



**NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES**

**Shares Issued: 8,764,369
For Immediate Release**

TSX-V: SOP

**SOURCE EXPLORATION ANNOUNCES NON-BROKERED PRIVATE PLACEMENT OF UP
TO \$1,500,000 AND DEBT CONVERSION**

September 28, 2016 – Source Exploration Corp. ("Source" or the "Company") (TSX-V: SOP) is pleased to announce that it has arranged a non-brokered private placement (the "**Private Placement**") of up to 10,000,000 units of the Company (the "**Units**") at a price of \$0.15 per Unit for gross proceeds of up to \$1,500,000. Each Unit will consist of one common share of the Company (a "**Common Share**") and one transferable common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder to purchase one Common Share for a period of twenty-four months from the closing date of the Private Placement (subject to acceleration of the expiry date as described below) at a price of \$0.25 per Common Share.

The net proceeds from the Private Placement will be used to continue exploration on the Company's Las Minas project located in the State of Veracruz, Mexico, and for property payments, debt reduction and general working capital purposes. The exploration program will include a 2,000 to 3,000 metre drill program for definition and expansion of the Eldorado-Juan Bran mineralized zone and an initial National Instrument 43-101 resource technical report.

In connection with the Private Placement, certain arm's length parties may receive (i) a cash finder's fee payment equal to 8% of the gross proceeds of the Units that are sold to subscribers introduced by such parties, and (ii) warrants (the "**Finder's Warrants**") to purchase that number of Common Shares equal to 8% of the Units that are sold to subscribers introduced by such parties, with the Finder's Warrants having the same terms as the Warrants. The finder's fee payment and the Finder's Warrants are subject to the approval of, and will be issued in accordance with, the rules of the TSX Venture Exchange (the "**Exchange**").

Pursuant to the terms of the Warrants and the Finder's Warrants, the Company will have the right to accelerate the expiry date of the Warrants and the Finder's Warrants on notice to the holders of the Warrants and the Finder's Warrants, if at any time after four months and one day from the closing date of the Private Placement, the closing price of its Common Shares on a stock exchange in Canada is greater than \$0.40 per Common Share for a period of 10 consecutive trading days, in which case the Warrants and the Finder's Warrants will expire 30 days after the date on which such notice is given.

The Units to be issued under the Private Placement will be offered in the provinces of Ontario and British Columbia and such other provinces of Canada as may be determined by the Company, in each case, pursuant to applicable exemptions from the prospectus requirements under applicable securities laws. Closing of the Private Placement is anticipated to occur on or before October 21, 2016, and is subject to receipt of all required regulatory approvals including the approval of the Exchange. Units issued under the

Private Placement will be subject to a hold period which will expire four months and one day from the date of closing of the Private Placement.

In addition to the Private Placement, the Company also announces that it has reached an agreement with certain of its officers and/or directors to settle up to \$478,910.22 of debt by issuing Common Shares at a deemed price of \$0.25 per Common Share (the "**Debt Conversion**"). The Debt Conversion is subject to shareholder approval pursuant to the policies of the Exchange and receipt of all required regulatory approvals including the approval of the Exchange. The issuance of the Common Shares to insiders pursuant to the Debt Conversion is a "related party transaction" pursuant to MI 61-101. The Company is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Debt Conversion in reliance on sections 5.5(a) and 5.7(a), respectively, of MI 61-101, as neither the fair market value of the securities to be received by such parties nor the fair market value of the debt to be converted exceeds 25% of the Company's market capitalization as calculated in accordance with MI 61-101.

The Company will not file a material change report more than 21 days before the expected date of the closing of the Private Placement as the Company wishes to close the transaction as soon as possible.

About Source Exploration Corp.

Source is a Canadian based mineral exploration company committed to building long-term value through the discovery, acquisition and advancement of mineral properties. The Company holds an option on the Las Minas gold, silver and copper exploration project located within the Las Minas mining district in the State of Veracruz, Mexico. The district hosts one of the largest underexplored skarn systems known in Mexico and has a strong production history that dates back to the Aztec era.

For further information, please contact:

Camille Turner, Investor Relations
Phone: 604-669-7840 or 604-970-8052

David Baker, Executive Chairman
Phone: 604-817-4211 or 604-970-8052

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

E-mail: info@sourceexploration.com
Website: www.sourceexploration.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: *This news release includes certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements about the anticipated closing date of the Private Placement, the future exploration results relating to the Las Minas project, exploration plans for the Las Minas project and the exploration potential of the Las Minas project. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information, including the risks identified in the Company's disclosure documents. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such*

information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. 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, except as required by law.

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