

Headwater Commences Drilling on TJ Project and Provides Update on Spring Peak and Lodestar Projects, Nevada

Vancouver, British Columbia, October 31, 2024: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce it has commenced the maiden drill program on its 100% owned TJ project located in northeast Nevada and provides an update on the Spring Peak and Lodestar projects which are being explored in partnership with Newmont Corporation ("Newmont") (NYSE: NEM, TSX: NGT, ASX: NEM, PNGX: NEM) through earn-in agreements announced on August 16, 2022 and May 9, 2023.

Highlights:

- **TJ Drilling Program:** Approximately 2,000 metres of drilling is underway on Headwater's 100% owned TJ project. 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, epithermal alteration and anomalous gold.
- **Spring Peak Drilling Completed:** Drilling activities have concluded for the field season at the Spring Peak project. Eighteen holes totaling 6,874 metres were completed, with a focus on scout drilling in new target areas. Results from nine scout holes have been received, including several zones of anomalous gold and pathfinder elements in new target areas.
- **Lodestar Drilling Update:** Receipt of the Lodestar drilling permit has been delayed due to staffing shortages within the US government regulatory agency. Permit approval and drilling is now expected in spring of 2025.

Caleb Stroup, President and CEO of the Company, states: *"We are very excited to launch the maiden drill program on our TJ project in Nevada which has quickly become one of our top priorities. With well-preserved silica sinter at surface and compelling resistivity targets at depth, our geologists see strong parallels to our high-grade discovery at Spring Peak and have significantly upgraded the target's potential since acquiring the project just over a year ago.*

In parallel, we have completed drilling for the year on the Spring Peak project and received assays from nine initial scout holes. Several of these holes encountered zones of anomalous gold mineralization and key pathfinder elements across new target areas. We are encouraged by these initial results and the remaining assays will clarify the significance of these new zones within the context of the broader project.

While we initially planned to drill the Lodestar project this fall, permitting delays have shifted that program to spring 2025. Funding for the planned program from Newmont remains fully committed under the \$2M minimum spend component of the Lodestar earn-in agreement, ensuring no material impact on our broader exploration strategy."

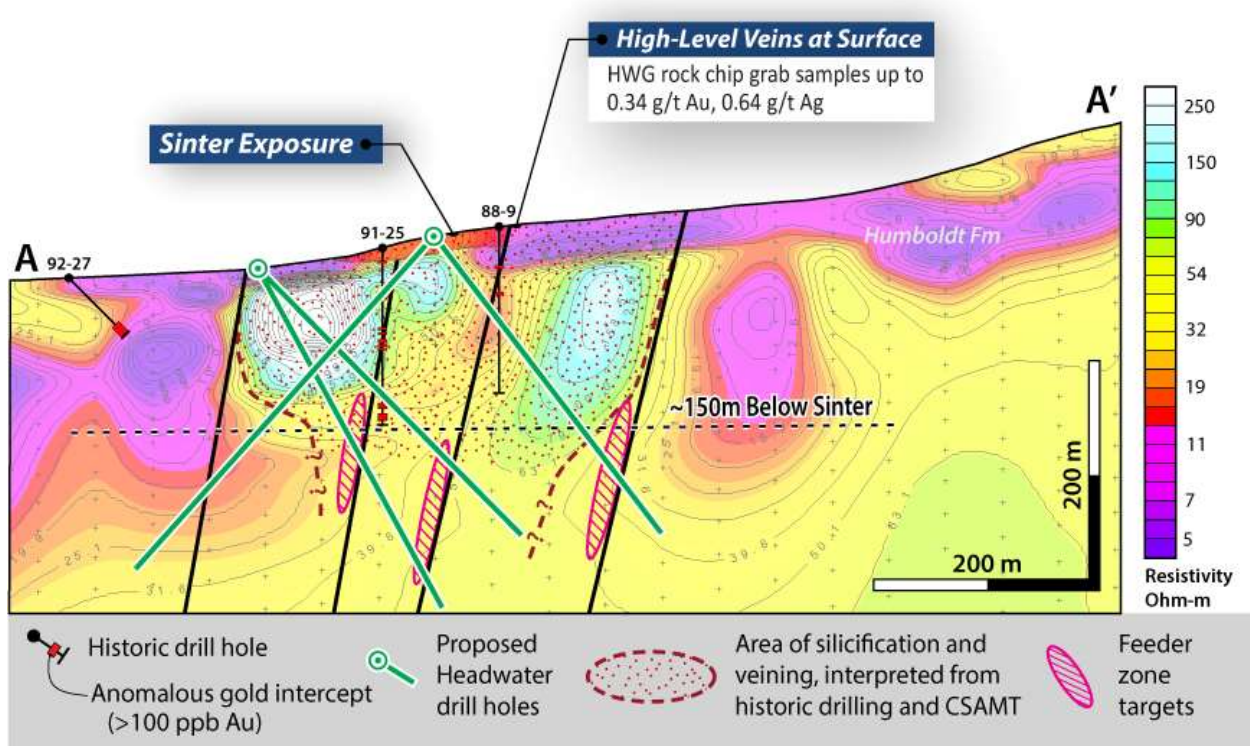


Figure 1: Interpreted cross section through the center of the main silica sinter target at TJ with CSAMT geophysics apparent resistivity profile overlain by historic drill holes, conceptual vein targets and proposed Headwater drill holes.

2024 TJ Drill Program:

Headwater's maiden drill program at TJ is underway and is expected to consist of approximately 5 to 7 reverse circulation ("RC") drill holes ranging 250 to 400 metres in depth (Figure 1). 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 epithermal 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 did not drill to depths beyond 150 metres. Several of the historic holes encountered anomalous gold values (>0.1 g/t Au) with some ending in mineralization.

Headwater's drilling is targeting 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. If RC drilling cannot reach target depths due to drilling conditions or groundwater inflows, the holes will be temporarily cased and completed with a diamond core drill in the spring of 2025.

2024 Spring Peak Drill Program:

The 2024 drill campaign at Spring Peak consisted of 18 holes totaling 6,874 metres, with assays received for the first nine holes and results pending for the remaining nine. Several scout holes targeted new structures parallel to the Disco Zone with encouraging initial results, albeit generally with low level gold. Drill hole SP24-47 intersected broad zones of low-level gold mineralization, including 76.2 metres grading 0.16 g/t Au, with an included interval of 4.57 metres at 0.70 g/t Au. Preliminary interpretations suggest this zone may represent a parallel structure to the Disco Zone

in the Bear Fault footwall. The scout program also marked the first drill test of targets on recently acquired private lands. In this area RC hole SP24-49 targeted the Bug Fault corridor and intercepted 2.25 g/t Au over 1.52 metres within a zone of adularia-sulfide veining.

The remaining assays, which focus more heavily on the Disco Zone and Opal Ridge target areas, are expected in the coming weeks. Drilling at the Disco Zone targeted both up-dip and down-dip extensions, while scout holes at Opal Ridge followed up on previous high-grade intercepts, including 1.52 metres at 16.4 g/t Au.

Lodestar Drill Program:

On April 3, 2024, the Company announced a planned drill program at the Lodestar project, targeting high-grade precious metals in steeply dipping feeder structures beneath the Zodiac sinter target. This program will be funded by Newmont under the \$2M minimum commitment component of the Lodestar earn-in agreement (see news release dated March 7, 2023) and aims to drill up to 3,500 metres across 10 to 15 holes. Receipt of the necessary drill permit was anticipated by late 2024; however, unforeseen delays due to staffing shortfalls within the United States Forest Service have extended the expected approval timeline. Drilling is now anticipated to commence in the spring of 2025, by which time the Company expects the required permit to be in place.

The Zodiac target remains a high-priority target within the Headwater portfolio and consists of a prominent silicified and brecciated ridgeline capped by a silica sinter similar in character to the sinter exposed above the Disco Zone discovery at the Company's Spring Peak project. In addition to the main feeder target, scout drill holes are planned to test under-cover geophysical targets adjacent to the exposed sinter, beneath a thin veneer of post-mineral basalt.

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 graben basin filled with Miocene-age sedimentary rocks. Limited historic exploration at the property included shallow RC drilling that confirmed the presence of a broad zone of high-level epithermal alteration but did not test for high-grade feeder veins at depth.

Headwater holds an option to acquire a 100% undivided interest in the TJ project from a private vendor.

About the Spring Peak Project:

The Spring Peak project is located in the Aurora Mining District in the Walker Lane belt, west-central Nevada, approximately 50 km southwest of the town of Hawthorne. The project adjoins Hecla Mining Company's past-producing Aurora Mine complex, where existing infrastructure includes a 350 ton per day mill, several production water wells, and high-voltage three-phase power. Drilling at the Disco Zone has confirmed the presence of high-grade gold mineralization, including significant intersections such as 15.92 g/t Au over 2.38 m and 10.43 g/t Au over 2.01 m within a broader zone of 2.73 g/t Au over 34.72 m and 9.44 g/t Au over 3.66 m within a broader zone of 39.81 m grading 1.93 g/t Au.

The majority of the Spring Peak project was acquired by Headwater through claim staking of open ground and is 100% owned. The remaining portion of the project is subject to an option agreement with Orogen Royalties (TSXV: OGN), under which Headwater can acquire a 100% undivided interest, subject to retained royalties. The Spring Peak project is subject to Newmont's right to earn up to a 75% interest in the project upon meeting certain expenditure thresholds and completing a Pre-Feasibility Study within a designated timeframe.

About the Lodestar Project:

The Lodestar project is located approximately 10 kilometres north of the Company's Spring Peak project in the Aurora Mining District in the Walker Lane belt, west-central Nevada and adjoins Hecla's past-producing Aurora mine complex where existing infrastructure includes a 350 ton per day mill, several production water wells and high-voltage three-phase power. Silica sinter exposures and other high-level epithermal alteration features at Lodestar are geologically analogous to the Spring Peak project and suggest the potential for preservation of undiscovered high-grade epithermal veins at depth.

Headwater holds an option to acquire a 100% undivided interest in the Lodestar project from a private vendor, subject to retained royalties and Newmont's option to acquire up to 75% of the project following certain expenditures and preparation of a Pre-Feasibility Study within a designated time frame.

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 2024, Centerra Gold Inc. acquired a strategic 9.9% interest in the Company through a non-brokered private placement.

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.

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Qualified Person:

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

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.