

Kestrel Gold Inc
(An Exploration Stage Company)

Condensed Interim Financial Statements
(Unaudited)

For the Nine Months Ended June 30, 2025
Expressed in Canadian Dollars

Notice of No Auditor Review of Unaudited Condensed Interim Financial Statements

The accompanying unaudited condensed interim Financial Statements of Kestrel Gold Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. These Financial Statements have not been reviewed by the Company's external auditors.

Calgary, Alberta
August 27, 2025

Kestrel Gold Inc.

(An Exploration Stage Company)

Condensed Interim Statements of Financial Position

(Unaudited)

(Expressed in Canadian Dollars)

	Note	June 30 2025	September 30 2024
Assets			
Current			
Cash and cash equivalents	3	\$ 151,447	\$ 130,576
Accounts receivable		6,437	12,093
Prepaid expenses		-	1,250
		157,884	143,919
Exploration and evaluation assets	4	932,752	1,032,752
		\$ 1,090,636	\$ 1,176,671
Liabilities			
Current			
Accounts payable and accrued liabilities	6	\$ 68,653	\$ 38,580
		68,653	38,580
Shareholders' Equity			
Share capital	5	15,605,228	15,605,228
Other equity reserves		2,009,428	2,009,428
Deficit		(16,592,673)	(16,476,565)
		1,021,983	1,138,091
		\$ 1,090,636	\$ 1,176,671

Subsequent events 5

Approved on behalf of the Board:

Signed "Patrick Lynch"

Patrick Lynch, Director

Signed "Scott Kellaway"

Scott Kellaway, Director

The accompanying notes are an integral part of these Financial Statements.

Kestrel Gold Inc.

(An Exploration Stage Company)

Condensed Interim Statements of Loss and Comprehensive Loss**(Unaudited)****(Expressed in Canadian Dollars)**

	Three months ended June 30, 2025	Three months ended June 30, 2024	Nine months ended June 30, 2025	Nine months ended June 30, 2024
Expenses				
Consulting fees	\$ 24,463	\$ 25,150	\$ 77,825	\$ 65,488
Stock-based compensation	-	-	-	26,000
Impairment	-	47,670	-	47,670
Investor relations	16,644	16,062	21,912	22,946
Listing and filing fees	652	3,500	8,777	12,326
Insurance	-	1,250	1,250	4,700
Office and administration	2,272	2,759	5,655	8,685
Professional fees	700	1,903	3,779	3,958
	44,731	98,294	119,198	191,773
Interest earned	(514)	(1,171)	(3,090)	(12,337)
Net and Comprehensive Loss	\$ 44,217	\$ 97,123	\$ 116,108	\$ 179,436
Loss per Share	\$ 0.0004	\$ 0.0009	\$ 0.0011	\$ 0.0018
Weighted Average Common Shares	106,636,436	105,114,336	106,636,436	103,539,244

The accompanying notes are an integral part of these Financial Statements.

Kestrel Gold Inc.
(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
(Unaudited)
((Expressed in Canadian Dollars))

	Nine months ended June 30 2025	Nine months ended June 30 2024
Operating Activities		
Net loss for the period	\$ (116,108)	\$ (179,436)
Changes in non-cash working capital		
Impairment	-	47,670
Stock based compensation	-	26,000
Accounts receivable	5,656	5,267
Prepaid expenses	1,250	(300)
Accounts payable and accrued liabilities	30,073	(50,512)
	36,979	28,125
Cash used for Operating Activities	(79,129)	(151,311)
Financing Activities		
Share issuance costs	-	(2,448)
Cash used by Financing Activities	-	(2,448)
Investing Activities		
Mineral exploration tax credit	-	142,918
Option payment QCM	100,000	100,000
Exploration and evaluation assets	-	(120,000)
Cash provided by (used for) Investing Activities	100,000	122,918
Outflow of Cash	20,871	(30,841)
Cash, Beginning of Period	130,576	201,045
Cash, End of Period	\$ 151,447	\$ 170,204

The accompanying notes are an integral part of these Financial Statements.

Kestrel Gold Inc.

(An Exploration Stage Company)

Condensed Interim Statements of Changes in Shareholders' Equity**(Unaudited)****(Expressed in Canadian Dollars)**

	Number	Share Capital	Other Equity Reserves	Deficit	Total
September 30, 2023	102,614,336	\$15,494,727	\$1,934,796	\$(16,168,959)	\$1,260,564
Shares issued for property	2,500,000	75,000	-	-	75,000
Share issuance costs	-	(2,448)	-	-	(2,448)
Share-based compensation	-	-	26,000	-	26,000
Net loss for the period	-	-	-	(179,436)	(179,436)
June 30, 2024	105,114,336	\$15,567,279	\$1,960,796	\$(16,348,395)	\$1,179,680
Shares issued on debt settlement	1,522,100	48,111			48,111
Share issue costs		(10,162)			(10,162)
Share-based compensation			48,632		48,632
Net loss for the period				(225,293)	(225,293)
September 30, 2024	106,636,436	\$15,605,228	\$2,009,428	\$(16,476,565)	\$1,138,091
Net loss for the period				(116,108)	(116,108)
June 30, 2025	106,636,436	\$15,605,228	\$2,009,428	\$(16,592,673)	\$1,021,983

The accompanying notes are an integral part of these Financial Statements.

Kestrel Gold Inc.

(An Exploration Stage Company)

Notes to Condensed Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Kestrel Gold Inc. (the "Company" or "Kestrel") was incorporated under the *Business Corporations Act* (Alberta) on April 12, 2007, and is trading on the TSX Venture Exchange ("TSX-V") under the symbol "KGC". The Company's head office and records office are located at #603 -734 7th Avenue SW, Calgary, Alberta, T2P 3P8.

The principal business activities include the acquisition, exploration, and evaluation of mineral properties. The Company is exploring and evaluating mineral properties in the Yukon Territory and British Columbia, Canada, with the aim of bringing these properties to production. The underlying value of the mineral properties are dependent upon, among other things, the existence of economically recoverable reserves, the ability of Kestrel to secure financing to complete the exploration and development of its properties, the receipt of necessary permits and upon achieving future profitable production or receiving proceeds from the disposition of the properties. The timing of such events occurring, if at all, is not yet determinable. Kestrel is an exploration stage company, as it has not yet generated any revenue from operations.

These condensed interim Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of business for the foreseeable future as they come due. The Company has incurred losses since inception and as of June 30, 2025, has a deficit of \$16,592,673 (September 30, 2024 - \$16,476,565). The ability of Kestrel to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate equity or debt financing. These conditions may cast significant doubt about the Company's ability to continue as a going concern.

There is no assurance at this time that Kestrel will be able to obtain the necessary financing to continue operations. If the Company is unable to obtain suitable financing in the near future, it will be necessary for management to examine other strategic alternatives to continue operations and enhance shareholder value, including, but not limited to, seeking creditor protection, seeking a joint venture partner, relinquishing its rights to properties or projects deemed uneconomical, the possible sale of some or all of the Company's assets, or the merger, amalgamation or sale of Kestrel with or to a larger, better financed entity.

These condensed interim Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. Basis of Presentation

(a) Statement of Compliance

These condensed interim consolidated Financial Statements have been prepared in accordance with IFRS applicable to the preparation of interim Financial Statements, as issued by the International Accounting Standards Board ("IASB"), including International Accounting Standard 34 - Interim Financial Reporting. These condensed interim Financial Statements do not contain all of the Statements required for full annual audited Financial Statements. The condensed interim Financial Statements should be read in conjunction with the Company's annual audited Financial Statements for the year ended September 30, 2024, which have been prepared in accordance with IFRS as issued by the IASB.

The condensed interim Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these condensed interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow Statements.

These condensed interim Financial Statements are presented in Canadian dollars, unless otherwise stated, which is the Company's functional currency.

These Financial Statements were authorized for issue by the Board of Directors on August 27, 2025.

Kestrel Gold Inc.

(An Exploration Stage Company)

Notes to Condensed Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

(b) Significant accounting policies

In preparing these condensed interim Financial Statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited Financial Statements for the year ended September 30, 2024.

(c) Accounting estimates and judgments

The preparation of Financial Statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the Financial Statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. Differences may be material.

3. Cash and Cash Equivalents

On June 30, 2025, cash and cash equivalents of \$151,447 is comprised of cash of \$6,447 and a \$145,000 cashable GIC (September 30, 2024: \$130,576 – cash of \$576 and GIC – \$130,000).

4. Exploration and evaluation assets

Kestrel's properties are in Western Canada, within the Canadian Cordillera. The Company's property portfolio includes a 100% interest in King Solomon's Dome and in QCM. For additional information on the properties refer to the Company's June 30, 2025 MD&A; September 30, 2024 audited financial statements; September 30, 2024 MD&A and Kestrel's website.

	King Solomon Dome	QCM	Fireweed	Total
September 30, 2023	\$ 214,579	\$876,790	\$47,670	\$1,139,039
Acquisition costs	-	120,000	-	120,000
Mining exploration tax credit	-	(142,917)	-	(142,917)
Issuance of shares	-	75,000	-	75,000
QCM option payment	-	(100,000)	-	(100,000)
Reclamation bond	-	(10,700)	-	(100,000)
Impairment	-	-	(47,670)	(47,670)
September 30, 2024	\$ 214,579	\$ 818,173	-	\$1,032,752
QCM option payment	-	(100,000)	-	(100,000)
June 30, 2025	\$ 214,579	\$ 718,173	-	\$ 932,752

On May 8, 2024, the Company announced it had entered into an option agreement with Thompson Creek Metals Inc. a wholly owned subsidiary of Centerra Gold Inc. ("Centerra"), whereby Centerra was granted the option to earn a 75% interest in the QCM gold property. Under terms of the Agreement, Centerra has the right to acquire a 75% interest in the QCM property by making cash payments totaling \$900,000 and spending \$6,500,000 on mineral exploration costs at QCM, over 5 years. Mineral exploration costs must include a minimum of 13,500 meters of diamond drilling or reverse circulation drilling. In May 2025 Centerra made the second option payment of \$100,000.

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5. Share Capital

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

Common Shares

As of June 30, 2025, Kestrel had 106,636,436 (June 30, 2024 – 105,114,336) common shares outstanding.

Subsequent to June 30, 2025, on July 15, 2025, Kestrel issued 750,000 common shares at a deemed price of \$0.05 per common share pursuant to the exercise of stock options to an officer and director for cash proceeds of \$37,500.

Stock Options

The following stock options were outstanding and exercisable as of June 30, 2025 and June 30, 2024:

		2025	2024
Expiry Date	Exercise Price	Number of Options	Number of Options
July 28, 2025	\$0.05	3,650,000	3,650,000
August 28, 2025	\$0.07	500,000	-
October 19, 2025	\$0.10	350,000	350,000
November 15, 2025	\$0.07	2,100,000	2,600,000
July 30, 2029	\$0.07	1,000,000	-
		7,600,000	6,600,000

Continuity of stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance on September 30, 2023	4,000,000	\$0.06
Issued	2,600,000	0.07
Balance on June 30, 2024	6,600,000	\$0.07
Issued	1,000,000	0.07
Balance on September 30, 2024	7,600,000	\$ 0.07
Balance on June 30, 2025	7,600,000	\$ 0.07

During the period ended June 30, 2024, the Company granted 2,600,000 options to directors, officers, and consultants, exercisable until November 15, 2028, at an exercise price of \$0.07 per option and vesting immediately, 2,000,000 of which were issued to key management.

During the period ended September 30, 2024 the company granted 1,000,000 options to a director and to an officer exercisable until July 30, 2029, at an exercise price of \$0.07 per option and vesting immediately.

The fair value of the options granted in 2024 was \$74,632, determined using the Black-Scholes option pricing model.

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Subsequent to June 30, 2025, 750,000 of the July 28, 2025 options were exercised at an exercise price of \$0.05 per share. All other stock options with an expiry date of July 28, 2025 have expired.

Warrants

As of June 30, 2025, and June 30, 2024, the following common share purchase warrants were outstanding and exercisable:

		2025	2024
Expiry Date	Exercise Price	Number of Warrants	Number of Warrants
September 5, 2024	\$0.05	-	3,463,720

Continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance on September 30, 2023	3,463,720	0.05
Balance on June 30, 2024	3,463,720	0.05
Expired	(3,463,720)	0.05
Balance on June 30, 2025 and September 30, 2024	-	-

As of June 30, 2025 all share purchase warrants have expired.

6. Related Party Transactions

The Company entered the following transactions with related parties during the period ended June 30, 2025:

Key Management Compensation

Key management personnel are individuals responsible for planning, directing, and controlling the activities of the Company, and include certain directors and officers. Key management compensation comprises:

	2025	2024
Short-term benefits	\$ 77,825	\$ 62,250

Short-term benefits are comprised of management fees payable to the CEO and CFO. For the nine months ended June 30, 2025, the CEO was paid \$67,500 and the CFO was paid \$10,325.

As of June 30, 2025, \$55,973 (2024 – \$35,663) is included in accounts payable and accrued liabilities due to related parties for management fees.

All advances and amounts due to related parties have repayment terms like the Company's other accounts receivable and payable and are unsecured and without interest.

For the nine months ended June 30, 2025, share-based payments of \$NIL (2024 – \$17,100) are attributable to management.

All the above transactions and balances are in the normal course of operations.

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7. Capital Management

Kestrel considers its capital under management to be comprised of shareholders' equity. The primary objective of the Company's capital management is to ensure that it maintains a conservative capital ratio to support its business and maximize shareholder value. Kestrel manages its capital structure and adjusts it, based on available funds to the Company and changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares or debt securities. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There has been no change to the Company's approach to capital management during the period ended June 30, 2025.

8. Financial Instruments and Risk

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. Cash, restricted cash, bank indebtedness, and accounts payable and accrued liabilities are measured based on Level 1 of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash, restricted cash and receivables. The Company limits its exposure to credit loss by placing its cash with major financial institutions, and accounts receivable is held with the Canadian government.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of June 30, 2025, the Company had cash of \$151,447, accounts receivable of \$6,437 and current liabilities of \$68,653. The Company's cash is held with major financial institutions. The Company's accounts receivable are GST input credits and accrued interest, and accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company will be required to raise additional equity or debt to settle the Company's future financial commitments and obligations.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity prices. The Company is not subject to significant market risk.

9. Segment Statements

The Company has one operating segment, mineral exploration and evaluation. All the Company's non-current assets are in Canada.