WEST KELOWNA, BRITISH COLUMBIA--(Marketwired - Sep 21, 2016) - Colorado Resources Ltd. (TSX VENTURE:CXO) ("Colorado" or the "Company") is pleased to announce the successful completion of its 2016 field work and drilling program on the KSP Property and reports the assay results from Inel drillholes 31- 45 (see following table).

Since drilling commenced on June 18, 2016, 59 drillholes (totaling 8,861.8 m) have been completed at KSP with an emphasis on the Inel Area where 53 holes were drilled. Consistent with the Company's earlier news releases, Inel drillholes INDDHI1631-INDDH1645 returned several high grade gold intercepts, as well significant intercepts at multiple horizons as noted in the following table. These results also document the first drill intercept in the interpreted southern extension of the AK Trend in Hole 42 more than 500 m south of the AK Adit and 500 m west of the Discovery Adit.

In addition to the drilling, a total of 990 soil and 511 rock samples were collected, and a further 50 square kilometres of geological mapping were completed. Geophysical surveys consisting of 10.0 line km of IP and 47.0 line km of ground mag were also conducted by Walcott and Associates and a 126 line km helicopter airborne VTEM time domain system was undertaken by Geotech Ltd.

Adam Travis, Colorado President and C.E.O states: "We have had a very successful exploration season at KSP completing more than double the amount of work required under our joint venture this year with an emphasis on drilling a portion of the gold in soil anomaly at the Inel target. Our 2016 Inel first pass drilling program tested a 500 m x 600 m area at approximately 75-100 m centres and has returned, several intercepts with multi-ounce gold values over 1 m apparent widths. Several of these higher grade intersections are also enveloped by broader intervals such as INDDH16-025 which returned 99 m of 2.11 g/t gold. Drillhole INDDH16-042 returned 4 metres of 16.02 g/t gold, including 53.1 g/t gold or more than 1.7 opt gold across a drill indicated width of 1.0 m. This drillhole is located 500 m east of the Discovery Adit which reinforces the fact that the large target zones at Inel are only partially tested and that we have barely scratched the surface of this large, robust system. Although the 10 km^2 Inel- Khyber area is very significant, it is still only a small portion of the 305 km^2 KSP district, which hosts numerous kilometer scale mineralized, alteration centres. We look forward to continuing to advance what is undoubtedly one of British Columbia's best exploration projects"

Upon the completion of this year's exploration program, it is anticipated that approximately $6.0M in cumulative exploration expenditures will have been incurred at KSP over the last three years. This would be one year ahead of schedule as per the underlying agreement with Seabridge Gold Inc. Under this agreement, Colorado has the right to earn an initial 51% interest in the KSP Property by incurring $6.0M in exploration expenditures and completing total cash payments of $500k (of which $225k has been paid to date). Colorado has the further right, at its sole election, to increase its interest to 80% by incurring an additional $4M in exploration expenditures.

Over the next few months Colorado will be compiling and interpreting the remaining results from the 2016 surface exploration work and diamond drilling program and planning next year's exploration program at KSP.

Inel 2016 Drillholes 31-45: Significant* Intercepts

Hole ID	Hole Length (m)	From (m)	To (m)	Interval (m)[1]	Au (g/t)	Au (oz/t)[2]	Ag (g/t)[3]	Zn (%)[4]
INDDH16-031	120.0	63.0	65.0	2.0	5.73			
INDDH16-032	96.0	58.0	74.6	16.6	0.64			
INDDH16-033	183	162.0	176.0	14.0	0.59			
INDDH16-034	159.0	97.0	138.0	41.0	1.00			1.32
including		97.0	103.0	6.0	3.57			
including		102.0	103.0	1.0	15.75	0.51		
and		109.8	121.0	11.2	1.17			
INDDH16-035	199.4	157.0	173.0	16.0	1.16			
INDDH16-037	150.0	102.0	144.0	42.0	0.94			
INDDH16-038	153.0	9.3	28.0	18.7	0.72			
and		41.0	74.0	33.0	0.82			
including		72.0	74.0	2.0	5.86			
INDDH16-039	111.0	25.7	34.5	8.8	1.21			2.32
INDDH16-040	156.0	59.0	71.0	12.0	0.86			
and		114.0	134.0	20.0	0.89			
INDDH16-041	219.0	25.0	45.0	20.0	1.09			
including		40.0	44.0	4.0	3.15			
INDDH16-042	222.0	35.0	52.0	17.0	4.23			
including		35.0	39.0	4.0	16.02	0.52	37.85	2.07
including		35.0	36.0	1.0	53.10	1.71	39.20	1.12
and		146.0	220.0	74.0	1.02			
including		171.0	187.0	16.0	2.69			1.10

INDDH16-043	147.0	62.7	92.1	29.4	0.76			
INDDH16-044	189.0	29.0	39.0	10.0	1.28			
and		145.5	177.0	31.5	1.46			
including		145.5	147.0	1.5	7.02			
and		169.0	170.0	1.0	12.50	0.40		
INDDH16-045	171.0	80.0	81.0	1.0	10.50	0.34	77.60	3.09
and		92.0	93.0	1.0	16.55	0.53	62.30	6.95
and		133.0	150.0	17.0	1.06			
including		133.0	134.0	1.0	10.85	0.35	27.50	

*Significant Defined as the product of metres x grade > 10 with grade > 0.5 grams Au, e.g.: >10 g/t Au over 1.0 m or > 1 g/t over 10 m, No Significant Results for INDDH16-036

1 - *The intervals reported in this release represent drill intercepts and insufficient data is available at this time to state the true thickness of the mineralized intervals and all values are uncut.*

2 - Gold Values over 10.00 g/t Au converted to troy ounces per metric ton (Au g/t / 31.10348)

3 - Silver >30.00 g/t Ag Reported

4 - Zinc >1% Reported

Results from the work to date at KSP have highlighted a number of points:

1. Inel Hosts Three Significant Mineralized Trends (see Figure 1) - At least three stacked, gold enriched, zinc bearing sulphide zones at Inel have been intersected in the 2016 drill holes. These zones or horizons have been defined by drilling over a 350 m dip distance and over a 600 m strike length. Anomalous surface geochemistry and geological mapping suggests that the Inel target area is at least 1000 m in strike length and 1500 m in width. http://media3.marketwire.com/docs/1070202b.pdf

2. Inel Makes the Grade - Both high grade gold (including values of 165.5 g/t Au over 1.0 m in INDDH-029) and broader lower grade gold (99 m of 2.11 g/t Au in INDDH-025) have been reported from the 2016 drilling to date, demonstrating the potential for Inel to host significant gold mineralization at all three stratigraphic and structural horizons.

3. Multiple Alteration Centres (see Figure 2) - Highly anomalous gold, copper +/- molybdenum surface geochemistry and the interpretation of geological mapping have characterized several target alteration centres not only in the Inel - Khyber area but also at Pyramid Hill (4 km south of Inel), Sericite Ridge (6km SE of Inel), Nee-Lake Zone (9km SE of Inel) and at Pins (14 km SE of Inel), all of which are associated with the Sky - Khyber Thrust Fault System. Similar zones of hydrothermal alteration are also noted at Black Bluff (10 km east of Inel) and Big Rock (2.5 km NE of Inel) associated with long strike length second order structures. http://media3.marketwire.com/docs/1070202a.pdf

Two short exploratory drillholes (TMDDH16-001 and 002), totaling 183 m, were drilled south towards the Tami Showing from the same location (due to poor recovery in the first drillhole). They were located approximately 20 m north of a 2014 channel sample (CH14-006 B) that returned 15 m of 2.94 g/t gold and 0.51 % copper. These short holes failed to intercept the mineralized intrusive as noted in the channel sample. Subsequent detailed geophysics and geological structural mapping have determined that the 2016 Tami drillholes were drilled underneath a shallow dipping mineralized panel that dips away from these holes, and as a consequence, they did not test the Tami target.

Four exploratory drillholes (KBDDH16-01 to 04) were drilled in the Khyber area. These holes tested surface gold-copper mineralization in the East Khyber area (KBDDH16-01), an anomalous zinc and gold in soils target along the Khyber ridge crest (KBDDH16-02 and 03) and in the vicinity of high grade zinc boulders (KBDDH16-04). KBDDH16-01 was drilled 2.5 km southeast of the main drilling area at Inel and more than 240 metres lower in elevation and intercepted 0.14 % copper and 0.01% molybdenum over 100 m from 32-132 m suggesting that Khyber may be zoning to a copper- molybdenum +/- gold system at depth. Drillholes KBDDH16-02, 03 and 04 located 1.2 to1.5 km southeast of Inel returned highly anomalous zinc values. For example KBDDH16-02 returned 0.32 % zinc from the collar (2.57 m) to 133 m down the hole suggesting that zinc is forming a halo to the higher grade gold mineralization such as KBDDH14-003 (located 600-900 m to the west) which returned 18.1 g/t Au over 2.4 m in the 2014 drill program.

Qualified Person

Dr. Jim Oliver, Ph.D, P. Geo is the Qualified Person as defined by National Instrument 43-101 who supervised the work program and/or preparation of the technical data in this news release

QA/QV statement on Assay Results where required.

The 2016 samples were analyzed by ALS Minerals of Vancouver, British Columbia. Samples were prepared by the Prep-31b method, which involves crushing the entire sample to 70% passing -2mm, splitting off 1kg and pulverizing the split to better than 85% passing 75 microns. 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-AA25 fire assay method which reports results in ppm and are equivalent to grams per tonne (g/t). Any samples returning greater than 100 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 under option with Seabridge Gold Inc., located 15 km's along strike to the southeast of the past producing Snip Mine*; 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 contains 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.

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