

WEST KELOWNA, BRITISH COLUMBIA--(Marketwire - Feb 29, 2016) - [Colorado Resources Ltd.](#) (TSX VENTURE: CXO) ("Colorado" or the "Company") announces an update on the KSP Property under option from [SnipGold Corp.](#) (see News Release dated December 20, 2013). Colorado's compilation and reporting over the winter months highlighted not only the new discoveries of porphyry copper-gold style mineralization at the Tami and Pins Zones (see news releases dated October 7 & 8, 2015) but also the high grade gold targets at Inel.

1.27 g/t Average Gold in Soil Anomaly Over 1.5 km² at Inel

At Inel, a compilation of 1,215 soil samples (492 taken by CXO) in a 8.5 km² area averaged 800 ppb gold and also highlighted a 1,000m x 1,500m area with 628 soil samples averaging 1,270 ppb gold (1.27 g/t gold) with a maximum value of 31,200 ppb gold (31.2 g/t gold). This 1.5 km² anomalous gold in soil area is considerably larger than the areas tested by previous drillholes (Discovery Zone 0.35 km² and AK Zone 0.25 km²). In many instances strong gold in soil anomalies occur > 500m from, and often uphill of, historical drilling (see Figure 1: <http://media3.marketwire.com/docs/CXO0229.pdf>).

Colorado's Geological Compilation Confirms Three Favorable > 1 km Trends

Colorado's surface geological work and review of historical drill logs indicate that in the Inel area there are at least three north trending > 1km long, gently dipping, stacked target zones within the 1.5 km² Inel soil anomaly that are associated with the margins of mafic intrusions. Other, as of yet unidentified trends are likely to occur that would explain the gold in soil anomalies upslope of known mineralization.

Significant Historical Drilling Results- Only 1/4 of Favorable Trends Tested

Historical drilling at Inel was completed from 1984-1991 and consisted of both small AQ and BQ sized underground and surface drillholes with only approximately 40% of the drillcore sampled. A review of these drill hole results in the context of new geological understanding, indicates that the favorable trends have only been drill tested over approximately one quarter of their combined +3 km prospective strike lengths. Significant results were historically encountered such as drillhole IS130 returning 423.8 g/t gold over 3.5m at the Inel Creek Zone, drillhole IS116 returning 20.9 g/t gold over 7.4m at the AK Zone and drillhole IU040 returning 30.3 g/t gold over 4.0m at the Discovery Zone*.

Compelling Drill Targets- 5,000m Drill Program Planned

Based on Colorado's surface geological work it is now understood that these historical high grade gold drill intercepts are located along mineralized intrusive-sediment contacts, which have good strike continuity. The presence of at least three laterally continuous intrusive bodies which are spatially associated with these large (>1.25 km²) gold in soil anomalies provides a number of compelling near surface drill targets. Colorado plans a 5,000m larger NQ sized diamond drill program to commence this summer.

Qualified Person

Greg Dawson, P. Geo is the Qualified Person as defined by National Instrument 43-101 who supervised the preparation of the technical data discussed in this news release.

** Cautionary Note*

Previous exploration over a 8.5 km² area at Inel includes over 190 historic drillholes, 6,500m of drillcore assays, 723 soil samples and 1100 rock chip, channel and grab samples. These samples were collected prior to the Company's involvement and have not been independently verified. The Company has collected 135m of drillcore assays on the un-sampled historical drillcore, 492 soil samples and 400 rock chip, channel and grab samples in the area which generally confirm these previous exploration results. The historical drill intercepts quoted represent core lengths and there has been insufficient exploration to date to indicate whether or not they may represent the true thicknesses of the mineralized intervals. *The KSP project is an early-stage target conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.*

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.

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Contact

[Colorado Resources Ltd.](#)

Adam Travis
President and Chief Executive Officer
(250) 768-1511 or Toll Free: 1 (855) 768-1511

[Colorado Resources Ltd.](#)

Terese Gieselman
Chief Financial Officer
(250) 768-1511 or Toll Free: 1 (855) 768-1511
(250) 768-0849

www.coloradoresources.com