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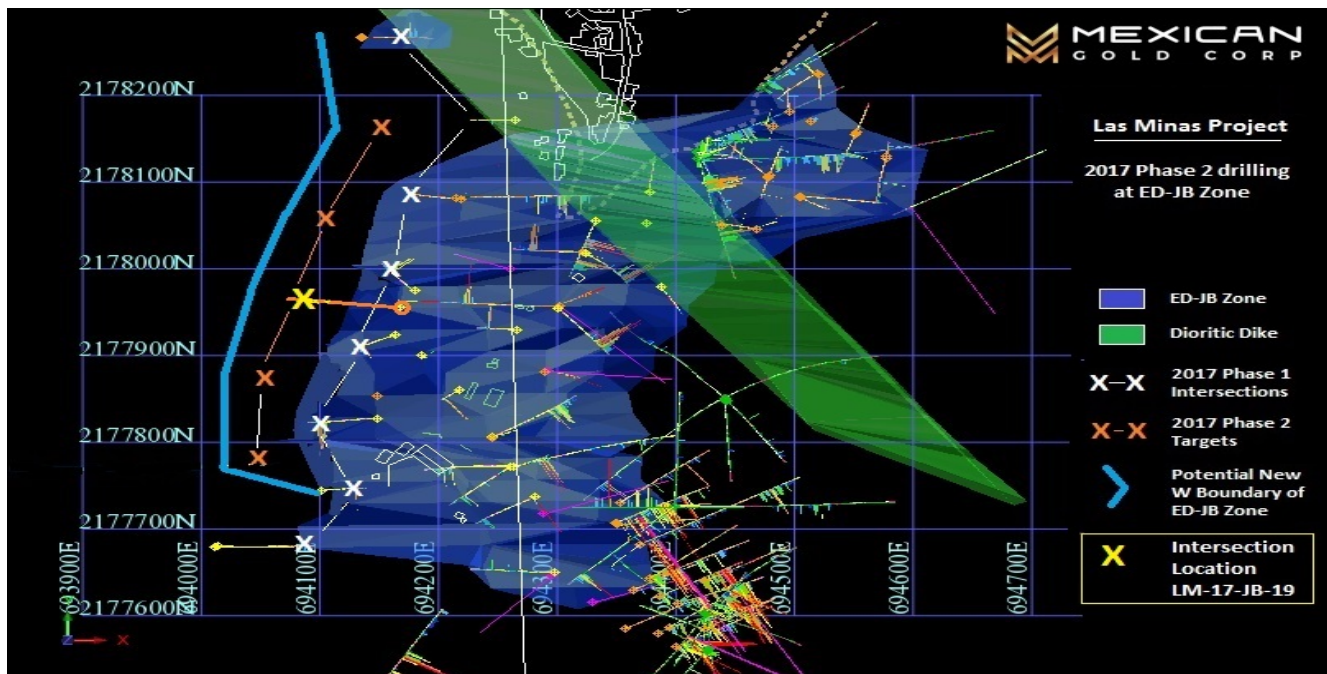
TSX-V: MEX
October 5, 2017

MEXICAN GOLD STEP-OUT DRILLING INTERSECTS TWO INTERVALS OF MINERALIZATION AT EL DORADO / JUAN BRAN ZONE

Mexican Gold Corp. ("Mexican Gold" or the "Company") (TSX-V: MEX / OTCMKTS: SRXLF / FRA: 4QW1) is pleased to announce that step-out diamond drilling at its Las Minas property, Veracruz State, Mexico, has intersected two intervals of chalcopyrite–bornite–magnetite mineralization in the first hole drilled beyond the current western limit of the El Dorado/Juan Bran zone. Assay results are pending and drilling of the second step-out hole is underway.

Diamond drill hole LM-17-JB-19 was drilled as a step-out hole to test the western extension of the El Dorado/Juan Bran zone. The hole, which was drilled at minus 50 degrees to a depth of 120.95 metres, intersected a 3.0 metre mineralized interval from 89 metres to 91 metres, followed by a further 8.0 metre mineralized interval from 99 to 108 metres. The 3.0 metre interval consists of visible chalcopyrite and magnetite containing up to an estimated 3% chalcopyrite by volume. The 8.0 metre interval is mineralized exoskarn with visible chalcopyrite and bornite within magnetite containing up to an estimated 5% chalcopyrite by volume. All intervals are core lengths measured along the axis of the core and true widths are unknown at this time.

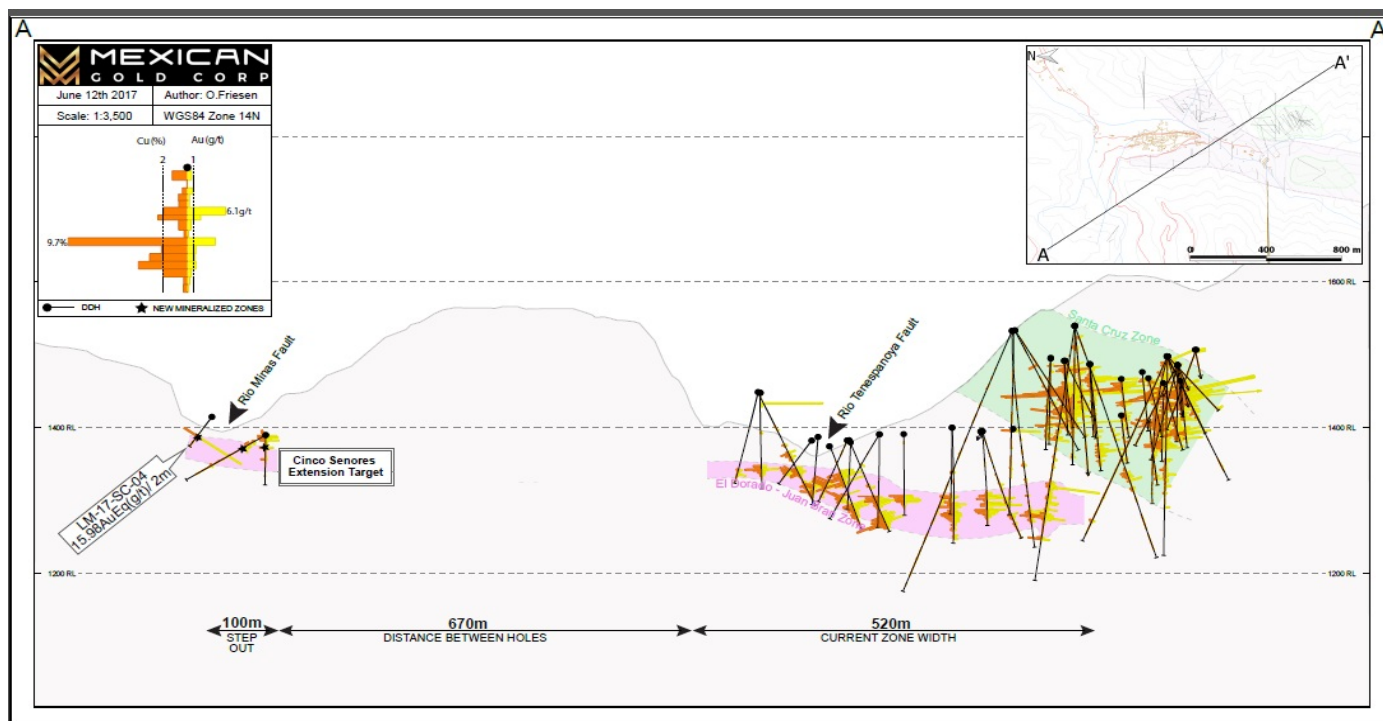
Figure 1: Hole LM-17-JB-19 Location



Significantly, the drilling was guided by the recently completed ground magnetic and TDEM (Time Domain Electromagnetic) surveys at the El Dorado/Juan Bran, Cinco Senores and Las Minillas zones. The TDEM survey outlined a conductor in the area of the drill hole and extending further to the west. The TDEM survey also identified several additional conductors at the El Dorado/Juan Bran, Cinco Senores and Las Minillas zones.

Brian Robertson, President and CEO stated, “We are excited by the intersection of mineralization beyond the current western limit of the El Dorado/Juan Bran zone. The intersection not only convincingly expands the scale of the El Dorado/Juan Bran zone westward and beyond the current footprint of the El Dorado/Juan Bran zone, but also validates the results of the TDEM survey, proving it to be an effective geophysical method for identifying mineralized zones at Las Minas. We look forward to more drilling to further expand the El Dorado/Juan Bran zone and test conductors at the Cinco Senores and Las Minillas zones.”

Figure 2: El Dorado/Juan Bran Zone Western Extension



2017 Phase 2 Diamond Drilling Program

The 3,000 metre drill program currently underway is designed to expand the initial mineral resource at the El Dorado/Juan Bran zone and further test for mineralization at the Cinco Senores and Las Minillas zones.

El Dorado/Juan Bran Initial Mineral Resource Estimate

The initial Mineral Resource Estimate for the El Dorado/Juan Bran and Santa Cruz zones estimated that the two zones contain a total Inferred Resource of 719,000 Au Eq ozs contained within 10,304,000 tonnes grading 2.17 g/t Au Eq, a total Indicated Resource of 299,000 Au Eq ozs contained within 4,908,000 tonnes grading 1.89 g/t Au Eq and a total Measured Resource of 5,000 Au Eq ozs contained within 62,000 tonnes grading 2.32 g/t Au Eq for a total Measured and Indicated Resource of 304,000 Au Eq ozs contained within 4,970,000 tonnes grading 1.90 g/t Au Eq (see press release dated August 1, 2017). The zone remains open for expansion on strike and down dip.

Qualified Person

The scientific and technical information in this news release has been reviewed and approved by Sonny Bernales, P. Geo., a registered Professional Geoscientist in the Province of British Columbia and a qualified person for the purposes of NI 43-101. Mr. Bernales is responsible for logistics and supervision of all exploration activity conducted by Mexican Gold on the property.

About Mexican Gold Corp.

Mexican Gold Corp. is a Canadian based mineral exploration company committed to building long-term value through ongoing discoveries and strategic acquisitions of prospective precious metals deposits in Mexico. Mexican Gold is exploring the Las Minas Project, which is located in the core of the Las Minas district in the Veracruz State, Mexico. The district is host to one of the largest under-explored skarn systems known in Mexico and has a strong production history that dates back to the Aztec era.

For more information, please contact:

Brian Robertson, President & CEO
Phone: 807-474-4270 or 807-251-1816
Fax: 807-474-4272

E-mail: info@mexicangold.ca
Website at www.mexicangold.ca

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