



**SOURCE EXPLORATION PROVIDES UPDATE ON SECOND TRANCHE OF
PREVIOUSLY ANNOUNCED PRIVATE PLACEMENT**

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January 5, 2017 – Source Exploration Corp. ("Source" or the "Company") (TSX-V: SOP) is pleased to provide an update, further to its news releases dated September 28, 2016 and November 30, 2016, on the second tranche of its previously announced non-brokered private placement (the "**Private Placement**").

Following completion of the first tranche of the Private Placement on November 30, 2016, the Company is continuing with the Private Placement. The TSX Venture Exchange has granted the Company a 30-day extension of its conditional acceptance of the terms of the Private Placement and the Company intends to close the second tranche of the Private Placement on or before January 31, 2017. The second tranche of the Private Placement is subject to receipt of all required regulatory approvals including the approval of the TSX Venture Exchange.

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.

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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 second tranche 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.