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For Immediate Release

TSX-V: SOP
July 17, 2012

Source to Commence Drilling Program on Higher-Grade Portions of Las Minas Property

SOURCE EXPLORATION CORP. (the “Corporation” or “Source”) (TSX-V: SOP) (the “Company”) is pleased to announce its 2012 work program for the Las Minas gold – silver – copper project located at Veracruz, State, Mexico. The program will include 2,000 metres of diamond drilling to expand upon and infill the higher-grade portion of the host skarn intrusion identified in Phase 2 drilling. A drilling contract has been awarded to Grupo Drilcor S.A. de C.V. and drilling is scheduled to get underway in mid-August. In addition, continued prospecting and sampling will be carried out to test for extensions of existing mineralization and identification of new gold, silver and copper mineralization at Las Minas, La Miquitta and La Luz concessions as well as the newly acquired San Valentin concession- see press release dated June 26, 2012.

Highlights from drilling carried out in late 2011 include and reported in a Press release dated January 26, 2012 include:

- LM-11-LL-40 grading 14.94 grams per tonne gold (g/t Au), 4.02 g/t silver (Ag) and 0.52% copper (Cu) over 3.65 metres (m); including 27.05 g/t Au, 6.80 g/t Ag and 0.91 % Cu over 2.0 m
- LM-11- SC-44 grading 1.27 g/t Au, 4.23 g/t Ag, 0.38 % Cu over 24.0 m
- LM-11- SC-45 grading 15.89 g/t Au, 12.98 g/t Ag and 2.25 % Cu over 10.0 m; including 37.26 g/t Au, 25.4 g/t Ag and 4.05 % Cu over 4.0 m
- LM-11-SC-49 grading 1.08 g/t Au, 3.05 g/t Ag and 0.42 % Cu over 42.0 m
- LM-11-SC-50 grading 0.75 g/t Au, 3.31 g/t Ag and 0.40 % Cu over 90.6 m; including 2.06 g/t Au, 8.62 g/t Ag and 1.04 % Cu over 24.0 m

Capricho Property

The company also reports that it has received final assay results for its Phase 1 drilling program at the Capricho property located in Sinaloa State, Mexico. A total of 2,279 metres of diamond drilling was completed in 13 holes and highlights of the drill results are listed below.

Table 1 - Summary of Recent Significant Assays

Hole Number	Location	From (M)	To (M)	Interval	Au g/t	Ag g/t	Cu %
C-12-R-01	Ramon	24.00	30.00	6.00	3.08	1.00	0.005
	within	42.00	44.00	2.00	1.11	1.30	0.068
C-12-R-02	Ramon	22.00	24.00	2.00	1.11	1.30	0.068
		30.0	32.00	2.00	0.93	0.80	0.004
		36.00	38.00	2.00	1.44	0.50	0.002
C-12-R-03	Ramon	28.0	32.00	4.00	0.27	0.95	0.005
C-12-R-04	Ramon	78.00	80.00	2.00	1.87	<0.03	0.002
	within	78.00	82.00	4.00	1.00	<0.03	0.002
C-12-R-05	Tranquilino	66.0	70.0	4.0	0.16	15.96	0.03
		72.0	74.0	2.0	0.32	0.40	0.02
		172.0	174.0	2.0	0.28	0.60	0.00
C-12-R-06	Tranquilino	166.4	168.4	2.0	0.48	2.9	0.10
		206.4	210.4	4.0	0.61	0.95	0.00
		264.8	266.8	2.0	4.40	0.60	0.00
		276.8	278.8	2.0	0.20	<0.03	0.00
		282.8	284.8	2.0	0.11	<0.03	0.00
C-12-R-07	Tranquilino	51.9	53.9	2.0	0.26	0.04	0.00
		84.9	86.0	2.0	0.13	0.03	0.00
		89.6	91.6	2.0	0.17	0.03	0.00
		133.6	135.6	2.0	0.10	1.3	0.00
C-12-R-08	Tranquilino	73.5	75.5	2.0	0.57	4.0	0.01
C-12-R-09	Chabelo	58.4	62.4	4.0	4.81	5.7	0.27
		74.4	76.4	2.0	0.15	8.7	0.02
C-12-R-10	Chabelo	No significant assays					
C-12-R -11	Chabelo	38.4	40.4	2.0	0.29	0.60	0.00
C-12-R-12	Chabelo	18.2	20.2	2.0	0.14	<0.03	0.00
C-12-R-13	Chabelo	No significant assays					

All intervals are reported as down-hole lengths and additional information is required to determine true widths. Assays are uncut, length weighted average values.

A comprehensive table of all drill results can be viewed on the company's website at www.sourceexploration.com – See - Projects – Capricho- Assays.

Based on the drilling results and additional work completed to evaluate the property, the company has advised the property owners that it will terminate the option agreement.

“The drilling results from the Capricho property did not meet our expectations. Our focus and resources will now be directed to advancing our flagship Las Minas property to follow up on significant drill results from our 2011 drilling program.” said Brian Robertson, President and CEO.

Quality Assurance/Quality Control

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 define by National Instrument 43-101. Mr. Bernales is responsible for logistics and supervision of all exploration activity conducted by Source on the property. 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, about 1 for 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 it samples to SGS Mineral Services (ISO/IEC 17025) at Durango, Mexico, an accredited laboratory.

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 precious metals deposits in Mexico. Source 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.

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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 Corporation 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.