

Headwater Gold Commissions Airborne Hyperspectral, Magnetic, and Radiometric Surveys at Midas North and Spring Peak Projects, Nevada

Vancouver, British Columbia, April 21, 2022: Headwater Gold Inc. (CSE: HWG) (OTCQB: HWAUF) (the "Company" or "Headwater") is pleased to announce it has engaged service providers to perform a helicopter aeromagnetic and radiometric survey at Midas North, as well as fixed-wing hyperspectral imagery surveys covering both the Midas North and Spring Peak Projects.

Highlights:

- Aeromagnetic, radiometric and hyperspectral surveys are well established techniques for mapping and vectoring within epithermal alteration cells in order to rapidly and cost-effectively identify and prioritize drill targets;
- Radiometric Survey: designed to identify and map zones of elevated adularia within the broad sinter and water-table silica cap at Midas North. Adularia is a mineral commonly associated with epithermal vein mineralization;
- High-Resolution Aeromagnetic Survey: expected to aid in the delineation of favourable structural controls below the extensive silica cap at Midas North by identifying potential zones of alteration; and
- High-Resolution Hyperspectral Survey: designed to identify and map specific clay alteration minerals known to be associated with structures prospective for high-grade gold mineralization in analogous deposits, including the Midas and Aurora mines which adjoin Headwater's Midas North and Spring Peak Projects, respectively.

Caleb Stroup, Headwater's President and CEO, states: *"We are very excited to kick off our 2022 exploration campaign with these surveys, which are high-value add components of our modern, geoscience-driven exploration strategy, targeting high-grade epithermal veins immediately adjacent to large, past producing high-grade epithermal districts. The data collected in these surveys should greatly assist with the definition of priority targets for a maiden drill program at Midas North, and for prioritizing offset drilling at Spring Peak to follow-up on our 2021 discovery hole (SP21-03) which intersected 38.1 metres of 1.00 g/t Au¹ at the interpreted top of the bonanza gold zone.*

About the Midas North Project:

Headwater's Midas North Project adjoins Hecla Mining Company's (NYSE: HL) Midas Mine complex and covers a large hydrothermal alteration cell, extending at least 4 kilometres in strike and 1 kilometre in width, which is interpreted by Headwater geologists as representing the high-level manifestations of an epithermal precious metal system.

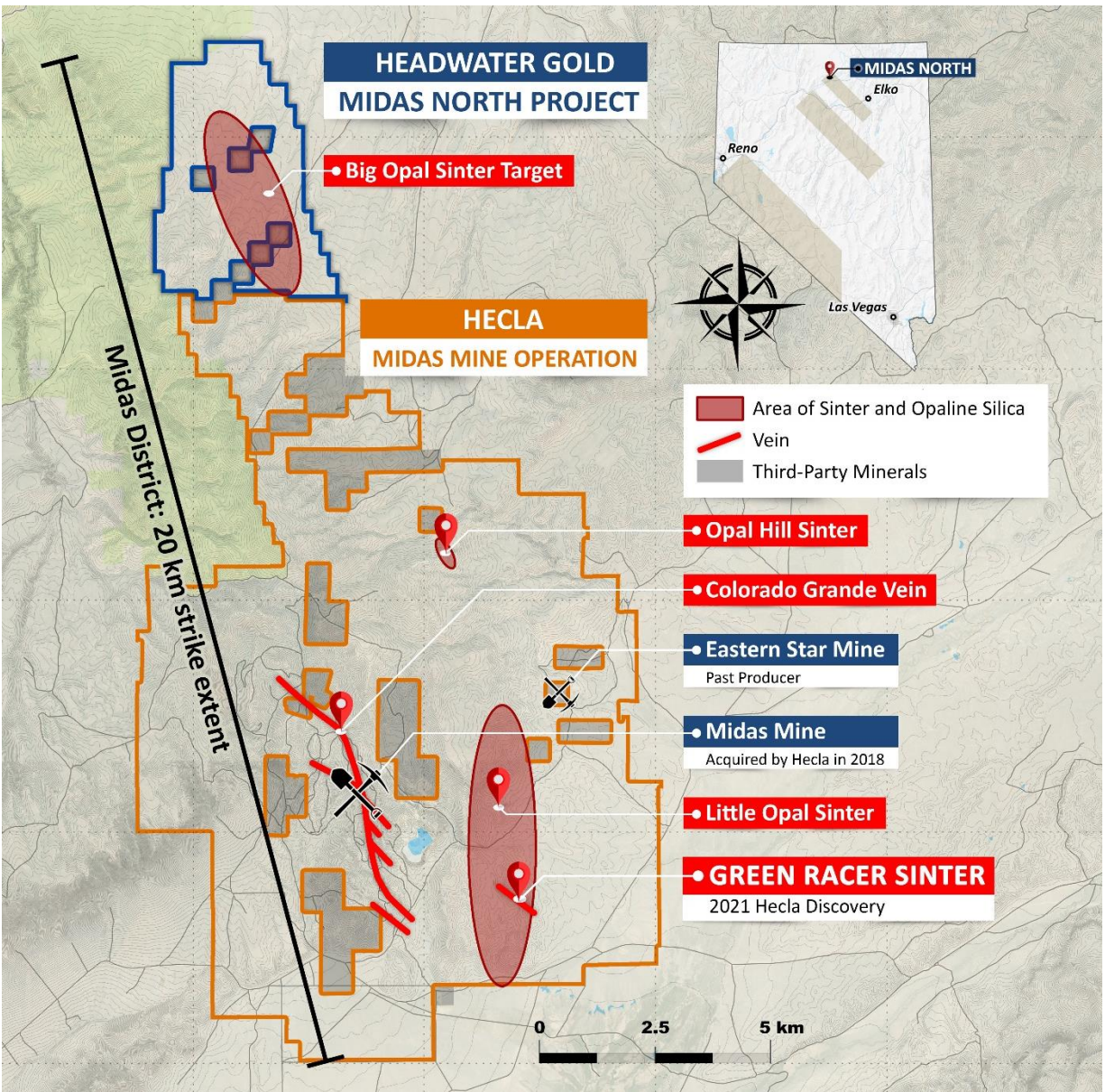


Figure 1: Headwater's Midas North district-scale property map

Two priority target areas have been identified by Headwater geologists: the Nevada Grande target and Big Opal target areas (Figure 1), both of which exhibit widespread high-level chalcedonic to opaline silica flooding, clay alteration, and local sinter formation. The Nevada Grande target area consists of a ridge forming, linear zone of chalcedonic and opaline silicification extending over approximately 1 km of strike, and interpreted to be the high-level surface manifestation of a potential epithermal feeder structure. The Big Opal target consists of a widespread zone of sub-horizontal opaline and chalcedonic silica flooding. Indications of focused fluid flow within this zone include interpreted near-vent sinter facies, such as fossilized geyser vents (Figure 2). To date, 90 rock chip samples and 54 stream sediment samples have been collected by the Company from the Project area which have highlighted several priority areas of anomalous precious metal values, with highly anomalous values of epithermal pathfinder elements, such as mercury.



Figure 2: Interpreted fossilized epithermal geyser vent within the Big Opal sinter zone.

The Project has seen very limited historic exploration, with no documented exploration drilling. The program outlined in this release is part of a multi-disciplinary surface exploration program designed to identify additional high-priority drill targets that also includes detailed geologic mapping, rock chip sampling, systematic soil sampling, and ground-based resistivity profiles.

About the Spring Peak Project:

The Spring Peak Project is located in the Aurora Mining District of west-central Nevada, approximately 50 kilometres southwest of the town of Hawthorne. The Project adjoins Hecla Mining's Aurora mine complex, where existing infrastructure includes a 350 ton per day mill, several production water wells, and high-voltage three-phase power.

A large hydrothermal alteration cell occurs in the center of the Spring Peak Project area, which represents a high-level manifestation of an epithermal precious metal system. An approximate 5-metre thick silica sinter, which extends over 500 metres in strike, occurs in the center of this alteration cell and displays various vent facies textures interpreted to reflect a high-energy hydrothermal vent environment, suggesting good potential for epithermal vein mineralization in feeder structures at depth. Several other linear exposures of intense silicification, with corresponding CSAMT resistivity anomalies at depth, present additional vein targets elsewhere on the Project.

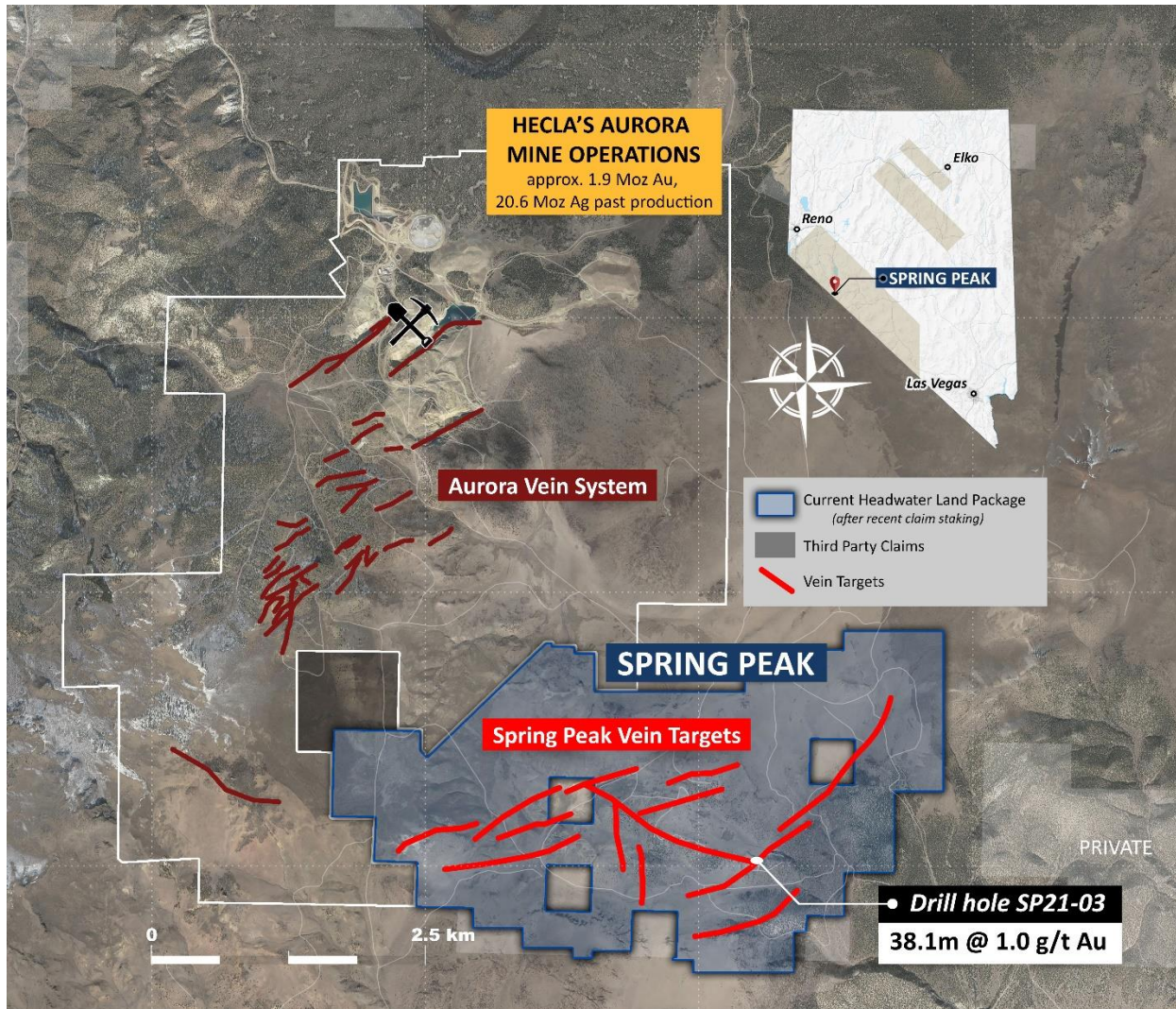


Figure 3: Spring Peak Project location, relative to past-producing Aurora mine and showing the location of 2021 discovery hole SP21-03.

Historic rock float samples of banded quartz vein material on the Property reportedly returned assays of up to 5.52 g/t Au and select vein sampling of outcropping banded epithermal veins have returned values up to 35.70 g/t Au. The only historic drilling on the Property took place in the 1980's and consisted of mostly vertical, shallow reverse-circulation holes targeting low-grade, bulk tonnage mineralization within 100 metres of surface. Most of these historic holes reportedly encountered gold mineralization ranging from 0.1 g/t Au to 1.93 g/t Au, with many ending in anomalous gold values².

In 2021 Headwater gold conducted an initial first-pass reverse circulation drill program consisting of five holes totalling 1,350 metres. Drilling successfully intersected epithermal quartz veins at a range of elevations in multiple structures. Individual vein zones range from 1.4 to 18.3 metres in drilled width with the widest zone of veining and mineralization occurring in hole SP21-03 which intersected a fault-hosted vein zone immediately beneath a mapped silica sinter at surface. This interval returned gold values of 1.00 g/t gold over 38.1 metres, including 9.2 metres of 2.49 g/t gold, representing a new, blind gold discovery and a confirmation of the Headwater exploration model (Figure 4). The mineralization encountered in SP21-03 is open up and down dip, as well as along strike. The nearest drill hole which penetrated to the appropriate depth is SP21-02,

approximately 900 metres to the west, which ended in 16.8 m grading 0.28 g/t Au. Plans for follow-up diamond core drilling to be completed in 2022 are in progress.

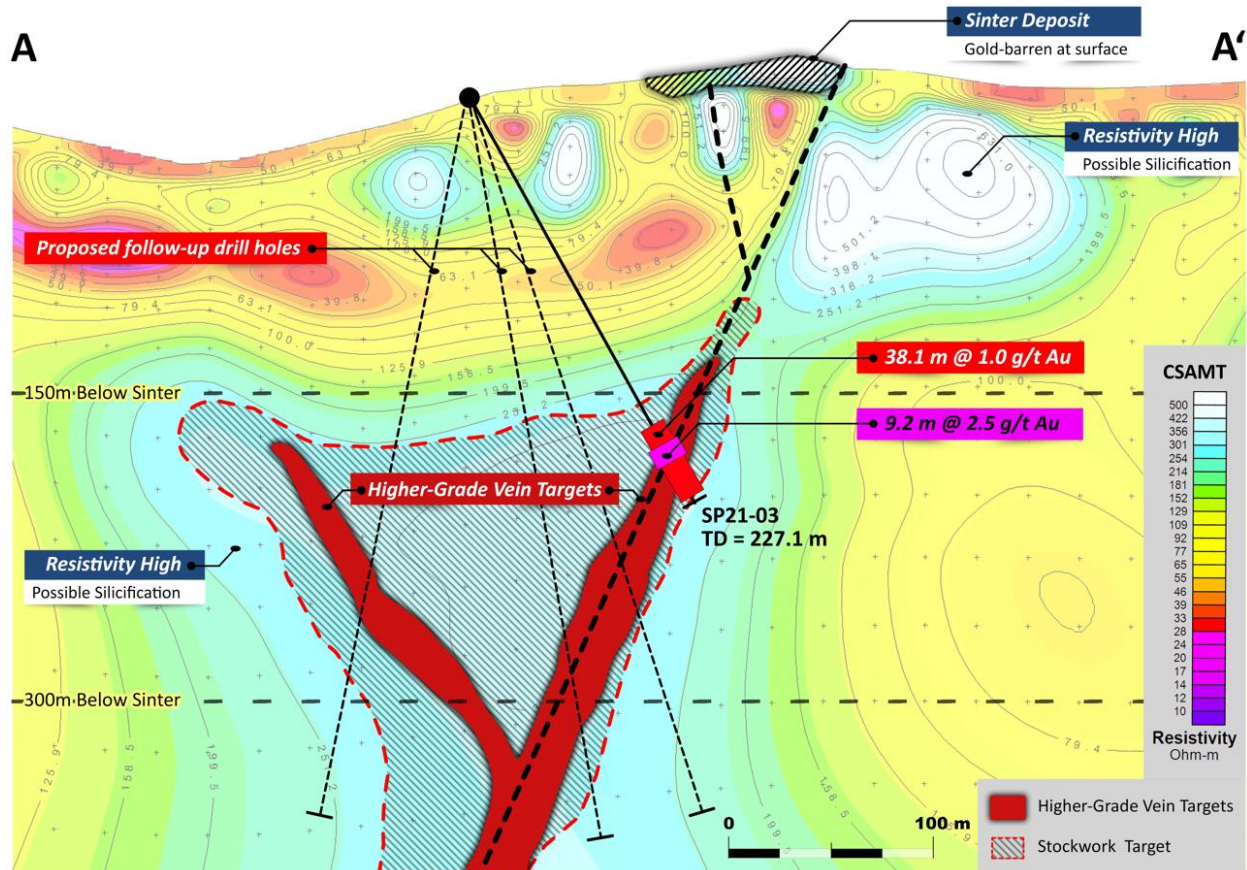


Figure 4: Interpretive geological cross section A-A' showing CSAMT resistivity, drill hole SP21-03 with results¹, and proposed future offset drill holes to be drilled as part of a 2022 diamond core drill program.

About Headwater Gold:

Headwater Gold Inc. is a technically-driven mineral exploration company focused on exploring for 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 composed of experienced geologists with diverse capital markets, junior company, and major mining company experience. The Company is systematically drill testing several projects in Nevada, Idaho, and Oregon.

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

On Behalf of the Board of Directors

"Caleb Stroup"
President & CEO

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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.

¹Reported grades were calculated using a 0.2 g/t cut-off grade for primary intervals and a 2 g/t cut-off grade for included intervals. Reported mineralized intervals correspond to downhole thickness, with insufficient information available to calculate true thickness.

²The Qualified Person has been unable to verify the information on the adjacent properties. Mineralization hosted on adjacent and/or nearby and/or geologically similar properties is not necessarily indicative of mineralization hosted on the Company's properties. Historical drill intercepts and surface samples are treated by the Company as historical in nature, and not current or NI 43-101 compliant.

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, anticipated content, commencement, and cost of exploration programs in respect of the Company's projects and mineral properties, 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, statements as to the anticipated business plans and timing of future activities of the Company, including the Company's exploration plans, the proposed expenditures for exploration work thereon, the ability of the Company to obtain sufficient financing to fund its business activities and plans, delays in obtaining governmental and regulatory approvals (including of the Canadian Securities Exchange), permits or financing, 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.