

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.

[Colorado Resources Ltd.](#) (TSX VENTURE:CXO) ("Colorado" or the "Company") announces it is undertaking a non-brokered private placement comprised of 4,000,000 units of the Company (the "Units") at an issue price of \$0.32 per Unit and 9,000,000 flow-through units (the "Flow-Through Units") at an issue price of \$0.42 per Flow-Through Unit for aggregate gross proceeds of \$5,060,000 (the "Offering").

Each Unit will consist of one common share in the capital of the Company (a "Common Share") and one-half of one non-transferable Common Share purchase warrant (each whole warrant a "Warrant"), with each Warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of \$0.50 for 30 months after the date of issuance (the "Closing Date").

Each Flow-Through Unit will consist of one flow-through common share of the Company that qualifies as a flow-through share for purposes of the *Income Tax Act* (Canada) (a "FT Share") and one-half of one non-transferable non-flow through common share purchase warrant (each whole warrant a "NFT Warrant"). Each NFT Warrant will entitle the holder thereof to purchase one additional common share of the Company (a "NFT Warrant Share") at an exercise price of \$0.50 per NFT Warrant Share for a period of 30 months from the Closing Date.

The Company may pay finder's fees in accordance with the rules and policies of the TSX Venture Exchange (the "Exchange"). The Offering remains subject to the approval of the Exchange. All securities issued in the Offering will be subject to a statutory hold period of four months and a day from the Closing Date of the Offering.

The Company intends to expend the proceeds from the Flow-Through Units for exploration on the Company's Canadian properties, and the proceeds from the Units will be for general working capital purposes.

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 Nevada.

Colorado's main BC exploration projects include the KSP property currently under option with [Seabridge Gold Inc.](#), the 100% owned Kingpin property and the 100% owned North ROK property. Additionally Colorado holds an option on the Green Springs Property (Nevada) from Ely Gold & Minerals Inc.

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

Adam Travis, President and Chief Executive Officer

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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration is available.

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