

Headwater Gold Announces High-Grade Gold in Initial Results From the 2023 Spring Peak Drill Program, Nevada

Vancouver, British Columbia, October 31, 2023: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce initial assay results from the ongoing 2023 Spring Peak exploration drilling program which is fully funded by Newcrest Mining Limited as part of an exploration agreement announced on August 16, 2022.

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;
- Recent drilling has extended mineralization at the Disco Zone target, intercepting high-grade epithermal veins in an approximately 70 metre step-out from previous drilling.
- Drill hole SP23-17 intercepted 13.0 grams per tonne gold ("g/t Au") over 1.21 metres ("m") and 9.0 g/t Au over 3.11 m within a broader interval of 20.46 m grading 2.59 g/t Au in the Disco Zone target;
- Drill hole SP23-17 also intercepted 27.44 m grading 0.95 g/t Au above the Disco Zone in a newly recognized zone which may represent a parallel mineralized structure;
- Mineralization remains open at depth and along strike and ongoing drilling continues to intersect epithermal veins in the target zone;
- Assays from the initial four holes of the program are presented here, with the remainder of the assays pending; and,
- A multi-rig drill program is still underway at Spring Peak with 22 holes completed to date and assays pending for 18 holes.

Caleb Stroup, the President and CEO of the Company, states: *"We are very pleased to announce initial results from our 2023 Spring Peak drill program. Drill hole SP23-17 represents our first step out from last year's drilling. This drill hole encountered high-grade epithermal veins nearly exactly where our geologists expected, demonstrating continued exploration potential along strike to the northeast and down dip. SP23-17 also intercepted a new zone of shallower mineralization approximately 130 metres above the Disco Zone, which may represent the shallow portions of a stacked parallel vein system. With the majority of the assays for the 2023 program still pending from the laboratory, we very much look forward to the potential upcoming catalysts for the Spring Peak project and the Company as a whole."*

2023 Drill Program:

The primary objective of the 2023 drill program is to further define and expand the Disco Zone along strike and down dip at 50 to 100 metre increments. The Disco Zone is a mineralized corridor which hosts a series of high-grade epithermal veins at depth discovered by Headwater in 2022 by drilling beneath a thick accumulation of silica sinter at surface.

Earlier Headwater's drilling at the Disco Zone intercepted multiple discrete veins with textures indicative of boiling, including ginguro banding, silica replacement of lattice-bladed calcite and

vein sediments. 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. 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.

The 2023 drill program is targeting the same elevation horizon as the previous drilling between 150 m and 400 m below an extensive zone of silica sinter exposed at surface. Drill hole SP23-17 was the first core hole of the 2023 program and successfully extended the mineralization encountered in SP22-13. SP23-17 intercepted 13.0 g/t Au over 1.21 m and 9.0 g/t Au over 3.11 m within a broader interval of 20.46 m grading 2.59 g/t Au (Table 1, Figure 2).

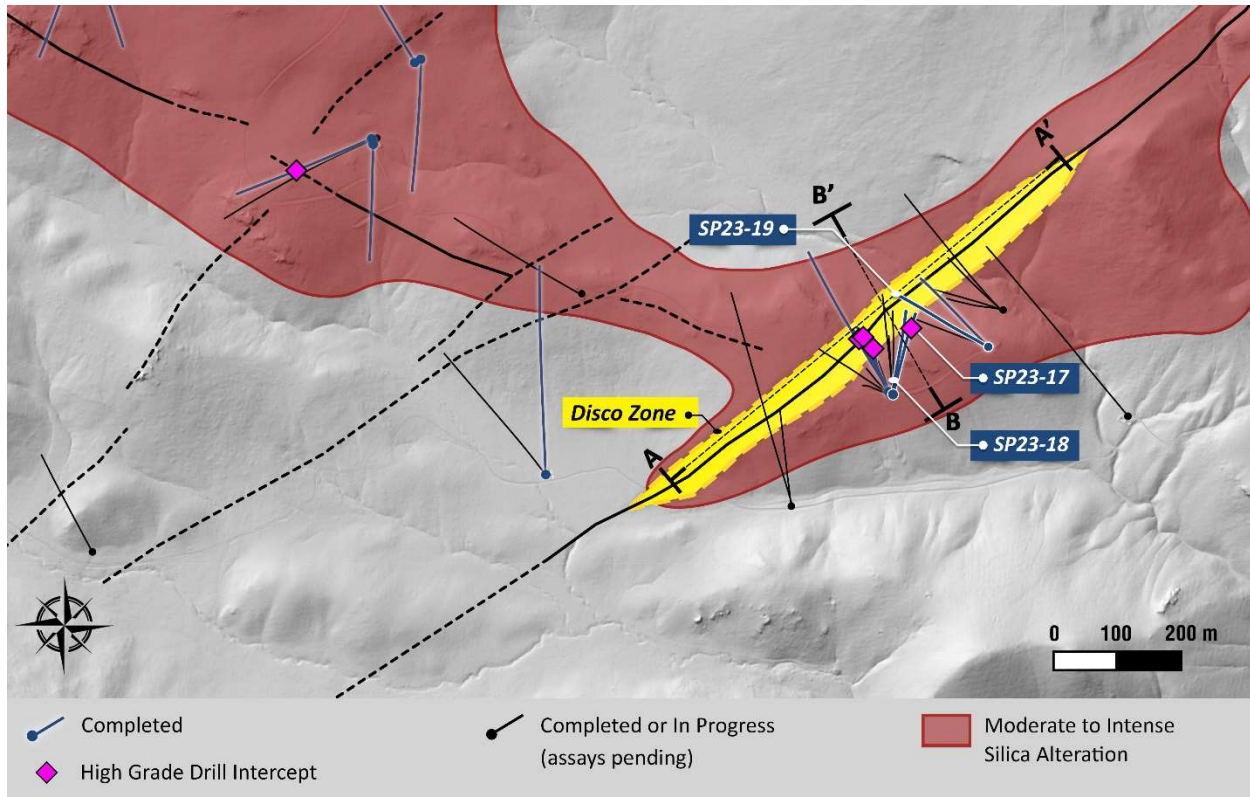


Figure 1: Plan geological map of the central Spring Peak drill area with location sections A-A' (Figure 2) and section B-B' (Figure 3).

Mineralization in drill hole SP23-17 consists of banded quartz-calcite veins with quartz-after-bladed calcite, vein sediments, and silica cemented breccias. The highest-grade mineralization intercepted in SP23-17 occurs within discrete quartz dominant zones at the margins of the broader mineralized interval. This drill intercept occurs approximately 325 metres below surface and remains open at depth and along strike. Several additional step out holes along strike and down dip of this intercept are either currently in progress or completed with assays pending.

Drillhole SP23-17 also intercepted a new zone of mineralization approximately 130 metres above the Disco Zone, containing 0.95 g/t Au over 27.44 m. This new zone was intercepted in the reverse circulation pre-collar portion of the hole. Adjacent core-from-surface holes (assays pending) encountered several zones of fault gouge and sparse veining at a similar depth. Initial interpretations are that this may represent the shallow portions of a stacked Disco-Zone-parallel vein system which remains to be tested with drilling at depth (Figure 3).

Table 1: Drill Results from Headwater's 2023 Spring Peak drilling program¹

Hole ID	Type	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Az	Inc	TD (m)	Comments
SP23-16	RC	-	-	-	-	-	0	-90	135.64	Water well, no significant intercepts
SP23-17	RC	108.20	135.64	27.44	0.95	9.87	014	-73	376.52	New zone within Disco Zone hanging wall
<i>and</i>	DD	267.13	270.05	2.92	3.92	3.93				Disco Zone. True thickness is estimated at 50% of the reported downhole thickness. Highest individual sample 20.5 g/t Au over 0.42 m from 329.28 to 329.7 m
<i>including</i>	DD	267.74	268.53	0.79	9.10	6.38				
<i>and</i>	DD	310.59	331.01	20.42	2.59	15.16				
<i>including</i>	DD	312.12	313.33	1.21	13.0	105.4				
<i>including</i>	DD	327.90	331.01	3.11	9.0	43.2				
SP23-18	RC	118.87	135.64	16.77	0.46	5.30	005	-69	335.98	New zone within Disco Zone hanging wall
<i>and</i>	DD	279.96	292.30	12.34	0.88	5.16				Disco Zone. True thickness estimated at 55%
SP23-19	DD	151.39	160.45	9.06	0.53	3.92	299	-63	383.13	New zone within Disco Zone hanging wall
<i>and</i>	DD	272.16	284.53	12.37	1.25	6.18				Disco Zone. True thickness estimated at 65%

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.

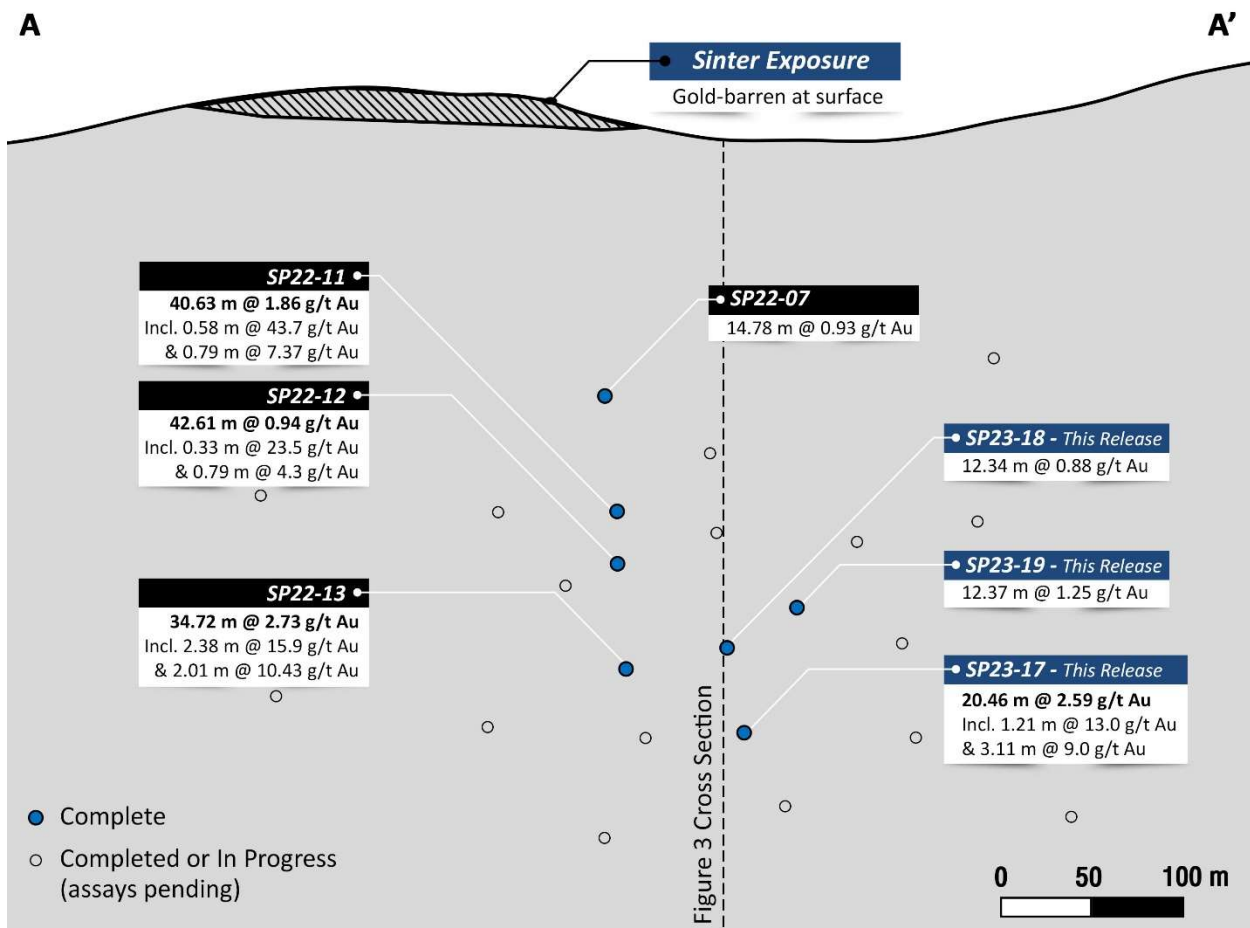


Figure 2: Disco Zone longitudinal cross section A – A' showing planned and completed drilling to date.

Results have also been received for two additional holes from the Disco Zone, both up-dip of SP23-17. Holes SP23-18 and SP23-19 intercepted zones of highly anomalous precious metal mineralization in fault gouge with veins and vein clasts along the projection of the Disco Zone but did not intercept Au grades greater than 5 g/t. Initial interpretations suggest this may be due to a localized inflection in the Bear Fault plane resulting in a constricting segment of the zone.

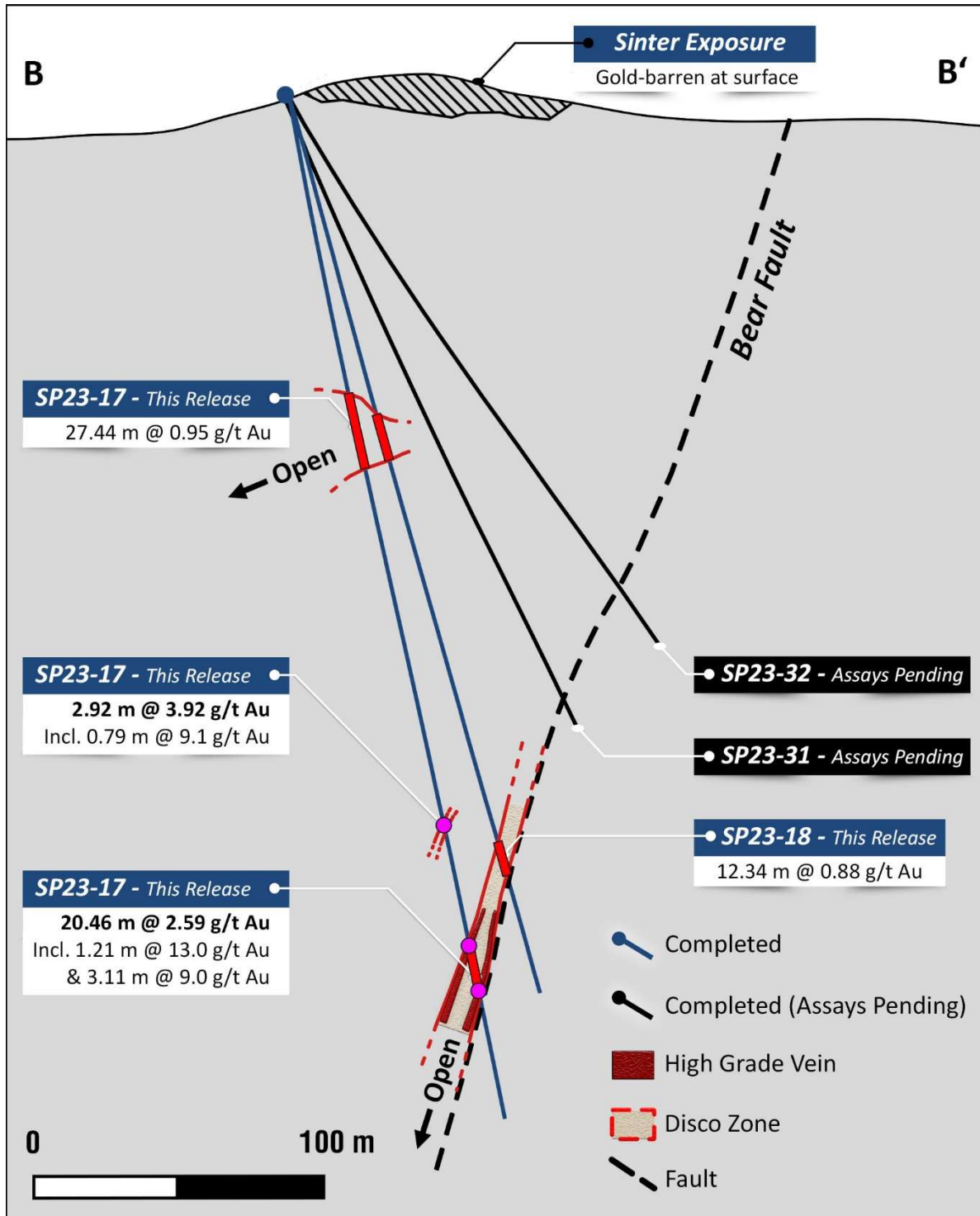


Figure 3. Interpretive geological cross section B – B' showing results from the 2023 Disco Zone drilling.

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 (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 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 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

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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. The proposed merger received shareholder and regulatory approval and has an implementation date of November 6, 2023. There is no certainty that the new combined entity will commit to the contemplated exploration activities approved by Newcrest beyond the minimum project commitments.

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.