

Headwater Gold Announces Additional High-Grade Assays from Spring Peak, Nevada Including a New High-Grade Vein Discovery

Vancouver, British Columbia, March 2, 2023: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce the remainder of the assay results from the Spring Peak exploration drilling program completed by the Company in Q4 2022.

Highlights:

- Ten holes were completed in multiple target areas. Four of the ten holes intercepted epithermal veins containing individual assays greater than 15 grams per tonne gold ("g/t Au"). Seven of the ten holes intercepted intervals greater than 1 g/t Au.
- Drilling at the Disco Zone has confirmed the presence of multiple high-grade epithermal veins within a broader mineralized envelope. Mineralization remains open at depth and along strike;
 - Drill hole SP22-11 intercepted 43.7 g/t Au over 0.63 metres ("m") within a broader interval of 40.63 m grading 1.86 g/t Au;
 - Drill hole SP22-12 intercepted 23.5 g/t Au over 0.33 m within a broader interval of 42.61 m grading 0.94 g/t Au;
 - Drill hole SP22-13 (previously announced) intercepted 34.72 m grading 2.73 g/t Au, including 15.92 g/t Au over 2.38 m and 10.43 g/t Au over 2.01 m.
- A new high-grade epithermal vein has been discovered located approximately 900 m west of the Disco Zone in the Opal Ridge target area. Reverse circulation ("RC") scout hole SP22-14 intercepted 16.4 g/t Au over 1.52 m within a broader interval of 10.67 m grading 2.73 g/t Au;
- A large multi-rig drill program at Spring Peak is currently being designed and expected to begin in Q2 of 2023. This program will include drilling the Disco Zone along strike and down dip as well as following up on the Opal Ridge discovery with oriented drill core; and,
- Additional claim staking has also been completed resulting in an approximately 30% increase in the Spring Peak project land position, covering several newly identified areas the Company considers prospective for epithermal veins.

Caleb Stroup, the President and CEO of the Company, states: *"We are very pleased to announce remaining results from our 2022 Spring Peak drill program. The Company believes these results demonstrate a new gold discovery in a large historic high-grade Nevada gold district. The Spring Peak project continues to exhibit all the classic features of a precious metal bearing epithermal vein system. We are especially encouraged by the continuity of high-grade mineralization within the Disco Zone as well as the new discovery of additional high-grade gold mineralization at the Opal Ridge target, over 900 metres away. We anticipate a very exciting and active year of drilling ahead as we look to drill off the Disco Zone and follow up on the highest-priority additional targets within the land package, including the newly discovered Opal Ridge Zone."*

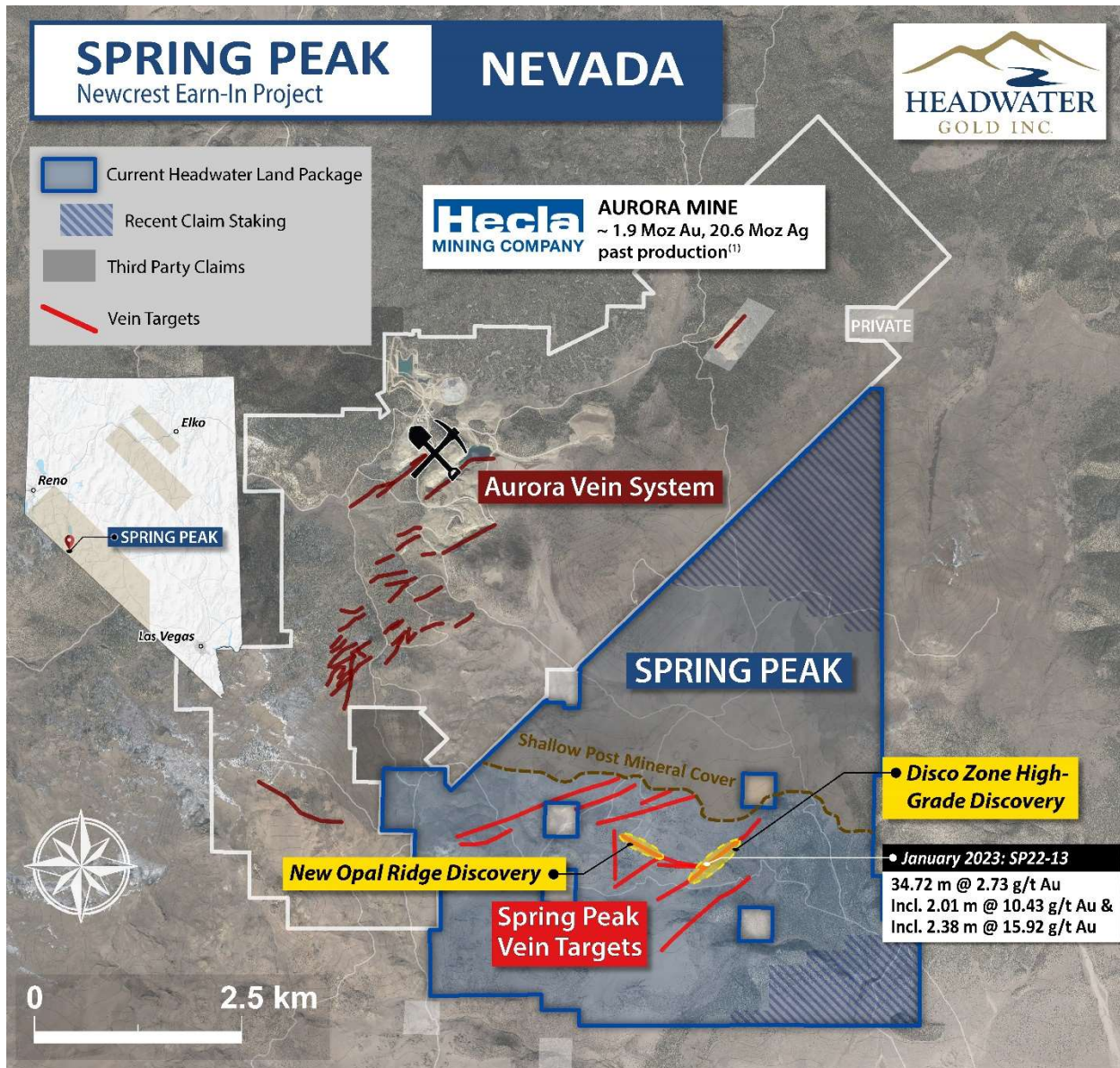


Figure 1. Expanded Spring Peak land position showing vein targets and Hecla Mining Company's adjoining past-producing Aurora mine complex.

2022 Spring Peak Drill Program:

The Company utilized a combination of diamond core and RC drilling at Spring Peak to complete 3,173 metres of drilling 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.

The Disco Zone was the highest priority target of the program and was intersected with oriented diamond core in four holes designed to test for high-grade veins. The Disco Zone occupies the footwall margin of a broad, northeast-striking fault zone that is oriented similarly to vein trends at the adjacent past-producing Aurora mine complex. The four holes that intersected the target structure were drilled on a single fence with mineralization open down-dip and along strike. Within the Disco Zone, holes SP22-07, SP22-11, SP22-12 and SP22-13 intersected multiple discrete

veins with textures indicative of boiling, including ginguro banding, silica replacement of lattice-bladed calcite and vein sediments. With the exception of SP22-07, all of these holes intersected veins grading over 15 g/t Au (Table 1). SP22-07 also intercepted abundant epithermal quartz veins. Headwater geologists believe the lack of high-grade gold in this hole is attributable to the shallow depth at which it penetrated the target structure, and represents lower-grade mineralization above the boiling zone (Figure 2), which is the target zone within an epithermal system typically associated with high-grade precious metals.

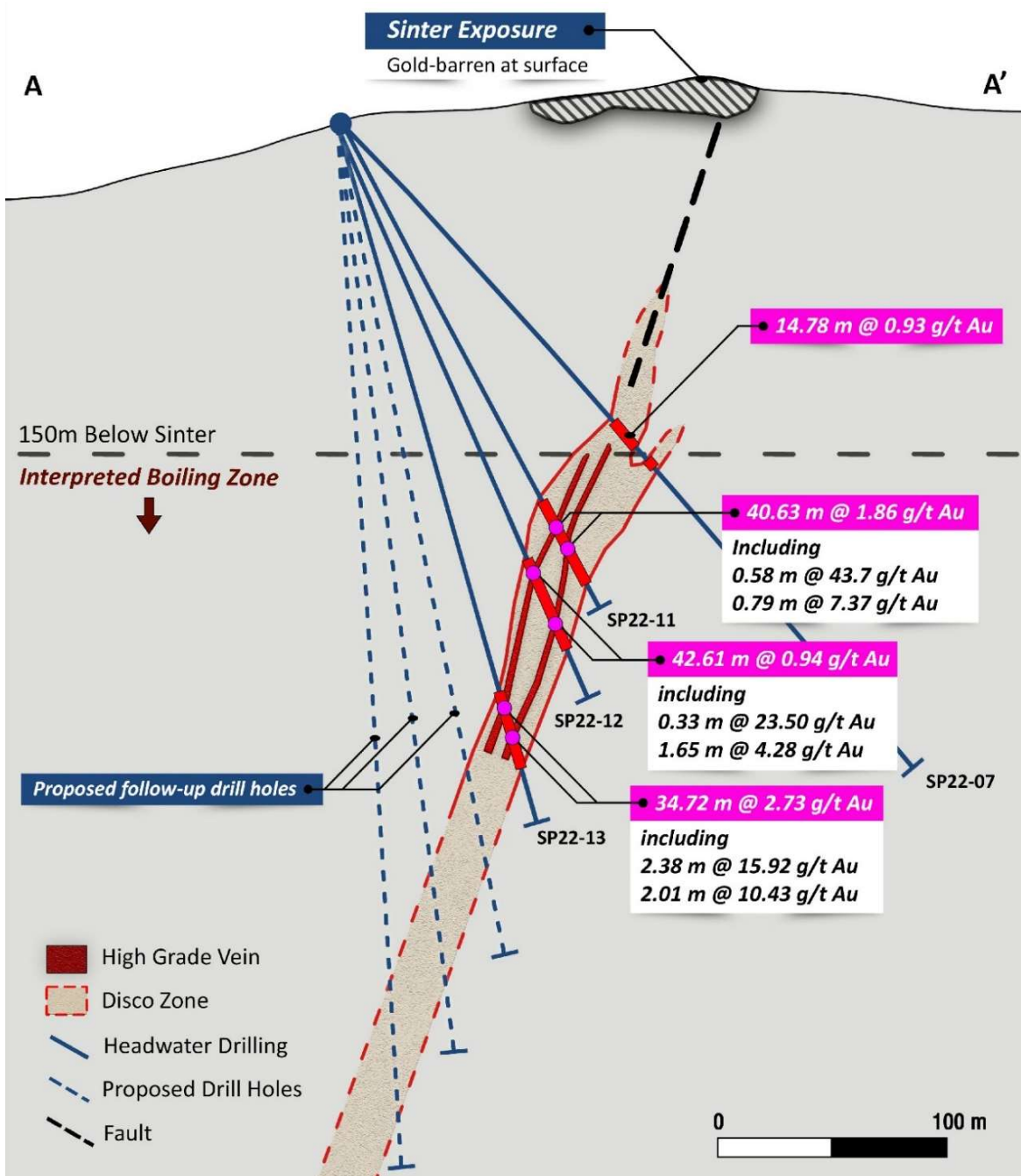


Figure 2: Interpretive geological cross section A – A' showing results from the Disco Zone drill fence.

The high-grade veins in holes SP22-11, SP22-12, and SP22-13 (Table 1) occur within a broader mineralized envelope which contains additional veins and breccia intervals characterized by fine-grained silica-sulfide flooding and argillic alteration. Vein thicknesses and grade both appear to increase with depth. The opaque, fine-grained character of silica within the veins, along with the absence of coarse crystalline quartz textures, implies that drilling may not have reached the base of the boiling horizon, with good potential for extending mineralization at depth (Figure 2).

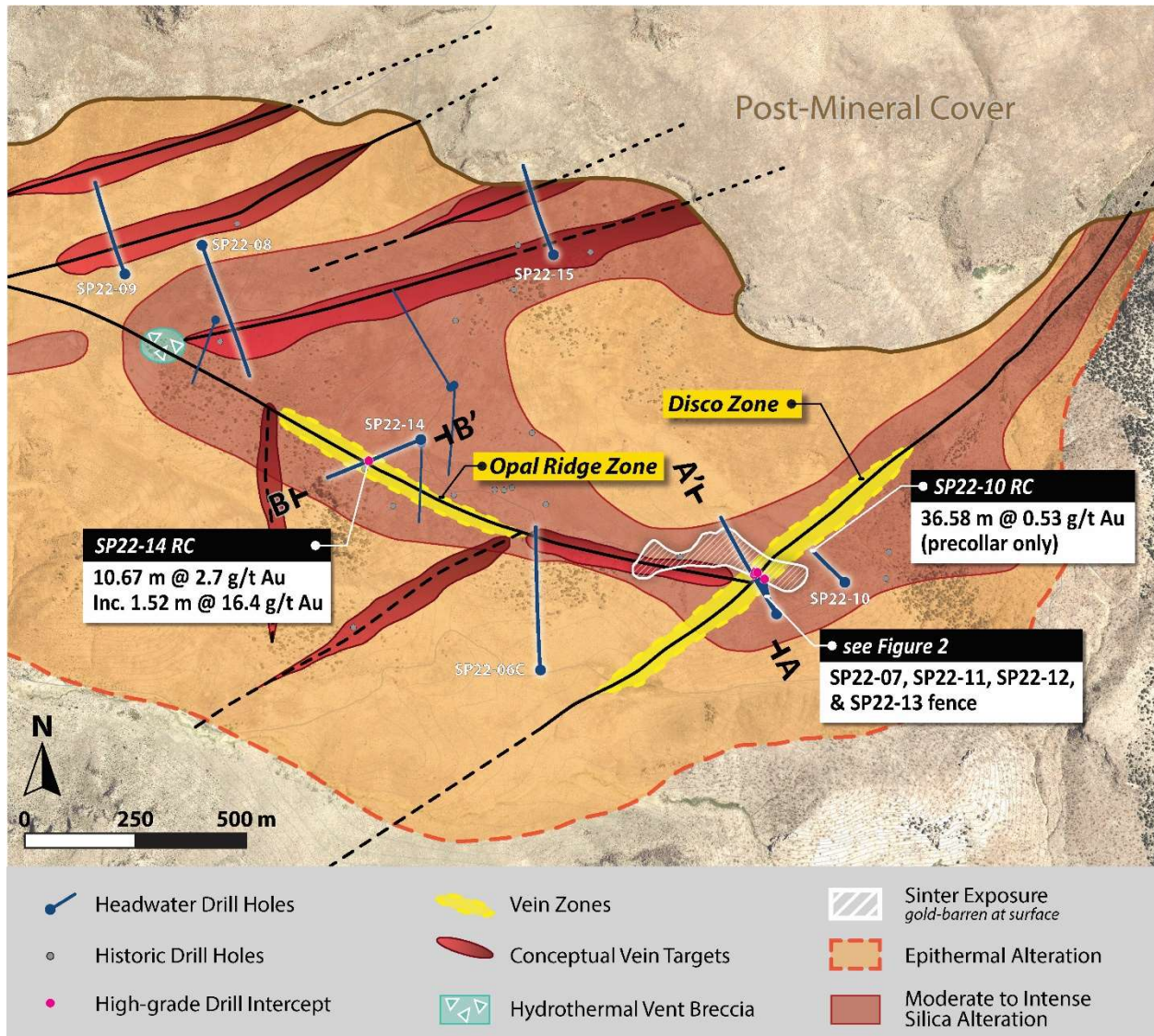


Figure 3: Plan geological map of the central Spring Peak drill area with location sections A-A' (Figure 2) and section B-B' (Figure 5).



Figure 4: 3D image of ginguero banded quartz vein from the Disco Zone intersected in drill hole SP22-12. Core is HQ size. The pictured vein forms a sample interval which assayed 23.50 g/t Au over 0.33 m from 211.96 m to 212.29 m. Full resolution video is available [here](#)

Diamond drill hole SP22-11 is a core twin of RC hole SP21-03, which was the initial Headwater discovery hole at Spring Peak. SP21-03 intercepted 38.1 m of 1.0 g/t Au but did not contain any individual samples over 5 g/t Au. Twin core hole SP22-11 intercepted 43.7 g/t Au over a drilled thickness of 0.58 m within a brecciated vein interval, indicating that while RC drilling is a useful early-stage exploration tool, the potential exists for under-representing narrow high-grade structures.

Drill hole SP22-10 is also located in the Disco Zone target area, approximately 150 metres northeast along strike of the primary drill fence. This hole was an RC pre-collar drilled to a depth of 201.17 m but inclement weather precluded the completion of the hole through the target zone with core. Although this hole did not penetrate the target structure as modelled, it did intersect 0.53 g/t Au over 36.58 m near the bottom of the pre-collar, indicating that Disco Zone mineralization persists to the northeast along strike, presenting a logical starting point for follow-up core drilling in the coming field season.

An additional five drill holes tested a variety of targets elsewhere on the property. All holes encountered epithermal alteration and veining including RC scout hole SP22-14 which intersected a new high-grade vein at the Opal Ridge target which assayed 16.4 g/t Au over a drilled thickness of 1.52 m, within a broader zone of 2.70 g/t Au over 10.67 m (Figure 5). Banded quartz vein material with fine-grained sulfide stringers was observed within this interval. The Company believes this intersection represents a new high-grade vein discovery on the project. The target vein system at Opal Ridge remains open along strike and down dip.

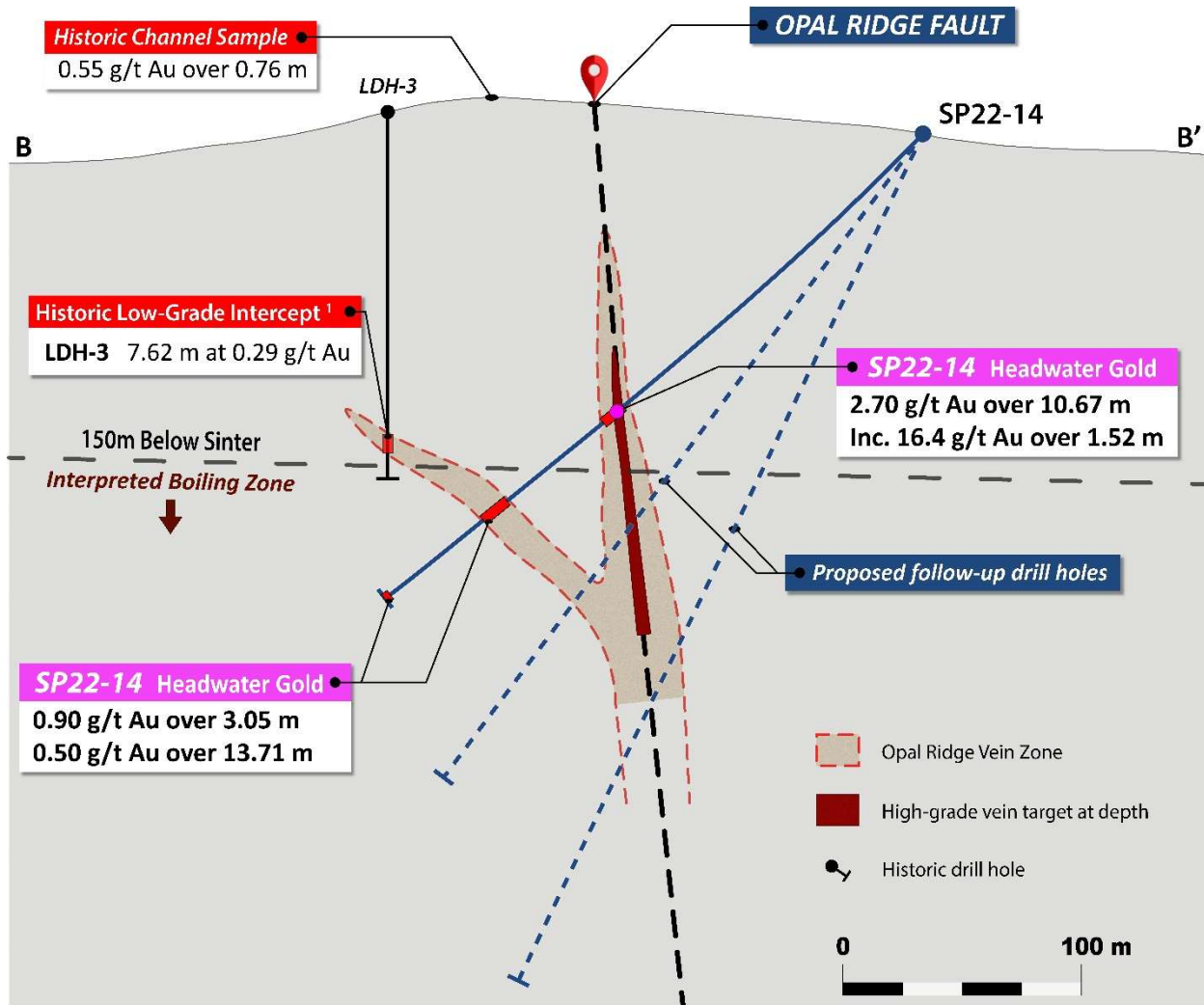


Figure 5: Interpretive geological cross section B – B' showing newly discovered high-grade mineralization in the Opal Ridge Zone as well as shallow historic drilling which encountered modest anomalous mineralization above the interpreted boiling zone.

2023 Exploration Program:

A large multi-rig drill program is currently being designed and expected to begin in the second quarter of 2023. The primary objective of the drill program will be to further define and expand the Disco Zone along strike and down dip at approximate 50 m increments. Several drill pads are fully permitted and already constructed to facilitate testing of the Disco Zone over an initial strike length of approximately 750 metres.

Several diamond core holes have also been designed to test the potential of the newly discovered Opal Ridge Zone at depth below relatively shallow high-grade mineralization encountered in RC drill hole SP22-14.

CSAMT resistivity geophysics has proven to be a very useful tool in targeting high-grade mineralization at the Spring Peak project. Existing CSAMT resistivity profiles along the length of the Disco Zone target show a consistent resistivity break similar to the CSAMT break associated with high-grade mineralization on the primary 2022 drill fence. An expanded CSAMT program is

being planned to extend the footprint of coverage throughout the property to allow for additional vein targeting. Shallow post-mineral cover persists over much of the eastern project area and CSAMT will be the primary means for targeting additional veins at depth here.

Table 1: Drill Results from Headwater's 2022 Spring Peak drilling program¹

Hole ID	Type	From (m)	To (m)	Interval (m)	Au Grade (g/t)	Ag Grade (g/t)	Az	Inc	TD (m)	Comments
SP22-06C	DD	400.99	404.20	3.21	0.64	1.69	0	-48	429.77	
<i>and</i>	DD	418.73	419.50	0.77	1.16	4.95				
SP22-07	DD	175.87	190.65	14.78	0.93	11.37	330	-45	374.75	
	DD	198.18	202.60	4.42	1.12	3.00				
SP22-10	RC	161.54	198.12	36.58	0.53	2.82	315	-58	201.17	Pre-collar only, core completion pending.
SP22-11	RC	105.16	117.35	12.19	1.15	3.79	330	-62	237.74	True thickness is estimated at 75% of the reported downhole thickness.
<i>including</i>	RC	111.25	112.78	1.53	6.58	18.44				
<i>and</i>	DD	185.38	226.01	40.63	1.86	18.63				
<i>including</i>	DD	197.39	198.18	0.79	7.37	55.81				
<i>including</i>	DD	208.33	208.91	0.58	43.70	351.00				
SP22-12	RC	114.30	126.49	12.19	0.53	1.30	330	-68	271.27	Significant zones of poor core recovery were experienced through the mineralized interval. True thickness is estimated at 70% of the reported downhole thickness.
<i>and</i>	DD	205.59	248.20	42.61	0.94	8.91				
<i>including</i>	DD	211.96	212.29	0.33	23.50	64.19				
<i>including</i>	DD	235.18	236.83	1.65	4.28	66.13				
SP22-13	RC	108.20	134.11	25.91	0.38	2.17	330	-72	315.47	True thickness is estimated at 60% of the reported downhole thickness. Previously reported RC results. Highest individual sample 69.6 g/t Au over 0.34 m from 275.90 m to 276.24 m.
<i>and</i>	DD	256.12	290.84	34.72	2.73	18.38				
<i>including</i>	DD	262.46	264.47	2.01	10.43	55.35				
<i>including</i>	DD	275.26	277.64	2.38	15.92	90.83				
SP22-14	RC	169.16	179.83	10.67	2.70	1.94	246	-46	297.18	Hole ended in 0.90 g/t Au over 3.05 m.
<i>including</i>	RC	170.69	172.21	1.52	16.40	4.43				
<i>and</i>	RC	231.65	245.36	13.71	0.50	4.09				
<i>and</i>	RC	294.13	297.18	3.05	0.90	4.03				

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. Unless otherwise stated in the "Comments" field, insufficient information is available to determine true thickness of mineralized intervals.

2022 Agate Point Drill Program:

A first-pass scout drill program was also completed at the Company's Agate Point project consisting of four RC holes, totaling 1,027 metres. No significant precious metals intercepts were encountered. Four separate structural targets were tested beneath a large alteration cap characterized by anomalous mercury, arsenic, and antimony. The program was 100% funded by Newcrest, pursuant to the earn-in agreements announced on August 16, 2022.

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 associated with weakly anomalous gold values and highly anomalous epithermal pathfinder geochemistry. The Company is currently reviewing the data to determine if additional targets are present on the property which warrant further work.

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 Company'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.

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 Mining Limited's ("Newcrest") option to acquire up to 75% of the project following certain expenditures and preparation of a Pre-Feasibility Study within a designated timeframe.

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. 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 exploring several projects in Nevada, Idaho, and Oregon and in August 2022 announced a significant transaction with Newcrest Mining Limited where Newcrest acquired a 9.9% strategic equity interest in the Company and entered into earn-in agreements on four of Headwater's projects.

For more information, please visit the Company's website at www.headwatergold.com.

On Behalf of the Board of Directors

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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.

(1) 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, historical drill intercepts, and historical surface samples 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, 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.