THUNDER BAY, ONTARIO--(Marketwired - Sep 7, 2016) - Source Exploration Corp. (the "Company" or "Source") (TSX VENTURE:SOP)(FRANKFURT:4QW) is pleased to announce that it has entered into a non-binding letter of intent (the "Letter of Intent") which sets forth the basic terms upon which an extension to the option agreement to acquire the Pepe, Pepe Tres and San Jose concessions located at its Las Minas property may be granted. These concessions are part of the six concessions held under option or wholly owned by Source at Las Minas, Veracruz State, Mexico.

The Letter of Intent provides for an extension to the term of the option agreement by an additional one year to December 5, 2017 for consideration equal to US$180,000, payable in equal monthly installments over a six month period and commencing no later than December 7, 2016. All payments would be subject to VAT (Value Added Tax). All other terms of the original agreement of November 30, 2010 and prior extension agreements would remain unchanged.

The extension is subject to the negotiation and execution of a definitive agreement to extend the option agreement. It is anticipated that the definitive agreement will be executed on or about November 1, 2015.

"I wish to thank the owners of the concessions for granting the Letter of Intent for the extension of the option agreement and strong support for Source throughout the term of the agreement" said Brian Robertson, President and CEO. "An extension will provide additional time to advance our planned exploration program for exploring these concessions and completing a mineral resource estimate.

About Pepe, Pepe Tres and San Jose Concessions

The Pepe, Pepe Tres and San Jose concessions hosts near-surface gold - silver and copper mineralization. The concessions cover approximately 1,118 hectares, (2,763 acres) with several small scale past-producing mines and a number of untested targets. Source has been exploring the area with modern exploration methods, including extensive sampling, geological mapping, ground magnetic survey and diamond drilling.

Diamond drilling completed in the first half of 2015 on the Pepe Tres concession extended the high-grade mineralization at the Santa Cruz and Eldorado - Juan Bran targets. Diamond drill hole LM-15-SC-15, which was drilled at the Santa Cruz target, intersected 6.07 g/t Au Eq[(1)] over 14.0 metres contained within 113.0 metres grading 2.03 g/t. Au Eq - see press release of April 29, 2015. Drilling at the El Dorado - Juan Bran zone consistently interesected high-grade mineralization, including 4.67 g/t Au Eq in hole LM-15-ED-20, 5.89 g/t Eq over 8.0 metres in hole LM-15-ED-21, and 4.14 g/t Au Eq over 12.3 metres in LM-15-ED-22 - see press release of May 7, 2015. The in-fill and step-out drilling intersected the zone over 650 metres down dip.

All reported intervals referred to in this news release are core lengths and additional information is required to determine true widths. Assays are uncut, length - weighted average values.

1. Gold equivalent (Au Eq) calculations use metal prices of US $1,200/oz. for gold, US $19.00/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 0.016) + (Cu% x1.71)

Samples containing free metallic gold were assayed by SGS Mineral Services at Durango, Mexico, an accredited and independent laboratory, using the FAS30K-Au metallic screen fire assay method.

About Las Minas

The Las Minas Project hosts near-surface gold-silver and copper skarn mineralization and high-grade gold-silver epithermal vein deposits. The project is comprised of six mineral concessions covering approximately 1,616 hectares (3,995 acres), with several small high-grade, past-producing mines and numerous untested targets.

The district is host to one of the largest under explored gold-silver and copper skarn systems known in Mexico, and has a production history that extends back to the Aztec era. The Las Minas granodiorite intrusive measures approximately 10 kilometres in diameter and underlies the Las Minas concessions. The mineralization controls and association with magnetite appear to be similar to parts of the Guerrero Gold belt, which is the site of the Los Filos and Morelos gold deposits.

Las Minas is an early-stage exploration project and does not contain any mineral resource estimates as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). The potential quantities and grades disclosed herein are conceptual in nature and there has been insufficient exploration to define a mineral resource for the targets discussed herein. It is uncertain if further exploration will result in these targets being delineated as a mineral resource.

Quality Assurance/Quality Control

The technical information in this news release has been reviewed and approved by Sonny Bernales, P. Geo, a registered

Professional Geoscientist in the Province of British Columbia and a qualified person as defined by NI 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 and independent 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.

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 terms of the proposed extension, the anticipated timing for the entering into of a definitive agreement with respect to the proposed extension, magnitude or quality of mineral deposits, anticipated advancement of mineral properties or programs, future operations, results of exploration, prospects, commodity and precious metals prices, future work programs, anticipated financial and operational results, capital expenditures and objectives and the completion and timing of mineral resource estimates. 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 available at www.sedar.com. 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 on 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 the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) has reviewed or accepts responsibility for the accuracy or adequacy of this release.

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