

WEST KELOWNA, BRITISH COLUMBIA--(Marketwired - Oct 5, 2016) - [Colorado Resources Ltd.](#) (TSX VENTURE:CXO) ("Colorado" or the "Company") is pleased to announce the assay results from Inel drillholes INDDH16-46 to INDDH16-53 (see Table 1). The 2016 Inel drill program was focused in a 500 m x 600 m area (0.3 km²) within the 305.0 km² KSP Property. The KSP Property covers one of three large (> 100 km²) strongly altered and mineralized districts in the Heart of the Golden Triangle. Regional gold stream geochemistry highlights the KSM and Brucejack areas, along with the Snip-Johnny Mtn and KSP areas (see Figure 1: <http://media3.marketwire.com/docs/cxo1005fig1.pdf>).

Fifty nine (59) drillholes (totaling 8,861.8 m) were completed at KSP in 2016. The emphasis was on the Inel Area where 53 holes were drilled (see Figure 2: <http://media3.marketwire.com/docs/cxo1005fig2.pdf>). Consistent with the Company's three previous news releases, Inel drillholes INDDH16-46 - INDDH16-53 returned several high grade gold intercepts, as well as significant broad intercepts at multiple horizons (as noted in Table 1).

Adam Travis, Colorado President and C.E.O. states: "Our 2016 drill program at Inel has tested on broad centres, approximately 20% of the 1.5 km² Inel gold geochemical anomaly. These latest results continue to add to the previously released intercepts with multi-ounce gold values along with broader intervals of multi-gram gold values. This first phase of drilling in 2016 systematically tested portions of the Discovery Trend and southern extensions of the Inel Creek Trend. Overall the 53 drillholes from Inel had a 60% success rate in returning high grade (> 5 g/t Au) gold intercepts. Our drilling in these two zones, along with preliminary surface geological mapping, geophysics and geochemistry highlights six robust sized target zones (see Figure 2). We are continuing to advance the technical understanding of this impressive system as we work on cross sections and incorporate all the geological, geophysical and geochemical data. These developing zones are especially significant since they have only been tested, on average, to shallow depths of approximately 100 m. The Snip Mine^{, **, (1)} located 15 km to the north of Inel hosted 1 million ounces of gold within an overall strike length of 300 metres and to 500 m depths while averaging 2.5 m in thickness." (Refer to Cautionary Language and Source as outlined hereinbelow.)*

Additional surface rock chip and soil sample grids and geophysical survey results are being compiled. This data, along with the details of the 2016 geological mapping program, are being assembled with the drill results and cross sections to provide further updates on the exploration potential not only at Inel but across the greater KSP Property.

Initial observations from the 2016 work include the discovery and recognition of at least 6 zones:

1. North Discovery Trend (>400 m) - A 400 m north trending zone was tested on approximately 50 m section spacings in 2016 by 13 drillholes of which nine returned intercepts > 5 g/t Au over 1.0 m. These drillholes include INDDH16-001 with 11.0 m of 6.12 g/t Au and INDDH16-002 with 2.0 m of 15.60 g/t Au. Broader intervals have also been noted including INDDH16-049 with 64.0 m of 2.73 g/t Au. Surface geological, geochemical and geophysical data suggest that this zone may continue to both the north and south as well as at depth. The results of INDDH16-49 also suggest that a significant gold mineralized zone is developing along the western flank of the North Discovery Trend towards the contact with the Inel intrusion.
1. South Discovery Trend (>400 m) - A 400 m north trending zone was tested over a 200 m strike length by 7 drillholes in 2016 of which four have returned intercepts > 5 g/t Au over 1.0 m. These include INDDH16-003 with 2 m of 24.1 g/t Au and 8.0 m of 9.99 g/t Au, and INDDH16-046 with 3.7 m of 14.59 g/t Au. Broader intervals including INDDH16-046 with 50.0 m of 1.44 g/t Au as well as the entire length of INDDH16-047 returning 159.5 m of 0.59 g/t Au have also been noted. Further drilling is required at depth and along strike to test this trend.

Table 1: Inel 2016 Drillholes 46-53: Significant⁽¹⁾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⁾
INDDH16-046	141.0	39.0	89.0	50.0	1.44			
including		39.0	65.0	26.0	2.13			
including		60.0	62.0	2.0	16.49	0.53	45.30	
and		77.0	89.0	12.0	1.09			
and		113.3	129.0	15.7	3.89		43.92	
including		113.3	117.0	3.7	14.59	0.47	181.35	3.95
INDDH16-047	171.0	11.5	171.0	159.5	0.59			
including		46.0	127.0	81.0	0.87			
including		97.9	125.0	27.1	1.03			
INDDH16-048	129.0	66.0	129.0	63.0	0.95			
INDDH16-049	156.0	92.0	156.0	64.0	2.73			
including		97.0	98.0	1.0	47.60	1.53		
and		118.0	129.0	11.0	4.69			
including		123.0	124.0	1.0	17.25	0.55		
and		126.0	128.0	2.0	10.17	0.33		

and	139.0	140.7	1.7	11.92	0.38	
INDDH16-050	174.0	120.6	126.6	6.0	3.75	2.73
and	136.0	174.0	38.0	0.57		
INDDH16-051	177.0	107.0	177.0	70.0	0.87	
including	159.0	177.0	18.0	1.56		
including	159.0	161.0	2.0	9.93	30.75	8.55
INDDH16-052	330.0	6.0	33.0	27.0	0.93	
and	122.0	133.0	11.0	2.01		
INDDH16-053	159	141.0	159.0	18.0	0.55	

(1) - 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

(2) - *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.*

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

(4) - Silver >30.00 g/t Ag Reported

(5) - Zinc >1% Reported

1. South Inel Creek Trend (> 350 m) - A new 350 m north trending zone was discovered in 2016 and drilled on approximately 50 m section spacings by 12 drillholes of which seven drillholes have returned intercepts > 5 g/t Au over 1.0 m. These include INDDH16-029 with 25.7 m of 9.24 g/t Au including 6.0 m of 32.02 g/t Au and INDDH16-025 with 1.0 m of 138.5 g/t Au. Broader intervals include INDDH16-025 with 99.0 m of 2.11 g/t Au. This new zone requires further testing along strike and at depth to follow up on these significant results.

1. North Inel Creek Trend (>300 m/ Only 2 Holes Drilled in 2016) - A 300 m north trending zone was drilled in the 1980s, INDDH16-012 was collared approximately 100 m south of the historical drilling** with the last 31.7 metres of this drillhole returning 1.36 g/t Au and 1.17 % zinc suggesting that the zone may persist to the west and south of this drillhole.

1. North AK Trend (>150 m / No 2016 Drilling) - A 150 m north trending zone was drilled in the 1980s**. Surface geochemical, geological and geophysical data suggests that the AK mineralized trend may continue to the north and south.

1. South AK Trend (Only 1 Hole Drilled in 2016) -INDDH16-042 located 500 metres to the south of the AK Zone has returned 4.0 m of 16.02 g/t Au from 35-39 m and bottomed in 74.0 m of 1.02 g/tAu from 146.0-220.0 m. This is an area of very limited historical drilling** and a significant mineralized trend could develop.

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/QC Statement on Assay Results

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 Property the reader is directed to the Company's website at www.coloradoresources.com.

About Colorado

[Colorado Resources Ltd.](http://ColoradoResourcesLtd.com) 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.](http://SeabridgeGoldInc.com), 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 Notes

** 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.*

*** Historical information contained in this release, maps or figures regarding the Company's project or adjacent properties cannot be relied upon as the Company's QP, as defined under NI-43-101 has not prepared nor verified the historical information.*

(1) Source: BC Minfile No. 104B-250; Geology of the Snip Mine, and its Relationship to the Magmatic and Deformation History of the Johnny Mountain Area, Northwestern British Columbia, prepared by David Alan Rhys, B.Sc, dated October 1993.

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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