

Kestrel Gold Announces Preliminary Results From The Val-Jual Property Located In The White Gold District, Yukon

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Vancouver, B.C. – August 22, 2017 – Kestrel Gold Inc. (“**Kestrel**” or the “**Company**”) (KGC:TSX-V) is pleased to announce preliminary exploration results for its Val-Jual property located approximately 70 km southwest of Dawson City, Yukon.

“Optioning the Val-Jual property gave the company an excellent foothold in the burgeoning White Gold district,” stated Kevin Nephin, President and CEO of Kestrel. “Our preliminary exploration has helped define 8 significant targets over a 4.8 km² area within the Cupid and Jual areas, several of which we are proposing to test with a reverse circulation drill program currently planned for early September. Further prospecting is planned for remaining untested gold soil anomalies and we are confident this work will lead to the discovery of more mineralized zones.”

Work in the Cupid area has encountered two anomalous zones, Cupid West and Cupid East. Work at Cupid West has partially delineated a gold soil anomaly with numerous samples grading from 50 ppb Au to a peak of 124 ppb Au, prospecting within this anomaly located bleached and limonitic intrusive subcrop with occasional quartz stockwork, samples of which returned up to 9.04 g/t Au. Work at Cupid East located a 175m x 200m gold soil anomaly within which samples average 122 ppb Au with a peak value of 1,335 ppb Au. This anomaly is strongly open to the south and occurs where a north-south trending lineament, visible on aeromagnetic maps, intersects the presumed margin of an intrusive body. Limited prospecting and hand trenching within this anomaly encountered limonitic, bleached and clay altered intrusive subcrop, assays for which are pending.

Work in the Jual area consisted of tight spaced soil sampling and prospecting in 6 main areas: Teckphel, RQC, Alcove, BQC, Lonely and T5Main, in an effort to define drill targets.

At Teckphel peak values of 1,456 ppb Au from soil samples and 0.53 g/t Au from rock samples help define an approximate 650m by 800m gold anomaly located in an area of variably quartz veined, carbonate altered and arsenopyrite mineralized metasedimentary rocks close to an intrusive body. Historical work in this area by Solomon Resources included 3 drill holes which were centred in the middle of a lobe of this anomaly and drilled out towards the fringes. The holes were of insufficient depth to fully test the targeted gold soil anomaly but did return 55.0m of 335 ppb Au which suggests good potential for bulk tonnage gold mineralization in this area.

At RQC peak values of 305 ppb Au from soil samples and 2.18 g/t Au and 50.1 g/t Ag from separate rock samples help define an approximate 15-30m wide and 120m long northwest trending zone, open at both ends and to depth, consisting of variably fractured, quartz stockworked and veined, bleached and limonitic intrusive material mineralized with occasional pyrite, galena, chalcopyrite and sphalerite. Trace element geochemistry results show that minor amounts of bismuth and tungsten are associated with some of the precious metal enriched rock samples.

At Alcove peak values of 340 ppb Au from soil samples and 14.5 g/t Au and 28.7 g/t Ag from separate rock samples help define an approximate 20-35m wide and 60m long north-northwest trending zone, open at both ends and to depth, of veined and silicified intrusive and metasedimentary rock. Historical work in this area by Teck Corp included trenching and chip sampling which returned 1.0 g/t Au over 19.0 metres.

Trace element geochemistry shows weakly to highly anomalous lead along with weakly anomalous copper-zinc.

At BQC peak values of 79 ppb Au from soil samples and 2.0 g/t Au and 27.2 g/t Ag from separate rock samples help define an approximate 20m wide and 100m long northwest trending zone open to the northwest and to depth, consisting of a series of parallel quartz veins with highly anomalous copper-lead-zinc and weakly anomalous arsenic-antimony-bismuth. Historical work in this area by Teck Corp included trenching and chip sampling which returned 0.5 g/t Au over 12 metres.

At Lonely peak values of 1,333 ppb Au from soil samples and 13.4 g/t Au and 24.6 g/t Ag from rock sampling are scattered throughout a 50m wide by 150m long area. Although mineralized trends aren't readily apparent from 2017 fieldwork, historical Teck Corp trenching and sampling results suggest a northwest trending zone, sampling of which returned 1.6 g/t Au over 25.0m. Gold values are found associated with highly anomalous lead-zinc-copper and weakly anomalous arsenic-antimony-mercury-bismuth.

At T5Main peak values of 177 ppb Au from soil samples and 13.5 g/t Au from rock samples occur near the intersection of east-west and north-south trending lineaments visible on aeromagnetic data. Sampling results help define an east-west anomalous zone, enriched in gold and with only weakly anomalous pathfinder elements, up to 150m wide and 700m long open to the west and to depth. Previous sampling within this zone returned 38.2 g/t Au from bleached, brecciated and weakly pyritic granitic intrusive subcrop as well as a maximum of 937 ppb Au from soil samples.

Kevin Nephin, President and CEO of Kestrel Gold states "Our exploration has helped define 8 significant targets which are now being prioritized for a proposed RC drill program planned for early September. Mineralization includes gold-polymetallic veins and stockworks, gold dominant veins and breccia zones and quartz veined and arsenopyrite mineralized metasedimentary rocks which together with the widespread and numerous mineralized zones, proposed structural setting, and diverse trace element geochemistry suggest the presence of a robust and well developed mineralizing system."

Jean Pautler, P.Geo., is the Qualified Person, in accordance with NI 43-101 of the Canadian Securities Administrators, and has reviewed and approved 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 Val-Jual 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 Val-Jual 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

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