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Headwater Gold Announces Commencement of Centerra-Funded Drilling at Crane Creek Project, Idaho

Vancouver, British Columbia, June 29, 2026: Headwater Gold Inc. (CSE: HWG) (OTCQX: HWAUF) (the "Company" or "Headwater") is pleased to announce that Centerra Gold Inc. ("Centerra") (TSX: CG) has commenced drilling at Headwater's Crane Creek Project ("Crane Creek" or the "Project") in western Idaho. The drill program is being operated and fully funded by Centerra pursuant to the earn-in agreement announced on December 3, 2025.

Highlights:

- **Centerra-Funded Drilling Underway:** Approximately 3,000 metres of reverse circulation ("RC") and core drilling has commenced, representing the first drill program under the Centerra earn-in partnership and the first drilling at the Project since the 1990's;
- **Meaningful Initial Investment:** Approximately US$1.7 million of exploration expenditures are planned toward Centerra's US$2.5 million minimum commitment in 2026;
- **Testing Historical Gold Mineralization and New Targets:** Drilling is designed to follow-up on areas of shallow historical gold mineralization, test below outcropping gold-bearing veins, and step out along strike away from known mineralized zones. Historical drilling at Crane Creek includes intercepts such as 62.5 m grading 1.21 g/t Au, including 8.14 g/t Au over 3.0 m in hole 96-24[3]; and
- **Large Underexplored Epithermal System:** The program follows Headwater's recent geological and geophysical work, which expanded the target footprint beyond the area of historic drilling and defined multiple new structural targets.

Caleb Stroup, President and CEO of Headwater, states: "We are very pleased to see Centerra drilling this high-priority project. This program represents the first major test of the Project under our earn-in partnership and is expected to account for approximately US$1.7 million of partner-funded exploration toward Centerra's US$2.5 million minimum commitment. Prior explorers identified gold mineralization at Crane Creek, including localized high-grade epithermal vein intercepts, but historical drilling was shallow and potential deeper epithermal vein targets were largely untested. The current program is designed to follow up shallow mineralization identified with historical drilling, test below known vein-controlled mineralization, and step out along strike and between zones. This is exactly the kind of partnership we seek at Headwater: meaningful discovery exposure for shareholders, funded by a technically strong partner, while preserving capital for continued generative exploration."

2026 Crane Creek Drill Program:

Centerra has commenced an approximate 3,000 metre drill program at Crane Creek (Figure 1), consisting of up to 15 RC holes and five diamond core holes. The program is designed to test multiple target areas generated from the integration of historical drilling, surface sampling, geologic mapping and recently completed geophysical surveys. The program is expected to represent approximately US$1.7 million in exploration expenditures toward Centerra's US$2.5 million minimum commitment under the earn-in agreement (Table 1).

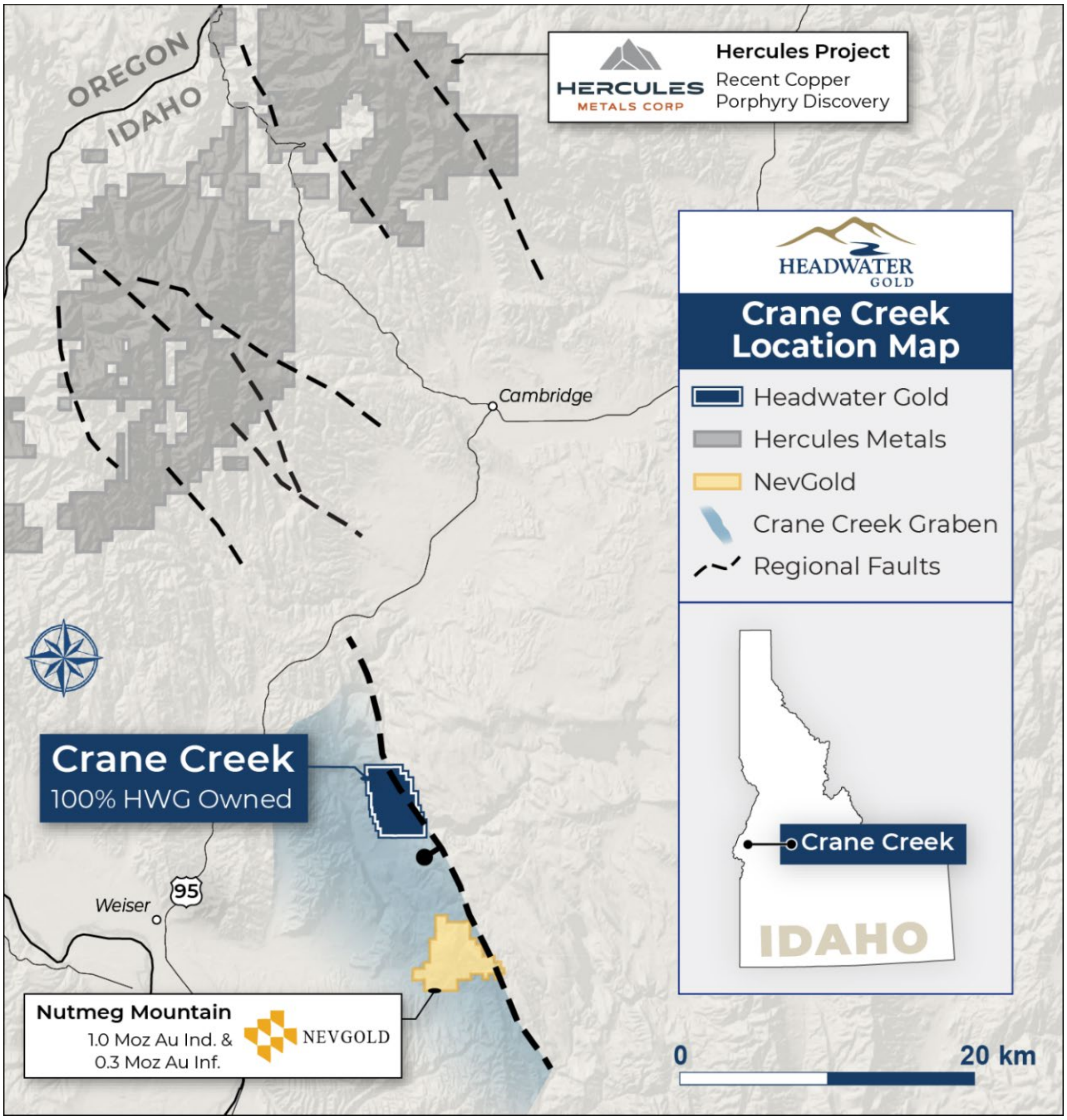

Figure 1: Location of the Crane Creek Project in western Idaho with respect to the Crane Creek Graben, a major extensional fault system which hosts the Nutmeg Mountain epithermal gold deposit[2] and lies approximately 40 km south of the recently discovered copper porphyry belt centered on the Hercules project.

The RC portion of the drill program is designed to test multiple prospective targets across the Project, including areas of known historical mineralization, along-strike extensions, and newly defined structural targets. As the first diamond core program at the Project, the core holes are designed to verify historical intercepts and provide important geological information to better understand the geological setting, including the relationship between gold mineralization and the underlying basalt unit.

Historic drilling at Crane Creek was mainly completed between 1984 and 1996 and consisted predominantly of shallow RC drilling in areas of outcropping gold-bearing epithermal quartz veins. Historical drilling in these areas completed by several previous operators encountered broad zones of low-grade gold mineralization as well as localized high-grade vein intercepts such as 62.5 m grading 1.21 g/t Au, including 8.14 g/t Au over 3.0 m in hole 96-24[3] (Golconda Resources, 1996). Many historical drill holes were terminated shortly after intersecting an underlying basalt unit, leaving the potential for deeper, basalt-hosted, epithermal veins largely untested.

Recent work by Headwater has significantly expanded the target concept beyond the historically drilled area. Airborne magnetic and radiometric surveys, together with ground gravity data, define a broader alteration and structural footprint across the Project, including a 4 kilometre by 2 kilometre potassium anomaly, interpreted as illite-adularia alteration, and multiple north-northwest-trending structural breaks interpreted as prospective fault-hosted vein targets (Headwater news release - September 8, 2025).

Centerra Earn-In Agreement:

The Crane Creek drill program is being completed under the earn-in agreement announced December 3, 2025. Centerra is the operator during the earn-in period and may earn up to a 70% interest in the Project through staged exploration expenditures and technical milestones.

Table 1: Principal Structure of the Earn-In Agreement:

Stage	Expenditures (US$)	Centerra Interest (%)	Time for Each Stage
Minimum Commitment	$2,500,000	0%	3 Years from October 14, 2025
Stage 1	$10,000,000[1]	51%[2]	4 Years from October 14, 2025
Stage 2	+$15,000,000 +1% to 2% NSR[3] to HWG	60%	4 Years from commencement of Stage 2
Stage 3	Completion of Preliminary Economic Assessment Report[4]	70%	2 years from commencement of Stage 3

1. Stage 1 is inclusive of the Minimum Commitment of US$2,500,000.
2. If Centerra completes Stage 1 but not Stage 2, its ownership interest in the Project is reduced to 49% and Headwater retains the right to purchase the interest at a mutually agreed price or, if a price cannot be mutually agreed within a specified period, for fair value that will be determined based on an agreed-upon process.
3. Upon completion of Stage 2, Headwater will be ceded a 2% NSR royalty on royalty-free claims which are 100%-owned by Headwater and a 1% NSR royalty on land subject to existing underlying royalties.

4. In order to acquire the additional 10% interest in the Project, Centerra shall be required to sole fund the completion of a Preliminary Economic Assessment Report reflecting a mineral resource of not less than 1,000,000 oz gold equivalent.

Centerra has committed to fund a minimum of US$2.5 million in exploration expenditures within the first three years of the agreement. The current program is expected to represent approximately US$1.7 million of this minimum commitment. The agreement provides a pathway for up to US$25 million in partner-funded exploration expenditures while preserving meaningful long-term exposure for Headwater.

About the Crane Creek Project:

The Crane Creek Project is located in western Idaho, approximately 18 km northeast of the town of Weiser and 90 km northwest of Boise, with a paved county road less than 1 km from the southern property boundary. The Project is fully permitted for drilling under a Notice of Intent with the Bureau of Land Management ("BLM") and a Plan of Operation with the Idaho Department of Lands. Crane Creek comprises approximately 1,240 hectares, consisting of 123 unpatented federal mining claims on BLM land, a 640-acre State of Idaho minerals lease and a private lease.

The Project encompasses an array of mineralized epithermal quartz veins within a broad gold and trace element geochemical anomaly and features characteristics of a well-preserved low-sulfidation epithermal system, including historical mercury workings, widespread opaline silica and chalcedonic quartz veins. This alteration cell is located approximately 8 km northwest along trend of the Nutmeg Mountain gold project (Figure 1; 1,006,000 oz Au Indicated, 275,000 oz Au Inferred[1,2]) owned by NevGold Corp. Historical drilling primarily tested shallow near-surface mineralization in two main areas of outcropping gold-bearing quartz veins, leaving the potential for high-grade epithermal veins along strike and at depth largely untested.

About Headwater Gold:

Headwater Gold Inc. (CSE: HWG, OTCQX: HWAUF) is a technically driven mineral exploration company focused on exploring for and discovering high-grade precious metal deposits in the Western USA. Headwater is actively exploring one of the world's most well-endowed, mining-friendly jurisdictions, with a goal of making world-class precious metal discoveries. The Company has a large portfolio of epithermal vein exploration projects and a technical team with diverse experience in capital markets and major mining companies. Headwater is systematically drill-testing several projects and has strategic earn-in agreements with OceanaGold Corporation on its TJ, Jake Creek, and Hot Creek projects, Newmont Corporation on its Spring Peak and Lodestar projects and Centerra on its Crane Creek project. In August 2022 and September 2024, Newmont and Centerra acquired strategic equity interests in the Company, further strengthening Headwater's exploration capabilities.

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

Headwater is part of the NewQuest Capital Group, a discovery-driven investment enterprise that builds value through the incubation and financing of mineral projects and companies. Further information about NewQuest is available at www.nqcapitalgroup.com.

On Behalf of the Board of Directors

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Qualified Person:

The technical information contained in this news release has been reviewed and approved by Joshua Carron (SME Reg No. 042931540), a “Qualified Person” (“QP”) as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mr. Carron is not independent, as he is the Company’s Vice President, Exploration.

Historical drill results and mineralized intercepts disclosed herein are historical in nature and were completed by previous operators. A Qualified Person has not independently verified the historical drilling, sampling, quality control, collar locations, down-hole surveys or assay data underlying these results and Headwater has not completed sufficient work to validate the historical results. Accordingly, the historical results should not be relied upon as current or verified exploration results. The Company considers the historical information relevant for the purpose of identifying areas for follow-up exploration, but its reliability is uncertain because the original sampling methods, analytical procedures, laboratory certifications, chain of custody and quality control protocols are not known and therefore do not meet current industry standards. Reported intervals should be treated as down-hole lengths and true widths are unknown.

References:

[1]The 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 resource estimates, historical drill intercepts, and historical surface samples are treated by the Company as historical in nature, and not current or NI 43-101 compliant.

[2]Nevgold Corp. 2023 Almaden NI43-101 Technical Report (*http://www.sedarplus.ca*).

[3]Reported 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. Intervals correspond to downhole thickness, with insufficient information available to calculate true thickness.

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 planned drilling at the Crane Creek Project, future exploration expenditures by Centerra, future drill results, Centerra’s anticipated continued funding of the earn-in program, 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 and Centerra, including the Company's and Centerra's exploration plans and the proposed expenditures for exploration work on the Project, the ability of Centerra to obtain sufficient financing to fund the proposed exploration programs, the risk that Centerra will not elect to obtain any additional interest in the Project 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, 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 filings with the Canadian Securities Authorities, copies of which can be found under the Company's profile on the SEDAR+ website at http://www.sedarplus.ca.*

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.