KESTREL GOLD INC.

FORM 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION
(in respect of financial year ending September 30, 2014)

The following disclosure of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by Kestrel Gold Inc. (the "**Corporation**"), or a subsidiary of the Corporation, to each Named Executive Officer and director is made in accordance with the requirements of National Instrument 51-102. Disclosure is required to be made in relation to each Named Executive Officer, being individuals who served as the Corporation's Chief Executive Officer, Chief Financial Officer, and each of the three most highly compensated executive officers of the Corporation, including any of its subsidiaries, who at the end of the most recently completed financial year whose salary and bonus exceeded $150,000. The Chief Executive Officer and the Chief Financial Officer of the Corporation are the Corporation's only Named Executive Officers.

The board of directors of the Corporation is responsible for approving compensation, including long-term incentives in the form of stock options, to be granted to the Chief Executive Officer, the Chief Financial Officer and the directors.

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation's corporate objectives and increase shareholder value. The main objective of the compensation program is to recognize the contribution of the executive officers to the overall success and strategic growth of the Corporation. The compensation program is designed to reward management performance by aligning a component of the compensation with the Corporation's business performance and share value. The philosophy of the Corporation is to pay the management a total compensation amount that is competitive with other Canadian junior companies and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long term basis.

Executive compensation is not based on specific performance goals or benchmarks, but is determined on a subjective basis by the board of directors.

The compensation program provides incentives to its management and directors to achieve long term objectives through grants of stock options under the Corporation's stock option plan. Increasing the value of the Corporation's Common Shares increases the value of the stock options. This incentive closely links the interests of the Named Executive Officers and directors to shareholders of the Corporation.

The Corporation does take into account the options granted in prior years when considering new grants of options. The allocation of the number of options granted among the directors and officers of the Corporation is determined by the entire board of directors.

The board of directors does not specifically consider the implications of the "risks" associated with the Corporation's compensation policies and practices because the types of compensation are relatively simple and do not generally create "risks" in and of themselves.

The Corporation does not prohibit any Named Executive Officer or director from purchasing financial instruments including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

Summary Compensation Table

The following table sets forth the compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, to each Named Executive Officer for the financial years ended September 30, 2014, 2013, and 2012.

Name and principal position	**Year**	**Salary**	**Share-based**	**Option-based awards**	**Non-equity incentive plan compensation**		**Pension value**	**All other compensation**	**Total compensation**
					Annual incentive plans	**Long-term incentive plans**			
		($)	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**
Kevin V. Nephin (1)	2014	123,480	Nil	3,760 (3)	Nil	Nil	Nil	5,750	132,990 (4)
Chief Executive Officer	2013	107,520	Nil	Nil	Nil	Nil	Nil	5,750	113,270
	2012	134,400	Nil	Nil	Nil	Nil	Nil	6,000	140,400
Stuart W. Peterson (2)	2014	36,000	Nil	1,880 (3	Nil	Nil	Nil	6,000	43,880 (5)
Chief Financial Officer	2013	37,800	Nil	Nil	Nil	Nil	Nil	6,000	43,800
	2012	37,800	Nil	Nil	Nil	Nil	Nil	6,000	43,800

Notes:

(1) Kevin v. Nephin is a director of the Corporation. Mr. Nephin was also entitled to receive $5,750 as compensation for his role as a director of the Corporation during the most recently completed financial year, which is included in the table above under "All other compensation", which was accrued but has not been paid as of the date hereof.

(2) Stuart W. Peterson is a director of the Corporation. Mr. Peterson was also entitled to receive $6,000 as compensation for his role as a director of the Corporation during the most recently completed financial year, which is included in the table above under "All other compensation", which was accrued but has not been paid as of the date hereof.

(3) The Common Shares of the Corporation, including share options, were consolidated on a four-for-one basis on April 11, 2014 and the options were repriced at $0.05 on May 14, 2014. The fair value of each granted option was determined using the Black-Scholes option pricing model. For the purpose of the calculation, the following assumptions were used: $0.05 exercise and share price, two years expiration, 152.36% volatility and 1.500% interest per annum. The value assigned for each option is $0.02507. The Corporation chose this methodology because it is recognized as the most common methodology used for valuing options.

(4) Kevin V. Nephin's salary for the financial year 2014 in his capacity as President and Chief Executive Officer, totalling $123,480 (of which $74,000 was accrued but not paid) was paid and payable to a corporation which is wholly owned by Mr. Nephin pursuant to a management consulting agreement with the Corporation.

(5) Stuart W. Peterson's salary for the financial year 2014 totalling $36,000 has been accrued and is payable to a corporation that is wholly owned by Mr. Peterson pursuant to a management consulting agreement with the Corporation.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year for the Named Executive Officers of the Corporation.

	Option-based Awards			
Name	**Number of securities underlying unexercised options (1)** **(#)**	**Option exercise price (2)** **($)**	**Option expiration date**	**Value of unexercised in-the-money options (3)** **($)**
Kevin V. Nephin Chief Executive Officer	50,000 100,000	0.05 0.05	January 7, 2016 April 8, 2015	Nil Nil
Stuart W. Peterson Chief Financial Officer	25,000 50,000	0.05 0.05	January 7, 2016 April 8, 2015	Nil Nil

Notes:

(1) Reflects consolidation of the Corporation's common Shares on a four-for-one basis on April 11, 2014.

(2) Reflects repricing of all options on May 14, 2014.

(3) Value is calculated based on the difference between the exercise price of the Options and closing price of the Common Shares on the TSX-V on September 26, 2014 of $0.035, the last day of trading prior to September 30, 2014.

Incentive plan awards – value vested or earned during the year

During the Corporation's most recently completed financial year, no value vested and no amounts were earned in respect of option-based awards, share-based awards and non-equity incentive plan compensation for Named Executive Officers of the Corporation.

Narrative Description of Option-based and Share-based plans

The Corporation maintains as stock option plan (the "Stock Option Plan").

Pursuant to the Stock Option Plan, the board of directors of the Corporation may allocate non-transferable options to purchase Common Shares of the Corporation to directors, officers, consultants and employees of the Corporation or its subsidiaries, and employees of companies providing management services to the Corporation or its subsidiaries. Under the Stock Option Plan, the aggregate number of Common Shares to be delivered upon the exercise of all options granted under the Stock Option Plan shall not exceed 10% of the issued Common Shares of the Corporation at the time of granting the options unless the Corporation has obtained disinterested shareholder approval as provided for in the policies of the TSX Venture Exchange (the "Exchange Policies"); no individual shall, during any 12 month period, be granted an option which exceeds 5% of the issued and outstanding Common Shares of the Corporation at the time of granting of the option; no consultant to the Corporation shall, during any 12 month period, be granted an option which exceeds 2% of the issued and outstanding Common Shares of the Corporation at the time of granting of the option; no employee conducting investor relations activities for the Corporation shall, during any 12 month period, be granted an option which exceeds 2% of the issued and outstanding Common Shares of the Corporation at the time of granting of the option with vesting provisions over 12 months with no more than ¼ of the vesting in any 3 month period; and the exercise price can only be at such price permitted by Exchange Policies. Options under the Stock Option Plan are non-assignable and may be exercisable for a term of up to ten years. Options granted under the Stock Option Plan terminate within 90 days in the event that such optionee ceases to be a director, officer, consultant, employee or employee of a company providing management services to the Corporation, or within one year after the death of such optionee. Options granted under the Stock Option Plan terminate within 30 days in the event that an optionee ceases to provide investor relations activities. The board of directors of the Corporation may, at it sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

Pension Plan Benefits

Defined Benefit Plans and Retirement Plans

The Corporation does not have any pension or retirement plan.

Deferred Compensation Plans

The Corporation does not have a deferred compensation plan.

Termination and Change of Control Benefits

The Corporation does not have in place any contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in a named Executive Officer's responsibilities.

Compensation of Directors

Director Compensation

The following table sets forth information in respect of all amounts of compensation provided to the directors of the Corporation, excluding those directors who are also Named Executive Officer, for the most recently completed financial year.

Name [(1)]	Fees earned ($)	Option-based awards ($) [(3)]	Non-equity incentive plan compensation ($)	All other compensation ($)	Total compensation ($)
Marc J. Stachiw	6,000 [(2)]	783	n/a	Nil	6,783
Michael J. Perkins, Q. C.	6,000 [(2)]	940	n/a	92,657 [(4)]	99,597

Notes:

(1) Compensation information for Kevin v. Nephin, President, Chief Executive Officer and a director of the Corporation, and for Stuart W. Peterson, Chief Financial Officer and a director of the Corporation, has been previously provided herein under the section entitled "*Summary of Executive Compensation*".

(2) Each director of the Corporation was entitled to receive an annual fee in the amount of $6,000. Each director was entitled to receive a fee of $250 for each meeting of the Board of Directors that they attended. Amounts shown above were accrued for the financial year ended September 30, 2014, but have not been paid as of the date hereof.

(3) The options were repriced at $0.05 on May 14, 2014. The fair value of each granted option was determined using the Black-Scholes option pricing model. For the purpose of the calculation, the following assumptions were used: $0.05 exercise and share price, two years expiration, 152.36% volatility and 1.500% interest per annum. The value assigned for each option is $0.02507. The Corporation chose this methodology because it is recognized as the most common methodology used for valuing options.

(4) Fees for services rendered by Borden Ladner Gervais LLP, of which Mr. Perkins is a partner.

Outstanding share-based awards and option-based awards

The following table sets forth for each director, who is not a Named Executive Officer, all option-based awards outstanding for the most recently completed financial year end.

	Option-based Awards			
Name	**Number of securities underlying unexercised options (1)** **(#)**	**Option exercise price (2)** **($)**	**Option expiration date**	**Value of unexercised in-the-money options (3)** **($)**
Marc J. Stachiw	12,500 18,750	0.05 0.05	January 7, 2016 April 8, 2015	Nil Nil
Michael J. Perkins, Q.C.	12,500 25,000	0.05 0.05	January 7, 2016 May 19, 2015	Nil Nil

Notes:

(1) Reflects consolidation of the Corporation's common Shares on a four-for-one basis on April 11, 2014.
(2) Reflects repricing of all options on May 14, 2014.
(3) Value is calculated based on the difference between the exercise price of the Options and closing price of the Common Shares on the TSX-V on September 26, 2014 of $0.035, the last day of trading prior to September 30, 2014.

Incentive plan awards – value vested or earned during the year

During the Corporation's most recently completed financial year, no value vested and no amounts were earned in respect of option-based awards, share-based awards and non-equity incentive plan compensation for directors of the Corporation.