

WEST KELOWNA, BRITISH COLUMBIA--(Marketwired - Dec 6, 2016) - [Colorado Resources Ltd.](#) (TSX VENTURE:CXO) ("Colorado" or the "Company") announces it has entered into a definitive option agreement with Ely Gold and Minerals Inc. ("ELY") (TSX VENTURE:ELY) (the "Option") through their respective wholly owned U.S subsidiaries to acquire a 100% interest (subject to underlying royalties not to exceed 3%) in the Green Springs Property, located in eastern Nevada.

Adam Travis, Colorado President and CEO states; "The Green Springs acquisition provides us with a year round exploration opportunity in the top gold mining jurisdiction in the world, adding to our portfolio of significant holdings in the Golden Triangle of northwestern B.C. We have the opportunity during the winter and early spring prior to our 2017 B.C. field season to drill test along strike and beneath a past producing mine*, that has seen little modern day exploration since mining occurred in the late 1980's. Potentially higher grade feeder structures in the underlying Pilot shale, which have been recognized as important hosts elsewhere in Nevada also provide a compelling target. Numerous jasperoid bodies to the east of the historical mining location have returned > 1 g/t gold* from surface samples and have never been drill tested. Field due diligence work is ongoing and we can quickly transition from surface work into initial drill testing as soon as permitting allows."

The Green Springs Property consist of 193 unpatented claims (1,416.2 hectares) held or under option by ELY (the "Green Springs Property") and is located in the eastern Great Basin approximately 50 miles south of Kinross 's Bald Mountain/Alligator Ridge Mine** and 35 miles west of Ely Nevada. It is a classic Carlin-style gold system that represents part of a growing number of Carlin-type systems and new discoveries located outside the main Carlin and Cortez camps in largely underexplored parts of Nevada.

From 1988- 1990 U.S Minerals Exploration Company ("USMX") mined 1.1 million tons at an average grade of 2.1 g/t gold at a 0.7 g/t Au cut-off from three shallow pits at Green Springs with heap leach recoveries estimated at 80 %***. Mining occurred at shallow depths (typically <30 m) from the Lower Chainman shale formation. At least three other zones were left un-mined when in 1988 USMX elected to move their mining operations.

Green Springs sat idle from 1990 with only minor surface programs completed between 2004 and 2008, until it was acquired by Ely Gold in 2013. Ely later consolidated holdings in the district by acquiring surrounding ground held by Bronco Creek Exploration Inc. (a subsidiary of [Eurasian Minerals Inc.](#)) and completed an Environmental Assessment ("EA") over 324.2 hectares of the Property. This EA will allow exploration and drillhole permitting to be expedited in the main areas of interest. In 2015 Ely Gold completed 14 reverse circulation ("RC") holes totaling 2,065 metres with 8 out of 14 drillholes returning > 1 g/t gold intercepts. Drillhole GS15-06 drilled in the un-mined "E Zone" returned 41.1 m of 4.57 g/t Au and bottomed in 1.52 metres of 1.66 g/t Au (at depth of 105.2 metres)*. This hole has never been followed up.

See Ely Gold website at <https://elygoldinc.com/properties/green-springs-project>.

The Option

Pursuant to the terms of the Option subject to TSX Venture Exchange ("Exchange") approval, ELY has granted the exclusive option to Colorado to acquire ELY's 100% interest in and to the Green Springs Property by making the following payments and share issuances over 4 years:

- Initial - US\$50,000 cash and the issuance of 300,000 common shares upon Exchange approval;
- Year 1 - US\$100,000 cash and the issuance of 500,000 common shares;
- Year 2 - US\$200,000 cash and the issuance of 600,000 common shares;
- Year 3 - US\$400,000 cash and the issuance of 850,000 common shares; and
- Year 4 - US\$2,250,000 cash (the "Final Option Payment"). Colorado may at its election make the Final Option Payment 50% cash and 50% common shares based on a 30 day VWAP.

There are no work commitments or additional expenditures required other than Colorado's obligation to maintain the underlying agreements and claim maintenance fees per year of approximately US\$50k.

Upon Exchange approval and the satisfaction of customary closing conditions the transaction is anticipated to close within 5 days of Exchange approval.

Qualified Person

Dr. Jim Oliver, Ph.D, P. Geo 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 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.

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

Adam Travis, President and Chief Executive Officer

Cautionary Note

**Historical information contained in this release cannot be relied upon as the Company's QP, as defined under NI-43-101 has not prepared nor verified the historical information and are treated as historical exploration information*

***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.*

****Sourced from: Wilson, et al, 1991. Geology and Geochemistry of the Green Springs Gold Mine, White Pine County, Nevada in Raines, GL, Lisle, RE, Schafer, RW and Wilkinson, WH, eds. Geology and ore deposits of the Great Basin - Symposium proceedings: Reno, Geological Society of Nevada, p. 687-700.*

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.

Contact

[Colorado Resources Ltd.](#)

Adam Travis
President and Chief Executive Officer

[Colorado Resources Ltd.](#)

Alex Blanchard
Vice President Corporate Development
(250) 768-1511
(250) 768-0849
TF (855) 768-1511
www.coloradoresources.com