

WEST KELOWNA, BRITISH COLUMBIA--(Marketwired - Feb 6, 2017) - [Colorado Resources Ltd.](#) (TSX VENTURE:CXO) ("Colorado" or the "Company") announces it has entered into a purchase agreement, (the "Agreement") with [Kaizen Discovery Inc.](#) ("Kaizen") (TSX VENTURE:KZD) to acquire a 100% interest in the Castle gold-silver-copper property (the "Castle Property")

The Castle Property is located 25 km northwest of Imperial Metals Red Chris<sup>1</sup> mine development and within a district which hosts several significant gold-copper mines<sup>1</sup> and occurrences including Red Chris, North Rok<sup>3</sup>, GJ<sup>1</sup>, Quash<sup>1</sup>, Saddle<sup>1</sup>, and Spectrum<sup>1</sup>, (see Figure 1). The Castle property is also surrounded on three sides by Colorado's Kinaskan property.

Previous work at the Castle<sup>2</sup> focused on the western side of the property and included the completion of 21 diamond drillholes (4,805 m) between 1988 and 2013.

The mineralization at Castle is associated with an east-west striking structural and intrusive corridor that is spatially related to a 150 m x 1500 m long copper and gold soil anomaly, a coincident magnetic anomaly and an IP chargeability high.

Gold - copper mineralization noted to date includes both broad porphyry style and higher grade vein styles, such as:

- DDH CA 13-01 with 274 m of 0.102% Cu and 0.283 g/t Au
- DDH CA 13 - 03 with 4 m of 2.14% Cu, 4.88 g/t Au, and 73.2 g/t Ag contained within a 174 m interval of 0.106% Cu and 0.466 g/t Au<sup>4</sup>

The historic data<sup>2</sup> suggests that the gold-copper mineralization at the Castle is open, and potentially strengthening, to the east, over a distance of 4.4 km to the property boundary towards the GT Gold<sup>1</sup>, Saddle Zone discovery. This area has seen the lowest density of historical drill testing.

Adam Travis, Colorado President and CEO states, *"We are pleased to have Kaizen as a shareholder and to have the opportunity to advance the already significant historical results at the Castle Property. We believe that our technical team, with their extensive experience in this belt, and in particular with the successful North Rok porphyry copper-gold project, is strongly positioned to rapidly advance the Castle Property during the 2017 field season."*

#### The Agreement

Under the terms of the agreement, Colorado may acquire a 100% interest in the property, subject to a 2% percent NSR to the underlying original vendor (the "Original Vendor NSR") for the following consideration:

1. 1,000, 000 units of Colorado ("Consideration Units") to be issued to Kaizen within 5 days of the TSX Venture Exchange ("Exchange") approval. Each Consideration Unit will consist of one common share and one common share purchase warrant (a "Warrant"). Each Warrant will entitle Kaizen to purchase a further common share at a purchase price of \$0.60 per share for a period of 24 months.

The Company has the option to purchase the Original Vendor NSR for CDN\$4,000,000. The Consideration Shares issued in connection with the agreement will be subject to a four month hold period. The Agreement remains subject to regulatory approval.

#### 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 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 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; the Green Springs Property (Nevada) currently under option from Ely Gold & Minerals Inc.

ON BEHALF OF THE BOARD OF DIRECTORS OF

Adam Travis, President and Chief Executive Officer

*Cautionary Notes<sup>1</sup> - 4 New Release and Figures*

<sup>1</sup> 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.

<sup>2</sup> Historical information contained in this news releases maps or figures regarding the Company's project or adjacent properties are repeated for historical reference only and cannot be relied upon as the Company's QP, as defined under NI-43-101 has not prepared nor verified the historical information.

<sup>3</sup> Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.

<sup>4</sup> All drill intercepts are drill indicated lengths. Insufficient technical information exists to demonstrate the true widths of these intersections.

*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](http://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.

Contact

[Colorado Resources Ltd.](http://ColoradoResourcesLtd.)

Alex Blanchard

VP Corporate Development

T: (250) 768-1511 or TF (855) 768-1511

(250) 768-0849

[www.coloradoresources.com](http://www.coloradoresources.com)