

Kestrel Gold Options the Val-Jual Property in the White Gold District, Yukon

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Vancouver, B.C. – May 02, 2017 – Kestrel Gold Inc. “**Kestrel**” or the “**Company**”) (KGC:TSX-V) is pleased to announce that it has entered into an option agreement with acclaimed prospector Bernie Kreft (“**Kreft**”) to acquire a 100% interest in the Val-Jual property located approximately 70km south west of Dawson City, Yukon.

“Optioning the Val-Jual property gives the company an excellent foothold in the burgeoning White Gold district,” stated Kevin Nephin, President and CEO of Kestrel Gold. “The Val-Jual property is bordered by the Dime property of White Gold Resources and K2 Gold’s Flume property both of which are to be actively explored during 2017. Kestrel intends to aggressively explore this high priority project, with our expenditures and the exploration efforts of our neighbors, this area could prove to be one of the most exciting areas in the Yukon this summer.”

To earn a 100% interest in the property Kestrel must spend \$500,000 on exploration and drill a minimum of 2,500 metres as well as making staged cash payments and share issuances to Kreft as follows:

- Upon signing Kestrel will pay \$40,000
- Year one anniversary – \$60,000
- Year two anniversary - \$80,000 and 200,000 shares
- Year three anniversary - \$100,000 and 300,000 shares
- Year four anniversary - \$220,000 and 1,000,000 shares

The property is subject to a royalty to Sandstorm Gold of 1.5% (no buydown) and a royalty to Kreft of 1% with a buydown of half for \$750,000. Kestrel will also make other payments to Kreft in the event the following milestones are met:

- Should a Preliminary Economic Assessment (“PEA”) be completed, Kestrel will pay \$0.75 per gold equivalent ounce contained on the property in the inferred mineral resource or greater category (Canadian Institute of Mining definition) at that time, to a maximum of \$2.5 million; and
- If a Feasibility Study is completed, Kestrel will pay \$1.50 per gold equivalent ounce contained on the property in all categories of Reserves and Resources at that time, less any amount paid at the time of the PEA, to a maximum of \$5 million.

The option is subject to certain customary conditions including, without limitation to, receipt of all necessary regulatory and third party approvals, including the approval of the TSX Venture Exchange.

Originally staked by Teck Corp in 1998, the Val-Jual property has been subjected to exploration by successive groups culminating in a six-hole, initial drill test by Solomon Resources in 2010. This work has outlined numerous gold and/or arsenic soil anomalies or mineralized zones, the most important of which are the Jual and Cupid Zones.

The Jual Zone contains numerous northwest trending quartz veins, stockworks and fault zones within granite and minor metasedimentary pendants, analyses of which returned values ranging from less than 5 ppb to 41.8 g/t gold along with occasional highly anomalous silver, lead and copper. Soil sampling has

returned values ranging from less than 5 ppb to 787 ppb gold over a 1.4 by 2.0 kilometre area open to the west towards the Cupid Zone. Trenching, restricted to easily accessible portions of this zone, has yielded results of up to 1.6 g/t gold over 25.0 metres and 1.0 g/t gold over 19.0 metres. Most of the highest grade gold in soil anomalies remain un-trenched due to reduced accessibility and the presence of permafrost. The Cupid Zone is located 3.0 kilometres west of the Jual Zone and contains altered granitic subcrop with rock sample values ranging from less than 5 ppb to 3.5 g/t gold and soils samples ranging from less than 5 ppb to 378 ppb gold. Based on geological, geochemical, geophysical and mineralogical similarities and untested intervening ground it is thought likely that the Cupid and Jual Zones are part of a single larger zone possibly as much as 6.0 square kilometres in size. The geological setting and geochemical signature of the Jual and Cupid Zones is very similar to that which occurs at the Golden Saddle deposit which started a massive staking rush in the White Gold area.. No drilling has been completed on the Jual or Cupid Zones.

Kestrel intends to focus on further exploring the Jual and Cupid Zones with soil sampling and hand trenching with a view towards developing targets for a preliminary RAB (Rotary Air Blast) drilling program. Other targets within the Val-Jual property will be similarly explored.. Kevin Nephin, states “the Jual and Cupid Zones represent robust and significant anomalies within the White Gold District, Kestrel is excited to acquire the property and be in a position to complete the first drill test of these high potential targets.”

Jean Pautler, P.Geo., is the Qualified Person, in accordance with NI 43-101 of the Canadian Securities Administrators, and is responsible for the technical content of this press release.

For additional information please contact Kevin Nephin at 1-604-824-6056.

On behalf of the Board of Directors,

“Kevin Nephin”
President and CEO
Kestrel Gold Corporation.

Forward-Looking Caution:

This news release contains forward-looking statements that are not historical facts. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements, including statements regarding the mineral potential of the Flume Gold Property. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's inability to reach satisfactory agreements with First Nations to facilitate its exploration and development plans for the Flume Property, the Company's inability to obtain any necessary permits, consents or authorizations required for its planned activities, and the Company's inability to raise the necessary capital or to be fully able to implement its business strategies. The reader is referred to the Company's public disclosure record which is available on SEDAR (www.sedar.com). Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except as required by securities laws and the policies of the TSX Venture Exchange, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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