

Headwater Gold Provides Exploration Update, Including Additional High-Grade Gold Results from Spring Peak

Vancouver, British Columbia, December 6, 2023: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce the completion of its 2023 drilling programs. Drilling at Spring Peak, Midas North and Mahogany was fully funded by Newmont Corporation ("Newmont") (NYSE: NEM) pursuant to the earn-in agreements announced on August 16, 2022.

Highlights:

- **Spring Peak** – Twenty-five drill holes were completed in the 2023 drill campaign totaling 8,475 metres ("m");
 - Initial drill results extend Disco Zone mineralization to the northeast and southwest over a strike extent of at least 350 m, and to a depth of greater than 300 m below surface. Mineralization remains open in both directions and at depth;
 - Drill hole SP23-28 intercepted 25.54 m grading 1.75 g/t Au including 8.04 g/t Au over 1.19 m and 5.35 g/t Au over 2.59 m;
 - Drill hole SP23-33 intercepted 37.01 m grading 1.28 g/t Au including 6.53 g/t Au over 1.68 m and 6.27 g/t Au over 1.19 m;
 - A step out drill hole (SP23-37) has been completed approximately 400 m northeast along strike of the main Disco Zone. This hole encountered multiple epithermal veins in the target zone. Assays are pending for this hole as well as 11 additional holes from the 2023 program.
- **Midas North** – Nine drill holes were completed totaling 4,202 m at Midas North, testing six target areas. Epithermal veining and alteration were encountered in multiple target areas across the property. Assays are pending;
- **Mahogany** – Five drill holes were completed totaling 1,524 m at Mahogany, testing two target areas. No significant precious metal intercepts were encountered. The Company continues to review the data in consultation with earn-in partner Newmont to determine if additional targets of merit remain on the property; and,
- **Katey** – Eleven drill holes were completed totaling 2,803 m at Katey, testing four target areas. No significant precious metals intercepts were encountered. No further work on the project is planned by the Company at this time.

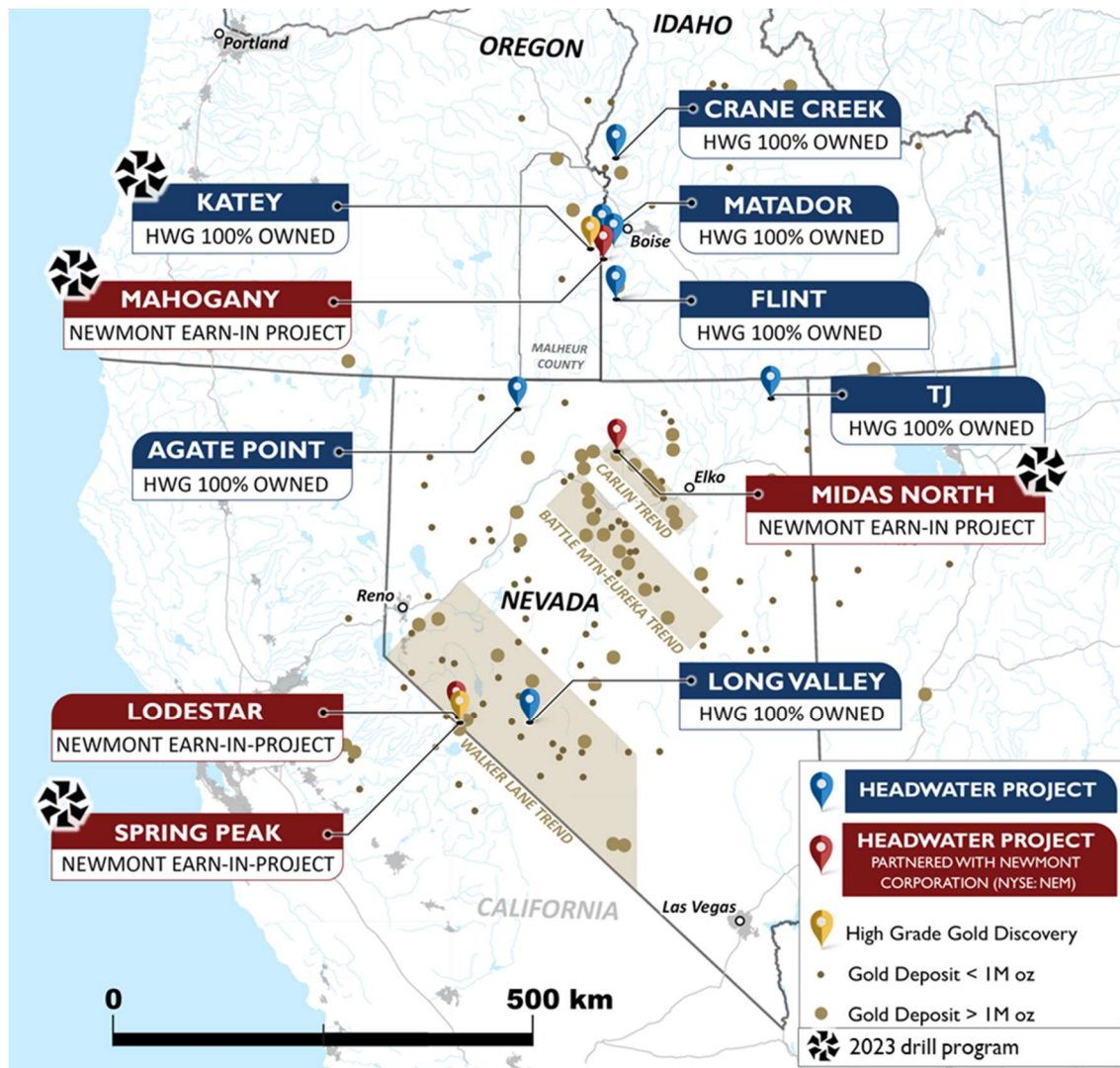


Figure 1. Headwater project portfolio including the locations of 2023 drill projects.

Caleb Stroup, the President and CEO of the Company, states: “This year was a very exciting and productive year for the Company with over 17,000 metres of drilling completed across four projects. Assays remain outstanding for approximately half of this drilling but initial results from Spring Peak continue to validate our geological model and extend mineralization in all directions. We have now established over 350 metres of strike extent at the Disco Zone and are seeing positive indications that the system may extend beyond this. A recent step-out drill hole approximately 400 metres northeast of the main Disco Zone demonstrates that the Bear Fault mineralized structure persists and continues to host epithermal veining and favourable alteration. These initial geological results point to continued potential over several kilometres of prospective strike extent along the Bear Fault corridor.

Drilling at Katey and Mahogany has failed to demonstrate persistent mineralization at depth in the targets tested and activities have been paused on these projects. Although this outcome is not what we had anticipated, the Company’s disciplined strategy to quickly and aggressively advance exploration targets to critical decision points remains unchanged. We remain committed to our strategy of utilizing partner funding, in combination with self-funded exploration, to advance our portfolio of projects and explore for high-impact gold discoveries.”

Table 1: New Drill Results from Headwater's 2023 Spring Peak Drill Program¹

Hole ID	Type	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Az	Inc	TD (m)	Comments
SP23-20	RC	153.92	156.97	3.05	0.89	2.76	311	-73	166.1	New zone in Disco hanging wall Disco Zone. True thickness estimated at 60%
	and DD	172.76	178.92	6.16	0.71	2.58				
	and DD	234.73	258.59	23.86	0.46	5.48				
SP23-21	RC	96.01	102.11	6.10	0.80	6.35	293	-78	194.2	New zone in Disco Zone hanging wall New zone in Disco Zone hanging wall Disco Zone. True thickness estimated at 50%
	and DD	248.41	250.85	2.44	3.80	4.46				
	including DD	248.41	249.94	1.53	5.80	6.26				
	and DD	302.97	309.43	6.46	0.79	4.63				
	and DD	315.16	325.22	10.06	0.54	5.72				
SP23-22	RC	100.58	105.16	4.58	0.38	2.61	316	-46	304.8	True thickness estimated at 90%
SP23-23	RC	170.69	179.86	9.17	0.54	7.12	299	-47	304.8	New area of mineralization encountered in footwall of Disco Zone
	and RC	259.08	294.13	35.05	0.40	3.02				
SP23-24	DD	157.43	157.86	0.43	5.25	38.01	344	-45	487.7	New zone in Disco Zone hanging wall Disco Zone. True thickness estimated at 85%
	and DD	184.71	192.18	7.47	1.67	9.44				
	including DD	185.29	186.54	1.25	6.12	16.03				
SP23-25	DD	310.90	313.18	2.28	1.43	6.00	284	-79	407.1	Disco Zone. True thickness estimated at 45%
SP23-27	DD	200.56	204.43	3.87	0.90	3.57	313	-68	279.2	Disco Zone. True thickness estimated at 65%
	and DD	210.01	218.39	8.38	1.77	2.06				
	including DD	216.71	218.39	1.68	7.40	5.24				
SP23-28	DD	114.27	116.49	2.22	2.14	7.19	359	-76	359.1	New zone in Disco Zone hanging wall Disco Zone. True thickness is estimated at 50%. Highest individual sample 11.2 g/t Au over 0.3m from 317.48 to 317.78m
	including DD	114.27	114.60	0.33	11.20	25.22				
	and DD	301.48	327.02	25.54	1.75	10.78				
	including DD	302.06	304.65	2.59	5.35	35.81				
	including DD	317.48	318.67	1.19	8.04	66.96				
SP23-33	DD	179.31	216.32	37.01	1.28	12.63	306	-58	251.2	True thickness is estimated at 75%. Highest individual sample 18.0 g/t Au over 0.37m from 206.04 to 206.41m
	including DD	196.99	198.18	1.19	6.27	63.92				
	including DD	206.04	207.72	1.68	6.53	112.56				

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. DD signifies diamond drilling and RC reverse circulation.

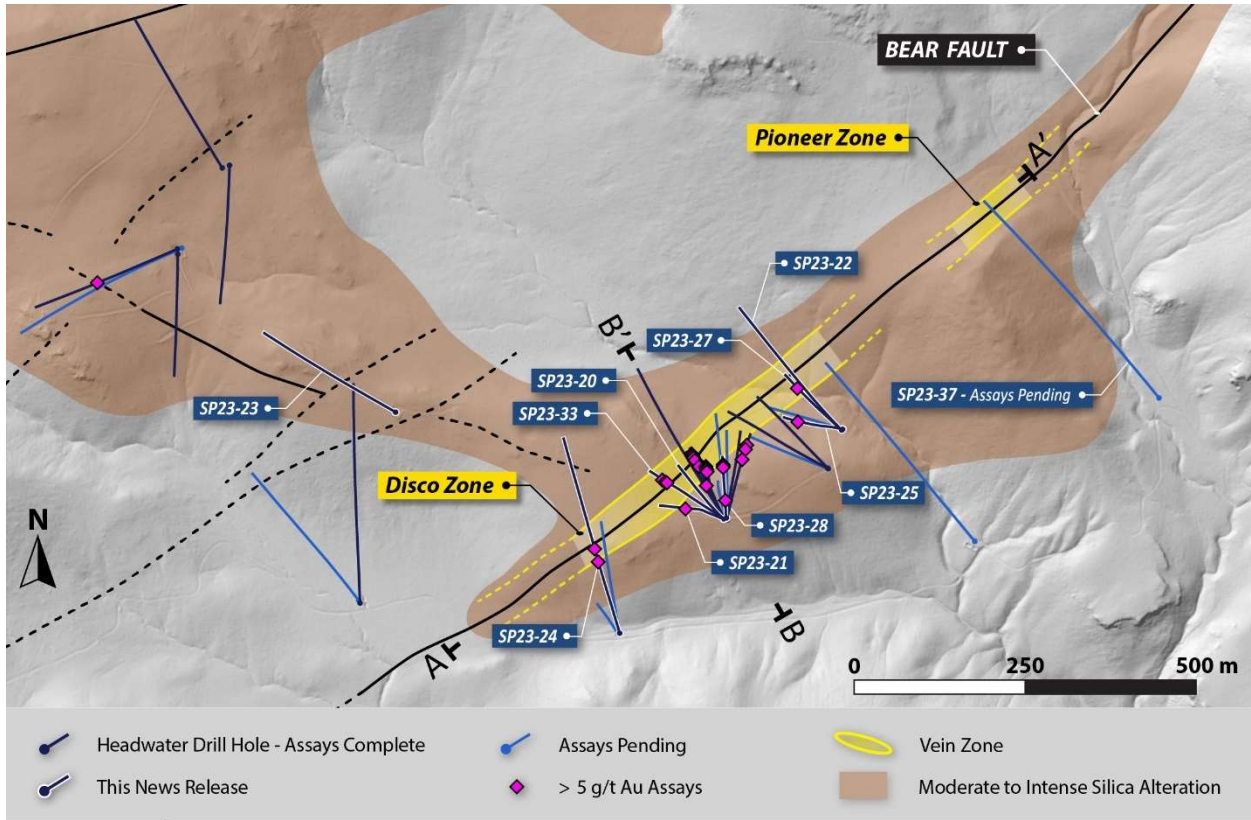


Figure 2: Plan geological map of the central Spring Peak drill area with location of sections A-A' (Figure 3) and section B-B' (Figure 4). Higher resolution figure available [here](#).

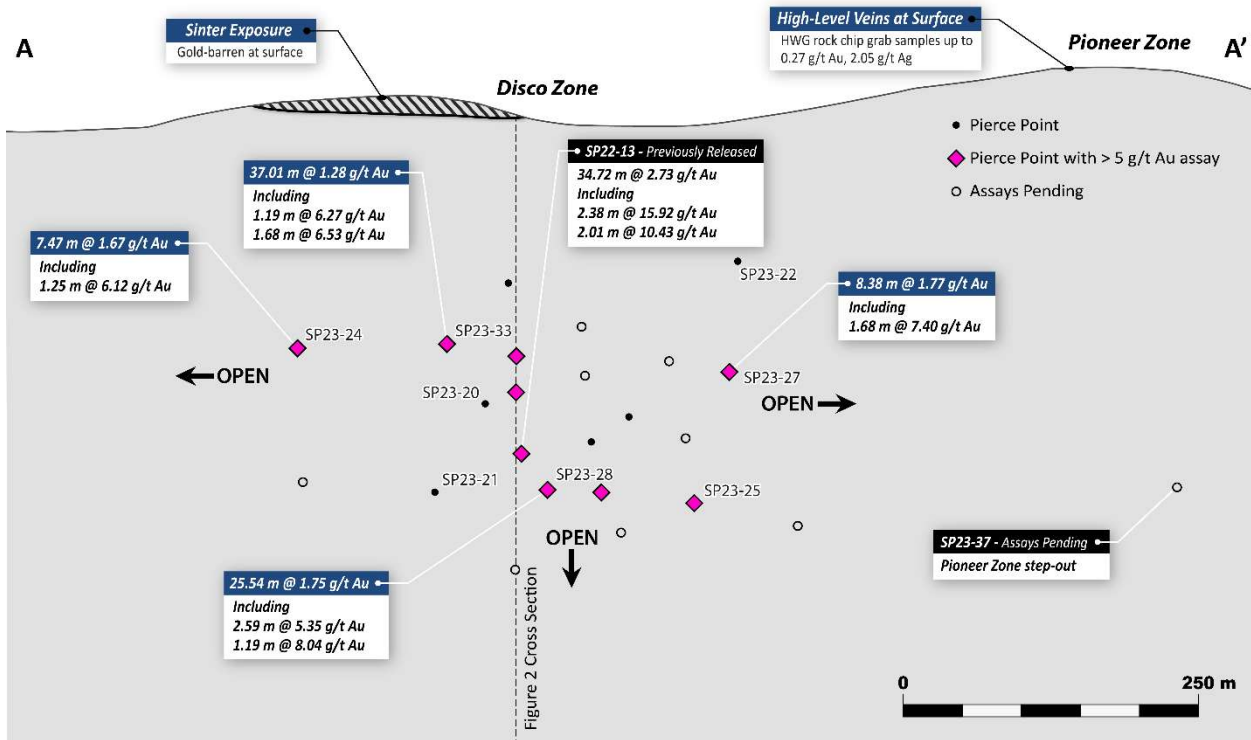


Figure 3: Disco Zone longitudinal cross section A – A' showing completed drilling to date with select drill hole intercepts. Higher resolution figure available [here](#).

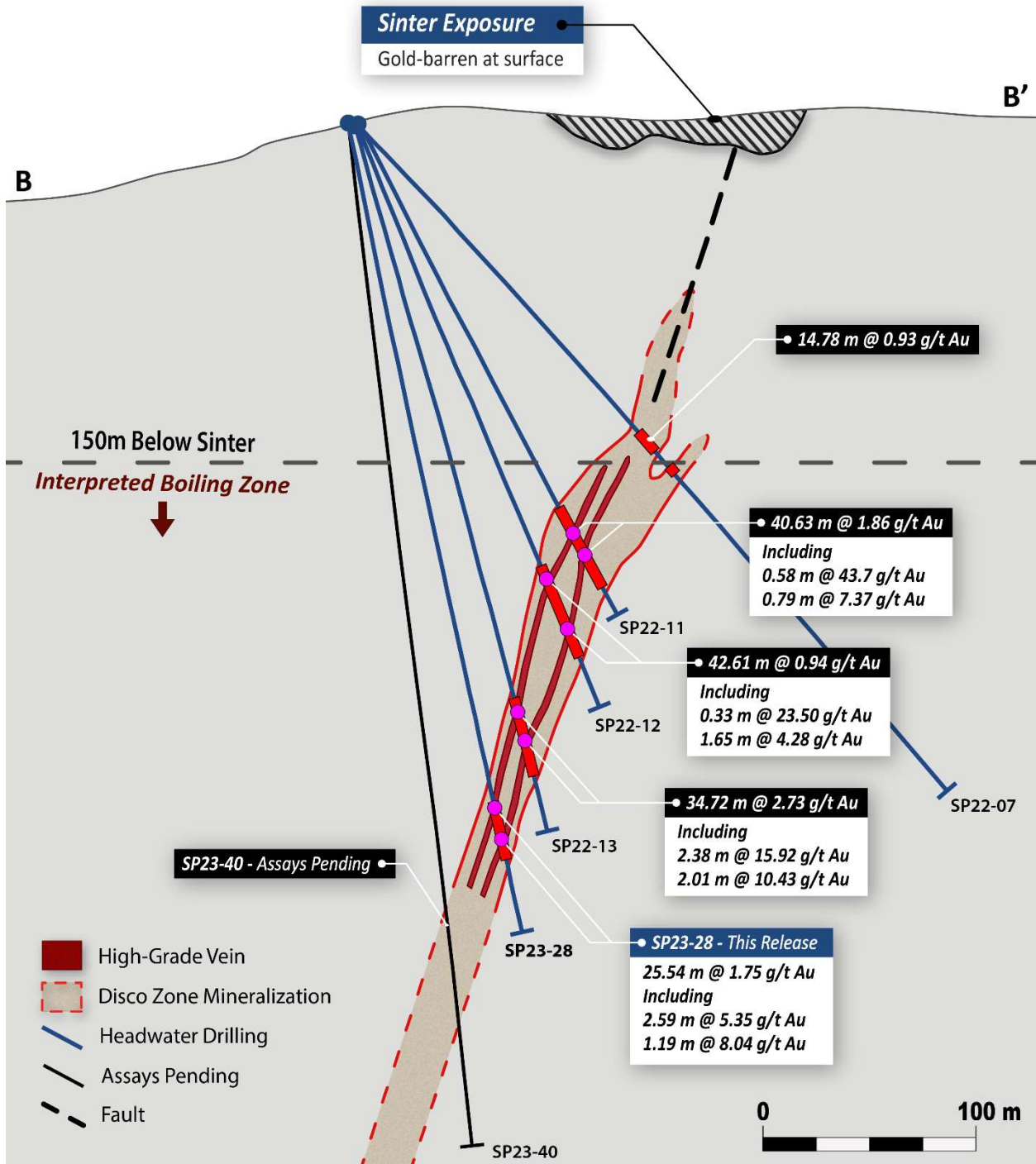


Figure 4. Interpretive geological cross section B – B' showing results from 2023 Disco Zone drilling.

2023 Spring Peak Drill Program:

A multi-rig drill program totaling up to 8,475 m was completed in 2023. The primary objective of the 2023 drill program at Spring Peak was to further define and expand the Disco Zone along strike and down dip at 50 to 100 m 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 unmineralized silica sinter at surface.

Previous Headwater drilling at the Disco Zone intercepted multiple, discrete epithermal 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 separate 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 targeted 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 holes SP23-24 and SP23-27 have extended the strike extent of the mineralized zone to greater than 350 m, and the zone remains open both to the northeast and southwest. Drill holes SP23-25 and SP23-28 also demonstrate that mineralization extends to greater than 300 m below surface and remains open at depth. Drill hole SP23-33, which intercepted the Disco Zone approximately 150 m below surface, encountered a thick zone of epithermal veining assaying 1.28 g/t Au over 37.01 m suggesting the mineralized zone is open up-dip as well, closer to the surface (Table 1, Figure 2, Figure 3, Figure 4).

Scout RC drill hole SP23-23 was drilled below an outcropping zone of intense silicification approximately 350 m northwest of the surface projection of the Disco Zone (Figure 2). This hole intercepted two broad zones of anomalous gold values grading 0.54 g/t Au over 9.17 m and 0.40 g/t Au over 35.05 m, respectively.

Step out drill hole SP23-37 was completed approximately 400 m northeast along strike of the main Disco Zone (Figure 2 and Figure 3). This hole encountered multiple epithermal veins in the target zone including complex epithermal breccias (Figure 5) and a fault-hosted vein zone that includes a 2.5-m-wide discrete epithermal vein with silica replacement of lattice-bladed calcite and banded chalcedonic quartz (Figure 6). Epithermal veining and alteration has now been intercepted over a strike extent of approximately 750 m along the Bear Fault corridor, from hole SP23-24 on the southwest to SP23-37 in the northeast and remains open in both directions.



Figure 5. Photograph of epithermal silica-cemented hydrothermal breccia from 379.9 m in drill hole SP23-37. Core is HQ size (6.1 cm diameter). Assays pending.



Figure 6. Core photographs of step-out hole SP23-37 from 443.0 m to 451.7 m showing epithermal veining hosted in the Bear Fault zone. True width is estimated at 90% of drilled thickness. Assays pending.

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.

For more information on the 2023 Spring Peak drill program, please see Headwater news releases dated July 13, 2023 and October 31, 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 Newmont's option to acquire up to 75% of the project following certain expenditures and preparation of a Pre-Feasibility Study within a designated timeframe.

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 maiden drill program totaling 4,202 m was completed by the Company in 2023. This program consisted of nine drill holes with depths ranging from 350 m to 600 m. The nine holes tested six targets and epithermal veining and favourable alteration was encountered in multiple target areas across the property. Assays are pending. 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.

Headwater holds a 100% undivided interest in the Midas North project, subject to Newmont's option to acquire up to 75% of the project following certain expenditures and preparation of a Pre-Feasibility Study within a designated timeframe.

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 m in hole MH21-02.

Five holes totaling 1,573 m 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 seen no known exploration drilling below approximately 50 m depth. The target structures were intercepted in both target areas but assays returned no significant precious metals. The Company continues to review the data in consultation with earn-in partner Newmont to determine if additional targets of merit remain on the property.

Headwater holds a 100% undivided interest in the Mahogany project, subject to Newmont's option to acquire up to 75% of the project following certain expenditures and preparation of a Pre-Feasibility Study within a designated timeframe.

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 m were completed in 2023 targeting extensions of the high-grade mineralization encountered in KT21-01 as well as testing multiple additional targets along strike. Drilling did not intercept significant precious metals along strike or at depth, including below drill hole KT21-01. No further work on the project is planned by the Company at this time.

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 (now Newmont Corporation) where it acquired a 9.9% strategic equity interest in the Company and entered into earn-in agreements on several of Headwater's projects.

Headwater is part of the NewQuest Capital group which is a discovery-driven investment company that builds value through the incubation and financing of mineral projects and companies. Further information about NewQuest can be found on the company website at www.nqcapitalgroup.com.

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

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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.

Sampling Quality Control:

Spring Peak and Mahogany

Drill core was transported from the Project to the Company's logging facility in Hawthorne, Nevada. Core is then logged in detail, split in half using an electric-powered core saw, sampled at specified intervals, bagged, and delivered to Bureau Veritas ("BV") facilities in Sparks, Nevada. RC samples are bagged at the rig and transported directly from the Project to BV. Samples are prepared by crushing and grinding via BV method PRP70-500 to obtain a 500g sub-sample. Geochemical analyses including fire assay were carried out at ISO 17025:2017 accredited Bureau Veritas laboratories in Vancouver, British Columbia. Pulps were assayed for 59 elements via method MA250 using a 25g sample after a four acid near total digest with an ICP-MS finish. Gold is assayed by fire assay using BV method FA330 with a 30g sample charge and ICP-ME finish. In addition to the laboratory's quality control program, a rigorous quality assurance and quality control program is implemented by the Company involving the insertion of blanks, standards and duplicates to ensure reliable assay results. Laboratory standards and QA-QC are monitored by the Company.

Katey

All drill core was transported to the Company's logging facility in Sparks, NV, where the core is logged in detail, then split in half to the Company's specified sample intervals using an electric-powered core saw and bagged. Samples were sent to Paragon Geochemical Laboratories in Sparks, an accredited analytical laboratory meeting ISO/IEC Standard 17025:2017. RC samples are sent directly from the project to Paragon. Samples are prepared by crushing and grinding via Paragon method PREP-PKG to obtain a 250g sub-sample. Pulps were assayed for 50 elements via method 50AR-MS using a 25g sample after aqua regia digest with an ICP-MS finish. Gold is assayed by fire assay using Paragon method Au-AA30 using a 30g sample charge and AAS finish. In addition to the laboratory's quality control program, a rigorous on-site quality assurance and quality control program was implemented which involves the insertion of blanks, standards and splits to ensure reliable assay results. Laboratory standards and QA-QC are monitored by the Company.

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, Newmont'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 Newmont Corporation 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.

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.