

Headwater Gold Provides Update on 2023 Drilling Activities

Vancouver, British Columbia, September 11, 2023: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to provide an update on its active 2023 drilling programs. The Spring Peak, Midas North and Mahogany drill programs are fully funded through option and earn-in agreements with Newcrest Mining Limited ("Newcrest") (ASX, TSX, PNGX: NCM) announced on August 16, 2022 and May 9, 2023. Drilling at Katey is self-funded by the Company.

Highlights:

- **Spring Peak Drilling** – Over 3,000 metres of a planned 11,500 metres of drilling have been completed to date, comprising of ten holes. Eight holes have been completed in the Disco Zone target and all eight holes encountered epithermal veining in the modelled target zone. Drilling continues;
- **Midas North Drilling** – Approximately 900 metres of a planned 3,500 metres of drilling have been completed to date, comprising of two holes. Both holes were drilled below the Big Opal Sinter target intercepting epithermal alteration and veining at depth. Drilling continues;
- **Mahogany Drilling** – Approximately 1,600 metres of drilling have been completed over five holes in two target areas. Three of five holes encountered veining and vein breccias in the modelled target zones. Assays are pending;
- **Katey Drilling** – Approximately 2,800 metres of drilling have been completed over eleven holes. Most holes encountered significant epithermal alteration, structurally controlled breccias and epithermal veining. Assays are pending;
- Assays from all programs are currently pending, with initial results expected over the coming weeks; and,
- Drilling is expected to continue through late Q4 2023.

Caleb Stroup, the President and CEO of the Company, states: *"We are extremely pleased with the progress of our 2023 drill programs. The Company has successfully maintained a high pace of drilling activity on multiple exploration projects, which is a strong testament to the capability of the Headwater team. The initial geological results from this year's drilling appear to validate our targeting and we are eagerly awaiting the assay results from the holes completed thus far. Our geologists are particularly impressed with the geological continuity in the initial 2023 drilling at Spring Peak. With up to 20,000 metres of planned drilling across the Headwater portfolio, we believe our shareholders have a unique opportunity to see additional value created through multiple potential catalysts."*

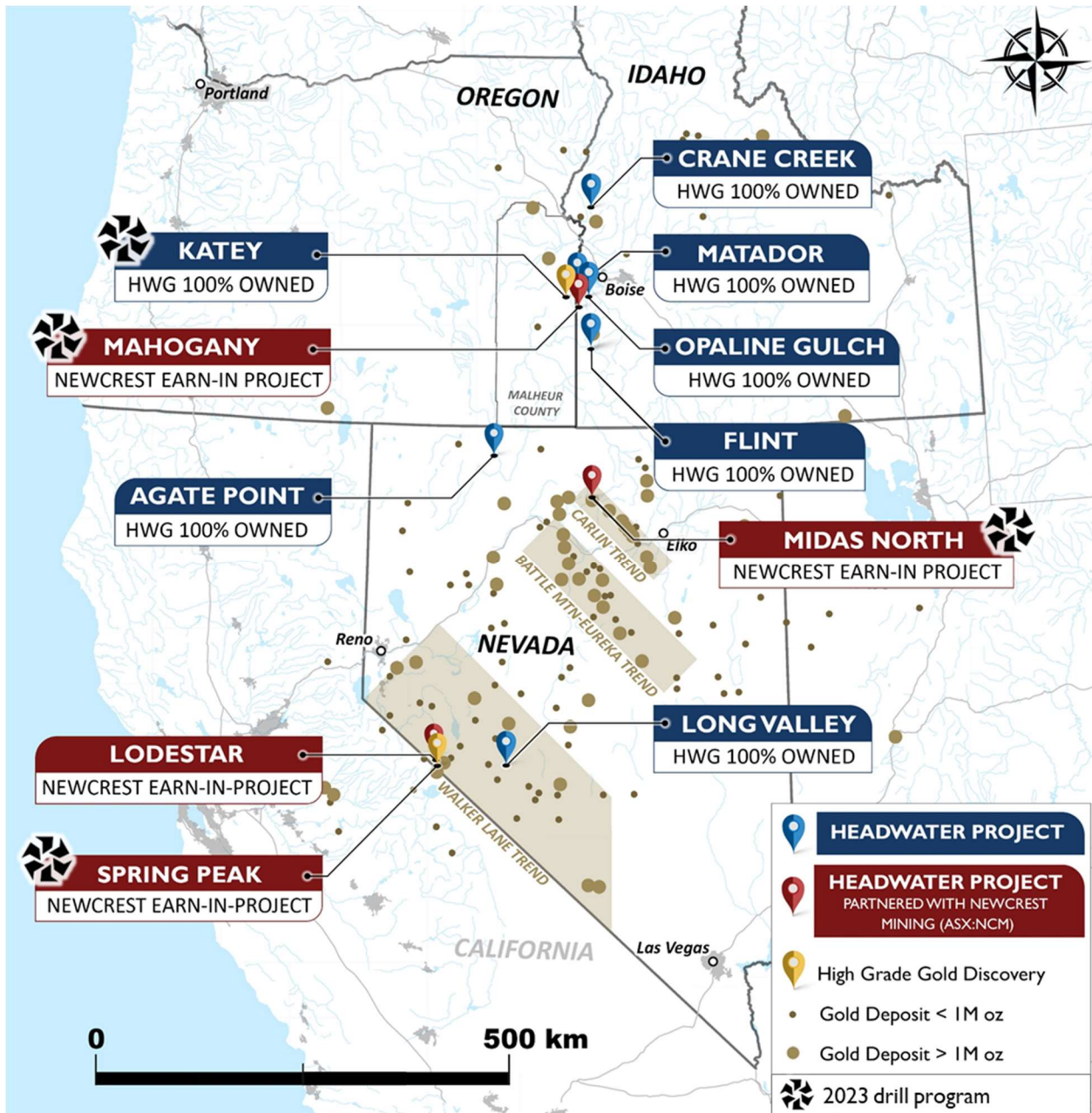


Figure 1. Headwater project portfolio including the location ongoing 2023 drill projects.

About the Spring Peak Project:

The Spring Peak project is located in the Aurora Mining District of west-central Nevada, approximately 50 km 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 11,500 metres is currently underway. The primary objective of the drill program is to further define and expand the Disco Zone along strike and down dip. Several drill pads are fully permitted and already constructed to facilitate testing of the Disco Zone over an initial strike length of over 500 metres. Diamond core drilling in the Opal Ridge Zone is also underway, which is 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 news release dated March 2, 2023). For more information on the 2023 Spring Peak drill program, please see Headwater news release dated July 13, 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.



SPRING PEAK PROJECT

Drill Hole: SP23-17

Interval: 326.8 m - 327.4 m



Figure 2. 3D image of epithermal vein textures intercepted in 2023 drill hole SP23-17. Drillhole SP23-17 is an approximate 70 m offset of the nearest previous drill hole, SP22-13 which intercepted 15.92 grams per tonne gold ("g/t Au") over 2.38 m including 69.6 g/t Au over 0.34 m. Drill core is HQ size. Full resolution video is available [here](#).

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 km in strike and 1 km in width. Extensive epithermal alteration on the project includes widespread zones of high-level chalcedonic to opaline silica flooding, clay alteration, local sinter formation, and fossilized geyser vents. The Company believes the project has potential for high-grade epithermal vein style gold mineralization at depth.

A multi-rig, mixed reverse circulation and diamond core drill program is currently underway. The initial Midas North drilling is expected to consist of 8 to 12 holes with drill depths ranging from 250 to 400 metres. This program represents the first known exploration drilling campaign within the Midas North project area. See Headwater news release dated August 22, 2023 for more information.

About the Mahogany Project:

The Mahogany project is located 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 in 2021 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.

Five holes totaling 1,573 metres were completed in 2023, targeting the down dip extension of mineralization encountered in 2021 drilling, as well as testing the Vent Breccia target which has not seen any known exploration drilling below approximately 50 metres in depth. See Headwater news release dated June 29, 2023 for more information.

About the Katey Project:

The Katey project is located 50 km northwest of Integra Resources' (NYSE: ITRG) DeLamar deposit and 30 km southeast of Paramount Gold Nevada's (NYSE: PZG) Grassy Mountain development project. The project was identified by Headwater geologists, acquired through claim staking on BLM land and is 100% owned and royalty free. Drilling conducted by Headwater at Katey in 2021 intercepted high-grade epithermal mineralization in an interpreted feeder structure in drill hole KT21-01 (6.34 g/t Au over 14.54 m, including 30.73 g/t Au over 1.95 m. See Headwater news release dated February 21, 2023).

Eleven holes totaling 2,803 metres were completed in 2023, targeting extensions of the high-grade mineralization encountered in KT21-01, as well as testing multiple additional targets along strike.

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 of experienced geologists with diverse capital markets, junior and major mining company backgrounds. The Company is systematically drill testing several projects in Nevada, Idaho, and Oregon; and in August 2022 and May 2023 announced significant transactions with Newcrest Mining Limited where Newcrest acquired a 9.9% strategic equity interest in the Company and entered into earn-in agreements on several of Headwater's projects.

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

On Behalf of the Board of Directors

Caleb Stroup
President and CEO
+1 (775) 409-3197
cstroup@headwatergold.com

For further information, please contact:

Brennan Zerb
Investor Relations Manager
+1 (778) 867-5016
bzerb@headwatergold.com

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 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.