

Kestrel Gold Inc. Announces Drill Results from Val-Jual Property

VANCOUVER, British Columbia, Dec. 08, 2017 -- Kestrel Gold Inc. (“Kestrel” or the “Company”) (TSX.V:KGC) is pleased to announce drill results from the Val-Jual property located approximately 70 km south of Dawson City, Yukon Territory. The property comprises two separate blocks either side of the significant placer gold producing Ten Mile Creek: the Val-Jual block, covering 1,375 hectares; and south of this, the Ten block, covering 1,302 hectares. Kestrel drilled 13 reverse circulation (RC) holes, totalling 922 metres on part of the Val-Jual block.

The objective of the drill program was to test for orogenic-style gold mineralization similar to that within the White Gold District. The program specifically targeted the T5, Lonely, BQC, Alcove, RQC and Teck TR16 zones, testing gold anomalies from historical and recent soil and trench sampling. A map of the drill hole locations is shown on the Kestrel Gold website. Drill hole specifications are shown in Table 2.

Results

All 13 drill holes encountered low grade to anomalous gold mineralization hosted in granite, with maximum values per hole ranging from 3.13 g/t gold (Au) in drill hole 17RC-01 to 0.27 g/t Au in drill hole 17RC-06 (when including duplicate samples). Pathfinder elements for the gold mineralization may include lead (Pb), zinc (Zn), silver (Ag) and arsenic (As).

The granite which is believed to be Jurassic in age, varies in colour from light yellow, to grey, to orange-brown where more oxidised infrequently occurring grey-green intervals may represent a more mafic compositional change or engulfed older (schistose) metasediments.

A mineralizing hydrothermal system is evidenced by “late stage” quartz veinlets in-filling micro-fractures. Some of the micro-fractures exhibit “bleached” alteration haloes, while other areas are more potassic (K)-feldspar altered. Conversely, the granite appears relatively fresh and unaltered in certain un-mineralized intercepts. Visible sulphide content is generally low (between trace and 1%), occurring as very fine-grained pyrite and arsenopyrite within the quartz veinlets. The quartz veining is in part brecciated, sheeted, stockworked and re-healed giving a saccharoidal and sooty texture (where fine sulphides are present). Other fracture filling and alteration minerals include: calcite, limonite, hematite, sericite and chlorite.

The frequency and magnitude of fracturing and foliation within the granite varies and this is considered to be an important factor for the concentration of gold mineralization.

Property wide, gold in soil anomalies are flanked by multiple distinctive NNW-SSE trending linear magnetic features which are cut and displaced by an east-west cross-fabric, suggesting the presence of fault-related dilation zones which are potential concentrators of gold mineralization. Drill hole 17RC-01 was collared in the vicinity of one such area, the T5 zone (see map on website), where surface rock samples were previously collected returning multi-gram gold values (see Kestrel NR August 22, 2017). A value of 0.931 g/t Au across 13.71 m was returned from 6.71 m to 20.42 m in drill hole RC17-01.

Drill hole 17RC-10 in the RQC zone approximately 1.2 km south-west of 17RC-01, assayed 2.024 g/t Au over 1.52 m starting at 9.75 m down hole and is anomalous in gold over 47.24 m. Drill hole 17RC-11, also in the RQC zone, returned low grade gold throughout most of its length, returning an intercept of 0.205 g/t Au over 59.13 m. Table 1 below summarizes intercepts considered significant in terms of near-surface low grade gold distribution, including those from the Lonely, Alcove and Teck TR16 zones.

TABLE 1: SUMMARY OF SIGNIFICANT ASSAY RESULTS:

Drill Hole ID	From (m)	To (m)	Interval (m)*	Au (g/t)	Zone
17RC-01	6.71	20.42	13.71	0.931	T5
including	12.80	20.42	7.62	1.527	
Including	12.80	14.32	1.52	3.132	
17RC-02	34.14	41.76	7.62	0.209	T5
17RC-04	44.81	46.33	1.52	1.079	Lonely
17RC-07	2.44	17.37	14.93	0.176	Alcove
including	2.44	9.75	7.31	0.220	
17RC-09	3.96	26.52	22.56	0.182	Alcove

including	23.47	26.52	3.05	0.592	
17RC-10	9.75	56.99	47.24	0.157	RQC
including	9.75	15.85	6.10	0.581	
including	9.75	11.27	1.52	2.024	
17RC-11	2.44	61.57	59.13	0.205	RQC
including	5.18	15.85	10.67	0.403	
and including	50.90	58.52	7.62	0.456	
17RC-12	3.96	9.75	5.79	0.205	Teck TR16

*True widths have not been determined from interval lengths due to insufficient available information. (Holes 3, 5, 6, 8 and 13 also contained assays of anomalous to low grade gold – but not over significant enough intervals to be tabulated).

President's Comments

Kevin Nephin, Kestrel Gold's president and chief executive officer, comments: "A picture is emerging at Val-Jual and Ten of several property wide zones of near surface gold enrichment and associated hydrothermal alteration that collectively suggest the footprint of a substantial orogenic gold system evident on both sides of Ten Mile Creek. These are early days of exploring a large target that is open in all directions and untested at depth. With this first modest and relatively accessible RC drill program, we are just starting to get an understanding of the structural controls localizing gold mineralization."

Other exploration zones on the Val-Jual block, such as the Cupid East, Cupid West (in the northwest), and Teckphel zone (in the South) are of high priority (see map on website). Permitting for road building will commence forthwith for ease of drill access to these areas in 2018. On the Ten block, priority exploration areas include the Ten Grid, Ten West, Galena Creek and Five Mile targets.

Kevin Nephin comments further: "With follow up work planned consisting of additional near surface drilling (Rotary Air Blast, or "RAB", and RC drilling), selective lines of ground-magnetic surveying and trenching, prospecting, mapping and further soil sampling, we are confident we will build on our knowledge of the distribution of near-surface low grade gold and also vector in on concentrations of higher multi-gram gold grades from a number of areas on the property that we have already surface sampled."

TABLE 2: VAL – JUAL RC DRILL HOLE SPECIFICATIONS

Hole	Collar Coordinates		Angle	Depth (ft)	Depth (m)	Azimuth	Target Zone
	Easting	Northing					
17RC-1	545933	7044740	-50	247	75.29	224	T5
17RC-2	545874	7044678	-50	247	75.29	44	T5
17RC-3	546000	7044275	-50	247	75.29	57	Lonely
17RC-4	546072	7044323	-50	287	87.48	237	Lonely
17RC-5	546046	7044068	-50	197	60.05	245	BQC
17RC-6	545988	7044039	-50	197	60.05	65	BQC
17RC-7	545772	7043917	-50	197	60.05	224	Alcove
17RC-8	545734	7043876	-50	197	60.05	44	Alcove
17RC-9	545780	7043894	-50	247	75.29	222	Alcove
17RC-10	545453	7043633	-50	212	64.62	65	RQC
17RC-11	545514	7043663	-50	212	64.62	245	RQC
17RC-12	546016	7044537	-50	277	84.43	43	Teck TR16
17RC-13	546050	7044532	-50	261	79.55	43	Teck TR16
			Totals	3,025 feet	922.06 m		

Methods and qualified person

Drilling was conducted by a tracked "Hornet" reverse circulation drill, using 4-inch ODEX casing and 3.5-inch drill rod by Midnight Sun Drilling (Midnight Sun). Aurora Geosciences Ltd. (Whitehorse) managed the drill program on behalf of Kestrel Gold Inc. Drill hole locations were predetermined by Bernie Kreft and Jean Pautler, P.Geo.

Samples were collected at 5-foot intervals, and split using a 3 tier Jones dry riffle splitter. The entire length of all holes was sampled. A 12.5% sample split bagged in micropore cloth sample bags or poly rock sample bags was sent for analysis at Bureau Veritas Laboratories. All samples were prepared for analysis by method code PRP70-250, involving crushing so that 70% of the sample passes through a 10-mesh screen, followed by pulverization of a 250-gram sample. All samples were analyzed for gold by fire assay utilizing the FA430 code, involving assaying of a 30-gram sample with an atomic absorption (AA) finish. All samples were also analyzed by 33-element inductively coupled plasma atomic emission spectroscopy (ICP-AES) analysis, involving a 0.5-gram split of the pulverized sample.

Duplicate samples were taken from the reject sample bags left at the drill sites, packaged as normal samples, and randomly inserted in the sample stream. Blanks and standards were also inserted, either at the beginning or at the end of a hole. A total of 643 regular samples were submitted, as well as 36 duplicate, 8 standard and 8 blank samples. The standard and blank samples were provided by Canadian Resource Laboratories Ltd. of Langley, British Columbia. All samples were collected and held under safe custody methods and transported by Aurora personnel directly to the Bureau Veritas preparatory laboratory at 77 Collins Way, Whitehorse, Yukon.

William Taylor, P.Geol., 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 1-604-392-6056.

On behalf of the Board of Directors, "Kevin Nephin" President and CEO Kestrel Gold Inc.

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, 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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. No securities of the Company have been or will, in the foreseeable future, be registered under the United States Securities Act of 1933 (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.