WEST KELOWNA, BRITISH COLUMBIA--(Marketwired - June 30, 2016) - Colorado Resources Ltd. (TSX VENTURE:CXO) ("Colorado" or the "Company") announces the drilling progress on the Inel Zone at the KSP Property under option from SnipGold Corp. (see News Release dated December 20, 2013) which was recently acquired by Seabridge Gold Inc. on June 21, 2016.

Adam Travis, President and CEO of Colorado, states: *"We welcome Seabridge and look forward to working with our new partner on the 30,504 hectare KSP project in the Heart of the Golden Triangle, in which we have an option to earn up to an 80% interest. Colorado also holds a 100% interest in the 32,825 hectare KingPin Property on trend to the southeast, thus totaling more than 65 km of prospective strike under Colorado's direction.*

"We have completed an incredible 15 drill holes and nearly 2,000 m of drilling in less than two weeks with one drill rig. Our exploration team and contractors are to be commended for their accomplishments as we have been the first to commence exploration in the area to get a head start on the 2016 field season. Drill core samples have and will continue to be sent to the assay laboratory as drilling continues and we anticipate assay results by mid-July on the first half of our initial phase of drilling in the Inel area.

"We also continue to advance our geological concepts of the Inel Zone and are noting geological similarities and linkages with the Khyber Zone located approximately 2 kilometres to the south suggesting that the gold mineralized system may be potentially larger than originally understood (see Figure 1)."

To view Figure 1, please visit the following link: http://media3.marketwire.com/docs/1061069Figure1.pdf.

Qualified Person

Greg Dawson P.Geo, is the Qualified Person ("QP") as defined by National Instrument 43-101 that has reviewed and approved the technical content of this news release.

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 currently under option with Seabridge Gold Inc. , located 15 km's along strike to the southeast of the past producing Snip Mine; its 100% owned Kingpin property; its 100% owned North ROK property, located 15 km's 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

*This news release may contain information about adjacent properties on which Colorado has no right to explore or mine. Readers are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on the Company's properties.

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.

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