

WEST KELOWNA, BRITISH COLUMBIA--(Marketwired - Jun 3, 2016) - [Colorado Resources Ltd.](#) (TSX VENTURE:CXO) ("Colorado" or the "Company") announces that, further to its news release of June 1, 2016 the Company has received TSX Venture Exchange ("Exchange") final approval and closed the non-brokered private placement by issuing an aggregate 9,274,931 (non-flow through) units of the Company (the "NFT Units") at an issue price of \$0.35 per Unit and an aggregate 3,542,334 common shares of the Company that qualify as flow-through shares for purposes of the *Income Tax Act* (Canada) and 1,771,167 warrants (one share and half a warrant being a "FT Unit") at an issue price of \$0.42 per FT Unit for aggregate gross proceeds of \$4,734,005.

The Offering was completed in three tranches, the initial tranche ("Tranche 1"), which closed effective May 18, 2016, consisted of the issuance of 2,211,430 NFT Units and 2,282,334 FT Units for gross proceeds of \$1,732,580. The second tranche ("Tranche 2"), which closed effective May 31, 2016, consisted of the issuance of 4,463,500 NFT Units and 1,260,000 FT Units for gross proceeds of \$2,091,425. The Final Tranche which closed effective June 1, 2016 consisted of the issuance of 2,600,000 NFT Units for gross proceeds of \$910,000.

Each NFT Unit consisted of one common share in the capital of the Company (a "NFT Share") and one common share purchase warrant (a "NFT Warrant"), with each NFT Warrant entitling the holder to acquire an additional NFT Share at an exercise price of \$0.50 until May 18, 2018 (Tranche 1), May 31, 2018 (Tranche 2) and June 1, 2018 (Final Tranche).

Each FT Unit consisted of one flow-through common share in the capital of the Company (a "FT Share") and one-half of one non-transferable non-flow through common share purchase warrant. Each whole warrant (a "NFT Warrant") will entitle the holder to purchase one additional NFT Share at an exercise price of \$0.60 until May 18, 2018 (Tranche 1) and May 31, 2018 (Tranche 2).

The NFT Warrants contains an acceleration provision such that if, commencing on September 19, 2016 (Tranche 1), October 2, 2016 (Tranche 2) and October 3, 2016 (Final Tranche) the closing price of the common shares of the Company on the Exchange is higher than \$0.75 for 20 consecutive trading days then on the 20th consecutive trading day (the "Acceleration Trigger Date") the expiry date of the NFT Warrants may be accelerated to the date that is 20 trading days after the Acceleration Trigger Date by the issuance of a news release announcing such acceleration within two trading days of the Acceleration Trigger Date.

The NFT Shares and FT Shares, and any NFT Shares issued on exercise of the NFT Warrants, will be subject to restrictions on transfer until September 18, 2016 (Tranche 1), October 1, 2016 (Tranche 2) and October 2, 2016 (Final Tranche).

The Company has paid aggregate finders' fees in connection with the Offering of \$182,279 cash and issued to finders 68,880 warrants at an exercise price of \$0.35 and 128,119 warrants at an exercise price of \$0.42 (collectively the "Finder Warrants"). Each Finder Warrant is otherwise exercisable on the same terms as the NFT Warrants issued to investors in the Offering.

The proceeds will be used by the Company for exploration activities on its Canadian properties and for working capital.

About Colorado

[Colorado Resources Ltd.](#) is currently engaged in the business of mineral exploration for the purpose of acquiring and advancing mineral properties located in British Columbia and is also seeking opportunities in Southwest USA and Latin America.

Colorado's current exploration focus is to continue to advance: the KSP property optioned from SnipGold, located 15 kms along strike to the southeast of the past producing Snip Mine; its 100% owned North ROK property, located 15 kms northwest of the Red Chris mine development, both located in northern central British Columbia.

ON BEHALF OF THE BOARD OF DIRECTORS OF COLORADO RESOURCES LTD.

Adam Travis, President and Chief Executive Officer

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this news release, constitute "forward-looking information" as such term is used in applicable Canadian securities laws. Forward-looking information is based on plans, expectations and estimates of management at the date the information is provided and is subject to certain factors and assumptions, including: that the Company's financial condition and development plans do not change as a result of unforeseen events, that the Company obtains required regulatory approvals, that the Company continues to maintain a good relationship with the local project communities. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking

information in this news release to change or to be inaccurate include, but are not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, which could result in delays, or cessation in planned work, that the Company's financial condition and development plans change, delays in regulatory approval, risks associated with the interpretation of data, the geology, grade and continuity of mineral deposits, the possibility that results will not be consistent with the Company's expectations, as well as the other risks and uncertainties applicable to mineral exploration and development activities and to the Company as set forth in the Company's Management's Discussion and Analysis reports filed under the Company's profile at www.sedar.com. There can be no assurance that any forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. The Company undertakes no obligation to update forward-looking information or statements, other than as required by applicable law.

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.

The securities have not been and will not be registered under the United States Securities Act of 1933 (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration is available.

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