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Source Signs Definitive Option Agreement to Purchase Capricho Property Drilling to Commence Soon

SOURCE EXPLORATION CORP. (the “Corporation” or “Source”) (TSX-V: SOP) (the “Company”) is pleased to announce that its wholly owned Mexican Subsidiary Roca Verde Exploration de Mexico has signed an option agreement with Empresa Minera Caprice, JC, S.A. de C.V. to acquire up to a 100% interest in its Capricho mineral exploration concessions located in Sinaloa, Mexico. The terms of the option agreement were detailed in a previous press release dated November 9, 2011. Drilling prospective high grade targets is scheduled to commence in January.

The Capricho property (approximately 652 hectares) is located approximately 110 kilometres northeast of the capital city Culiacan in gentle terrain and is readily accessible on paved and gravel roads. Historical mining on the property, dating back to the Spanish Colonial period, was focussed on high grade gold and silver deposits. Currently, small-scale artisan mining is being carried out at the site to mine free gold that is exposed in surface outcrops.

Brian E. Robertson, President and CEO, stated, “Advancing the Capricho Project is a key goal of our 2012 development program and intensifies our strategy of leveraging our expertise in Mexican skarn mineralization. Our due diligence sampling program at Capricho along with historical mining and current small – scale mining activities in the region has identified significant gold and silver mineralization over a wide area. Capricho provides Source with a drill ready prospect with bulk tonnage and high- grade gold, silver and copper potential. We are finalizing plans for a Phase 1 diamond drilling program to test the sampled areas and scheduled drilling in mid to late January.”

The Capricho concessions are host to high-grade gold and silver mineralization contained within iron-skarn units and mineralized shear zones. As part of its due diligence program, Source carried out a surface sampling program at a number of sites on the property, including both current and historical workings. All samples were collected within the skarn zone (mineralized contact zone between calcareous sedimentary rock and intrusive-granodioric rock). The samples are rock chip samples cut with a hammer and moil, with individual samples measuring 2.0 metres in length. The vertical samples are perpendicular to the skarn zone, while the horizontal samples are parallel to sub-parallel. The true width of the skarn zone is not known because the lower part is covered with talus and debris.

Summarized below are highlights of the surface sampling program – a complete set of results is available on Source’s website at www.sourceexploration.com.

Table 1 – Highlight Assay Results Capricho Property

Location	Description	Width(m)	Au g/t	Silver g/t	Copper %	Sample Direction
Ramon	Mina Fiero	22.0	3.95	1.16	0.02	Horizontal
Including		2.0	13.46	2.3	0.01	
Tranquilino	Near old adit	18.0	5.56	5.46	0.01	Vertical
Including		10.0	9.94	9.20	0.01	
and		2.0	26.13	35.8	0.01	
and		2.0	18.12	1.2	0.01	
Tranquilino	Near old adit	26.0	9.88	47.68	0.01	Horizontal
Including		18.0	14.21	68.44	0.02	
and		2.0	99.28	569.0	0.03	
Tranquilino	East "Shear"-skarn zone	24.0	1.95	27.68	0.03	Horizontal
Including		2.0	8.98	63.2	0.04	
Tranquilino	"Shear" – skarn	4.0	3.83	0.75	0.01	Vertical
Mina Don Chavelo	Adit – skarn	8.0	8.41	10.13	0.10	Horizontal

All assay values are uncut.

Quality Assurance/Quality Control

The Source exploration program has been conducted under the supervision of Mr. Sonny Bernales, P. Geo. The Company has implemented and adheres to a strict Quality Assurance/Quality Control program which includes inserting mineralized standards and blanks into the sample stream, 1 for about every 10 samples. The standards and blanks were obtained from CDN Resource Laboratories Ltd. of Langley, BC, Canada. Each sample bag is properly sealed and kept in a secured, restricted storage place prior to shipping to the lab. Samples are shipped directly by Source or picked-up by the lab vehicle with chain of custody/sample submittal signed and dated. The Company sends its samples to SGS Mineral Services (ISO/IEC 17025) at Durango, Mexico, an accredited laboratory. The technical information in this news release has been reviewed and approved by Sonny Bernales, P. Geo., Source’s, Exploration Director, a registered Professional Geoscientist in the Province of British Columbia and a qualified person as defined by National Instrument 43-101. Mr. Bernales is responsible for logistics and supervision of all exploration activity conducted by Source on the property.

About Source Exploration

Source Exploration is a Canadian based mineral exploration company committed to building long term value through ongoing discoveries and strategic acquisitions of prospective gold and silver deposits in Mexico. The Las Minas Project is the Company's current focus and is comprised of five mineral concessions covering approximately 1,271 hectares in the core of the Las Minas district in the State of Veracruz, 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.

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