SOURCE EXPLORATION CORP.

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Source Exploration Corp. (the "**Company**")
1100 Russell Street
Thunder Bay, ON
P7B 5N2

Item 2. Date of Material Change

May 16, 2014

Item 3. News Release

A news release with respect to the material change referred to in this report was issued by the Company on May 16, 2014 and filed on SEDAR.

Item 4. Summary of Material Change

The Company has announced the closing of its previously announced non-brokered private placement (the "**Private Placement**"), of units of the Company (the "**Units**") at a price of $0.12 per Unit.

Item 5. Full Description of Material Change

The Company has announced the closing of the Private Placement of 10,257,166 Units at a price of $0.12 per Unit for gross proceeds of $1,230,859.90. Each Unit consisted of one common share of the Company and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to purchase one common share of the Company at a price of $0.20 per common share until May 15, 2019.

In connection with the Private Placement, the Company has: (i) paid an aggregate of $62,086 in finder's fees to certain arm's length parties, representing 6% of the proceeds received from subscribers that were introduced by such parties; and (ii) issued an aggregate of 517,380 warrants (the "**Finder's Warrants**") to purchase 517,380 common shares of the Company, representing 6% of the Units that were sold to subscribers introduced by such parties. The Finder's Warrants have the same terms as the Warrants.

The securities issued under the Private Placement are subject to a hold period under applicable Canadian securities laws which will expire four months and one day from the date of closing of the Private Placement. The Private Placement is subject to final acceptance by the TSX Venture Exchange.

The proceeds from the Private Placement will be used to continue exploration on the Company's Las Minas project located in the State of Veracruz, Mexico, and for general working capital purposes.

Item 5.2 **Disclosure for Restructuring Transactions**

N/A

Item 6. **Reliance on Subsection 7.1(2) of National Instrument 51-102**

N/A

Item 7. **Omitted Information**

N/A

Item 8. **Executive Officer**

David Baker, Executive Chairman (604) 817-4211.

Item 9. **Date of Report**

May 21, 2014