

# Riverside and Morro Bay Announce Amendments to Penoles Option Agreement

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jan 20, 2015) - [Riverside Resources Inc.](#) ("**Riverside**" or the "**Company**") (TSX VENTURE:RRI)(OTC PINK:RVSD)(FRANKFURT:R99) announces that the terms for the option on the Peñoles Project (the "Project") between the Company and its partner, [Morro Bay Resources Ltd.](#) ("Morro Bay") have been amended to facilitate further exploration work, payments to Riverside and advancement of the Project.

Under the amended terms, to earn an initial 51 percent Morro Bay will pay to Riverside a further \$750,000 CAD by the extended Option Agreement exercise date of March 31, 2015 (payable in cash or shares at Morro Bay's election provided Morro Bay shares are valued at \$0.05 or greater). The \$1,250,000 USD and \$100,000 CAD cash payments owed to Riverside will be applied as a credit for Riverside towards initial Joint Venture Expenditures. Morro Bay will be required to incur a minimum of \$750,000 CAD in Joint Venture Expenditures for each of the first three years. In the event that Morro Bay fails to meet the minimum required Joint Venture Expenditures, Riverside will have the right to take back 100% ownership of the Project, subject to certain conditions (see Agreement Details section below).

Riverside's President and CEO, John-Mark Staude, stated: *"Riverside is pleased that the option with Morro Bay will continue with our partner making payments and continuing to fund the work program and costs of the Peñoles Project. Riverside is a major Morro Bay shareholder, owning more than 20% of the issued and outstanding Morro Bay shares. As a Prospect Generator, we are pleased with the continued progress of this option agreement and potential for more than \$2,500,000 in further partner funded drilling and exploration before Riverside will have to contribute towards the joint venture."*

## Agreement Details:

Since Riverside first optioned the Peñoles Project to Sierra Madre Developments in 2011 (see press release March, 7, 2011) the agreement has been amended multiple times as Riverside has collaborated and worked with its partners through challenging markets. To-date, the Company has generated approximately \$4,000,000 in partner funded exploration with more than 11,500 metres of drilling.

Going forward, Morro Bay will have the opportunity to earn an initial 51% interest by making a payment of \$750,000 to Riverside by March 31, 2015 (payable in cash or Morro Bay shares at Morro Bay's election, provided that if the value of Morro Bay shares is less than \$0.05 such payment must be made in cash). Additional joint-venture terms included in the amended option agreement are detailed below:

- Morro Bay shall incur Joint Venture Expenditures of \$750,000 for each of the first three years (any amounts expended over \$750,000 will be credited toward the following years expenditure requirements);
- Riverside shall have a credit of \$100,000 CAD and \$1,250,000 USD against the first Joint Venture Expenditures incurred by the Joint Venture; and
- Should the Joint Venture fail to incur Joint Venture Expenditures of at least \$750,000 in each of the first three years, Riverside will have the right to acquire 100% of Morro Bay's Interest in the Project by returning to Morro Bay 80% of the common shares issued by Morro Bay to Riverside and granting Morro Bay a 0.75% NSR, which can be purchased for \$750,000 at any time.

The Amended Peñoles Option Agreement further provides that in order for Morro Bay to earn an additional 14% interest in the Peñoles Project (bringing the Morro Bay interest in the Peñoles Project to 65%) (the "Additional Option"), Morro Bay must:

- Make a cash payment of \$30,000 on or before the first anniversary date of the exercise of the initial option;

- Incur additional expenditures at the Peñoles Project of not less than \$5,000,000, half of which are to be incurred within 12 months from the date of the exercise of the Initial Option (i.e. 51%) and half of which shall be incurred within 24 months from the date of the exercise of the Initial Option; and
- In the event the Morro Bay shares are trading over \$0.05 deliver to Riverside \$750,000 in cash or shares at Morro Bay's election, or if the Morro Bay shares have a market value of less than \$0.05 pay to Riverside the sum of \$750,000 in cash.

#### **About the Project:**

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. The Peñoles Project is host to multiple mineralized vein systems, fault zone structures, poly-metallic skarns, and silicified low-temperature gold-rich volcanoclastics. Approximately 86 diamond drill holes totaling more than 11,550 metres have now been completed at the Project.

#### **Click for Peñoles Presentation:**

<http://www.rivres.com/images/projects/penoles/PenolesProjectPresentation1.pdf>

#### **About Riverside Resources:**

Riverside is a well-funded prospect generation team of focused, proactive precious and base metal discoverers with the breadth of knowledge to dig much deeper. The Company currently has more than \$3,000,000 in the treasury, no debt and approximately 37,000,000 shares outstanding. The Company's model of growth through partnerships and exploration uses the prospect generation business approach to own resources, while partners share in de-risking projects en route to discovery. Riverside has additional properties available for option with more information available on the Company's website at [www.rivres.com](http://www.rivres.com).

ON BEHALF OF [Riverside Resources Inc.](#)

Dr. John-Mark Staude, President & CEO

*Certain statements in this press release may be considered forward-looking information. These statements can be identified by the use of forward looking terminology (e.g., "expect", "estimates", "intends", "anticipates", "believes", "plans"). Such information involves known and unknown risks -- including the availability of funds, the results of financing and exploration activities, the interpretation of exploration results and other geological data, or unanticipated costs and expenses and other risks identified by Riverside in its public securities filings that may cause actual events to differ materially from current expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release.*

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

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