Calgary, Alberta (FSCwire) - Morro Bay Resources Ltd. (“Morro Bay” or the “Company”) (TSX-V: MRB) is pleased to announce it has closed the first tranche (the “First Tranche”) of the non-brokered private placement (the “Private Placement”) announced July 29, 2015. The First Tranche consisted of the issuance of a total of 2,000,000 Units at a price of $0.05 per unit for gross proceeds of $100,000. The Private Placement remains open for further subscriptions.

Each Unit is comprised of one common share (“share”) of the Company and one common share purchase warrant ("Warrant"). 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.

John Zang (CEO and Director of Morro Bay) and Andrew Daniels (COO of Morro Bay) subscribed for Units under the offering. Mr. Daniels acquired 400,000 Units for proceeds to Morro Bay of $20,000 and Mr. Zang acquired 1,200,000 Units for proceeds to Morro Bay of $60,000. As Mr. Zang and Mr. Daniels are Officers and/ or Directors of Morro Bay, the issuance of the Shares and Warrants is considered a related party transaction subject to TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101. Morro Bay is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of Multilateral Instrument 61-101 on the basis that participation in the Private Placement by insiders does not exceed 25% of the fair market value of Morro Bay’s market capitalization.

Proceeds from the Private Placement will be used for the exploration work at the Peñoles property and for general corporate purposes.

The securities issued in the Private Placement will be subject to a hold period of four months plus one day following the issue date, under applicable Canadian securities legislation.

As a result of the recent issuance under the Private Placement, Morro Bay currently has 91,025,233 shares outstanding and 13,522,000 Warrants outstanding.

Further Information

For further information please contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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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