

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Headwater Gold Inc.** (the "Issuer" or the "Company" or "Headwater").

Trading Symbol: **HWG**

Number of Outstanding Listed Securities: **86,686,253**

Date: **June 3, 2026 (for the month ended May 31, 2026)**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer 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 comprised of experienced exploration geologists with diverse capital markets, junior company and major mining company experience. Headwater is systematically drill-testing several projects in Nevada and has strategic earn-in agreements with OceanaGold Corporation (“OceanaGold”) on its TJ, Jake Creek, and Hot Creek projects in Nevada, Newmont Corporation (“Newmont”) on its Spring Peak and Lodestar projects in Nevada, and Centerra Gold Inc. (“Centerra”) on its Crane Creek project in Idaho. In August 2022 and September 2024, Newmont and Centerra acquired strategic equity interests in the Company, further strengthening Headwater’s exploration capabilities.

The Issuer’s business development and operational activities over May 2026 focused on executing the 2026 exploration season.

2. Provide a general overview and discussion of the activities of management.

Management has been overseeing and managing the progress of the business and operations described in Item 1 above.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Jupiter Project

On May 5, 2026, the Issuer announced that it has acquired the Jupiter project through claim staking. Jupiter is a 100% owned, district-scale epithermal gold project located in Nye County, Nevada, within the Walker Lane belt approximately 110 km northeast of AngloGold’s Arthur project. The project comprises 352 unpatented mining claims covering approximately 7,000 acres (2,800 hectares) on BLM land and is royalty-free. Jupiter hosts a large, well-preserved hydrothermal system extending approximately 5 by 8 km, with well-developed alteration zoning and broad gold-in-soil anomalies. Historical drilling and surface sampling have confirmed the presence of gold mineralization, including 9.1 m grading 1.1 g/t Au and rock samples returning up to 3.1 g/t Au. Documented mineralization is associated with an illite-dominant alteration zone developed beneath the upper levels of the system. Despite its scale and demonstrated gold mineralization Jupiter has not been evaluated as a cohesive exploration project and represents a compelling opportunity for systematic exploration. For more information, see news release dated May 5, 2026.

Lodestar Project

On May 6, 2026, the Issuer announced results from the 2025-2026 drill program at its Lodestar project, located in the Aurora Mining District of Nevada. The program is fully funded by Newmont Corporation.

Headwater completed approximately 2,950 metres of drilling in four core holes and RC holes between October 2025 and February 2026. With completion of this program, Newmont has satisfied the Minimum Commitment component of Stage 1 under the earn-in agreement and is advancing toward completion of Stage 1, which would require additional investment of approximately US\$8,000,000.

Zodiac Fault Drilling

Core drilling targeted the Zodiac Fault, a northwest-striking structure exposed over approximately 550 metres at surface and associated with silica sinter and hydrothermal breccia (see news release dated October 14, 2025). All core holes intersected the Zodiac Fault as modelled; however, geochemical anomalism observed at surface diminished rapidly with depth along the fault, and only weakly anomalous precious metal values were encountered. The Zodiac Fault does not appear to represent the primary feeder to the sinter system.

Meridian Zone

RC drilling northeast of the Zodiac Fault identified the Meridian Zone, a previously unrecognized 600 metre by 700 metre zone of pervasive illite-pyrite-silica alteration hosted in Miocene volcanic rocks. The alteration zone is shallowly covered by pediment gravel and post-mineral volcanic rocks and was intersected in all RC holes, locally beginning as shallow as 30 metres below surface. The Meridian Zone alteration assemblage is consistent with that observed at the nearby Borealis deposits, located approximately 6 kilometres to the northeast along the same structural trend.

The zone is characterized by strong illite-pyrite alteration with local silicification and quartz veining, anomalous gold associated with elevated arsenic and mercury values, and a systematic increase in alteration intensity and temperature proxies toward the east, with increasing pyrite abundance and improving geochemistry along this trend.

Multiple holes ended in strongly altered rock at the limits of drilling, and the Meridian Zone remains open to the north, south, and east, and at depth. These results indicate that drilling to date has not tested the core of the hydrothermal system, with the most prospective portion interpreted to lie to the east of current drill coverage.

One additional RC hole tested a geophysical lineament approximately 1.5 kilometres south of the Zodiac Fault (the Southern Cross Target) and intersected weak hydrothermal alteration in a previously unrecognized dacitic volcanic unit beneath young basalt cover, with no significant results.

Planned IP Geophysical Survey

The RC drilling results from the Meridian Zone indicate that the most prospective portion of the alteration system lies to the east and at depth, beneath post-mineral volcanic cover. IP geophysics are an effective tool for imaging the sulfide-bearing core of an epithermal system at depth and for

defining the structural architecture that controls fluid flow and mineralization. A 12.6 line-kilometre IP survey is currently planned across the Meridian Zone and surrounding area to test the eastern and depth extensions of the system and to seek to generate drill targets. With a permit already in place, the Company is positioned to potentially move directly to drilling once targets have been defined.

For more information, see news release dated May 6, 2026.

Jake Creek Project

The Issuer has commenced drilling at its Jake Creek Project in Nevada. The program is fully funded by OceanaGold Corporation.

The 2026 Jake Creek drill program is expected to consist of approximately 3,500 metres in 8 to 10 holes utilizing one RC rig and one core rig. The program will test five target areas where epithermal vein targets have been identified through the integration of geological mapping, surface geochemistry, SWIR alteration data, and controlled-source audio-frequency magnetotelluric (“CSAMT”) resistivity profiles. This represents the first systematic drill campaign at Jake Creek focused specifically on epithermal gold mineralization.

A portion of the program will focus on the Discovery Corridor, where historical drilling intersected broad zones of gold mineralization at the Tertiary unconformity, including 11.30 g/t Au over 1.53 metres within a broader interval of 45.73 metres grading 0.98 g/t Au in hole JC-005. Recent relogging and reinterpretation of historical RC chips have improved Headwater’s understanding of the subsurface geology in this area, including the relationship between mineralization, the Tertiary unconformity, and controlling structures. Planned west-directed core holes through the Discovery Corridor will be the first core holes drilled through the altered Tertiary volcanic section above the unconformity and are designed to better define the geometry of mineralization and test for potential high-grade feeder structures.

Headwater has completed systematic SWIR analysis of historical RC samples from the Discovery Corridor, totaling 2,115 analyses from 12 drill holes. This work identified ammonium-bearing illite and buddingtonite (ammonium feldspar), both important alteration minerals in low-sulfidation epithermal systems, and demonstrated a strong correlation between these minerals and gold grade at Jake Creek. Buddingtonite is an important vector mineral at several Nevada epithermal systems, including the Sleeper deposit, where ammonium alteration is closely associated with high-grade gold mineralization. At Jake Creek, the correlation between ammonium mineralogy and gold provides a practical near-real-time downhole vectoring tool that will be applied during the 2026 drill program.

The majority of the planned drilling will test newly defined targets outside of the Discovery Corridor. These targets were generated through the integration of property-wide geological mapping, surface geochemistry,

SWIR mineralogy, CSAMT geophysics, and subsurface information from historical drilling. Whereas most historical drilling and prior exploration focused on the Discovery Corridor, the 2026 program is designed to test the broader project-scale opportunity and evaluate multiple new structural targets across the property.

The 2026 drill program is expected to test approximately five target areas distributed across the property throughout the broad spatial extent of the Jake Creek high-level epithermal alteration cell. These include the following:

- **Discovery Corridor Target:** Blind discovery area with well-defined untested structural targets adjacent to high-grade historic drill intercepts near a Tertiary unconformity.
- **Pete's Vein Corridor Target:** A zone of outcropping epithermal quartz veining that coincides with a high resistivity CSAMT feature at depth. Along strike to the south the veins trend into linear structurally controlled crackle breccias with highly anomalous epithermal pathfinder element geochemistry.
- **Frostline Target:** East-dipping structural zone evident in CSAMT, gravity, and aeromagnetic datasets that correspond to anomalous gold and pathfinder element soil geochemistry.
- **Owyhee Target:** Regional northeast-striking range front fault that preserves subparallel dikes and quartz-carbonate veins in the footwall.
- **Snowstorm Target:** Large north-trending normal fault that aligns with significant aeromagnetic high and gravity break along the western edge of the Northern Nevada Rift. Upper volcanic stratigraphy near the fault is intensely clay altered and corresponds to a broad zone of anomalous pathfinder element geochemistry in soil, anomalous SWIR mineralogy, as well as discrete zones of high-level chalcedonic quartz vein boulder float.

For more information, see news release dated June 2, 2026.

Qualified Person

The technical information contained in this report has been reviewed and approved by Dr. Stephanie Grocke, P.Geo. (EGBC License #58217), an independent "Qualified Person" ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Not applicable.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not applicable.

8. Describe the acquisition of new customers or loss of customers.

Not applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	325,000	Exercise of 325,000 stock options for gross	General working capital

		proceeds of \$87,500	

(1) State aggregate proceeds and intended allocation of proceeds.

Provide details of any securities exercised, expired or cancelled.

Security	Number Exercised	Details	Use of Proceeds⁽¹⁾
Stock Options	25,000	Stock option exercise @ \$0.18	N/A
Stock Options	100,000	Stock option exercise @ \$0.20	N/A
Stock Options	100,000	Stock option exercise @ \$0.27	N/A
Stock Options	100,000	Stock option exercise @ \$0.36	N/A

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

Not applicable.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

- **Commodity trends – The gold sector remains volatile but is experiencing a strong bullish trend which is positive for the Issuer's market.**
- **Economic trends – The CSE Composite Index closed May 29, 2026 at 181.07 which is a recovery from the five year low of 105.76 set on April 9, 2025 and above the comparative year indicator of 115.01 set on May 30, 2025.**
- **The imposition of tariffs or trade barriers by various governments, including the United States, Canada and other countries, could potentially impact the Company's operations, financial performance, and competitive position. Tariffs introduce a layer of uncertainty as they can affect spending, trade flows, government revenue, exchange rates, employment, economic growth and inflation. They could substantially disrupt supply chains in Canada, the United States and elsewhere around the world. This uncertainty has led to significant fluctuations in financial markets around the world and makes it difficult to raise financing. It is not currently possible to predict the**

extent that the Company's results may be negatively affected if tariffs persist or escalate. The full effects of these tariffs on the economy and financial market will only become clear with time.

Forward-Looking Statements:

This report 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 the negotiation and entering into of the Agreement, future exploration expenditures by OceanaGold, anticipated content, commencement, and cost of exploration programs in respect of the Company's projects and mineral properties, completion and timing of the Agreement, OceanaGold's anticipated funding of the minimum commitment and the payment by OceanaGold of the pre-drilling expenses, 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 OceanaGold, including the Company's and OceanaGold's exploration plans and the proposed expenditures for exploration work on the Projects, the ability of OceanaGold to obtain sufficient financing to fund the proposed exploration programs, delays in obtaining governmental and regulatory approvals (including of the Canadian Securities Exchange) for the Agreement, the risk that OceanaGold will not elect to obtain any additional interest in the 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 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 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.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: June 3, 2026.

Caleb Stroup
Name of Director or Senior
Officer

"Caleb Stroup"
Signature

President, CEO and Director
Official Capacity

Issuer Details Name of Issuer Headwater Gold Inc.	For Month End May 31, 2026	Date of Report YY/MM/D 26/06/03
Issuer Address 1210 – 1130 West Pender Street		
City/Province/Postal Code Vancouver, BC, V6E 4A4	Issuer Fax No. (604) 681-9101	Issuer Telephone No. (604) 681-9100
Contact Name Caleb Stroup	Contact Position President, CEO, Director	Contact Telephone No. 604-681-9100
Contact Email Address info@headwatergold.com	Web Site Address www.headwatergold.com	