MATERIAL CHANGE REPORT
Form 51-102F3

Item 1 Name and Address of Company

Kestrel Gold Inc. ("**Kestrel**" or the "**Corporation**")
Suite 218, 1217 Centre Street N.W.,
Calgary, AB T2E 2R4

Item 2 Date of Material Change

The material change occurred on September 1, 2011.

Item 3 News Release

A press release relating to the material changes described herein was disseminated on September 2, 2011 via Marketwire.

Item 4 Summary of Material Changes

Kestrel has granted stock options to purchase 100,000 common shares at an exercise price of $0.80 per common share.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The board of directors of the Corporation resolved to grant 100,000 fully vested stock options to a director of the Corporation on September 1, 2011. The stock options permit the individual to purchase common shares of the Corporation ("**Common Shares**") at an exercise price of $0.80 per Common Share for a period of five (5) years from the date of grant..

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact:

Kestrel Gold Inc..
Kevin V. Nephin, President and Chief Executive Officer
Tel: (604) 824-6056

Item 9 Date of Report

This report is dated September 2, 2011.