

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. NAME AND ADDRESS OF COMPANY

Headwater Gold Inc. ("Headwater" or the "Company")
1210 – 1130 West Pender Street
Vancouver, BC V6E 4A4

ITEM 2. DATE OF MATERIAL CHANGE

September 16, 2024

ITEM 3. NEWS RELEASE

Headwater issued a news release on September 17, 2024 that was distributed through the facilities of TheNewswire and a copy was subsequently filed on SEDAR.

ITEM 4. SUMMARY OF MATERIAL CHANGE

Headwater announced that it has completed a non-brokered private placement to raise gross proceeds of \$1,540,000 through the sale of 7,000,000 common shares of the Company priced at \$0.22 per share to Centerra Gold Inc. ("Centerra").

Centerra has acquired 9.9% of the issued and outstanding common shares of the Company. The Company and Centerra have entered into an investor rights agreement, whereby, subject to certain conditions, including time and ownership thresholds, Centerra will retain certain limited rights, including the right to participate in future equity issuances to maintain its percentage ownership in the Company.

The proceeds from the financing will be used for exploration activities at the Company's western United States projects and for general working capital. All securities issued are restricted from trading until January 17, 2025.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

For full description of the material change, please see the Company's news release dated September 17, 2024 attached as Schedule "A" hereto.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

Not applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

This report is not being filed on a confidential basis.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. EXECUTIVE OFFICER

Contact: Caleb Stroup
Telephone: +1 (775) 409-3197

ITEM 9. DATE OF REPORT

September 17, 2024

SCHEDULE "A"



Headwater Completes Strategic Investment by Centerra Gold

Vancouver, British Columbia, September 17, 2024: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce that, further to its news release of September 9, 2024, the Company has completed a non-brokered private placement to raise gross proceeds of \$1,540,000 through the sale of 7,000,000 common shares of the Company priced at \$0.22 per share to Centerra Gold Inc. ("Centerra").

Centerra has acquired 9.9% of the issued and outstanding common shares of the Company. The Company and Centerra have entered into an investor rights agreement, whereby, subject to certain conditions, including time and ownership thresholds, Centerra will retain certain limited rights, including the right to participate in future equity issuances to maintain its percentage ownership in the Company.

The proceeds from the financing will be used for exploration activities at the Company's western United States projects and for general working capital. All securities issued are restricted from trading until January 17, 2025.

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 and in August 2022 and May 2023 announced significant transactions with 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, including Spring Peak and Lodestar which continue under partnership towards a goal of discovering a Tier-one scale gold deposit in Nevada.

Headwater is part of the NewQuest Capital Group which is a discovery-driven investment enterprise 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.

On Behalf of the Board of Directors

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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 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.