KESTREL GOLD INC.
FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 - Name and Address of Company

Kestrel Gold Inc.
Suite 218, 1217 Centre Street N.W.
Calgary, Alberta
T2E 2R3

Item 2 - Date of Material Change

September 08, 2010.

Item 3 - News Release

A press release was disseminated on September 08, 2010 via Marketwire.

Item 4 - Summary of Material Change

Kestrel Gold Inc. (the "**Corporation**") has entered into two memorandums of understanding to acquire an option to earn a 100% interest in four individual properties, collectively known as the King Solomon Dome Project.

5.1 Full Description of Material Change

The Corporation has entered into two memorandums of understanding to acquire an option to earn a 100% interest in four individual properties, collectively known as the King Solomon Dome Project, located within the heart of the Yukon Territory's world-renowned Klondike Goldfields where total placer gold production to date has exceeded 13 million ounces of gold. The projects are located 30-60 km southeast of Dawson City and occur within an area of extensive past and present placer mining activity.

To fully exercise the option on all four properties, Kestrel will be required to make staged payments totaling $920,000 over a period of approximately four (4) years, issue 150,000 common shares and fund exploration expenses of up to $100,000. Each individual property is subject to a 2.5% NSR, 1.5% of which can be purchased for $1,000,000.

Completion of the transaction is subject to the parties entering into definitive agreements by September 30, 2010 and applicable regulatory body approval.

The claims are located within the Tintina Gold Belt which extends across the Yukon and Alaska and contains several major deposits including Pogo, Donlin Creek and Fort Knox, as well as recent significant discoveries such as White Gold (Kinross/formerly Underworld Resources Inc.), Rau (Atac Resources Ltd.) and Coffee (Kaminak Gold Corp). Project geology consists of various schist and gneiss units with mineralization concentrated within quartz veins, altered and sheared or weakly brecciated host rocks in zones generally parallel, and adjacent, to regional scale thrust faults.

Previous soil sampling within the project area claims had encountered 3 main anomalous zones, each at least 1.0km in length and varying from 25 metres to 400 metres in width, with soil geochemical values of up to 965 ppb Au associated with occasional highly anomalous arsenic, antimony and lead. This metal signature is common to White Gold area mineralized zones such as the Golden Saddle and Arc deposits held by Kinross Gold (formerly Underworld Resources). Recent trenching of these anomalies has encountered mineralization including narrow high-grade zones often containing visible gold with grades ranging up to 14,700 ppb (14.7g/t) Au over 1.9m, 8100 ppb Au over 1.9m and 40,670 ppb Au (40.7 g/t) over 0.7m; as well as broad intervals with grades such as 1622 ppb (1.6 g/t) Au over 8.4m and 2242 ppb (2.2 g/t) Au over 18.2m.

5.2 Disclosure of Restructuring Transaction

Not applicable.

Item 6 - Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 - Omitted Information

Not applicable.

Item 8 - Executive Officer

The name of an Executive Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Kevin V. Nephin

President and Chief Executive Officer

604-824-6056

Item 9 - Date of Report

September 08, 2010