

Headwater Announces Drilling Plans for the TJ Project, Nevada

Vancouver, British Columbia, October 7, 2024: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce it has identified multiple high-priority drill targets and has finalized plans for the Company's maiden drill program on its 100% owned TJ project located in northeast Nevada.

Highlights:

- **Drilling Program Scheduled:** Drilling permits have been received and plans finalized for a maiden drill program projected to consist of an initial 2,000 metres. Drilling is scheduled to commence in fall 2024 and will be fully funded by Headwater.
- **Drill Program Objective:** This maiden drill program will test multiple targets for high-grade epithermal veins at depth beneath outcropping silica sinter and down-dip of historic shallow drill holes that encountered broad zones of silicification and epithermal alteration, ending in anomalous gold mineralization.
- **CSAMT Survey:** Recently acquired CSAMT geophysics have identified a number of high-priority drill targets vertically below a mapped silica sinter exposure at surface. Several large areas of elevated resistivity have been mapped at depth which Headwater geologists interpret as silicification related to potential feeder structures.
- **New Target Zone:** Detailed geologic mapping and rock chip sampling has identified a new target area containing subcropping quartz vein boulders with epithermal textures and anomalous gold values one kilometre south of the main sinter target area.

Caleb Stroup, President and CEO of the Company, states: *"We are very excited for this upcoming drill program at our TJ project. Following the results of our recent CSAMT survey, this project has immediately moved to the top of our list for self-funded drilling. The project shows remarkable similarities to our Spring Peak project, also in Nevada, where we have discovered a new high-grade epithermal vein system. Like Spring Peak, TJ hosts a well-preserved silica sinter with a strong trace element signature at surface underlain by a high-resistivity zone directly below. Shallow historic drilling encountered anomalous gold but did not drill deep enough to test for high-grade veins in the projected boiling horizon at depth. The Company has a strong treasury following the recent strategic financing with Centerra Gold allowing us to advance our mandate of creating additional shareholder value through aggressive, high-impact exploration. The TJ project represents an excellent opportunity to pursue this mission in our focus area of Nevada."*

2024 Drill Program:

Headwater's maiden drill program at TJ has been planned and is currently scheduled to commence in late October 2024. Drill permits have been authorized by the Bureau of Land Management and drill contracts are in place. The initial TJ drill program is expected to consist of approximately 5 to 7 reverse circulation drill holes ranging in depth from 250 to 400 metres.

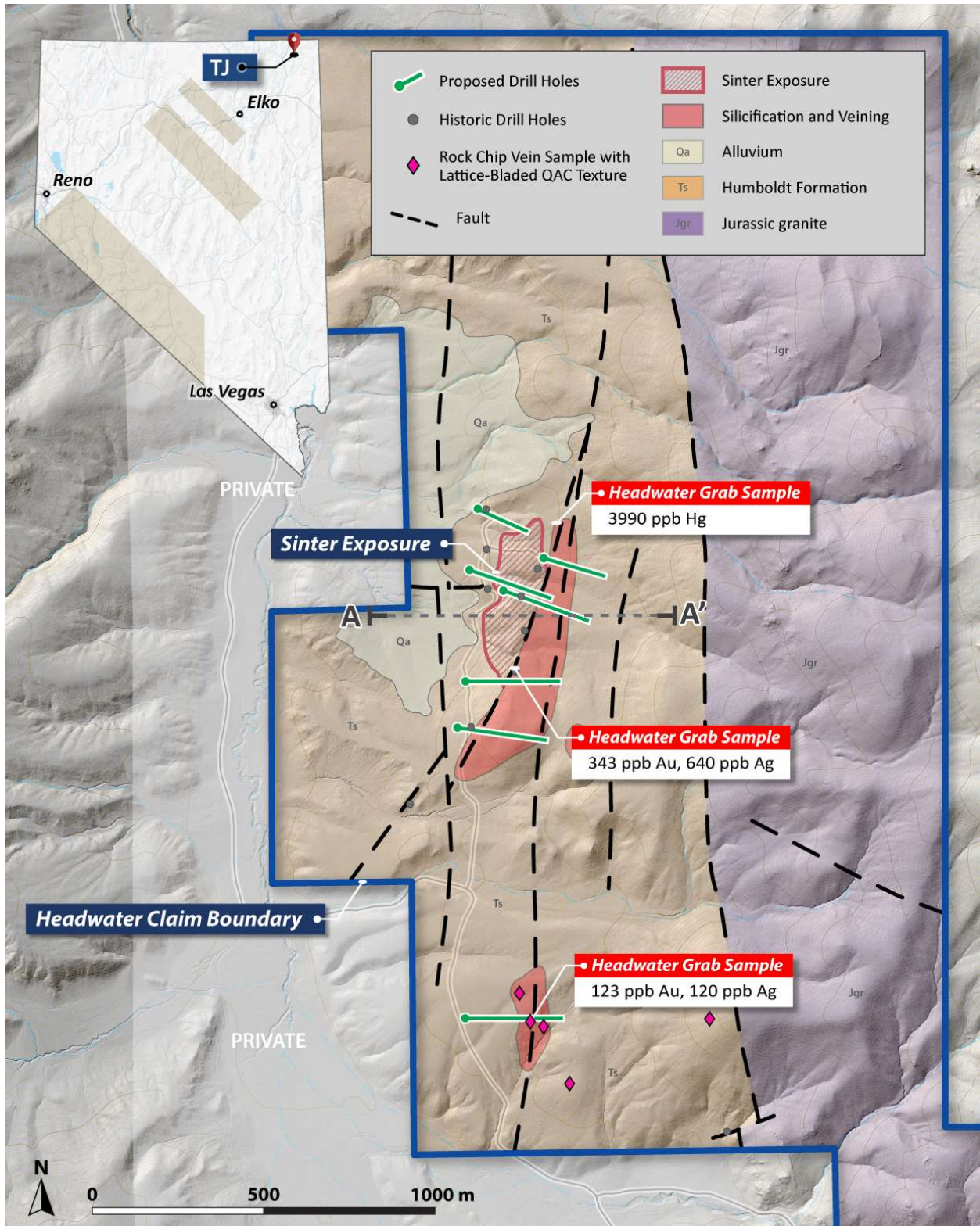


Figure 1: Map of the TJ project area showing generalized project geology, alteration, and locations of proposed drill holes. Cross-section A-A' corresponds to the interpreted CSAMT section shown in Figure 3.

The primary objective of the drill program is to test for high-grade veins at depth along multiple sub-parallel structures in the core of the alteration cell. Shallow historic drilling targeting near surface oxide mineralization encountered broad zones of silicification, epithermal alteration, and anomalous gold in this area but did not penetrate to sufficient depths to test for potential high-grade feeder structures. The majority of historic holes were vertical and none of the holes drilled to depths beyond 150 metres. Several of the deeper historic holes encountered anomalous gold values (>0.1 g/t Au) with some ending in mineralization. Headwater drilling will target depths of approximately 175 to 250 metres vertically beneath the silica sinter exposed at the surface to test for high-grade epithermal veins within a potential epithermal boiling zone.

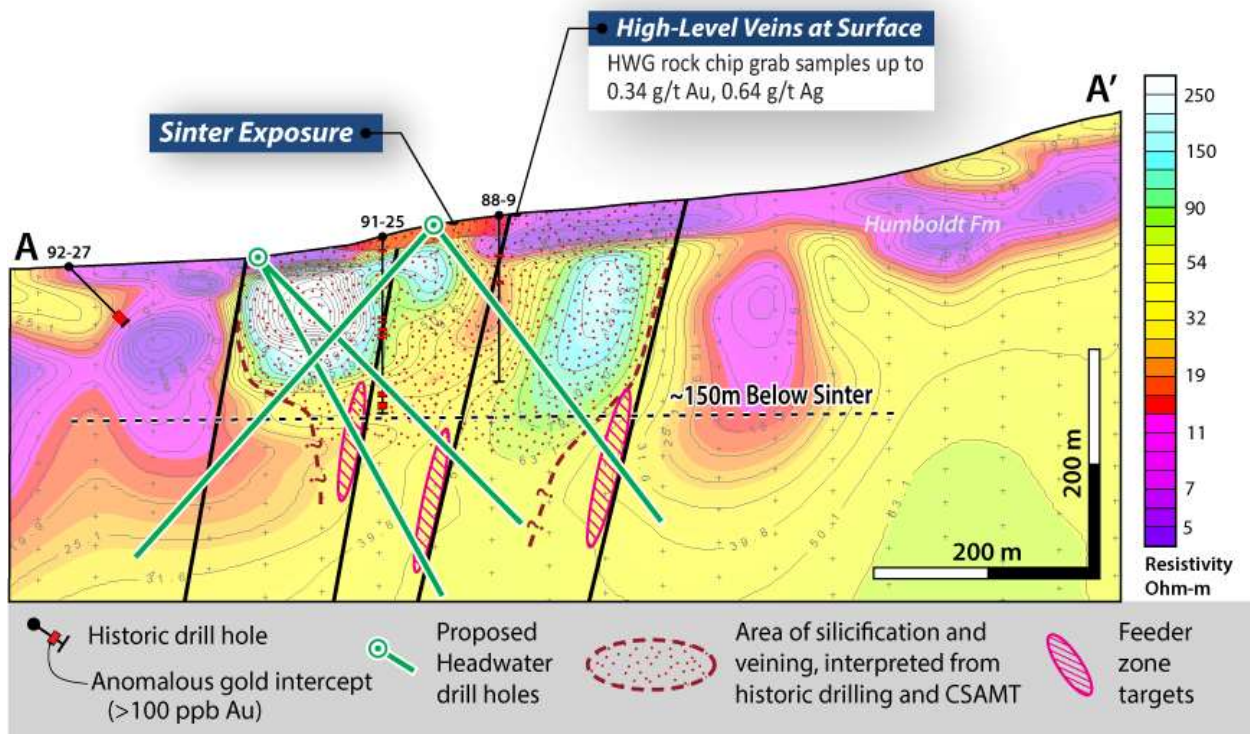


Figure 2: Interpreted cross section through A-A' with CSAMT geophysics apparent resistivity profile overlain by historic drill holes, conceptual vein targets, and proposed Headwater drill holes.

CSAMT Survey:

A controlled-source audio-frequency magnetotelluric ("CSAMT") resistivity survey totaling 8.2 line-kilometres on five parallel profiles was completed by Headwater over the TJ project. Survey lines were located proximal to the main target area, where a thick accumulation of silica sinter is preserved (Figure 1) and were designed to identify the subsurface geometry and strike extent of potential mineralized structures at depth. A broad zone of high apparent resistivity was identified directly below the sinter (Figure 2). This high-resistivity feature appears to be continuous over a north-south strike length exceeding 700 metres and a good correlation exists between this high resistivity and silicified intervals logged in historic drill holes, supporting the interpretation that the observed high-resistivity is due to silicification introduced by hydrothermal alteration. Multiple high-angle resistivity breaks are also apparent in the CSAMT data within and at the margins of resistive bodies and are interpreted as potential mineralized feeder structures and the primary targets for Headwater's 2024 drilling (Figure 2).

Geologic Mapping and Surface Sampling:

Detailed geologic and alteration mapping completed by Headwater near the main sinter target area (Figure 1), as well as regional mapping across the broader project area, has delineated structures and helped identify multiple high-priority drill targets. High-level epithermal alteration is preserved at the surface of the property and includes a broad envelope of argillic alteration centered around a thick and laterally extensive accumulation of silica sinter and water table silica (see Headwater news release dated October 3, 2023).

Recent surface rock chip sampling returned anomalous epithermal pathfinder element geochemistry with strongly anomalous gold and silver values from samples of silicified breccias and chalcedonic quartz veins (Figure 1). Shallow alluvial cover blankets much of the property and outcrop exposures are limited, but silicified outcrops and concentrations of vein float closely align with mapped structures. Reconnaissance geology returned a range of subcrop and float vein samples with diagnostic epithermal textures, including lattice-bladed quartz-after-calcite that indicates boiling conditions (Figure 3). Initial rock chip sampling returned values up to 354 ppb Au for these vein samples, and revealed an area with subcropping epithermal veins along the southern continuation of the main structural corridor. Vein compositions and textures in this area are generally indicative of high-level portions of an epithermal system, but imply the potential for high-grade mineralization at depth. Detailed follow-up sampling and geologic mapping is planned to further characterize this new target area.



Figure 3: Subcrop and float samples of chalcedonic quartz vein with lattice-bladed calcite and quartz-after-calcite textures, indicative of boiling conditions within an epithermal system.

About the TJ Project:

The TJ project is located on BLM land in an underexplored area of northeastern Nevada, approximately 25 km southeast of the town of Jackpot. The project area contains indications of

a fully preserved epithermal system, including a thick and laterally extensive accumulation of silica sinter and water table silica in the core of the property. Epithermal alteration is localized along a series of steeply inclined faults that bound a sedimentary graben filled with Miocene-age sedimentary rocks and locally extends into granitic basement. Limited historic exploration at the property included shallow RC drilling that confirmed the presence of a broad zone of high-level epithermal alteration. The Company believes that the project has potential for high-grade vein-style mineralization at depth and plans to complete an initial drill program in fall of 2024.

The TJ project consists of 90 unpatented mining claims staked by Headwater and 13 unpatented mining claims under option from a private arm's length party (the "Vendor Claims"). By making an initial cash payment of US\$15,000, escalating annual payments and a US\$250,000 work commitment over a two-year term, Headwater retains a 30-year right to purchase an undivided 100% interest in the Vendor Claims for a one-time payment of US\$1,500,000 inclusive of the annual minimum payments, subject to NSR royalties of 2.5% on the Vendor Claims and 1.5% applicable on claims within an area of interest. The Company may purchase 40% of the NSR for US\$2,000,000 at any time and an additional 40% of the NSR may be purchased for fair value within 90 days after completion of a NI 43-101 compliant pre-feasibility report.

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 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.. In September of 2024 Centerra Gold Inc. acquired a strategic 9.9% interest in the Company through non-brokered private placement at a premium to market.

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

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

For further information, please contact:

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

Qualified Person:

The technical information contained in this news release has been reviewed and approved by Scott Close, P. Geo (158157), a “Qualified Person” (“QP”) as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Forward-Looking Statements:

This news release includes certain forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding future capital expenditures, exploration activities and the specifications, targets, results, analyses, interpretations, benefits, costs and timing of them, 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.