

WEST KELOWNA, BRITISH COLUMBIA--(Marketwire - May 11, 2017) - [Colorado Resources Ltd.](#) (TSX VENTURE:CXO) ("Colorado" or the "Company") announces it has made the final cash payment of \$150,000 and completed the initial exploration expenditures of \$6,000,000 at KSP; more than 6 months ahead of schedule. This will satisfy its agreement with [SnipGold Corp.](#) (a wholly owned subsidiary of [Seabridge Gold Inc.](#)) to earn its initial 51% interest in the KSP Property.

Colorado has also completed its detailed review of the 2016 exploration drill results in the context of updated geological, geochemical and geophysical data. As a result the Board has approved a 2017 exploration budget of \$4,000,000 to complete approximately 7,500 m of drilling, which is expected to commence in early July. This exploration program is anticipated to satisfy the \$4,000,000 in exploration expenditures required to earn an additional 29% (the "29% Additional Interest"), bringing Colorado's interest to 80% in KSP.

A review of the 2016 geochemical data when referenced to last year's drill program has shown that there are at least 10 soil geochemical anomalies of similar size and strength in the Inel-Khyber area (see News Release dated December 19, 2016 and Table 1) of which only one was tested by our 2016 drill program to shallow depths of approximately 125 m.

To view Table 1 please click on the following link: <http://media3.marketwire.com/docs/CXO0511table.pdf>

Reviews of geological and geochemical data along with new geophysical Induced Polarization (I.P.) and Magnetic data have recently been completed and are showing some very compelling targets at depth and along strike of our 2016 drilling (see Figures 1 & 2). A three dimensional plot of simplified geology and gold in soil anomalies on surface underlain by the I.P. chargeability model shows the spatial relationships and good correlation between gold intercepts in drilling and the currently interpreted chargeable areas*.

To view Figures 1 & 2 please click on the following link: <http://media3.marketwire.com/docs/CXO0511Fig1-2.pdf>

Adam Travis, Colorado President and CEO states, *"Colorado was fortunate to option KSP during the exploration downturn in 2013 and is now well positioned to control one of BC's best and largest (>302 km²) exploration projects. Our team has done an impressive job of consolidating this large land package, making new discoveries, completing the collection of nearly 5,000 rock and soil samples and drilling 65 drillholes over the last 3 years. Along with government geologists, we have recognized that KSP has strong structural, lithologic and alteration characteristics which are closely analogous to similar features at the KSM** and Brucejack Camps** located 30 kilometres to the east. The KSP Property also offers district scale potential in an area that has newly developed roads, powerlines and run-of-river power plants. Although the Inel area covers <10% of our KSP Property it is already showing significant potential with more than half of our 2016 drillholes returning significant gold grades (see Table 1). Our 2016 drilling also demonstrated that gold mineralization is not only restricted to the volcanic-sediment contact as previously thought, but is also found within the underlying sedimentary rocks, thus opening up a considerably larger target area. The current geological, geochemical data and geophysical models are also suggesting that the known mineralization outlined over a 400 m x 600 m area in our 2016 drilling is perhaps only a small portion of a much larger system."*

The main area of focus for the 2017 drill program will be a 500 m x 750 m area to the west of the 2016 drilling and a 250 m x 500 m area to the north of the 2016 drilling. Many of the 2016 drillholes ended in mineralization near the margins of these areas and were overlain by very strong gold in soil anomalies, were associated with permissive geology, and were also spatially related to magnetic and chargeability features.

Upon the successful completion of the \$4,000,000 KSP exploration program and exercise of the 29% Additional Interest, an 80:20 joint venture agreement between Colorado and Seabridge will be formed.

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

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 reviewed the 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 Nevada. Colorado's main BC exploration projects include the KSP property currently under option with [Seabridge Gold Inc.](#), the 100% owned Kingpin property, the 100% owned North ROK (ROK-Coyote) property and the 100% owned Kinaskan (Castle) 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

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Cautionary Notes

** The chargeability anomaly illustrated on Figure 2, is a reflection of certain petrophysical characteristics of the rocks in the Inel area. These characteristics may be independent of base and precious metals mineralization.*

*** 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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