

INFORMATION CIRCULAR
as at August 16, 2024, *except as otherwise indicated*

This Information Circular is furnished in connection with the solicitation of proxies by the management of Headwater Gold Inc. (the “Company”) for use at the annual general meeting (the “Meeting”) of the Company’s shareholders to be held on September 26, 2024 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to “the Company”, “we”, and “our” refer to Headwater Gold Inc. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name, and “intermediaries” refers to brokers, investment firms, clearing houses, and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. The Company has arranged for intermediaries to forward the meeting materials to beneficial owners of Common Shares held as of record by those intermediaries and may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders who choose to submit a proxy may do so by one of the following methods:

- (a) complete, date and sign the enclosed form of Proxy and return it to the Company’s transfer agent, Endeavor Trust Corporation. (“Endeavor”), by fax to 604-559-8908, by email to

proxy@endeavortrust.com, by mail or by hand to Suite 702, 777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4; or

- (b) log onto the internet website of Endeavor at www.eProxy.ca. Registered Shareholders must follow the instructions provided and refer to the enclosed Proxy form for the holder's account number and the proxy access number.

Registered Shareholders must ensure the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment thereof.

Beneficial Shareholders (Unregistered Shareholders)

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

There are two types of Beneficial Shareholders – those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” or “**Objecting Beneficial Owners**”) and those who do not object to the issuers of the securities they own knowing who they are (called “**NOBOs**” or “**Non-Objecting Beneficial Owners**”).

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States (the “**U.S.**”), under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a voting instruction form (a “**VIF**”) in lieu of a Proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you), in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with Broadridge's instructions, well in advance of the Meeting in order to have the Common Shares voted at the Meeting, or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares.**

This information circular and related material is being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Management of the Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and, in the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act* of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) (the “**BCA**”), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Notice-and-Access

The Company is not sending the meeting materials to shareholders using “notice-and-access”, as defined under NI 54-101.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Endeavor or at the address of the registered office of the Company at 1210 – 1130 West Pender Street, Vancouver, British Columbia, V6E 4A4, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the Registered Shareholder’s Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, and the approval of the stock option plan, as described herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “**Board**”) of the Company has fixed August 16, 2024 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares. As of the Record Date, there were 63,714,115 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors and there are no cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at the Record Date, other than as set forth below:

Name of Shareholder	Number of Shares	Percentage of Issued Shares
OCP Holdings Ltd.	12,038,443	18.89%

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to fix the number of Directors of the Company at six (6).

The following table sets out the names of management’s nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment (for the five preceding years for each new director nominee), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as of August 16, 2024.

Name of Nominee; Current Position with the Company, Province and Country of Residence	Occupation, Business or Employment	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
CALEB STROUP Reno, United States President, CEO and Director	Geologist and Businessman. Director of Red Canyon Resources Ltd. from October 2020 to present. Senior Geologist at Kinross Gold USA from May 2015 to August 2018. Director and officer of several private mineral exploration companies.	President and Director since May 16, 2019 CEO since March 1, 2021	3,066,052 4.81% ⁽³⁾

Name of Nominee; Current Position with the Company, Province and Country of Residence	Occupation, Business or Employment	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
ALISTAIR WADDELL British Columbia, Canada Executive Chair and Director	Geologist and director and officer of several mining and mineral exploration companies. President, CEO and Director of Inflection Resources Ltd. from February 2018 to present. Director of Red Canyon Resources Ltd. from October 2020 to present. Director of Precipitate Gold Corp. from March 2016 to present. Director of Palamina Corp. from November 2017 to present. Director of North Stawell Minerals from July 2020 to present. Director of Winshear Gold Corp. from September 2019 to September 2022.	Executive Chair and Director since January 14, 2019 CEO from September 1, 2019 to March 1, 2021	2,096,001 ⁽⁴⁾ 3.29% ⁽⁵⁾
TERO KOSONEN⁽²⁾ British Columbia, Canada Director	Businessman and director and officer of several companies. Chairman and CEO of FinEx Metals Ltd. from March 2021 to present. Director of Inflection Resources Ltd. from March 2019 to present. Co-Founder of OCP Holdings Ltd. and NewQuest Capital Inc., a venture capital group investing in mineral exploration opportunities globally.	Since May 16, 2019	2,515,723 ⁽⁶⁾ 3.95% ⁽⁷⁾
WENDELL ZERB⁽²⁾ British Columbia, Canada Director	Geologist and Businessman. Chairman and Director of Inflection Resources Ltd. from March 2019 to present. Chairman, President, CEO and Director of Red Canyon Resources Ltd. from October 2020 to present.	Since July 27, 2020	925,000 1.45% ⁽⁸⁾
GRAEME CURRIE⁽²⁾ British Columbia, Canada Director	Businessman. Chair and Director of Pure Gold Mining Inc. from March 2014 to March 2023. Director of Balmoral Resources Ltd. from January 2014 to May 2020.	Since November 1, 2020	300,000 0.47% ⁽⁹⁾
FRASER MACCORQUODALE Victoria, Australia Director	Geologist and Businessman. President and Chief Operating Officer of Japan Gold from March 2024 to present. Director of Inflection Resources Ltd. from March 2024 to present. General Manager for Exploration of Newcrest Mining Limited from January 2008 to November 2023.	Since April 10, 2024	Nil 0.00% ⁽¹⁰⁾

- (1) The number of Common Shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by the nominees themselves.
- (2) Member of the Audit Committee.
- (3) Holds 23,026 share purchase warrants and 780,000 stock options that if exercised would give total ownership of 3,869,078 common shares representing 6.0% of the issued and outstanding common shares of the Company on a partially diluted basis.
- (4) 397,000 Common Shares held directly and 1,705,001 Common Shares owned by Waddell Consulting Inc., a private British Columbia company owned by Mr. Waddell. In addition, Mr. Waddell is a director of and holds a greater than 25% interest in OCP Holdings Ltd., a private British Columbia company that owns 12,038,443 Common Shares.
- (5) Holds 12,500 share purchase warrants and 575,000 stock options that if exercised would give total ownership of 2,683,501 common shares representing 4.17% of the issued and outstanding common shares of the Company on a partially diluted basis.

- (6) Held directly. In addition, Mr. Kosonen is a director of and holds a greater than 25% interest in OCP Holdings Ltd., a private British Columbia company that owns 12,038,443 Common Shares.
- (7) Holds 550,000 stock options that if exercised would give total ownership of 3,065,723 common shares representing 4.77% of the issued and outstanding common shares of the Company on a partially diluted basis.
- (8) Holds 12,500 share purchase warrants and 650,000 stock options that if exercised would give total ownership of 1,587,500 common shares representing 2.47% of the issued and outstanding common shares of the Company on a partially diluted basis.
- (9) Holds 625,000 stock options that if exercised would give total ownership of 925,000 common shares representing 1.44% of the issued and outstanding common shares of the Company on a partially diluted basis.
- (10) Holds 400,000 stock options that if exercised would give total ownership of 400,000 common shares representing 0.62% of the issued and outstanding common shares of the Company on a partially diluted basis.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

Cease Trade Orders and Bankruptcies

Other than as disclosed below, no proposed director is, as at the date of this Information Circular, or has been, within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company in respect of which the Information Circular is being prepared) that:

- (i) was subject to a cease trade or similar order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (ii) was subject to a cease trade or similar order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed below, no proposed director is, as at the date of this Information Circular, or has been within ten (10) years before the date of this Information Circular, a director or executive officer of any company (including the Company in respect of which the Information Circular is being prepared) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director has, within the past ten (10) years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Graeme Currie was a director of Pure Gold Mining Inc. (“Pure Gold”) until March 30, 2023. Pure Gold owns the Madsen Mining property, located near Red Lake Ontario. After redeveloping the property and processing facilities, Pure Gold experienced significant start up and operational difficulties. Consequently, on October 31, 2022, Pure Gold applied for and received an initial order for creditor protection from the Supreme Court of British Columbia (the “Court”) under the Companies’ Creditors Arrangement Act (the “CCAA”). KSV Restructuring Inc. was appointed as the monitor. On November 10, 2022, the Court approved a Sales and Investment Solicitation Process Order, among other relief. On March 30, 2023, the Court approved Pure Gold’s appointment of a Chief Administrative Officer and all members of the Pure Gold board of directors resigned immediately. Pure Gold’s common shares were suspended from trading on the NEX Board of the TSX Venture Exchange. The CCAA proceeding resulted in the sale of Pure Gold.

Penalties and Sanctions

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court

or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

On March 12, 2024, at the request of the Company, Manning Elliott LLP, Chartered Professional Accountants resigned as auditors of the Company.

On March 12, 2024, the Board, on the recommendation of the Audit Committee, approved the appointment of Davidson & Company LLP, Chartered Professional Accounts as auditors of the Company. A copy of the “reporting package” in respect of the change of auditors is attached as Schedule “B” to this Information Circular.

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Davidson & Company LLP, Chartered Professional Accountants as the auditors of the Company to hold office for the ensuing year, at a remuneration to be fixed by the Directors.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The Audit Committee’s Charter

The audit committee meets at least quarterly to review quarterly financial statements and management’s discussion and analysis and meets at least once annually with the Company’s external auditor. The audit committee discusses, among other things, the annual audit, the adequacy and effectiveness of the Company’s internal control and management information systems and management’s discussion and analysis and reviews the annual financial statements with the external auditor.

The audit committee has a charter. A copy of the Audit Committee Charter is attached as Schedule “A”.

Composition of the Audit Committee

The Audit Committee is presently comprised of Tero Kosonen (Chair), Graeme Currie and Wendell Zerb. Tero Kosonen, by reason of being president, a director and shareholder of OCP Holdings Ltd. (“OCP”), a significant shareholder, is not an independent member of the Audit Committee. Graeme Currie and Wendall Zerb are independent directors as defined in National Instrument 52-110. All of the Audit Committee members are “financially literate”, as defined in National Instrument 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting. The members of the Audit Committee are elected by the Board of Directors at its first meeting following each annual shareholders’ meeting to serve a one-year term and are permitted to serve an unlimited number of consecutive terms.

Relevant Education and Experience

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can

reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

Tero Kosonen: Mr. Kosonen holds a Master's degree in Economics from the University of Tampere in Finland (1993). He has over 25 years of experience in regional management roles, entrepreneurial ventures and investments in natural resources and is a co-founder, President and director of OCP Holdings Ltd., a private equity/venture capital group investing in mineral exploration opportunities globally. He has also served as a director of a public company and is familiar with the financial reporting requirements applicable to public companies in Canada.

Graeme Currie: Mr. Currie has over three decades of industry experience directed specifically on junior exploration and development companies worldwide and has extensive knowledge of the capital markets as it relates to the mineral exploration and mining industry. He has also served in executive management roles, as a director and officer of public companies. He is familiar with the financial reporting requirements applicable to public companies in Canada.

Wendell Zerb: Mr. Zerb is a professional geologist with over 30 years experience, including 17 years in financial analysis of public companies. He has also served in executive management roles, as a director and officer of public companies. He is familiar with the financial reporting requirements applicable to public companies in Canada.

Audit Committee Oversight

The Audit Committee was established on February 12, 2021 and will, among other things, make recommendations to the Board of Directors to nominate or compensate an external auditor. The Audit Committee has recommended that Davidson & Company LLP, Chartered Professional Accountants, be appointed as the auditor of the Company for the ensuing year.

Reliance on Certain Exemptions

The Company is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

External Auditor Service Fees (By Category)

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company's external auditor in the financial years ended February 29, 2024 and February 28, 2023 with respect to the Company, by category, are as follows:

Financial Year Ended	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
February 29, 2024	\$68,000	nil	\$12,000	nil
February 28, 2023	\$59,500	nil	\$7,500	nil

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a corporation, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The board of directors is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the opinion of the Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board of Directors facilitates its exercise of independent judgment in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board of Directors requires management to provide complete and accurate information with respect to the Company’s activities and to provide relevant information concerning the mineral exploration industry in order to identify and manage risks. The Board of Directors is responsible for monitoring the Company’s senior officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The independent members of the Board of Directors are Graeme Currie, Wendell Zerb and Fraser MacCorquodale. Caleb Stroup, by reason of being President and CEO of the Company, Alistair Waddell, by reason of being Executive Chairman of the Company and a director and significant shareholder of OCP, a significant shareholder, and Tero Kosonen, by reason of being president, a director and significant shareholder of OCP, are non-independent members of the Board of Directors.

Board Mandate

The Board does not presently have a written mandate describing how the Board delineates its role and responsibilities. The size of the Company is such that all of its operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors have regular and full access to management. Further supervision is performed through the Company’s Audit Committee which is composed of a majority of independent directors who meet with the Company’s auditors without management being in attendance.

Position Descriptions

The Board has not developed written position descriptions for the chairman with respect to the conduct of Board meetings, or for the chair of any committees. The chairman’s role and responsibilities in each instance include reviewing notices of meetings, overseeing meeting agendas, conducting and chairing meetings in accordance with good practices, and reviewing minutes of meetings.

The duties and responsibilities for the Company’s CEO are described in his employment contract. The CEO’s general roles and responsibilities are commensurate with the position of CEO of a resource company comparable in size to the Company include overseeing all operations of the Company, and developing and devising the means to implement general strategies for the direction and growth of the Company as instructed by the Board.

Other Reporting Issuer Experience

The following table sets out the directors of the Company who are currently directors of other reporting issuers in any Canadian or foreign jurisdiction:

Name	Reporting Issuer	Exchange or Market and Trading Symbol
Tero Kosonen	Inflection Resources Ltd.	CSE: AUCU
Fraser MacCorquodale	Inflection Resources Ltd.	CSE: AUCU
Caleb Stroup	Red Canyon Resources Ltd.	CSE: REDC
Alistair Waddell	Inflection Resources Ltd. Palamina Corp. Precipitate Gold Corp. North Stawell Minerals Red Canyon Resources Ltd.	CSE: AUCU TSX.V: PA TSX.V: PRG ASX: NSM CSE: REDC
Wendell Zerb	Inflection Resources Ltd. Red Canyon Resources Ltd.	CSE: AUCU CSE: REDC

Orientation and Continuing Education

Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records and management provide regular updates to the Board members on financial, technical and other information as relevant.

Ethical Business Conduct

While Headwater has not adopted a written code of business conduct and ethics, the Board will from time to time discuss and emphasize the importance of matters relating to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of any illegal or unethical behaviour.

Nomination of Directors

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources, management has made numerous contacts and, in the event, that the Company requires any new directors, such individuals will be brought to the attention of the Board of Directors. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

Compensation

The entire Board of Directors acts as a de facto Compensation Committee to monitor and review the salary and benefits of its executive officers. The Board will periodically review the Company's general compensation structure, policies and programs in consideration of industry standards and the Company's financial situation until a Compensation Committee is formed.

Other Board Committees

At present, the only committee the Company has is an Audit Committee. The Company may create other committees in the future.

Assessments

Neither the Company nor the Board of Directors has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is a Stock Option Plan dated for reference May 16, 2019 (the “**Option Plan**”). The Option Plan is a “rolling plan,” under which the total number of Common Shares issuable from time to time, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares from time to time.

Equity Compensation Plan Information

At the February 29, 2024 fiscal year end, the number of issued and outstanding Common Shares was 62,214,115 Common Shares and therefore the number of Common Shares available to be reserved for issuance upon exercise of options under the Option Plan was 6,221,411 Common Shares.

The following table sets out equity compensation plan information as at the February 29, 2024 fiscal year end:

Equity Compensation Plan Information			
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders – the Option Plan.	6,050,000	\$0.24	171,411
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	6,050,000		171,411

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

In this section “Named Executive Officer” means the Chief Executive Officer, the Chief Financial Officer and each of the three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed fiscal year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year.

Director and NEO Compensation

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and members of the board of directors of the Company (the “Board”) for the most recently completed financial years ended February 29, 2024 and February 28, 2023. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” below.

During the financial year ended February 29, 2024, the Company had four individuals who were Named Executive Officers, namely (i) Caleb Stroup, who was appointed Chief Executive Officer of the Company on March 1, 2021; (ii) Philip Yee, who was appointed Chief Financial Officer of the Company on September 1, 2023; (iii) Gregory Dering, who was appointed Vice President, Exploration of the Company on September 1, 2022; and (iv) Sandra Wong, who served as Chief Financial Officer of the Company from January 4, 2021 to September 1, 2023.

During the financial year ended February 28, 2023, the Company had three individuals who were Named Executive Officers, namely (i) Caleb Stroup; (ii) Sandra Wong; and (iii) Gregory Dering.

Director and NEO Compensation, Excluding Compensation Securities

The following table sets forth all annual and long-term compensation for services paid to or earned by the Company's Named Executive Officers and directors, excluding compensation securities, during the financial years ended February 29, 2024 and February 28, 2023:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer, commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Caleb Stroup ¹ CEO, President, Director & Director of Subsidiary	2024	234,909	nil	nil	nil	nil	234,909
	2023	208,847	52,540	nil	nil	nil	261,387
Philip Yee ² CFO	2024	40,500	nil	nil	nil	nil	40,500
	2023	nil	nil	nil	nil	nil	nil
Gregory Dering ³ VP Exploration	2024	205,893	nil	nil	nil	nil	205,893
	2023	193,108	nil	nil	nil	nil	193,108
Alistair Waddell ⁴ Chairman, Director & Director of Subsidiary	2024	60,000	nil	nil	nil	nil	60,000
	2023	70,000	nil	nil	nil	nil	70,000
Tero Kosonen ⁵ Director & Director of Subsidiary	2024	24,000	nil	nil	nil	nil	24,000
	2023	24,000	nil	nil	nil	nil	24,000
Wendell Zerb ⁶ Director	2024	12,000	nil	nil	nil	nil	12,000
	2023	12,000	nil	nil	nil	nil	12,000
Graeme Currie ⁷ Director	2024	12,000	nil	nil	nil	nil	12,000
	2023	12,000	nil	nil	nil	nil	12,000
Sandra Wong ⁸ Corporate Secretary and Former CFO	2024	59,400	nil	nil	nil	nil	59,400
	2023	78,000	nil	nil	nil	nil	78,000

1. Caleb Stroup was appointed President and a director on May 16, 2019 and Chief Executive Officer on March 1, 2021. He was appointed President and a director of CP Holdings Corporation on June 3, 2019. During the most recently completed financial year, \$234,909 (US\$174,000) in consulting fees were paid to Hunter Gold LLC, a company beneficially owned by Mr. Stroup.
2. Philip Yee was appointed Chief Financial Officer on September 1, 2023. During the most recently completed financial year, \$40,500 in salary was paid to Mr. Yee.
3. Gregory Dering was appointed Vice President, Exploration on September 1, 2022. During the most recently completed financial year, \$205,893 (US\$152,508) was paid to Mr. Dering.
4. Alistair Waddell was appointed Chairman and a director on January 14, 2019. He was appointed Chief Executive Officer on September 1, 2019 and served as Chief Executive Officer until March 1, 2021. He was appointed a director of CP Holdings Corporation on June 3, 2019. During the most recently completed financial year, \$60,000 in consulting fees were paid to Waddell Consulting Inc., a company beneficially owned by Mr. Waddell.

5. Tero Kosonen was appointed a director on May 16, 2019. He was appointed a director of CP Holdings Corporation on June 3, 2019. During the most recently completed financial year, \$24,000 in director fees were paid or accrued to Mr. Kosonen.
6. Wendell Zerb was appointed a director on July 27, 2020. During the most recently completed financial year, \$12,000 in director fees were paid to Mr. Zerb.
7. Graeme Currie was appointed a director on November 1, 2020. During the most recently completed financial year, \$12,000 in director fees were paid to Mr. Currie.
8. Sandra Wong was appointed Corporate Secretary on May 16, 2019 and served as Chief Financial Officer from January 4, 2021 to September 1, 2023. During the most recently completed financial year, \$59,400 in salary was paid to Ms. Wong.

External Management Companies

Other than as described below, none of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Hunter Gold LLC was paid \$234,909 (US\$174,000) in connection with Caleb Stroup performing the function of President and Chief Executive Officer of the Company.

Waddell Consulting Inc. was paid \$60,000 in connection with Alistair Waddell performing the function of Chairman of the Company.

Stock Options and Other Compensation Securities

During the financial year ended February 29, 2024, 325,000 stock options were granted to NEOs and a director of the Company. The following table discloses all compensation securities granted or issued to each Named Executive Officer and director by the Company in the financial year ended February 29, 2024:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant m/d/y	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date m/d/y
Caleb Stroup ¹ President, CEO & Director and Director of Subsidiary	stock options	nil	n/a	n/a	n/a	n/a	n/a
Philip Yee ² CFO	stock options	200,000	09/01/23	\$0.32	\$0.315	\$0.135	09/01/28
Gregory Dering ³ CFO	stock options	nil	n/a	n/a	n/a	n/a	n/a
Alistair Waddell ⁴ Chairman & Director and Director of Subsidiary	stock options	nil	n/a	n/a	n/a	n/a	n/a
Tero Kosonen ⁵ Director and Director of Subsidiary	stock options	nil	n/a	n/a	n/a	n/a	n/a
Wendell Zerb ⁶ Director	stock options	nil	n/a	n/a	n/a	n/a	n/a
Graeme Currie ⁷ Director	stock options	75,000	03/16/23	\$0.38	\$0.38	\$0.135	03/16/28

Sandra Wong ⁸ Corporate Secretary and Former CFO	stock options	50,000	03/16/23	\$0.38	\$0.38	\$0.135	03/16/28
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1. At February 29, 2024, Mr. Stroup held a total of 930,000 stock options to purchase 930,000 common shares, all of which are fully vested.
2. At February 29, 2024, Mr. Yee held a total of 200,000 stock options to purchase 200,000 common shares, none of which have vested.
3. At February 29, 2024, Mr. Dering held a total of 455,000 stock options to purchase 455,000 common shares, all of which are fully vested.
4. At February 29, 2024, Mr. Waddell held a total of 775,000 stock options to purchase 775,000 common shares, all of which are fully vested.
5. At February 29, 2024, Mr. Kosonen held a total of 750,000 stock options to purchase 750,000 common shares, all of which are fully vested.
6. At February 29, 2024, Mr. Zerb held a total of 500,000 stock options to purchase 500,000 common shares, all of which are fully vested.
7. At February 29, 2024, Mr. Currie held a total of 475,000 stock options to purchase 475,000 common shares, all of which are fully vested.
8. At February 29, 2024, Ms. Wong held a total of 450,000 stock options to purchase 450,000 common shares, all of which are fully vested.

The Company does not provide any retirement benefits for its directors or officers; nor does it have any long-term incentive plans.

Exercise of Compensation Securities by NEOs and Directors

None of the NEOs or directors of the Company exercised any compensation securities during the most recently completed financial year.

Stock Option Plan and Other Incentive Plans

The Company has a Stock Option Plan dated for reference May 16, 2019 (the “**Option Plan**”). The Option Plan is a “rolling plan” under which options totaling a maximum of 10% of the Common Shares outstanding from time to time are available for grant.

The Option Plan was effective immediately upon the approval of the Board on May 16, 2019, when the Company was a non-reporting issuer. The Company became listed on the Canadian Securities Exchange effective June 8, 2021 and the Option Plan was last approved by the shareholders of the Company on September 28, 2023. Under the policies of the CSE, the Issuer must obtain shareholder approval of the Option Plan within three years after institution and within every three years thereafter.

As at August 16, 2024 there were 63,714,115 Common Shares issued and outstanding. Accordingly, under the Option Plan the Company has the authority to grant options to purchase up to a total of 6,371,411 Common Shares. As at the date of this Information Circular, options to purchase an aggregate of 6,195,000 Common Shares are granted and outstanding under the Option Plan, representing approximately 9.72% of the outstanding Common Shares in the capital of the Company.

The purpose of the Option Plan is to offer to the Company’s directors, officers, employees and consultants (and those of its affiliates) the opportunity to acquire a proprietary interest in the Company, thereby providing an incentive to such persons to promote the best interests of the Company, and to provide the Company with the ability to attract qualified persons as directors, officers and employees.

The Option Plan is administered by the Company’s directors. The material terms of the Option Plan are as follows:

1. The aggregate maximum number of options which may be granted under the Option Plan at any one time is 10% of the number of Shares the Company has outstanding at the time of grant.
2. The term of any options granted under the Option Plan will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten

years, with the exception of any options extended due to a Blackout Period (as defined in the Option Plan).

3. The exercise price of any options granted under the Option Plan will be determined by the board of directors, in its sole discretion, but shall not be less than the greater of: (i) the closing price of the Company's Shares on the trading day preceding the day on which the directors grant such options; and (ii) the closing price of the Company's Shares on the date of grant of such options.
4. The board of directors may impose vesting periods on any options granted.
5. Options granted to persons who perform investor relations services shall vest in stages over not less than 12 months and no more than one-quarter (1/4) of such options may be vested in any three (3) month period.
6. All options will be non-assignable and non-transferable (except upon the death of an option holder, in which case any outstanding options may be exercised by the option holder's successors).
7. If an option expires or terminates for any reason without having been exercised in full, the un-purchased Shares subject thereto shall again be available for the purposes of the Option Plan.
8. The board of directors shall not grant options to any one person in a 12 month period which will, when exercised, exceed 5% of the issued and outstanding Shares of the Company (calculated at the date such options are granted); or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding Shares of the Company, calculated at the date such options are granted.
9. If the option holder ceases to be a service provider of the Company (other than by reason of death, disability or termination for just cause), then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a service provider of the Company, subject to the terms and conditions set out in the Option Plan. If the option holder's position as a director, officer, employee or consultant is terminated for just cause, then the option granted shall expire the date of termination for just cause.
10. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders or any increase in the number of Shares reserved for issuance pursuant to options previously granted, within a 12 month period, exceeding 10% of the Company's issued Shares at the time of the grant of the options; (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company's issued Shares; and (iv) any individual option event that would result in the limitations set out in items (ii) or (iii) being exceeded.
11. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's common shares.

Employment, Consulting and Management Agreements

Each of the Company's Named Executive Officers are independent contractors of the Company except for the Chief Financial Officer, who is an employee of the Company. Except as disclosed below, the Company does not have any written employment, consulting or management agreements in place with any of its officers or directors.

The Company has executed a management agreement (the "Agreement") with Hunter Gold LLC, a company beneficially owned by Caleb Stroup (the "Executive"), for his services as President and Chief Executive Officer effective January 1, 2023 for no fixed term. As compensation for the services to be provided, the Executive will receive a monthly salary of US \$14,500 (the "Monthly Compensation"). The Agreement may be terminated (i) by resignation by the Executive with two months advance written notice; (ii) by termination without cause by the Company at any time, with payment of severance equal to six months Monthly Compensation; (iii) by resignation by the Executive with two weeks written notice for "Good Cause," defined as various events or circumstances which would constitute a constructive dismissal at common law, with payment of severance equal to three months Monthly Compensation; and (iv) by termination for just cause by the Company at any

time, in any such event no severance is payable. If within 12 months following a change of control of the Company, (i) the Executive's employment is terminated by the Company without cause; or (ii) the Executive resigns with or without Good Cause, then in either case, he will receive as severance an amount equal to 24 months Monthly Compensation.

The Company has executed an executive agreement (the "Agreement") with Waddell Consulting Inc., a company beneficially owned by Alistair Waddell (the "Chairman"), for his services as Chairman effective March 1, 2021 for no fixed term. As compensation for the services to be provided, the Chairman will receive a monthly fee of \$5,000 (the "Monthly Compensation"). The Agreement may be terminated (i) by resignation by the Chairman with two months advance written notice; (ii) by termination without cause by the Company at any time, with payment of severance equal to six months Monthly Compensation; (iii) by resignation by the Chairman with two weeks written notice for "Good Cause," defined as various events or circumstances which would constitute a constructive dismissal at common law, with payment of severance equal to three months Monthly Compensation; and (iv) by termination for just cause by the Company at any time, in any such event no severance is payable. If within 12 months following a change of control of the Company, (i) the Chairman's employment is terminated by the Company without cause; or (ii) the Chairman resigns with or without Good Cause, then in either case, he will receive as severance an amount equal to 24 months Monthly Compensation.

The Company has executed an employment agreement (the "Agreement") with Philip Yee for his services as Chief Financial Officer (the "CFO") effective September 1, 2023 for no fixed term. As compensation for the services to be provided, the CFO will receive a monthly salary of \$4,500. The Agreement may be terminated (i) by resignation by the CFO with two months advance written notice; (ii) by termination without cause by the Company at any time, with payment of severance equal to two months compensation; (iii) by resignation by the CFO with four weeks written notice for "Good Cause," defined as various events or circumstances which would constitute a constructive dismissal at common law, with payment of severance equal to one month's Compensation; and (iv) by termination for just cause by the Company at any time, in any such event no severance is payable. If within 12 months following a change of control of the Company, (i) the CFO's employment is terminated by the Company without cause; or (ii) the CFO resigns with or without Good Cause, then in either case, he will receive as severance an amount equal to 24 months compensation.

The Company has entered into a General Services Agreement (the "Agreement") with Gregory Dering, the Vice President of Exploration, effective September 1, 2022 to December 31, 2023 that was subsequently extended to December 31, 2024. As compensation for the services to be provided, the Company agreed to pay Mr. Dering a daily rate of US \$625 and an industry standard field per diem and vehicle mileage.

The Company had executed an employment agreement (the "Agreement") with Sandra Wong (the "Employee") for her services as Chief Financial Officer and Corporate Secretary effective January 1, 2022 to August 31, 2023. As compensation for the services provided, the Employee received a performance bonus of \$6,000 and a monthly salary of \$6,500 (the "Monthly Compensation").

The Company has approved the payment of a director's fee of \$1,000 per month to Messrs. Currie and Zerub and \$2,000 per month to Mr. Kosonen who serves as chair of the Audit Committee, effective March 1, 2021.

Oversight and Description of Director and Named Executive Officer Compensation

Elements of the Compensation Program

The responsibilities relating to executive and director compensation, including reviewing and recommending compensation of the Company's officers and employees and overseeing the Company's base compensation structure and equity-based compensation program is performed by the Board as a whole. The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board generally reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity and the performance of officers generally and in light of the Company's goals and objectives.

The Company is a small junior resource company with limited resources. The compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including: (a) attracting and retaining talented, qualified and effective executives; (b) motivating the short and long-term performance of executives; and (c) better aligning the interests of executive officers with

those of the Company's shareholders. In the Board's view, paying salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies is compiled from a variety of sources, including national and international publications.

The Board determines the compensation for the CEO. The compensation of the Company's executives is determined by the Board after the recommendation of the CEO. In each case, the Board takes into consideration the prior experience of the executive, industry standards, competitive salary information on comparable companies of similar size and stage of development, the degree of responsibility and participation of the executive in the day-to-day affairs of the Company, and the Company's available cash resources.

In the Board's view, to attract and retain qualified and effective executives, the Company must pay base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates.

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Executive Compensation

Except for the grant of incentive stock options to the NEOs and any compensation payable pursuant to an executive compensation agreement between the CEO, Chairman or CFO and the Company, there are no arrangements under which NEOs were compensated by the Company during the two most recently completed financial years for their services in their capacity as NEOs, directors or consultants.

Director Compensation

The Company has instituted a Board compensation program to pay cash compensation to the directors for acting in their capacity as directors of the Company effective March 1, 2021 (see "Employment, Consulting and Management Agreements" above).

Except for the grant to directors of stock options and the aforementioned cash director fees, there were no arrangements under which directors were compensated by the Company during the most recently completed financial years for their services in their capacity as directors.

Option-Based Awards

The Company has a stock option plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. The Board administers the Company's stock option plan and all option grants require Board approval. The Option Plan allows options to be issued to directors, officers, employees or consultants of the Company.

In compensating its senior management, the Company employs a combination of salary and equity participation. The Board is of the view that encouraging its executives and employees to hold shares of the Company is the best way to align their interests with those of the Company's shareholders. Equity participation is accomplished through the Company's stock option plan. See "Stock Options and Other Compensation Securities" above.

Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and competitive factors. The amounts and terms

of options granted are determined by the Board based on recommendations put forward by the CEO. Due to the Company's limited financial resources, option grants are an important part of executive compensation to assist in maintaining executive motivation.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

Pension Plan

The Company does not have a pension plan for any of its Directors or NEOs.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the date of completion of the most recent fiscal year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or could have materially affected the Company during the financial year ended February 29, 2024, or has any interest in any material transaction in the current year other than as set out under "Employment, Consulting and Management Agreements" above and herein below.

- a) Pursuant to an escrow agreement (the "**Escrow Agreement**") dated effective April 9, 2021, among the Company, Endeavor Trust Corporation as Escrow Agent and directors, officers and principals as Shareholders, the Shareholders agreed to deposit in escrow the 20,089,167 Common Shares and 2,780,000 stock options (the "**Escrowed Securities**") that they beneficially owned with the Escrow Agent. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the date the Company is listed on the Canadian Securities Exchange and the remaining Escrowed Securities will be released in equal tranches of 15% every 6 month interval thereafter, over a period of 36 months.
- b) As at February 29, 2024, the Company owed \$43,434 (2023: \$45,734) for unpaid services, salaries and expenses to directors, officers and companies owned by directors and officers as set out in the following table:

Name	February 29, 2024 (\$)	February 28, 2023 (\$)
Graeme Currie	Nil	Nil
Gregory Dering ⁽¹⁾	14,250	14,511
Tero Kosonen	4,000	4,000
NewQuest Capital Inc. ⁽¹⁾	3,484	6,075
OCP Holdings Ltd.	Nil	Nil
Caleb Stroup / Hunter Gold LLC ⁽¹⁾	19,677	21,148
Alistair Waddell / Waddell Consulting Inc.	Nil	Nil
Sandra Wong	Nil	Nil
Philip Yee	2,023	Nil
Wendell Zerb	Nil	Nil
Total	43,434	45,734

(1) Translated at the year end rate of \$1.3570 (February 28, 2023: \$1.3609).

MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on www.sedarplus.ca. Financial information is provided in the Company's comparative financial statements and management discussion and analysis for its most recently completed financial year ended February 29, 2024. The Company will provide to any person or company, upon request to the Corporate Secretary of the Company at 1210 – 1130 West Pender Street, Vancouver, British Columbia, V6E 4A4, Telephone: (604) 681-9100, Fax: (604) 681-9101, one copy of the comparative financial statements of the Company filed with the applicable securities regulatory authorities for the Company the most recently completed financial year in respect for which such financial statements have been issued, together with the report of the auditor, related management's discussion and analysis and any interim financial statements of the Company filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements.

Copies of the above documents will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document. These documents are also available under the Company's SEDAR+ profile at www.sedarplus.ca.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia this 16th day of August, 2024.

BY ORDER OF THE BOARD

"Caleb Stroup"

Caleb Stroup
President and Chief Executive Officer

SCHEDULE "A"

HEADWATER GOLD INC.
(the "Company")

AUDIT COMMITTEE CHARTER

I. PURPOSE

This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**"), annual evaluation and compliance with this charter. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

II. COMPOSITION

A majority of the members of the Audit Committee must not be executive officers, as defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), or employees or control persons of the Company or of an affiliate of the Company, as these terms are otherwise defined under applicable securities legislation, provided that should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange and of NI 52-110.

The Audit Committee will consist of at least three members, all of whom must be directors of the Company. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, each member of the Audit Committee will also satisfy the financial literacy requirements of such exchange and of NI 52-110.

The Chair of the Audit Committee will be appointed by the Board.

III. AUTHORITY

In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

- A.** engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;
- B.** communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- C.** incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

IV. DUTIES AND RESPONSIBILITIES

- A.** The duties and responsibilities of the Audit Committee include:

1. recommending to the Board the external auditor to be nominated by the Board;
2. recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;
3. reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
4. overseeing the work of the external auditor;
5. ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to Company;
6. ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
7. ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;
8. reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;
9. reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
10. reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
11. reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;

12. reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
13. reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
14. satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
15. overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
16. reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
17. reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
18. satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;
19. resolving disputes between management and the external auditor regarding financial reporting;
20. establishing procedures for:
 - a. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto, and
 - b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
21. reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
22. pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
23. overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
24. establishing procedures for:

- a. reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;
 - b. reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("CFO") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;
 - c. obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("CEO") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;
 - d. reviewing fraud prevention policies and programs, and monitoring their implementation;
 - e. reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:
 - i. tax and financial reporting laws and regulations;
 - ii. legal withholding requirements;
 - iii. environmental protection laws and regulations;
 - iv. other laws and regulations which expose directors to liability; and
- B.** A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.
- C.** On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

V. TERM

The members of the Audit Committee shall be appointed by designation of the Board and shall continue to be a member thereof until the earlier of (i) the Board, at its discretion, decides to remove the member from the Committee, or (ii) the expiration of his or her term of office as a Director. Vacancies at any time occurring shall be filled by designation of the Board.

VI. MEETINGS

The Committee shall meet at least once per year or more frequently as circumstances dictate. A majority of the members appearing at a duly convened meeting shall constitute a quorum and the Committee shall maintain minutes or other records of its meetings and activities. The Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. These documents will be shared with the Board as needed to discharge the Committee's delegated responsibilities and stored in a centralized electronic archive administered by the Corporate Secretary. In case of absence of the Chair, the participating Audit Committee members will

designate an interim Chair. The Committee may invite members of Management or others to attend their meetings and they will be asked to step-out during sensitive conversations. As part of its responsibility to foster open communication, the Committee should meet at least annually with each of the CEO and Chief Financial Officer in separate executive sessions to discuss any matters that the Committee or the executive officers believe should be discussed privately with the Committee.

VII. REPORTS

The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

VIII. MINUTES

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

IX. ANNUAL PERFORMANCE EVALUATION

The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the charter, to determine the effectiveness of the Committee.

SCHEDULE "B"

HEADWATER GOLD INC.
(the "Company")

CHANGE OF AUDITOR REPORTING PACKAGE

Notice of Change of Auditor

March 12, 2024

Regulators Applicable to Issuer

Dear Sirs:

Re: Notice of Change of Auditor (the "Notice")

This Notice is made pursuant to Section 4.11 *Change of Auditor* of National Instrument 51-102 *Continuous Disclosure Obligations*.

At the request of Headwater Gold Inc. (the "Company"), Manning Elliott LLP, Chartered Professional Accountants has resigned its position as the auditor for the Company effective as of the date hereof. There have been no reportable disagreements between the Company and Manning Elliott LLP, Chartered Professional Accountants.

There have been no adverse or qualified opinions or denials of opinion or similar reservations contained in the Auditor's report on any financial information or financial statement of the Company in the two most recent completed fiscal years preceding the date of this notice.

The Company has appointed Davidson & Company LLP, Chartered Professional Accountants as the new auditor of the Company.

The termination of Manning Elliott LLP, Chartered Professional Accountants as the Company's auditor and the appointment of Davidson & Company LLP, Chartered Professional Accountants as the new auditor of the Company were approved by the Company's Board of Directors.

Dated at Vancouver, British Columbia, this 12th day of March, 2024.

Yours truly,

HEADWATER GOLD INC.

/s/ Philip Yee

Philip Yee
Chief Financial Officer



17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

March 12, 2024

To: British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Nova Scotia Securities Commission

Dear Sirs/Mesdames:

Re: Headwater Gold Inc. (the “Company”)

Notice of Change of Auditor

We have read the Notice of Change of Auditor from the Company (the “Notice”), dated March 12, 2024 delivered to us pursuant to Part 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

In this regard, we confirm that we are in agreement with the statements with respect to Manning Elliott LLP as set out in the Notice, and for other statements, we have no basis to agree or disagree.

Yours truly,

/s/Manning Elliott LLP

MANNING ELLIOTT LLP

Chartered Professional Accountants

March 13, 2024

British Columbia Securities Commission

PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC
V7Y 1L2

Ontario Securities Commission

20 Queen Street West, 19th Floor, Box 55
Toronto Ontario
M5H 3S8

Alberta Securities Commission

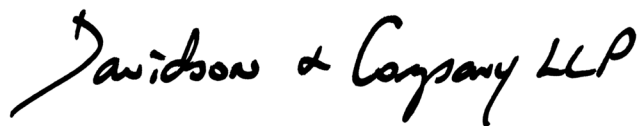
600, 250 – 5th Street SW
Calgary, AB
T2P 0R4

Dear Sirs / Mesdames:

Re: Headwater Gold Inc. (the "Company")
Notice Pursuant to NI 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated March 12, 2024 (the "Notice"), and, based on our knowledge of such information at this time, we agree with the information contained in the Notice pertaining to our firm.

Yours very truly,



DAVIDSON & COMPANY LLP

Chartered Professional Accountants

cc: Canadian Securities Exchange

