

First Mexican Gold's Update on Guadalupe Property, Mexico

Vancouver, British Columbia, First Mexican Gold Corp. (the `Company` or `FMG`) (TSX-V: FMG, Frankfurt: 21M) is pleased to announce, a resource estimate for the Karen Zone of the Guadalupe property, State of Sonora, Mexico. This estimate is reported using a recovered silver equivalent cut-off and reported in a conceptual pit shell. The effective date of the resource is October 16, 2017.

Inferred Mineral Resource Estimate for The Karen Zone Reported Inside Pit Shell

| Cut-Off AgEQ (g/t) | Tonnes (000's) | Gold Grade (g/t) | Gold (000's oz) | Silver Grade (g/t) | Silver (000's oz) | AgEQ** Grade (g/t) |
|-----------------------|-------------------|---------------------|--------------------|-----------------------|----------------------|-----------------------|
| 60.00 | 193.8 | 1.802 | 11.25 | 144.8 | 902 | 229.2 |
| 45.00 | 221.7 | 1.622 | 11.57 | 131.0 | 934 | 206.9 |
| 30.00 | 262.6 | 1.407 | 11.88 | 114.9 | 970 | 180.6 |
| 15.00 | 280.1 | 1.330 | 11.97 | 108.8 | 980 | 170.9 |

Equivalent calculations are based on three-year trailing average metals prices of US\$ 1214.94 per ounce for gold and US\$ 17.48 per ounce for silver. Metal recoveries used were 81% for gold and 88% for silver based on preliminary bottle roll tests. Interpolation by Inverse Distance Methods.

$$*AuEQ = ((31.6386 \times Au \text{ grade}) + (0.4928 \times Ag \text{ grade}))/39.06$$

$$**AgEQ = ((0.4928 \times Ag \text{ grade}) + (31.6386 \times Au \text{ grade}))/0.56$$

1. A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction.

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

2. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues. There is no guarantee that Cornelius Exploration or First Mexican will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise for the project or that the project will be placed into production.

3. The mineral resources in this study were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum ('CIM'), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the Standing Committee on Reserve Definitions and adopted by the CIM Council on May 10, 2014.

First Mexican Gold issued a News Release on October 28, 2014 disclosing a resource estimate for the Karen Zone and implied the subsequent filing of a technical report. The resource reported in this News Release is significantly smaller than the resource reported in 2014. These differences are attributable to a smaller overall footprint to the deposit resulting from a more conservative, non-implicit, modelling technique, the reporting of the resource in a conceptual pit shell and the use of a recovered silver equivalent cut-off. The end result being approximately

one third of the volume from what was reported earlier (600,000 versus 221,700 tonnes) where the resource now contains 22% of the contained gold ounces and 11% of the contained silver ounces, allowing for recoveries, compared to what was reported previously. These differences are attributable to limiting the projection of the mineralized envelope along strike and down dip and reporting the resource in a conceptual pit shell. The resource is now expressed using a silver equivalent cut-off to better reflect the gross value of contained silver which is greater than the gross value of the contained gold.

The company continues discussions with numerous other interested parties to advance the Karen zone development including efforts to close the existing agreement signed with Link resources FZC on October 10, 2015. The Company also plans exploration work to expand the resource presently associated with the Karen zone from the various mineralized areas.

The Company also intends to drill off the Diana zone which was discovered through an extensive series of saw cut surface trenches and three drill holes some 400 meters apart, suggesting potential for a near surface lower grade open pit resource. As funds are available the company plans a series of holes from the north side of the ridge with the objective of defining a potential zone that crops out at surface and has been further exposed some 125 meters below the ridge by a bulldozer road cut into the lower mountainside. The Diana target comprises a strongly altered near-vertical dipping vein breccia system with widths near surface of 30 to 50 metres that has been traced along strike for more than 700 metres. A faulted off extension of the vein breccia system has been traced for an additional 400 meters at surface.

James McCrea, P.Geo, a qualified person pursuant to National Instrument 43-101, has reviewed and approved the technical information in this press release on behalf of the company.

The company has filed a NI 43-101 technical report supporting this disclosure.

First Mexican Gold Corp is an active explorer for precious metals in Mexico and controls a 100% interest in the Guadalupe property package with the intention of becoming a gold and silver producer.

On behalf of the Board of Directors,

Jim Voisin

President & CEO

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