

First Mexican Gold Corp. Announces Closing of Third Tranche Private Placement of Units

Toronto, Ontario, December 31, 2019 - **First Mexican Gold Corp. (TSX Venture: FMG)** ("**First Mexican**" or the "**Company**") is pleased to announce that further to its news release of December 24, 2019, the Company has issued an aggregate of an additional 1,900,000 units ("**Units**") of the Company at a price of \$0.05 per Unit for gross proceeds of \$95,000. In total, the Company issued an aggregate of 20,000,000 Units for gross proceeds of \$1,000,000 (the "**Offering**").

Each Unit consists comprised of one common share (each, a "**Common Share**") in the capital of the Company and one common share purchase warrant (each, a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one additional Common Share at a price of \$0.075 for a period of two (2) years from the date of issuance.

In connection with the Offering, the Company paid a finder's fee equal to \$7,800 and issued an aggregate of 156,000 finder warrants (the "**Finder Warrants**"). Each Finder's Warrant is exercisable into one Unit of the Company at a price of \$0.05 per Unit. Each Unit issued upon exercise of the Finder's Warrant being comprised of one Common Share and one Warrant. Each Warrant entitling the holder thereof to acquire one Common Share at a price of \$0.075 per Common Share for a period of two (2) years from the date of issuance.

All securities issued under the Offering are subject to a four-month and one day statutory hold period. The gross proceeds of the Offering will be used for general working capital purposes.

The transaction constituted a related party transaction within the meaning of Multilateral Instrument 61-101 ("**MI 61-101**") as an insider of the Company subscribed for an aggregate of 300,000 Units pursuant to the Offering. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by the insider does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering in an expeditious manner.

The closing of the Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

For further information please contact:

Jessica Whitton, Interim Chief Executive Officer
First Mexican Gold Corp
Tel: 416-361-1331
Email: jwhitton@irwinlowy.com

Cautionary Statement on Forward -Looking Information

Neither the TSX Venture Exchange ("TSXV") nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This news release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, uncertainty over the outcome of any litigious matters, the Company's objectives, goals or future plans, statements regarding exploration results and exploration plans. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, capital and operating costs varying significantly from estimates, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, fluctuations in commodity prices, delays in the development of projects and the other risks involved in the mineral exploration and development industry, and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.