WEST KELOWNA, BRITISH COLUMBIA--(Marketwired - Jul 19, 2016) - Colorado Resources Ltd. (TSX VENTURE:CXO) ("Colorado" or the "Company") announces the drilling progress at the Inel Zone on the KSP Property under option with Seabridge Gold Inc.

Since drilling commenced on June 19, 2016 a total of 37 drillholes (5,000 m) have been completed at Inel. The drillholes have begun to test a 0.15 square kilometre area (10%) of the 1.5 square kilometre Inel gold in soil anomaly (averaging 1.27 g/t Au).

Results have been received from the first 8 drillholes at Inel, approximately 20% of the drilling completed to date in the first 5,000 m phase. Significant results from these first 8 drillholes are noted in the following table:

Inel 2016 Drilling - Significant Gold Results

Hole ID	Hole Length (m)	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Zn (%)
INDDH16-001	105	72.0	83.0	11.0	6.12	45.74	2.18
including		79.0	82.0	3.0	8.60	37.37	4.36
INDDH16-002	162	122.4	128.0	5.6	6.27	2.79	0.02
including		124.0	126.0	2.0	15.65	5.00	0.01
INDDH-003	129	31.0	33.0	2.0	18.70	2.40	0.14
and		103.0	111.0	8.0	9.99	14.25	0.12
including		103.0	105.0	2.0	24.10	35.60	0.09
INDDH16-004	165	58.0	59.0	1.0	10.20	20.70	2.60
and		117.0	118.0	1.0	15.70	33.30	2.75
INDDH16-005	150	143.0	143.7	0.7	13.65	91.10	0.59
INDDH16-006	150	25.6	31.0	5.4	5.70	10.11	1.53
including		25.6	27.0	1.4	13.70	24.00	3.16
INDDH16-007	99	30.0	31.0	1.0	5.57	4.60	1.14
INDDH16-008	150	52.0	54.0	2.0	8.70	11.90	0.81

To view the map associated with this release, please visit the following link: http://media3.marketwire.com/docs/Inel_NewsRelease.pdf.

Adam Travis President and CEO of Colorado states: *"What an incredible first month we have had up at KSP getting a jump start on the exploration season with one drill rig completing 5,000 m in 37 drillholes in just 30 days of drilling. All our employees and contractors are to be commended for some of the highest and safest productivity I have seen in my 30 year career. Results are starting to come in from the laboratory and already our first few holes are showing some very impressive assay results over 400 m of strike attesting to the strength of this large open ended and robust system, which we have barely scratched the surface of. We started work almost a month ahead of other explorers in the area so that we have lots of exploration season left to follow up on these very encouraging early results. With sufficient working capital on hand, we plan to keep drilling and are well on our way to earning majority control of one of British Columbia's best exploration projects".*

Qualified Person

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

QA/QC Statement

The 2016 samples were analyzed by ALS Minerals of Vancouver, British Columbia. Base metal assays were first determined using the ME-ICP61 method, which reports results as parts per million (ppm). Any samples containing greater than 10,000 ppm zinc were analyzed by the Zn-OG62 method, which reports results as percent. Any samples containing greater than 100 ppm silver were analyzed by the Ag-OG62 method, which reports results as ppm. The gold assays were determined using the Au-ICP21 fire assay method which reports results in ppm and are equivalent to grams per tonne (g/t). Any samples returning greater than 10 ppm gold were analyzed by the Au-GRA21 fire assay method with a gravimetric finish. The analytical results were verified with the application of industry standard Quality Control and Quality Assurance (QA-QC) procedures.

For more information on the KSP Project the reader is directed to the Company's website at www.coloradoresources.com.

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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