

Kestrel Gold's Rock Sampling Program on Dease Project returns values to 6.12% Copper

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Vancouver, B.C. – October 5th, 2017 – Kestrel Gold Inc. (“**Kestrel**” or the “**Company**”) (KGC:TSX-V) is pleased to announce results from its 2017 exploration program on the Dease Project located within the Golden Triangle area of British Columbia south of Dease Lake.

Kevin Nephin, President and CEO of Kestrel Gold states: “Our 2017 field program provided first pass prospecting coverage of the Lode, Hotai and Hu target areas with this work yielding rock sample values up to 6.12% copper with 211 ppm cobalt, 521 ppb gold and 39.7 ppm silver. These results, together with those from late 2016 prospecting on the Upper Gnat prospect yielding rock sample values up to >1.0% copper and 5,219 ppb gold, suggest a significantly expanded exploration program is warranted to follow up the numerous showings and anomalies encountered.”

The Dease Porphyry Project, located approximately 35 kilometres south of Dease Lake, lies within the Golden Triangle mineralized district, north of the Red Chris mine which is exploiting a major copper-gold porphyry deposit. The geological setting consists of Stikine Terrane Middle to Upper Triassic aged Stuhini Group volcanics intruded by various late Triassic to mid-Jurassic granitic plutons and batholithic rocks.

At Lode, mineralization is found within andesitic volcanic rocks which have undergone propylitic and metasomatic (skarn) alteration, cut by syenitic to dioritic dykes and related small intrusive bodies. Numerous showings of vein, disseminated and shear hosted chalcopyrite, bornite and possible chalcocite, returning a peak rock grab sample value of 6.12% Copper with 211 ppm cobalt, 521 ppb gold and 39.7 ppm silver, are found within this sequence, predominantly within andesite but also within intrusive dykes and bodies. Peak soil geochemical values to 4,615 ppm copper with 96 ppm silver and 539 ppm cobalt suggest the presence of significant, yet to be sourced, mineralization.

At Hotai, prospecting was concentrated within two previously defined Induced Polarization (IP) chargeability anomalies with significant aerial extent. One measures 750 m by 1,700 m and is coincident with a Total Magnetic Intensity (TMI) “high” feature. The second chargeability target measures 1,100 m by 1,700 m and is coincident with an annular TMI “high” feature surrounding a central magnetic low, which is a common porphyry copper deposit signature. Rock sampling and prospecting within these two geophysical anomalies was hampered by extensive till cover but did manage to identify alteration and mineralization styles consistent with those expected in the outer halo of a porphyry system. Further surface work is required to improve Kestrel’s understanding of the alteration setting. Peak rock sample values of 1,098 ppm copper (0.109%) with 288 ppb gold were returned from a float sample of moderately fractured and carbonate (ankerite)-altered syenite. A separate sample of skarn-altered andesite returned a value of 3,172 ppm (0.317%) copper.

At Hu, prospecting and sampling identified several copper showings including one of semi-massive fine grey pyrite returning elevated Cu and Au values. Further work at Hu is recommended, including for the historical Stain Creek showing, not sampled during the 2017 program. Results from previous rock grab samples at Stain Creek range from trace to 2.01% copper with 0.708 g/t gold and are found associated with an alteration assemblage consistent with alkalic porphyry copper-gold deposits.

The Upper Gnat prospect contains shear-hosted disseminated to semi-massive sulphide mineralization within the Upper Triassic Cake Hill pluton. Rock samples taken in 2016 returned values from trace to >1.0% copper with 5.219 g/t gold, possibly representing remobilized “bonanza-style” mineralization outbound from a porphyry centre.

Carl Schulze, 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.

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