Kestrel Gold Inc
Interim MD&A – Quarterly Highlights
Six Months Ended March 31, 2018

Short Form Interim MD&A

Kestrel Gold Inc ("Kestrel" or the "Company") is a TSX venture issuer as such the Company has opted to provide the short form Interim MD&A by providing a brief discussion of all material information about the Company's operations, liquidity and capital resources for the six months ended March 31, 2018. Readers should also review the Company's September 30, 2017 financial statements and MD&A.

Business Overview

Kestrel is in the business of acquiring, exploring for and evaluating mineral properties in northern Canada. To date, Kestrel has not identified a known body of commercial grade minerals on any of its properties.

The Company's common shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "KGC".

Analysis of Kestrel's Current Financial Condition

Kestrel's unaudited condensed interim financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis assumes that the Company will continue operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. If the going concern assumption was not appropriate for these unaudited condensed interim financial statements, then material adjustments would be necessary to the carrying amounts of the assets and liabilities, the reported expenses and the balance sheet classifications.

As at March 31, 2018, Kestrel had nominal working capital of $332,109, comprised of current assets of $353,216 and current liabilities of $27,107. The Company will need to raise additional funds by way of issuing equity in order to continue operating and satisfy its administrative, operating and capital expenditure obligations in the normal course of business.

During the six months ended March 31, 2018, the Company:

- Incurred $42,175 of expenditures on its properties;

- Raised gross proceeds of $375,000 by issuing 7,500,000 units at $0.05 per unit, each unit was comprised of one common share and a common share purchase warrant exercisable at $0.05 per share;

- Received gross proceeds of $104,150 pursuant to the exercise of 2,083,000 purchase warrants at a price of $0.05 per share;

- Recorded an impairment loss of $50,500 with respect to the Barney Ridge property as Kestrel elected to return the property to Bernie Kreft; and

- Subsequent to March 31, 2018 the Company made the second anniversary option payments in the amount of $100,000, on the Val-Jual, Clear Creek and Dease Lake.

Commitments and Capital Expenditures

Kestrel currently owns a 100% interested in the King Solomon's Dome property in the heart of the Klondike Gold fields, Yukon Territory, Canada. Kestrel has also entered into three separate option agreements to acquire a 100% interest in the following properties: Val-Jual; Ten Mile; Clear Creek all located in the Yukon and the Dease Lake project in northern British Columbia, details of these agreements can be found in the September 30, 2017 financial statements and MDA.

Results from Operations

The net loss for the period ended March 31, 2018, was $229,894 as compared to $29,201 for the same period in 2017. The increase in the net loss year over year is largely due to higher consulting, investor relation, professional fees associated with the Company resuming activities in 2017/18 and the impairment loss on Barney Ridge.

Plans for the next six months

Kestrel has completed and submitted Yukon Mining Land Use permits for Val-Jual, Ten Mile and Clear Creek. Receipt of these Class 1 and Class 3 permits will allow Kestrel to complete soil sampling, excavator trenching, road building and drilling which will significantly advance these projects.

Proposed 2018 exploration will focus on further defining and expanding of known gold zones on the various projects, particularly Val-Jual and Clear Creek, with a goal of defining drill targets for a late season drill program.

On Val-Jual, the Company will focus on the Cupid East and Teckphel targets. Teckphel is an approximate 650 meter by 800-meter gold anomaly that was not drilled by Kestrel in 2017. Cupid East is a 175 meter by 200-meter gold zone that is strongly open to the south. In the 2017, field season the Kestrel obtained peak values of 12.4 grams per ton in soils and 6.86 grams per ton in rock at Cupid East, this zone was also not drilled in 2017.

At Clear Creek, the focus will be on further defining gold mineralization at the Eiger and Saddle zones an approximate 300 meter by 950-meter, east-west trending, gold bearing mineralized zone. Historic results at Eiger include RC drill intersections of 88 meters of .65g/t Au with the hole bottoming in 3.0 meters of 1.29 g/t Au and still open at depth. Individual rock grab samples at Eiger with peak values of 319.5 g/t.

The Saddle zone has historic values in drill intersections of 1.24 g/t over 22.86 meters and trench values of 2.11 g/t Au over 25 meters.

The gold mineralized zone is open in both strike directions and the drill intercepts here where from surface on down.

Additional Information

Additional information regarding the Company is available on SEDAR at www.sedar.com.