WEST KELOWNA, BRITISH COLUMBIA--(Marketwired - Dec. 19, 2016) - Colorado Resources Ltd. (TSX VENTURE:CXO) ("Colorado" or the "Company") announces the results of ongoing interpretative work of the 2016 Inel drill results in the context of newly reported surface soil geochemical, geological and geophysical data together with historical results.

Adam Travis, Colorado President and CEO states: "Great exploration projects just keep getting better with continued exploration and KSP is no exception. We are underway with the interpretation of the 2016 exploration drill results from Inel with our updated surface work. Our 2016 exploration drill results at Inel correlate well with the surface geochemistry (see Figure 1: http://media3.marketwire.com/docs/cxo1219fig1.pdf). We have also recognized that gold mineralized zones are not restricted to the volcanic/sediment contact as originally thought. Nine other zones, similar in size and gold intensity in soils, occur in the vicinity of the area drilled. These nine target zones plus the area at depth below the 2016 drilling offer significant exploration potential. Geophysical survey results also highlight a number of compelling features that correlate well with the geochemical and geological anomalies. We are also looking forward to advancing our recent acquisition in Nevada, Goldsprings. It will allow us to continue to add shareholder value in a highly prospective terrane in the near term while we await the start of the 2017 drill program at Inel and the further exploration of the 305 km^2 KSP property in the Heart of the Golden Triangle."

2016 Drillholes Tested 1 of 10 Surface Gold in Soil Anomalies & Only to an Average Depth of 125 m.

A review of the 2016 Inel assay data indicates that a total of 5,872 samples were collected from 7,484.5 m of drill core of the total 7,874.5 m drilled. A total of 1,989 samples (31.6% of metres drilled) returned ≥0.25 g/t gold at a length weighted uncut average grade of 1.46 g/t gold, which is a testament to the strength of the mineralizing system. A total of 650 samples (9.9% of the metres drilled) returned ≥1.00 g/t gold at a length weighted uncut average grade of 3.63 g/t gold.

The 2016 drilling tested the central core of the soil geochemical anomaly over a 300 m x 600 m area to an average depth of approximately 125 m from surface. Results from the 2016 drill program were previously reported and have highlighted high grade gold results over 1-4 m lengths and multi-gram gold results over tens of metres (see previous news releases).

The drill results support the validity of the gold in soil anomaly over the area drilled, and provide significant encouragement for future testing the remaining 9 target zones at Inel-Khyber, each highlighted with a well-developed gold in soil anomaly.

Gold Mineralization and Highly Gold Anomalous Zones Occurs in Multiple Host Rocks

When reviewed in the context of the drillhole results and surface geochemistry, it is noted that gold anomalous zones are not restricted to just the main contact between the volcanics and sediments in a semi-conformable nature as originally thought. As a consequence, exploration targets are now known to occur from near surface and to greater depths than anticipated. As well, the mineralization is hosted by a broader range of rock types than initially anticipated.

Mineralization encountered in the sediments is believed to be related to either steeper feeder structures or other favorable structural-chemical traps. These geological signatures are vectoring towards the Inel Intrusion contact in an area which has seen no previous drilling (West Discovery Target).

Surface geochemical anomalies also occur within the Inel Intrusion (Big Bowl and Western Slopes Targets) and overlying sediments upslope and above a volcanic/ sediment contact that has a significant mappable extent (Inel Ridge Target). We are expanding our understanding of the rock types and structures which can host mineralization.

Geochemical - Inel-Khyber Soil Anomaly Indicates 9 More Zones Like Area Drilled

The centre of the Inel soil anomaly area was drill tested with 51 drillholes in 2016 and covers approximately 15 hectares where a total of 111 soils average 0.92 g/t gold, 505 ppm copper and 2,901 ppm zinc (see Figure 1).

The Inel area hosts at least six other targets adjacent to the area drilled in 2016, and these areas range in size from 8-18 hectares and which have returned average gold values in soils from 0.66 g/t to 2.91 g/t gold. Three other targets at Khyber located approximately 1-2 kilometres south of Inel range in size from 5-18 hectares and have returned average gold values from 0.73 to -1.07 g/t gold. Most of the soil or talus fine samples within the anomalies were collected on either 25 or 50 metre sample spacings on lines 100 metres apart. Further details are shown in the following table:

Inel- Khyber Pass Detailed Soil Geochemical Analysis(2)

Average Values						
Area	# Soil Samples	Gold (g/t)	Copper (ppm)	Zinc (ppm)	Size (ha)	# CXO Drillholes
Inel Drill Area Target	111	0.92	505	2901	15	51

Inel Ridge Target	91	2.25	572	4360	11	2
North AK Target	86	2.91	453	1816	18	0
West Discovery Target	105	1.38	555	2346	16	0
Big Bowl Target*	98	0.66	321	601	16	0
Western Slopes Target	90	0.86	499	1029	17	0
Zinc Knob Target	50	1.07	494	2083	8	0
West Khyber Target	56	0.73	284	95	5	1
North Khyber Target**	531	1.07	338	3097	18	5
South Khyber Target***	533	0.88	289	150	15	2

*77/98 samples assayed for copper and zinc, ** 509/531 samples assayed for copper and zinc, ***526/533 samples assayed for copper and zinc

Qualified Person

Dr. Jim Oliver, Ph.D, P. Geo the Company's Chief Geoscientist 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.

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 kms along strike to the southeast of the past producing Snip Mine(3); its 100% owned Kingpin property; its 100% owned North ROK property, located 15 kms northwest of the Red Chris(3) mine development, both located in northern central British Columbia; the Greensprings property (Nevada) currently under option from Ely Gold and Minerals Inc.

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

Adam Travis, President and Chief Executive Officer

Cautionary Notes

(1) Although the nine soil geochemical anomalies outlined are similar to those associated with the historic Inel mineralized zone, it is uncertain if subsequent drill testing of these soil geochemical anomalies will produce similar results.

(2) No external QA/QC was included with the soil samples collected by Colorado, or during the historical soil sampling programs.

(3) 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.*

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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