

Headwater Gold Announces Proposed 2023 Exploration Activities on Newcrest Funded Earn-In Projects

Vancouver, British Columbia, June 20, 2023: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce anticipated 2023 exploration activities for projects under earn-in agreements (the "Earn-In Agreements" or "Agreements") with Newcrest Mining Limited ("Newcrest") (ASX, TSX, PNGX: NCM) announced on August 16, 2022 and May 9, 2023.

Highlights:

- Exploration activities on earn-in projects in 2023 expected to include:
 - Spring Peak – up to 11,500 metres of drilling, geophysics, additional geologic mapping, and environmental baseline studies;
 - Midas North – up to 3,500 metres of drilling;
 - Mahogany – up to 2,000 metres of drilling;
 - Lodestar - Geological targeting, geophysical surveying and drill permitting;
- Drilling is estimated to commence in late June 2023;
- As the current operator, Headwater is entitled to earn a 10% management fee on earn-in exploration expenditures; and
- Upon completion of the above work programs, Headwater estimates that Newcrest will have satisfied the minimum spending commitments for the Spring Peak, Midas North, and Mahogany Agreements but will not yet have met the spending threshold required to earn an initial 51% interest in any of the projects.

Caleb Stroup, the President and CEO of the Company, states: *"We are extremely pleased to announce the anticipated exploration activities across our earn-in projects funded by Newcrest this year. We believe the magnitude of these exploration programs further demonstrates the confidence placed in our team and the quality of our assets. This drill season marks an exciting phase in the Company's evolution, as we aggressively scale-up drilling activities and advance our mission of adding value through exploration. Newcrest's 2023 funding will enable a considerably larger program at the Spring Peak project, focused on expanding the two discoveries made in 2022. Including previously announced drill plans at our 100% owned Katey project, we anticipate this year to see over 20,000 metres of drilling completed on Headwater projects. Our partnership with Newcrest offers shareholders a rare opportunity to gain exposure to a substantial amount of partner-funded greenfields exploration in a tier-one jurisdiction, in addition to pure upside from our 100% owned and operated exploration projects, while minimizing dilution at the corporate level."*

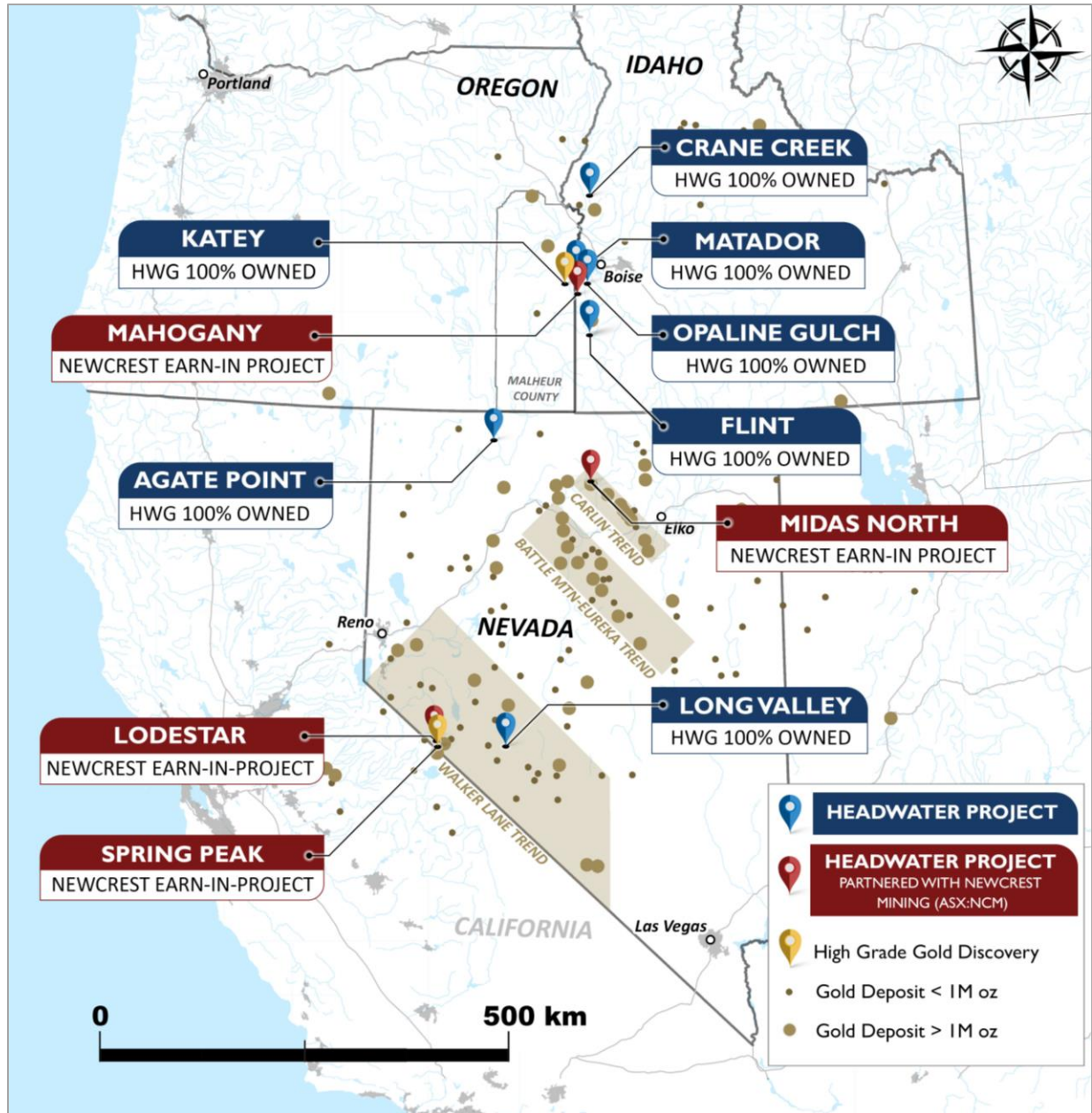


Figure 1. Headwater project portfolio including the location of Newcrest earn-in projects.

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 ("Hecla", 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 multi-rig drill program totaling up to approximately 11,500 metres is currently scheduled to begin in July 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 metre 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 (see Headwater New Release dated March 2, 2023).

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 up to 75% of the project following certain expenditures and preparation of a Pre-Feasibility Study within a designated timeframe.

About the Midas North Project:

Headwater's Midas North project adjoins Hecla's past-producing Midas Mine complex and covers a large hydrothermal alteration cell, extending at least 4 kilometres in strike and 1 kilometre in width. Extensive epithermal alteration exists on the project, including widespread zones of high-level chalcedonic to opaline silica flooding, clay alteration and local sinter formation, including fossilized geyser vents. The Company believes the project has potential for high-grade epithermal vein style mineralization at depth.

A multi-rig, mixed reverse circulation and diamond core drill program has been planned and is currently scheduled to commence in August 2023. Authorization for drilling has been granted by the Bureau of Land Management and drill contracts are in place. The initial Midas North drilling is expected to consist of an initial 8 to 12 holes with drill depths ranging from 250 metres to 400 metres. This program will represent the first known exploration drilling campaign within the Midas North project area.

About the Mahogany Project:

The 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 confirmed the presence of structurally-controlled high-grade gold zones, including a drill intercept that returned 9.37 grams per tonne gold over a drilled thickness of 0.73 metres in hole MH21-02. Multiple priority targets remain to be tested in a two-rig drill program scheduled to commence in late June 2023.

About the Lodestar Project:

The Lodestar project is located in the Aurora Mining District of west-central Nevada and adjoins Hecla's 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. The project is located approximately 10 kilometres north of the Company's Spring Peak project, where Headwater recently announced the new Disco and Opal Ridge high-grade discoveries (see Headwater News Release dated March 2, 2023).

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 and in August 2022 and May 2023 announced a significant transaction with Newcrest Mining Limited where Newcrest acquired a 9.9% strategic equity interest in the Company and entered into several earn-in agreements on 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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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 earn-in 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. In addition, on May 14, 2023 Newcrest and Newmont Corporation ("Newmont") entered into a binding scheme implementation deed in relation to a proposal for Newmont to acquire 100% of the issued shares in Newcrest by way of an Australian scheme of arrangement. If the proposed merger receives shareholder and regulatory approval and is completed within the budget period outlined above, there is no certainty that the new combined entity will commit to the contemplated exploration activities approved by Newcrest.

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.