Calgary, Alberta (FSCwire) - Morro Bay Resources Ltd. (“Morro Bay” or the “Company”) (TSX-V: MRB) is pleased to announce, subject to the delivery of share consideration to Riverside Resources Ltd. (“Riverside”), it has exercised the option on the Peñoles Project.

Under the Option Agreement, the Company is required to make a payment to Riverside of $750,000 payable at the Company’s discretion in cash or Morro Bay shares priced at $0.05 to earn a 51% interest in the Penoles Project. Subject to regulatory approval, the Company will issue 15,000,000 shares to Riverside.

"We are extremely pleased with the exercise of the Option Agreement. This is a significant milestone for the company as we progress with our plans for further exploration,” commented John Zang, CEO. “We were encouraged by the results from the recently published NI 43-101 Technical Report on Peñoles. The known mineralized zones are only partially drilled off and there is excellent potential for extension along strike and new discoveries at depth. A 2,000 m drilling program will test whether the Jesus Maria Silver Zone and the El Capitan Gold Zone merge into a single large mineralized zone.”

Morro Bay continues to proceed with the private placement announced previously on April 6, 2015. The units (consisting of one and one share purchase warrant) are being offered at a price of $0.05 cents per unit. The private placement may be closed in one or more tranches.

About The Peñoles Project

The Peñoles Project includes two historic silver mines (Jesus Maria and San Rafael), an oxide gold prospect (El Capitan), and numerous exploration targets located in the historic Peñoles Mining District of Durango, Mexico. Bedrock exposure combined with surface trenching and drilling have identified several epithermal-type vein systems, poly-metallic skarns, and silicified breccia zones localized at or near the unconformity between Tertiary-age volcaniclastic rocks and Cretaceous-age sediments. Approximately 86 diamond drill holes totalling more than 11,550 m have now been completed at the Project. The Jesus Maria and El Capitan mineralized zones have not been completely delineated and are open for expansion in several directions.

About Morro Bay

Morro Bay is a junior mineral exploration company based in Calgary, Alberta, Canada, focused on the exploration for precious metals in Mexico. Morro Bay's business strategy is to build shareholder value by rapidly advancing the Peñoles Project in Mexico through the resource delineation stage.

Further Information

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The forward-looking information contained in this news release is as of the date hereof and Morro Bay does not undertake any obligation to update publicly or to revise any of the included forward looking statements contained herein, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

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