres. The Company tested four separate structural targets beneath an alteration cap characterized by anomalous mercury, arsenic, and antimony. The geological targets tested by Headwater consist of high-angle structures with the potential to host epithermal feeder veins

beneath silicified breccias mapped at surface. The breccias at surface above the vein targets contain textures characteristic of high-level epithermal alteration, including banded chalcedonic vein fill. Two of the four holes encountered significant epithermal alteration at depth. Headwater believes this is the first ever drill test for structurally controlled vein mineralization at depth at Agate Point. All samples have been submitted for laboratory analysis with assays pending.

About the Agate Point Project:

The Agate Point project is located in northwest Nevada, 50 kilometres along trend from the historic, high-grade Sleeper Mine. The claim block covers an easily accessible linear ridge of untested widespread, high-level epithermal alteration with consistent, anomalous trace-element geochemistry typical of upper parts of epithermal gold deposits in Nevada and globally. There has been limited exploration on the project and no known exploration drilling testing for high-grade precious metal bearing veins. Headwater holds a 100% royalty-free interest in the Agate Point project, subject to Newcrest's option to acquire 75% of the project following certain expenditures and preparation of a Pre-Feasibility Study within a designated timeframe.

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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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, exploration activities and the specifications, targets, results, analyses, interpretations, benefits, costs and timing of them.

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.