

Calgary, Alberta (FSCwire) - [Morro Bay Resources Ltd.](#) (or the Company) (TSX-V: MRB; OTCQX: MRRBF) hereby advises, as announced on May 30, 2016, the defaults by Morro Bay alleged by [Riverside Resources Inc.](#) ("Riverside") have not been remedied by Morro Bay. As a result, subject to the requirements of the May 25, 2016 Option Amending Agreement between Riverside and Morro Bay (the "Amending Agreement") being met, Morro Bay's interest in the Peñoles exploration project will terminate and will be returned to Riverside. The Amending Agreement has been filed on SEDAR by Morro Bay.

The Amending Agreement requires Riverside to transfer to Morro Bay (or (subject to applicable securities laws) its assigns, 20,108,108 Morro Bay Common Shares currently owned by Riverside. Morro Bay has requested this transfer to its assigns.

Pursuant to the Amending Agreement, Morro Bay has the option to return the 0.75% net smelter returns royalty in the Peñoles Project (the "Royalty") in exchange for forgiveness of debt. Morro Bay has therefore elected (subject to the satisfaction of other terms of the Amending Agreement) to return the Royalty to Riverside in exchange for forgiveness of the debt allegedly incurred by Riverside on the Peñoles Project in the amount of \$139,578.

John Zang, CEO of Morro Bay, stated "Assuming all of the terms and conditions of the Amending Agreement are met, this will result in Morro Bay having no further interest in the Peñoles Project. Morro Bay is currently considering other business opportunities".

Morro Bay also announces that effective as of June 15, 2016, Garth Kirkham has resigned from the Morro Bay Board of Directors. John Zang stated "Mr. Kirkham was of significant assistance as a Board member. His knowledge and expertise in resource exploration was invaluable. We thank Mr. Kirkham for all of his assistance to Morro Bay."

Morro Bay is currently continuing to locate and analyse other business opportunities both within the mining sector and other business opportunities.

#### 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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