



Shares Issued: 57,626,235
For Immediate Release

TSX-V: SOP
October 18, 2012

Source Reports More High-Grade Mineralization in Step-Out Drilling at Las Minas

SOURCE EXPLORATION CORP. (the “Company” or “Source”) (TSX-V: SOP) is pleased to report that step-out drilling at the Santa Cruz target at the Las Minas project in Mexico has intersected high-grade mineralization along-strike from that previously discovered in hole LM-11-SC-45, within the larger halo of copper-gold mineralization at Las Minas. As previously reported, hole LM-SC-45 returned an intercept of 15.89 grams per tonne gold (g/t Au) 12.98 grams per tonne silver (g/t Ag) and 2.25 percent copper (% Cu) over 10.0 metres (m). Step-out drilling has returned significant gold values as well as some of the highest grade silver and copper intercepts recorded to date. The higher grade mineralization appears to be closely associated with skarn-type alteration with high magnetite content ranging up to 90% by volume. A detailed magnetic geophysical survey has been initiated in an effort to better define future drill targets.

President and CEO, Brian Robertson, said “These high-grade intercepts in the initial step-out drilling program are important because they have confirmed the continuity of mineralization both along strike and down dip. The results are particularly encouraging because of the presence of a high magnetite content commonly associated with the mineralization will serve as a marker for identifying areas of potential high-grade mineralization on the property. The ground magnetic survey is intended to identify extensions to the high-grade zone as well as other potential high-grade zones on the property. The exploration of these high priority targets will be the focus of our aggressive drilling program.”

NEW DRILL RESULTS

Significant drill highlights from the step-out drilling include:

Hole LM-12-SC-52 returned :

- **7.90 g/t Au, 14.9 g/t Ag and 1.68% Cu or 10.74 g/t Au equivalent over 2.0 m within**
- **6.0 m grading 3.52 g/t Au, 17.47 g/t Ag and 1.79% Cu or 6.58 g/t Au equivalent within**
- **18.0 m grading 2.38 g/t Au, 9.13 g/t Ag and 1.74% Cu or 5.19 g/t Au equivalent**

Hole LM -12-SC-53 returned :

- **4.16 g/t Au, 11.7 g/t Ag and 2.17% Cu or 7.68 g/t Au equivalent over 2.0 m**

Hole LM-12-SC-54 returned:

- **3.28 g/t Au, 25.5 g/t Ag and 1.69% Cu or 6.33 g/t Au equivalent over 2.0 m and**
- **2.16 g/t Au, 80.8 g/t Ag and 4.57% Cu or 10.65 g/t Au equivalent over 2.0 m within**
- **12.0 metres grading 2.05 g/t Au 38.01 g/t Ag and 2.38 % Cu or 6.39 g/t Au equivalent within**
- **28.0 metres grading 1.57 g/t Au, 18.48 g/t Ag and 1.25% Cu or 3.82 g/t Au equivalent**

Drill holes LM-12-SC-52, 53, 54 & 55 were drilled in a fan pattern located approximately 35.0 m north of the high-grade discovery hole. These holes have defined higher-grade gold-silver-copper skarn mineralization over a down dip interval of approximately 150 m. Drill hole LM-12-SC-56 was drilled from the same drill pad as holes LM-12-SC-52, 53, 54 & 55 but in a northerly direction. To view a plan map and an idealized cross section of the drilling, please click the following links: [Plan Map](#) and [Cross Section](#), respectively. Pictures of the core from hole can be viewed at the [Photo Gallery](#).

Table 1 Selected Las Minas Project Drill Results, October 2012

Hole No.	From (M)	To (M)	Interval (M)	Gold g/t	Silver g/t	Copper %	Au Eq ⁽¹⁾ g/t
LM-SC-12-51	No significant assays. Drilled outside high-grade target area						
LM-SC-12-52	36.5	54.5	18.0	2.38	9.13	1.74	5.19
including	48.5	54.5	6.0	3.52	17.47	1.79	6.58
and including	50.5	52.5	2.0	7.90	14.9	1.68	10.74
LM-SC-12-53	52.0	54.6	2.61	1.94	7.86	2.62	6.07
including	71.2	75.2	4.0	2.37	7.60	1.50	4.79
and including	73.2	75.2	2.0	4.15	11.7	2.17	7.68
LM-SC-12-54	93.0	121.0	28.0	1.57	18.48	1.25	3.82
including	93.0	105.0	12.0	2.05	38.01	2.38	6.39
and including	95.0	97.0	2.0	2.17	80.0	4.57	10.65
and including	99.0	101.0	2.0	3.28	25.5	1.69	6.33
LM-SC-12-55	36.4	38.4	2.0	1.01	3.60	0.27	1.49
LM-SC-12-56	35.7	39.7	4.0	2.59	2.05	0.74	3.74

(1) Gold equivalent (Au Eq) calculations use metal prices of US\$ 1300/oz. for gold, US\$ 25.00/oz. for silver and US\$3.00/lb. for copper. No adjustments have been made for potential relative differences in metal recoveries.

Au Eq g/t equals Au g/t + (Ag g/t x 0.019) + (Cu% x1.52)

All intervals are reported as down-hole lengths and additional information is required to determine actual widths. Assays are uncut, length weighted average values. Detailed weighted composite details for all drill holes will be available on the Company's website at www.sourceexploration.com – see Projects – Las Minas – Assay Information.

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 are 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 well-financed Canadian based mineral exploration company committed to building long term value through ongoing discoveries and strategic acquisitions of economic gold and silver deposits in Mexico. The Las Minas gold – silver and copper project is the Company's current focus, comprised of six mineral concessions covering approximately 1,617 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 gold – silver – copper skarn systems known in Mexico, and has a strong production history that dates back to the Aztec era. Drilling in 2011 resulted in new high- grade discoveries including diamond drill hole LM-11-SC-45, grading 15.89 grams/tonne gold, 12.98 grams per tonne silver and 2.25 % copper over 10.0 metres , including 37.26 grams/ tonne gold, 25.4 grams/tonne silver and 4.05 % copper over 4.0 metres.

For more information, please contact:

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

Andreas Curkovic
Phone: 416-577- 9927

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

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. Certain terms or statements made that are not historical facts, such as anticipated advancement of mineral properties or programs, productions, sales of assets, exploration plans or results, costs, prices, performance are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and involve a number of risks and uncertainties that could cause actual results to differ materially from those projected, anticipated, expected or implied. These risks and uncertainties include, but are not limited to; metals price volatility, volatility of metals production, project development risks and ability to raise financing. Certain statements included in this news release constitute "forward-looking information" within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.