

Headwater Gold Commences Drilling at Spring Peak Project, Nevada

Vancouver, British Columbia, July 13, 2023: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce the commencement of drilling at the Spring Peak project in Nevada. The program is designed to follow-up on Headwater's 2022 drill results which discovered high-grade epithermal veins in two distinct target areas (see Headwater news release dated March 2, 2023).

Highlights:

- Spring Peak is located in the Walker Lane belt of Nevada, immediately south of Hecla Mining Company's (NYSE: HL) past producing Aurora Mine;
- Up to approximately 11,500 m of drilling is currently planned, utilizing three drill rigs and a combination of reverse circulation ("RC") and core drilling;
- The drill program is currently fully funded by a subsidiary of Newcrest Mining Limited ("Newcrest") (ASX, TSX, PNGX: NCM) pursuant to the option and earn-in transaction announced August 16, 2022; and
- The goals of the drill program are to:
 - Offset high-grade epithermal veins discovered in Headwater's 2022 drilling at the Disco Zone which intercepted 34.72 m grading 2.73 grams per tonne gold ("g/t Au"), including 15.92 g/t Au over 2.38 m and 10.43 g/t Au over 2.01 m (see Headwater New Release dated January 9, 2023);
 - Systematically test an approximately 500 m strike segment of the Disco Zone;
 - Follow-up drilling at the newly discovered Opal Ridge Zone below shallow high-grade mineralization encountered in RC drill hole SP22-14 (see Headwater New Release dated March 2, 2023); and,
 - Test multiple new high-priority target areas with RC scout drill holes.

Caleb Stroup, the President and CEO of the Company, states: *"In a busy year of drilling for Headwater, the Spring Peak drill program stands out as an extremely exciting opportunity to advance a new discovery to the next phase. Since acquiring the project in 2021, we have been systematically vectoring into the high-grade portions of this epithermal alteration cell, culminating in the high-grade vein discoveries announced earlier this year. We now believe we have a solid understanding of the geology at depth and with this drill program will attempt to systematically offset known high-grade mineralization along strike and down dip and begin evaluating the scale of this new discovery."*

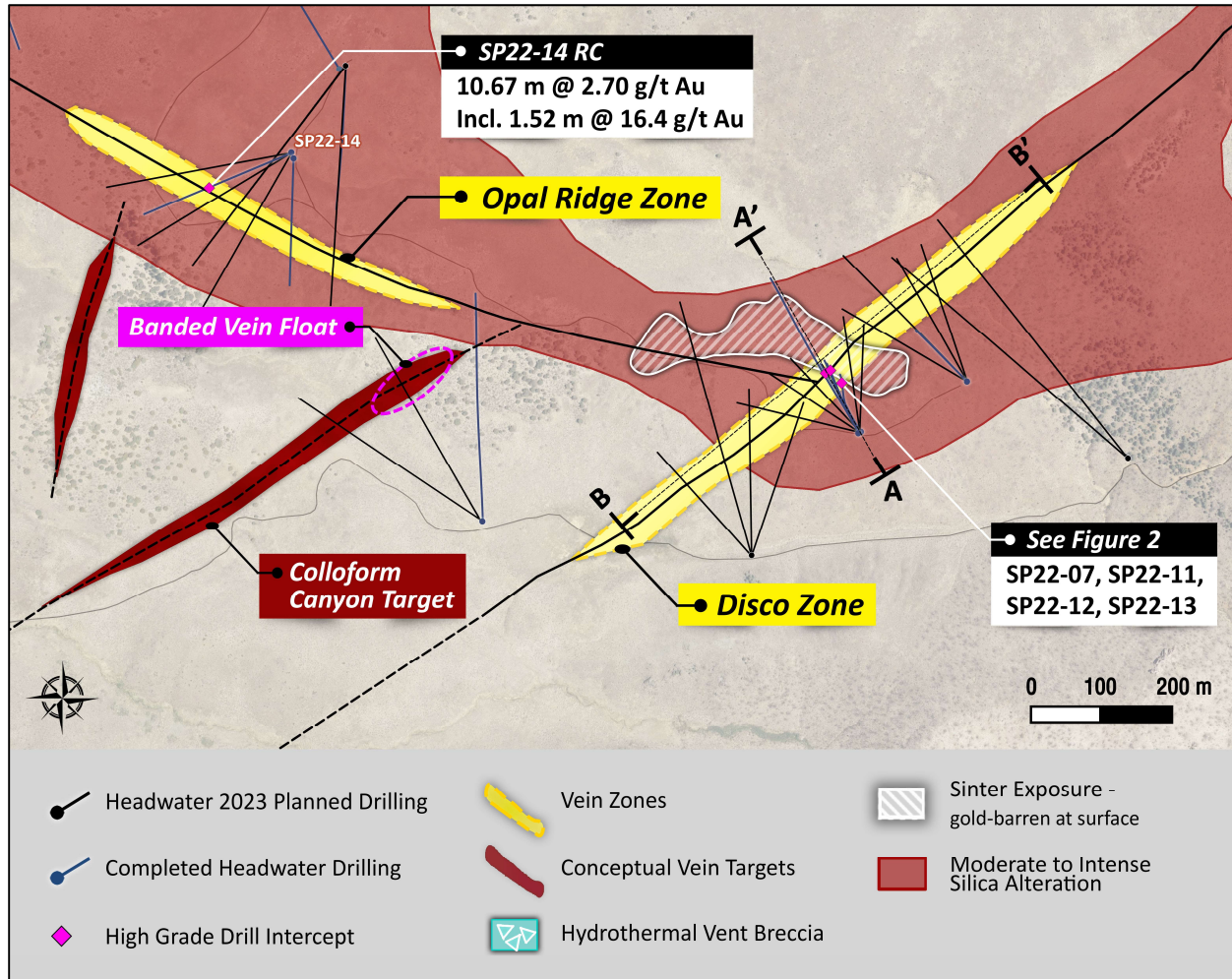


Figure 1: Alteration map of the Spring Peak project area showing existing and planned drill holes and epithermal alteration features.

2023 Drill Program:

The 2023 drill program is expected to consist of up to 11,500 m over approximately 30 to 35 holes utilizing two diamond core rigs and one RC rig.

Disco Zone: The Disco Zone is a mineralized fault corridor which hosts a series of high-grade epithermal veins at depth discovered by Headwater in 2022 drilling beneath a thick accumulation of silica sinter at surface. The primary objective of the 2023 drill program is to further define and expand the Disco Zone along strike and down dip at approximate 50 metre increments. The four holes that targeted the Disco Zone in 2022 were drilled on a single fence and intercepted multiple discrete veins with textures indicative of boiling, including ginguero banding, silica replacement of lattice-bladed calcite and vein sediments. Mineralization remains open down-dip and along strike. The highest-grade gold encountered to date at the Spring Peak project is in drill hole SP22-13 which intersected two individual veins assaying 15.92 g/t Au over 2.38 m and 10.43 g/t Au over 2.01 m, respectively. The highest individual assay returned 69.6 g/t Au over 0.34 m. These intervals are part of a broader zone which assayed 2.73 g/t Au over 34.72 m. For more information see Headwater News Releases dated January 9, 2023 and March 2, 2023. The 2023 drill program

will target the same elevation horizon, between 150 m and 400 m below the silica sinter exposed at surface.

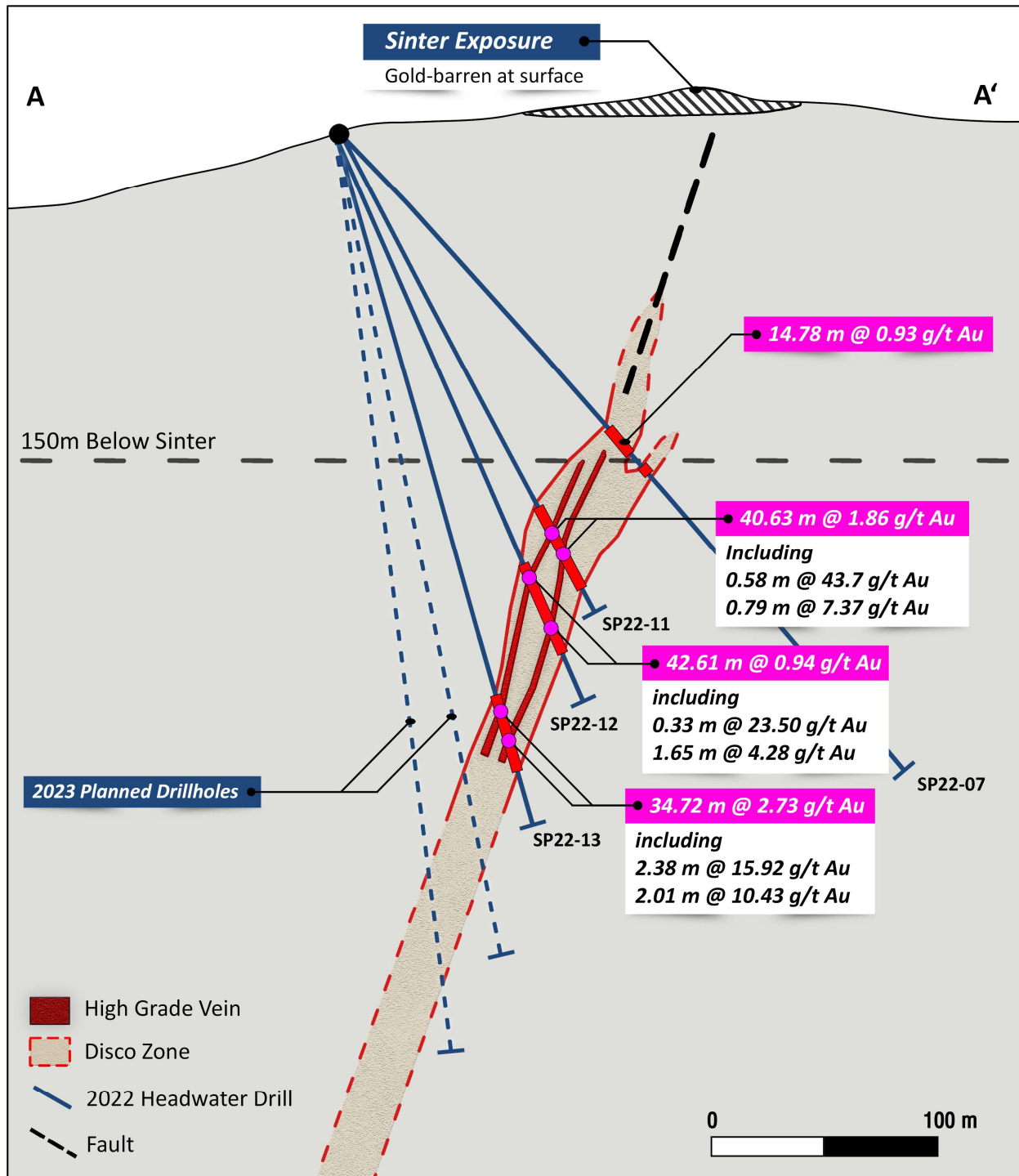


Figure 2: Interpretive geological cross section A – A' showing results from the 2022 Disco Zone drilling.

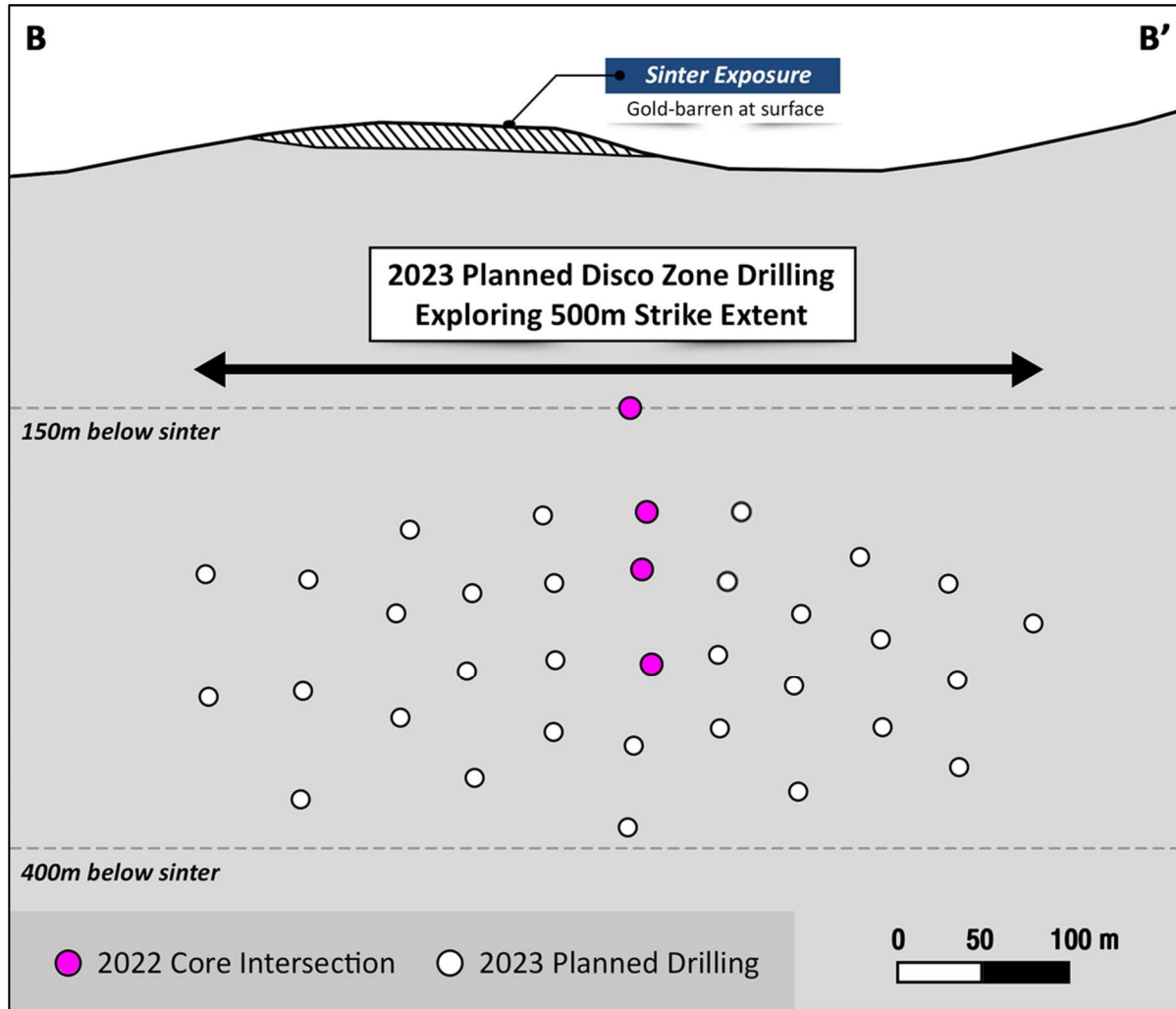


Figure 3: Disco Zone longitudinal section showing planned 2023 drilling along strike and down dip at approximately 50-metre drill spacing.

Opal Ridge: 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). RC scout hole SP22-14 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. Banded quartz vein material with fine-grained sulfide stringers was observed within this interval. Several follow-up core holes have been designed to offset this intercept down dip and along strike.

Scout Drilling: In addition to the Disco Zone and Opal Ridge areas, Headwater has planned additional scout drill holes to test multiple new targets which the Company has identified. The development of these targets was informed by a combination of surface geologic mapping, re-interpretation of historical data, hyperspectral alteration studies and analysis of oriented core data collected in the 2022 drill campaign. Oriented core from throughout the property has consistently shown a dominant northeast trend to vein orientations. The Company intends to test several structural targets parallel to this orientation, including the Colloform Canyon target (Figure 1)

which contains a strong soil pathfinder anomaly and historic rock samples of banded vein float assaying up to 3.47 g/t Au.

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.

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 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 transactions with Newcrest Mining Limited where Newcrest acquired a 9.9% strategic equity interest in the Company and entered into several option and 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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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, exploration activities and the specifications, targets, results, analyses, interpretations, benefits, costs and timing of them, Newcrest's anticipated funding of the option and 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 option and 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.