

Morro Bay Announces Proceeding with a Private Placement

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Calgary, Alberta (FSCwire) - [Morro Bay Resources Ltd.](#) ("Morro Bay" or the "Company") (TSX-V: MRB) announces that it is arranging a non-brokered private placement (the "Offering") of 2,000,000 to 30,000,000 units. Each unit will be comprised of one common share ("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 \$100,000 to \$1,500,000. 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 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 \$750,000, as well as ancillary obligations on its lands and an updated Technical Report thereafter, and approximately \$500,000 for general corporate purposes

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

Current shareholders may subscribe to this offering in accordance with recent amendments to prospectus and registration exemptions which allow current shareholders to subscribe to private placements.

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 holds an option to purchase up to 65% interest in the Peñoles Project from Riverside Resources. 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:

Inferred Mineral Resource Estimate

Deposit	ktonnes	Au (g/t)	Ag (g/t)	Contained Gold (koz)	Contained Silver (koz)
El Capitan	20,722	0.458	2.8	305	1,832
Jesus Maria	7,573	0.105	62.3	26	15,158
Combined	28,295	0.364	18.7	331	16,990

Note: "Base case" cut-off grade for El Capitan is 0.25 g/t Au and for Jesus Maria is 30 g/t Ag. Mineral resources occur within a maximum depth of 150 m below surface. Resources are not mineral reserves as the economic viability has not been demonstrated.

The "base case" cut-off grades of 0.25 g/t gold at El Capitan and 30 g/t silver at Jesus Maria are based on projected metal prices of \$1,300/oz gold and \$20/oz silver. Variations in these projected prices result in changes to the cut-off grades. The sensitivity of mineral resources to cut-off grade is shown in Tables 2 and

3.

Table 2: Sensitivity of El Capitan Mineral Resource to Gold Cut-off Grade

Cut-Off Grade (Au g/t)	Ktonnes	Au (g/t)	Ag (g/t)	Contained Gold (koz)	Contained Silver (koz)	
0.15	33,101	0.362		2.0	385	
0.20	27,388	0.401		2.3	353	
0.25 (Base Case)		20,722		0.458	2.8	1,832
0.30	15,726	0.517		3.2	261	
0.35	12,236	0.572		3.5	225	
0.40	9,648	0.626		3.9	194	
0.45	7,879	0.671		4.2	170	
0.50	6,477	0.714		4.4	149	

Note: "Base case" cut-off grade of 0.25 g/t Au using a price of \$1,300/oz Au is highlighted in the table. Resources are not mineral reserves as the economic viability has not been demonstrated.

Table 3: Sensitivity of Jesus Maria Mineral Resource to Silver Cut-off grade

Cut-Off Grade (Ag g/t)	ktonnes	Au (g/t)	Ag (g/t)	Contained Silver (koz)	Contained Gold (koz)	
15	10,764	50.6		0.095	17,507	
20	9,836	53.7		0.099	16,983	
25	8,740	57.6		0.102	16,192	
30 (Base Case)		7,573		0.105	15,158	26
35	6,425	67.6		0.109	13,960	
40	5,493	72.7		0.113	12,840	
45	4,566	78.9		0.120	11,577	
50	3,896	84.3		0.124	10,561	

Note: "Base case" cut-off grade of 30 g/t Ag using a \$20/oz Ag price is highlighted in the table. Resources are not mineral reserves as the economic viability has not been demonstrated.

Additional details regarding the estimation methods and procedures are available in the Report.

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 volcanoclastic 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.

Morro Bay holds an option to purchase up to a 65% interest in the Peñoles Project from Riverside. Morro Bay can earn an initial 51% interest by making a payment of \$750,000 to Riverside by May 1, 2015 (payable in cash or Morro Bay shares [valued at \$0.05 per share], at Morro Bay's election).

ESTIMATION METHODS

The mineral resource estimates disclosed in this press release were estimated by Robert Sim who is a Qualified Person within the meaning of NI 43-101 for the purposes of mineral resource estimates in the Report. Estimates are made from 3-dimensional block models based on geostatistical applications using commercial mine planning software (MineSight® v9.50-01). The project limits are based in the UTM coordinate system using a nominal block size of 10 m x 5 m x 10 m, with the shorter blocks roughly perpendicular to the east-southeast-oriented strike direction of the deposits. Diamond drilling is conducted from surface drill stations in the hanging wall of the deposits. Holes are generally spaced at 40 m intervals and drilled to depths of between 100 m and 200 m below surface.

The mineral resource estimate has been generated from drill hole sample assay results, and limited surface

trench and underground drift channel samples, and the interpretation of a geologic model which relates to the spatial distribution of gold and silver in the El Capitan and Jesus Maria deposits. Interpolation characteristics have been defined based on the geology, drill hole spacing, and geostatistical analysis of the data. The resources have been classified by their proximity to the sample locations and are reported, as required by NI 43-101, according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (May, 2014). Both deposits are at a relatively early stage of evaluation by drilling and, as a result, some assumptions were made using the available data. Classification at El Capitan is primarily influenced by the nature of gold in the deposit. Similarly, classification at Jesus Maria is primarily influenced by the distribution of silver in the deposit. Visual observations and studies of indicator variogram ranges suggest that zones of continuous mineralization, above the base-case cut-off limits, can be inferred when drill holes are spaced at a maximum distance of 150 m; therefore, blocks in the model within a maximum distance of 75 m from a drill hole have been included in the Inferred category.

Gold and silver mineralization occurs over relatively continuous zones for more than 500 m of strike length at Jesus Maria and for more than one kilometre of strike length at El Capitan. Floating cone pit shells, based on projected technical and economic parameters, suggest that mineralization to depths of 150 m below surface exhibits reasonable prospects for eventual economic extraction using open pit extraction methods. The mineral resources for the El Capitan and Jesus Maria deposits, shown in Table 1, are not constrained within pit shells but include mineralization, above cut-off, that is within a maximum depth of 150 m below surface. There are no adjustments for recovery or dilution in the statement of mineral resources. It is important to realize that these are estimates of mineral resources, not mineral reserves, as the economic viability has not been demonstrated.

CAUTIONARY NOTES

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied. The mineral resource estimates referenced in this press release and the Report use the term "Inferred Mineral Resources." While this term is defined by Canadian regulations (under NI 43-101), it is not recognized by the U.S. Securities and Exchange Commission ("SEC"). "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves" as in-place tonnage and grade without reference to unit measures. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. Morro Bay and Riverside Resources are not SEC registered companies.

ABOUT MORRO BAY RESOURCES LTD.

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

ABOUT RIVERSIDE RESOURCES INC.

Riverside is a well-funded prospect-generation team of focused, proactive precious- and base-metal discoverers. The Company currently has more than \$3,000,000 in the treasury and approximately 37,000,000 shares outstanding. The Company's model of growth through partnerships and exploration uses the prospect-generation business approach to purchase resources, while partners share in de-risking projects en route to discovery. Riverside has additional properties available for option. Additional information is available on the Company's website at www.rivres.com.

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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. 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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