VANCOUVER, BRITISH COLUMBIA--(Marketwired - April 27, 2017) -

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Kestrel Gold Inc. ("Kestrel" or the "Company") (TSX VENTURE:KGC) is pleased to announce that it has entered into option agreements with veteran prospector Bernie Kreft ("Kreft") to acquire a 100% interest in the Clear Creek and Barney Ridge projects both located east of Dawson City, Yukon, and the Dease Porphyry Project located south of Dease Lake, B.C.

Kevin Nephin, President and CEO of Kestrel Gold states: "The acquisition of these projects gives Kestrel shareholders exposure to gold and copper-gold assets with significant exploration upside. We believe both copper and gold will be strong performers over the next few years; this acquisition puts the company in great position to participate the commodities uptrend that is just beginning."

Each of the Clear Creek and Barney Ridge projects are subject to separate option agreements. In order for Kestrel to earn a 100% interest it must, for each project, spend $350,000 on exploration, drill a minimum of 2,500 metres (core or RC) as well as make cash and Kestrel share issuances to Kreft as follows:

- Upon signing Kestrel will pay $20,000
- Year one anniversary - $30,000
- Year two anniversary - $50,000 and 250,000 shares
- Year three anniversary - $80,000 and 250,000 shares
- Year four anniversary - $120,000 and 500,000 shares

Each project is subject to a 2.5% royalty payable to Kreft with a buy down of 60% for $1,500,000. 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 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.

To earn a 100% interest in the Dease Porphyry Project Kestrel must complete a total of 4,000 metres of drilling by the 5th anniversary of the deal as well as making cash payments and share issuances to Kreft as follows:

- Upon signing Kestrel will pay $10,000
- Year one anniversary - $10,000
- Year two anniversary - $10,000
- Year three anniversary - $20,000
- Year four anniversary - $40,000
- Year five anniversary - $80,000 and 250,000 shares

The Dease Porphyry project is subject to a royalty payable to Kreft of 2.5% with a buy down of 60% for $1,500,000.

- A total of 1,500 metres of drilling must be completed by the 4th anniversary, a further 2,500 metres of drilling must be completed by the 5th anniversary.
- Should a Preliminary Economic Assessment ("PEA") be completed, Kestrel will pay $0.02 per pound copper equivalent contained on the property in the inferred mineral resource or greater category at that time, to a maximum of $2.5 million; and
- If a Feasibility Study is completed, Kestrel will pay $0.04 per pound copper equivalent 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.

The road accessible Clear Creek and Barney Ridge projects are located along the Left Fork of Clear Creek which is the site of extensive past and present placer mining activity. The projects are located approximately 60 kilometres west of Victoria Gold's Dublin Gulch Project and 55 kilometres southeast of Golden Predator's Brewery Creek Project.

Numerous phases of exploration on the Clear Creek project has helped define several mineralized showings comprising two distinct mineralized settings: an intrusion-hosted bulk tonnage "Fort Knox" style sheeted vein setting and a structurally controlled high grade vein and breccia hosted setting in adjacent sedimentary rocks. The former setting is best indicated by the Eiger

Stock where rock sampling returned values ranging from less than 5 ppb to 319.5 g/t gold along with anomalous bismuth, arsenic and tungsten values. Reverse-circulation drilling returned an intercept of 0.65 g/t gold over 88.0 metres with the final 3.0 metres grading 1.296 g/t gold. Southeast of this stock is a structurally controlled sediment-hosted quartz arsenopyrite vein, analysis of which returned values from less than 5 ppb up to 50.1 g/t gold.

The Barney Ridge property also has potential to host both intrusion-hosted bulk tonnage "Fort Knox" style targets and structurally controlled sediment hosted mineralization in adjacent rocks. Rock sampling of altered sediments near the margin of the Barney Stock has returned values ranging from less than 5 ppb to 7.72 g/t gold across 0.8 metres. Highly variable silver and pathfinder element geochemistry suggests a multi-pulsed history of hydrothermal activity centred on the stock. The stock itself has only been subject to limited exploration activity and is thought to have good potential for "Fort Knox" style targets.

Kestrel intends to further explore both the Clear Creek and Barney Ridge projects with soil sampling and hand trenching with a view towards developing targets for a preliminary RAB (Rotary Air Blast) drilling program later in the season. Kevin Nephin, President and CEO of Kestrel Gold, states: "The Clear Creek and Barney Ridge projects contain significant potential for both structurally controlled sediment hosted mineralization as well as bulk-tonnage 'Fort Knox' style targets. Continued exploration successes at Victoria Gold's Dublin Gulch property help confirm the highly prospective nature of the deposit models found on both the Clear Creek and Barney Ridge properties. We are excited to have acquired these projects and be in a position to unlock their exploration potential."

The Dease Porphyry Project is located within the Quesnel Trough, approximately 35 kilometres south of Dease Lake and approximately 52 kilometres north of the Red Chris mine which is exploiting a major copper-gold porphyry system. 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. The Lode, Hotai, Hu and Upper Gnat target areas occur within Project environs. At Lode numerous showings consisting of mineralized skarn, granitic to syenitic dykes and quartz veins have been identified. Rock geochemical sampling of these returned values from background to 13.027% copper and 1.012 g/t gold. These mineralization styles are typically found along the periphery or outbound of a mineralized porphyry centre. At Hotai, two sizable IP anomalies have been defined. One measures 750 m by 1,700 m and is coincident with a magnetic high feature. A diorite outcrop peripheral to this chargeability anomaly hosts copper-rich quartz veinlets, analyses of which has returned values of from trace to 0.567% copper and 0.074 g/t gold. The second chargeability target measures 1,100 m by 1,700 m and is coincident with an annular magnetic high surrounding a central magnetic low, considered a classic porphyry copper deposit signature. The Upper Gnat contains shear-hosted disseminated to semi-massive sulphide mineralization within the late Triassic Cake Hill pluton. Rock samples of this grade from trace to >1.0% copper and 5.219 g/t gold and possibly represent remobilized "bonanza-style" mineralization outbound from a porphyry centre. At Hu, grab samples ranging from trace to 2.01% copper and 0.708 g/t gold are found associated with an alteration assemblage consistent with those associated with alkalic porphyry copper-gold deposits.

Kestrel intends to explore the various mineralized target areas with biogeochemical (tree) sampling, prospecting and hand trenching with a view towards developing targets for a preliminary RAB (Rotary Air Blast) drilling program later in the season. Kevin Nephin, President and CEO of Kestrel Gold states "the Dease Porphyry Project contains several interesting porphyry copper-gold targets within the Quesnel Trough which is a well-endowed belt of rocks hosting many important copper-gold mines and deposits throughout BC."

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.

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 various properties and projects. 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 properties and projects, 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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