

Calgary, Alberta (FSCwire) - [Morro Bay Resources Ltd.](#) (or the Company) (TSX-V: MRB) announces that it is arranging a non-brokered private placement (the "Offering") for a minimum of 1,000,000 and a maximum of 40,000,000 units. Each unit will be comprised of one common share (or the share) of the Company and one common share purchase warrant ("warrant").

Subject to regulatory approval, the units will be offered at a price of \$0.05 per unit for gross proceeds of between \$50,000 to \$2,000,000. Each warrant will be exercisable for one common share of the Company for a period of 24 months from the closing date of their issuance at an exercise price of \$0.05 per share for the first 12 months and at an exercise price of \$0.10 for the second 12 months. The warrants will not be listed for trading.

The proceeds from the above financing (assuming the maximum amount of \$2,000,000 is raised) will be used to fund the Company's 2015 exploration program at the Peñoles Project upon exercise of the option, including anticipated drilling and exploration work of approximately \$1,500,000, as well as ancillary obligations on its lands and an updated Technical Report thereafter, and approximately \$500,000 for general corporate purposes. Assuming the minimum amount is raised the proceeds will be used for general corporate purposes.

Recently most securities commissions across Canada have passed policies which allow shareholders to subscribe to a company's private placement (the "Shareholder Exemption") (see for example amendments to Ontario Securities Commission OSC Rule 45-501 and Alberta Securities Commission Rule 45-513). For subscriptions by shareholders relying on the Shareholder Exemption, Morro Bay advises as follows:

- (a) Only shareholders who held Morro Bay shares as of July 28, 2015 may participate in the private placement under the Shareholder Exemption;
- (b) A maximum of 20 million of the offered shares are available under the Shareholder's Exemption. In the event that the maximum is exceeded the shareholders subscription amount be reduced pro rata in accordance with the amount of their subscription.

The Private Placement may be closed in one or more tranche.

The common shares and warrants comprising the units will be subject to a four-month hold period in accordance with policies of the TSX Venture Exchange and applicable Canadian securities legislation as well as such other restrictions as may apply under foreign securities laws, if applicable. The Private Placement remains subject to acceptance by the TSX Venture Exchange.

The Peñoles Project

The Company owns a 51% interest in the Peñoles Project located in Mexico. The Peñoles Project includes two historic silver mines (Jesus Maria and San Rafael), an oxide gold prospect (referred to as El Capitan) and numerous exploration targets located in the historic Peñoles Mining District of Durango, Mexico. Approximately 86 diamond drill holes totaling more than 11,550 metres have now been completed at the Project. The Company recently announced (see the March 2, 2015 press release) a maiden resource estimate for the project.

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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Information in this news release may contain forward looking information. Statements containing forward looking information express, as at the date of this news release, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results and are believed to be reasonable based on information currently available to the company.

There can be no assurance that forward-looking statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on forward-looking information.

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.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state in the United States in which such offer, solicitation or sale would be unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

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