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**Shares Issued: 42,002,560
For Immediate Release**

**TSX-V: SOP
January 31, 2012**

**SOURCE EXPLORATION CORP. ANNOUNCES
INCREASE IN NON BROKERED PRIVATE PLACEMENT TO RAISE UP TO
\$2,990,000**

January 31, 2012 – Source Exploration Corp. ("Source" or the "Company") (TSX-V: SOP) is pleased to announce that due to strong investor demand for its recently announced non-brokered private placement (the "Offering") of up to 10,000,000 units of the Company (the "Units") at a price of \$0.26 per Unit, the Company has agreed to increase the size of the Offering to raise up to \$2,990,000. The Offering will now include the issuance of an additional 1,500,000 Units, for a total of up to 11,500,000 Units.

Each Unit will consist of one common share of the Company and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one common share of the Company for a period of twelve months from the closing date of the Offering at a price of \$0.60 per common share, provided that the Company will have the right to accelerate the expiry date on notice to the Warrant holders if the closing price of its common shares on a stock exchange in Canada is higher than \$0.80 per common share for a period of 20 consecutive trading days at any time after four months from the closing date of the Offering, in which case the Warrants will expire 30 days after the date on which such notice is given.

The securities to be issued under this Offering will be offered by way of private placement 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 Offering is anticipated to occur on or before February 29, 2012 and is subject to receipt of all required regulatory approvals including the approval of the TSX Venture Exchange. Securities issued under the Offering will be subject to a four month hold period which will expire four months from the date of closing of the Offering.

The proceeds from the Offering will be used to continue exploration on the Company's Mexico projects Sinaloa, property acquisitions, and for general working capital purposes.

For additional information please visit the Company's 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.

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 company is carrying out an aggressive exploration program on the Capricho property, which hosts high- grade gold and silver mineralization. Source is also exploring the Las Minas project, which 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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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 use of proceeds of the Offering and the anticipated closing date of the Offering. Forward-looking information is based on the opinions and estimates of management that, which considered reasonable, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward- looking information. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry, the risk of commodity price and foreign exchange rate fluctuations, the ability of the Corporation to fund the capital and operating expenses necessary to achieve the business objectives of the Corporation, as well as those risks described in public disclosure documents filed by the Corporation. Due to the risks, uncertainties and assumptions inherent in forward-looking information, prospective investors in securities of the Corporation should not place undue reliance on such forward-looking information. 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.*

The Units have not been registered under the United States Securities Act of 1933, as amended (US Securities Act), and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This news release does not constitute an offer to sell or a solicitation of an offer to buy such Units in any jurisdiction in which such an offer or sale would be unlawful.