



Colorado Resources Ltd.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED**

MARCH 31, 2017

COLORADO RESOURCES LTD.
Management's Discussion And Analysis
FOR THE YEAR ENDED MARCH 31, 2017

Introduction

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Colorado Resources Ltd. (the "Company") as at March 31, 2017 and for the year then ended in comparison to the same year ended in 2016. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2017 and March 31, 2016 and related notes (the "Annual Statements").

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated. The effective date of this MD&A is July 21, 2017.

Throughout the report we refer to "Colorado", the "Company", "we", "us", "our" or "its". All these terms are used in respect of Colorado Resources Ltd. **Additional information on the Company can be found on SEDAR at www.sedar.com and the Company's website at www.coloradoresources.com.**

Cautionary Statement on Forward-Looking Information

This report contains "forward-looking statements", including the Company's expectations as to but not limited to, comments regarding the timing and content of upcoming work programs and exploration budgets, geological interpretations, receipt of property titles, and potential mineral recovery processes. Forward-looking statements express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. The material factors and assumptions used to develop the forward-looking statements and forward looking information contained in this MD&A include the following: our approved budgets, exploration and assay results, results of the Company's planned exploration expenditure programs, estimated drilling success rates and other prospects. Due to the nature of the mineral resource industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Company. Accordingly, while the Company anticipates that it will have the ability to spend the funds available to it, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and Colorado assumes no obligation to update forward-looking information in light of actual events or results.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, factors associated with fluctuations in the market price of minerals, mining industry risks and hazards, environmental risks and hazards, economic and political events affecting metal supply and demand, uncertainty as to calculation of mineral reserves and resources, requirement of additional financing, and other risks. Actual results may differ materially from those currently anticipated in such statements.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Overview Performance and Operations

Colorado Resources Ltd. was incorporated on October 9, 2009 under the *Business Corporations Act* (British Columbia).

The Company is a "reporting" company in the provinces of British Columbia, Alberta and Ontario and is listed on the TSX Venture Exchange (the "Exchange"), having the symbol CXO.V as a Tier 1 issuer.

The Company is in the exploration stage and its principal business activities include the acquisition, exploration and development of mineral properties. As a result the Company has no current sources of revenue, other than interest earned on cash and short-term investments, and in certain farm-out agreements management fees.

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The Company's principal assets include the North ROK, Hit, Heart Peaks, Castle, KingPin and an option to acquire up to an 80% interest in the KSP Property all located in British Columbia. Additionally the Company recently entered into an option to acquire a 100% interest in the Green Springs Property located in Nevada, USA.

Cautionary Notes

**Readers are cautioned that the exploration targets at the Company's British Columbia properties are early-stage exploration prospects and conceptual in nature. With the exception of the North ROK Property, 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. (See Company website for further details on North ROK).*

***Readers are cautioned this report 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.*

Qualified Person

James Oliver, P.Geo., the Company's Chief Geoscientist, is the Qualified Person as defined by National Instrument 43-101 who supervised the preparation of the technical data discussed in this report.

Exploration Activities 2016 - 2017 Field Season

British Columbia

KSP Property

The Company has an option (the "KSP Option") to acquire up to an 80% interest in the KSP Property, located approximately 100 kilometres northwest of Stewart in northern British Columbia, with SnipGold Corp. ("SnipGold"), a wholly owned subsidiary of Seabridge Gold Inc. ("Seabridge").

On May 10, 2017 the Company made the final cash payment of \$150,000 and completed the initial exploration expenditures of \$6,000,000 at KSP to satisfy its agreement with SnipGold to earn its initial 51% interest in the KSP Property.

Additionally, Colorado 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 approved a 2017 exploration budget of \$4,000,000 to complete approximately 7,500 m of drilling, which commenced on July 4, 2017.

The 2017 program is focused on the Inel target and is anticipated to be completed by the end of August 2017, which will satisfy the agreement requirements with SnipGold to earn an additional 29% to bring the Company's interest to 80%.

Detailed reviews of the geological, geochemical and geophysical data in the context of last year's significant drill results have resulted in the selection of more than 20 drill sites at Inel of which multiple holes may be drilled from each site. Many of this year's drillholes will be longer (up to 350 m) in order to test down dip of the relatively shallow mineralization encountered in the 2016 drill program (see News Releases dated May 11, 2017 and July 10, 2017).

KSP 2016 Field Season

During Q3 – December 31, 2016, the Company reported the results of ongoing interpretative work of the KSP 2016 Inel drill results in the context of newly reported surface soil geochemical, geological and geophysical data together with historical results which have identified nine additional target zones at Inel¹.

A review of the 2016 Inel assay data indicates that a total of 5,872 samples were collected from 7,484.5 m of drill core of the total 7,874.5 m drilled. A total of 1,989 samples (31.6% of metres drilled) returned ≥ 0.25 g/t gold at a length weighted uncut average grade of 1.46 g/t gold, which is a testament to the strength of the mineralizing system. A total of 650 samples (9.9% of the metres drilled) returned ≥ 1.00 g/t gold at a length weighted uncut average grade of 3.63 g/t gold.

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The 2016 drilling tested the central core of the soil geochemical anomaly over a 300 m x 600 m area to an average depth of approximately 125 m from surface. Results from the 2016 drill program were previously reported and have highlighted high grade gold results over 1-4 m lengths and multi-gram gold results over tens of metres (*See Company website and news releases for further details*). The drill results support the validity of the gold in soil anomaly over the area drilled, and provide significant encouragement for future testing of the remaining 9 target zones at Inel-Khyber, each highlighted by a well-developed gold in soil anomaly.

¹ Although the nine soil geochemical anomalies outlined are similar to those associated with the historic Inel mineralized zone, it is uncertain if subsequent drill testing of these soil geochemical anomalies will produce similar results.

Recent drilling has expanded the Company's our understanding of the rock types and structures that can host mineralization. When reviewed in the context of the drillhole results and surface geochemistry, it is noted that gold anomalous zones are not restricted to just the main contact between the volcanics and sediments in a semi-conformable nature as originally thought. As a consequence, exploration targets are now known to occur from near surface and to greater depths than anticipated. As well, the mineralization is hosted by a broader range of rock types than initially anticipated.

Mineralization encountered in the sediments is believed to be related to either steeper feeder structures or other favorable structural-chemical traps. These geological signatures are vectoring towards the Inel Intrusion contact in an area which has seen no previous drilling (West Discovery Target).

Surface geochemical anomalies also occur within the Inel Intrusion (Big Bowl and Western Slopes Targets) and overlying sediments upslope and above a volcanic/sediment contact that has a significant mappable extent (Inel Ridge Target).

The centre of the Inel soil anomaly area was drill tested with 51 drillholes in 2016 and covers approximately 15 hectares within which a total of 111 soils average 0.92 g/t gold, 505 ppm copper and 2,901 ppm zinc (*See News Release of December 20, 2016 and Company website for figures*).

The Inel area hosts at least six other targets adjacent to the area drilled in 2016, and these target areas, ranging in size from 8-18 hectares, have returned average gold values in soils from 0.66 g/t to 2.91 g/t gold. Three other targets at Khyber, located approximately 1-2 kilometres south of Inel, range in size from 5-18 hectares and have returned average gold values from 0.73 to 1.07 g/t gold. Most of the soil or talus fine samples within the anomalies were collected on either 25 or 50 metre sample spacings on lines 100 metres apart. (*See news release of December 20, 2016 and Company website for further details*).

As at March 31, 2017, the Company has incurred \$5,357,595 net of BCMET recoveries (March 31, 2016 - \$1,535,788) for acquisition and explorations costs.

Outlook

Colorado's focus will be to complete the 2017 exploration program with a budget of \$4M to earn the additional 29% interest for a total interest of 80% in the KSP Property.

For more information on the KSP Project the reader is directed to the Company's website at www.coloradoresources.com.

KingPin Property

During the year ended March 31, 2017 the Company acquired a 100% interest in several mineral claims located in the Golden Triangle area in northwestern British Columbia through staking (collectively referred to as the "KingPin Property").

During the 2016 field season the Company completed initial assessment work required at the KingPin Property which included 47 man days of prospecting, exploration mapping and rock (161 samples), and soil (129 samples) sampling for approximately \$89,708 in exploration costs.

As at March 31, 2017 the Company has incurred \$225,587 net of BCMET recoveries (March 31, 2016 - \$Nil) in acquisition and explorations costs.

Outlook

The Kingpin Property covers >328 square kilometres of prospective ground in the Golden Triangle area north of Stewart. This first pass work as described herein above, although preliminary in nature, has given the Colorado exploration team a better understanding of the region. The technical team will be reviewing the 2016 data and proposing work for the 2017 field season.

North ROK Property

The North ROK property is 100% owned subject to certain net smelter return royalties and is located approximately 70 kilometres south of Dease Lake and straddles Highway 37 approximately 15 kilometres northwest of the new Red Chris property** in northern British Columbia.

On March 14, 2017, pursuant to a purchase agreement with Firesteel Resources Inc. ("Firesteel"), the Company acquired the ROK-COYOTE Property.

The ROK-COYOTE property occurs immediately south and east on trend of Colorado's North ROK property and immediately north and west of Imperial Metals' Red Chris property**. The combined property expands the prospective strike along the North ROK porphyry trend south easterly towards the border with Imperial Metals' Red Chris** property.

The ROK- COYOTE porphyry copper – gold prospect has been intermittently explored since the late 1960's. Work on the ROK portion of the property over the years 1976 – 1991 included geological mapping, geochemical surveys, grid-based geophysics (magnetics, IP, and VLF-EM), surface trenching (18 trenches totalling 1,184 m in length), 5 percussion drill holes totaling 293 m and a total of 1,533.7 m of diamond drilling in 17 holes. Work was concentrated on the Main and South Zone targets where trenching in 1990 returned values of 0.45% copper and 0.38 g/t gold over 114 m and diamond drilling in 1990 returned 1.03% copper and 1.54g/t gold over 38.37 m⁴.

Little exploration was carried out from 1992-2013. Exploration activity increased in the area with the discovery of the North ROK porphyry in 2013. Five diamond drillholes (2582.15 m), an airborne magnetic survey and ground based I.P Surveys were completed in 2013 and 2014. The 2013 and 2014 drilling consisted of deep (up to 749 m) near vertical conceptual drillholes. This drilling did not test the obvious targets on trend of North ROK.

A review of the historic geophysical data² suggests that the North ROK sulphide system trends onto the ROK-Coyote Property for at least 1.2 km nearly doubling the immediate prospective strike. A number of other magnetic and induced polarization anomalies are noted along other separate historical grids and have not been drill tested.

Under the terms of the agreement, Colorado acquired a 100% interest in the property, subject to underlying 2% NSR agreements to the underlying arm's length and non-arm's length original vendors (the "Original Vendors' NSR") for the following consideration:

- 1,500,000 units of Colorado ("Consideration Units") were issued to Firesteel. Each Consideration Unit consists of one common share and one common share purchase warrant (a "Warrant"). Each Warrant entitles Firesteel to purchase a further common share at a purchase price of \$0.45 per share for a period of 24 months.

The Underlying Vendors' NSR includes a 2% NSR agreement with arms-length parties on 3 claims ("ROK NSR"). The ROK NSR can be extinguished in its entirety for the purchase price of \$2M. The Underlying Vendors' NSR also includes an agreement with arm's length and non-arm's length parties for a 2% NSR on 16 claims ("Real McCoy and Coyote NSR") of which 1% of the Real McCoy and Coyote NSR can be purchased for an aggregate \$2M. Adam Travis, President and CEO of Colorado, holds a 50% interest in the Real McCoy & Coyote NSR.

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North ROK 2016 – 2017 Field Season

During the 2017 field season field crews were mobilized in June 2017 at the expanded North ROK Property and recently completed a targeted soil survey, prospecting and geological mapping. Colorado's technical group is using the invaluable experience gained from the North ROK porphyry discovery to further guide and assess the potential of the adjacent and newly acquired ROK-Coyote property. The acquisition of the ROK-Coyote Property has increased the prospective area at North ROK from approximately 1,000 hectares to over 4,000 hectares and provides Colorado control over the majority of the prospective ground between Imperial Metals Red Chris Mine* and the North ROK porphyry discovery (see News Release dated March 13, 2017).

A total of 2,208 soil samples and 159 rock samples were collected during this program and geologic mapping not only increased the known size of the Mabon intrusion but also identified more than ten separate areas of copper mineralization associated with the eastern contact of the Mabon stock and other intrusive dyke rocks which were not previously recognized on the original ROK-Coyote Property. Assay results from this sampling program are anticipated within the next month.

As at March 31, 2017, the Company has incurred \$5,493,785 net of BCMET recoveries (March 31, 2016 - \$4,866,818) in acquisition and exploration costs.

Outlook

Colorado Resources' technical team has prepared a Phase I program with a budget of \$845,000 to complete a 2500 metre five-hole drill program to test for the potential expansion of the known resource. The initial work has been completed in preparation of this program. Upon completion of the KSP program, as described herein, the Company will review the timing and implementation of the program at that time.

Hit Property

The Hit property is owned 100% by Colorado and is located approximately 27 km north of Princeton, British Columbia.

Outlook

During the 2016 field season the Company completed assessment work including 16 rock samples which contained no significant metal values. As at March 31, 2017 the Company has incurred, \$1,369,318 net of BCMET recoveries (March 31, 2016 - \$1,364,507) in acquisition and exploration costs.

Colorado's technical team has proposed a further \$100,000 budget of follow up geological and geophysical work in the north-west Golden area as well as full detailed mapping of the Rum & Coke and Hit trends to identify possible drill targets. Implementation of this proposed program and further work will be dependent on the Company raising additional funds over and above its KSP exploration program as described herein to complete same.

Heart Peaks

The Heart Peaks Property ("HP Property") was acquired by staking 37 contiguous mineral tenures in the Atlin Mining Division, British Columbia.

As previously reported Colorado had optioned the HP Property to Centerra Gold Inc. ("Centerra") whereby Centerra could earn a 70% interest through making exploration expenditures totaling \$8,000,000 by December 31, 2019 (the "Centerra Option"). Centerra completed 1,703m diamond drill program for approximately \$1.1M (*See Company website for details on results*). On October 3, 2016, pursuant to the terms of the Centerra Option, Centerra provided written notice of its decision to terminate the Option effective October 3, 2016.

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Impairment

During the year ended March 31, 2017, the Company elected to prioritize certain assets given the commitment of funds to KSP for its 2017 – 2018 field season and with the termination of the Centerra Option, the Company has elected to write-down the Heart Peaks property in the amount of \$1,208,670. The impairment was done in accordance with level 3 of the fair value hierarchy.

Outlook

The Heart Peaks claims remain in good standing for 7 – 10 years wherein several targets remain untested. The Company's technical team has prepared a proposed program to test these targets, the implementation of this proposed program and timing will be dependent on the Company's completion of its KSP exploration program and the additional funds required to complete the program.

Castle Property

On February 3, 2017 Colorado entered into an option agreement with Kaizen Discovery Inc. ("Kaizen") to acquire a 100% interest in the Castle gold-silver-copper property (the "Castle Property") subject to a 2% NSR to the underlying original vendor (the "Original Vendor NSR") for the following consideration:

- 1,000,000 units of Colorado ("Consideration Units") issued to Kaizen. Each Consideration Unit consists of one common share and one common share purchase warrant (a "Warrant"). Each Warrant entitles 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.

As at March 31, 2017 the Company has incurred \$446,574 net of BCMET recoveries (March 31, 2016 - \$Nil) in acquisition and exploration costs.

Outlook

Colorado's technical team has proposed a \$400,000 budget for the 2017 field seasons to include geological and geophysical work and detailed mapping to identify possible drill targets. Implementation of this proposed program and timing will be dependent on the Company's completion of its KSP exploration program as described herein.

USA

Nevada

Green Springs

On December 6, 2016, Colorado entered into a definitive agreement with Ely Gold & Minerals Inc. ("ELY") wherein 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 (paid) and the issuance of 300,000 common shares (issued) upon Exchange approval (*received on December 13, 2016*);
- Year 1 Anniversary - US\$100,000 cash and the issuance of 500,000 common shares;
- Year 2 Anniversary - US\$200,000 cash and the issuance of 600,000 common shares;
- Year 3 Anniversary - US\$400,000 cash and the issuance of 850,000 common shares; and
- Year 4 Anniversary - 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 (subject to a floor price of \$0.20 per share).

During December 2016 Colorado completed geological mapping, collected 642 soil samples, and made applications to update the existing permits in preparation for an initial RC drill program. Previous soil

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sampling¹ at Green Springs highlighted a number of significant trends associated with the old pits and also in areas upslope and as far away as 3 km to the northeast of the pits at the "A" Zone North (untested by drilling). The Mine Trend is a 3 km long by approximately 500 m wide north-south trending corridor which covers the main areas of previous sampling, drilling and limited mining. Within this trend gold in soil anomalies (> 50 ppb gold) were noted upslope of the "C" and "C North" pits (untested by drilling) and to the east and southeast of the "D" pit (partially tested by drilling).

These results are already highlighting and expanding the "D" Zone East (a 350 m x 650 m area > 50 ppb gold) upslope and to the east of the "D" pit and the new discovery of the "G" Zone (a 200 m x 200 m area >50 ppb gold which, prior to February 2017, was untested by drilling) located 1.3 km to the east of the "C" pit. No work has been completed so far by Colorado in the vicinity of the "A" Zone North (a 200 m x 500 m area > 50 ppb gold).

The Company received from the U.S. Forest Service the updated drill permits and commenced RC drilling on February 13, 2017 for an initial 4,000 ft phase which consisted of approximately 10 holes (*See New Release dated April 4, 2017 and the Company's website for further detailed information on results and figures.*) The drill program has two principal goals:

1. To test the nature of gold mineralization at the lower Chainmen Shale – Joana Limestone contact south of the historic mine workings and along the trend of a north-south striking structural corridor. This productive contact was exploited at the Green Spring mine where 1.1 million tons of rock averaging 2.1 g/t Au¹ was produced; and
2. To test the nature of gold mineralization associated with the lower Pilot Shale – Guilmette Limestone contact. This contact is well exposed to the north and to the east of the mine workings and is associated with jasperoid bodies which both historic¹ RC boreholes and surface rock samples had demonstrated to be significantly gold mineralized. The Colorado RC program is designed to test both of these permissive stratigraphic and structural contacts over a combined strike length of approximately 3.0 km.

Cautionary Notes

¹*No external QA/QC was included with the soil samples collected by Colorado, or during the historical soil sampling programs.*

²*Historical information contained in this section regarding Green Springs 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*

During the month of May 2017, a total of 1,067 soil samples were collected along with 6.3 line kilometres of IP Chargeability and Resistivity Geophysical Surveys and 15 km² of geological mapping were completed at Green Springs. The revised and improved technical data will be used to facilitate the siting of future drilling (see News Release dated April 4, 2017).

The geophysical survey was conducted over the "E" Zone area to follow up on the results of RC Drillhole GSC17-01 (25 feet of 9.75 g/t Au^{**}) to help determine possible geophysical signatures to the known mineralization located under cover. Interestingly, the known mineralization appears to correlate with a north-northwest trending >300 m long resistivity break and >500 m long silver in soil anomaly.

Geological mapping and further soil sampling was also focused in the "A" Zone and "A" Zone North areas. Previous RC drill results in the A Zone include GSC17-05 with 130 feet of 1.07 g/t Au, GSC17-06 with 80 feet of 1.75 g/t Au and GSC17-08 with 125 feet of 1.37 g/t Au^{**}. These drillholes targeted the underlying Pilot Shale, opposed to the Chainman Shale, which was mined by previous operators. Twelve BLEG (bulk leachable extractable gold) samples from the Pilot Shale indicated variable gold recoveries in the Pilot shale in this area which will require further investigation.

A large area (200m x 800m) of Chainman Shale is also noted in the "A" Zone area associated with jasperoid bodies and soil geochemical anomalies and has only been tested by two previous historical drillholes and will form the priority target in this area. In the "A" Zone North area a large prospective zone (350m x 500m)

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of Pilot Shale has been outlined by geological mapping and anomalous gold and silver in soil geochemistry and this target has never been drill tested. This updated work will form the basis for the selection and subsequent permitting of future drilling.

QA/QC statement on Soil Assay Results

The 2017 samples from the Green Springs Project were analyzed by Actlabs Kamloops, British Columbia. Samples were prepared by the S1 method, drying (60° C) and sieving (-80 mesh), save all portions. Base metal assays were first determined using the total digestion ICP and ICP/MS UT-1 method, which reports results as parts per million (ppm). The gold assays were determined using the 1A2 fire assay method which reports results in ppm and are equivalent to grams per tonne (g/t). Any samples returning greater than 10 ppm gold were analyzed by the 1A3 fire assay method with a gravimetric finish. Twenty two samples were run for bulk leachable gold using Actlabs 1A6 BLEG analytical procedure. The analytical results were verified with the application of industry standard Quality Assurance and Quality Control (QA-QC) procedures.

For more information on the KSP, Green Springs or North ROK Projects the reader is directed to the Company's website at www.coloradoresources.com.

QA/QC Statement on Drill Assay Results

The 2017 samples were analyzed by Actlabs Kamloops, British Columbia. Samples were prepared by the RX1-500g method, which involves crushing the entire sample to 90% passing -2mm, splitting off 500g and pulverizing the split to better than 95% passing 105 microns. Base metal assays were first determined using the total digestion ICP and ICP/MS UT-6 method, which reports results as parts per million (ppm). The gold assays were determined using the 1A2 fire assay method which reports results in ppm and are equivalent to grams per tonne (g/t). Any samples returning greater than 10 ppm gold were analyzed by the 1A3 fire assay method with a gravimetric finish. The analytical results were verified with the application of industry standard Quality Assurance and Quality Control (QA-QC) procedures. The results of GSC 17-5 may be shifted by 5 feet due to a potential footage discrepancy. Additional QA-QC studies and analytical studies relevant to the characteristics of the gold mineralized zones are currently being undertaken. In the opinion of the QP, the results of these studies will have a very low probability of constituting a material change in the data contained within this press release.

Lithium Project – Nevada

On June 7, 2016 Colorado disposed of its Nevada Lithium property pursuant to a Purchase Agreement with a third party private company (the "Purchaser") for the sale of its 100% interest in the Fish Lake Claims, subject to the Company retaining a 1% net smelter returns royalty ("NSR") wherein the Purchaser is entitled to purchase the NSR for a cash payment of \$1,000,000.

Pursuant to the terms of the Agreement, among other things, the Purchaser is required to complete a Going Public Transaction (as defined in the policies of the Exchange) on or before June 15, 2016 (the "Resulting Issuer") which was completed on June 7, 2016.

Consideration for the sale of the Claims included the following:

- i) a cash payment of \$200,000 on or before May 9, 2016 (received); and
- ii) the issuance of 400,000 common shares (received) of the Resulting Issuer (the "Consideration Shares") on or before June 22, 2016 (the "Closing Date").

As at the date of this report the Company is in receipt of 400,000 shares of American Lithium Corp. representing the Consideration Shares as described herein.

On June 7, 2016, the Company had completed the sale of the Claims for cash and Consideration Shares as follows:

Balance as at March 31, 2015	\$-
Transfers from exploration and evaluation assets	201,753
Balance as at March 31, 2016	\$201,753
Cash consideration	(200,000)
Consideration Shares	(556,000)
Cost of the transaction	29,116
Gain on sale of exploration and evaluation assets as at March 31, 2017	\$(525,131)

The following table outlines the details of exploration expenditures for the year ended March 31, 2017:

	North ROK/ROK- Coyote	KSP	Hit	Heart Peaks	KingPin	Castle	Other	Nevada	Total
Balance as at March 31, 2016	\$4,866,818	\$1,535,788	\$1,364,507	\$1,206,112	-	-	\$9,956	-	\$8,983,181
Acquisition - Cash Payments/Received	-	125,000	-	-	20,000	-	-	65,714	210,714
Acquisition - Staking/Lease Pymts/Claim Fees	-	10,250	-	-	52,950	-	(4,723)	57,264	115,741
Acquisition - Common shares/units	614,922	-	-	-	64,000	443,309	-	60,000	1,182,231
Acquisition - Advance Royalties	-	-	-	-	-	-	-	26,457	26,457
Total Acquisition	614,922	135,250	-	-	136,950	443,309	(4,723)	209,435	1,535,143
Assaying	-	169,777	336	-	3,962	-	2,416	54,111	230,602
Community relations	165	19,970	-	-	-	-	-	-	20,135
Drilling	-	893,776	-	-	-	-	-	116,155	1,009,931
Field supplies	12	125,824	50	-	-	-	-	6,594	132,480
Fieldwork	6,063	546,157	773	-	16,751	99	2,459	47,964	620,266
Geological & Geophysics	2,145	550,572	3,705	-	13,131	1,326	3,535	81,766	656,180
GIS mapping/reports	1,368	77,522	(397)	-	16,451	2,473	3,089	8,658	109,163
Misc	-	-	-	2,558	-	-	-	-	2,558
Permitting/legal	88	-	-	-	140	123	-	13,819	14,169
Site costs	2,548	558,592	309	-	9,125	-	-	22,078	592,651
Transport & rentals	267	1,168,215	45	-	30,150	-	2,685	31,960	1,233,322
Total Exploration	12,656	4,110,404	4,820	2,558	89,708	4,020	14,184	383,106	4,621,456
Disposal of exploration and evaluation assets	-	-	-	-	-	-	(3,350)	-	(3,350)
Write-down of exploration and evaluation assets	-	-	-	(1,208,670)	-	-	-	-	(1,208,670)
Total Expenditures	627,578	4,245,654	4,820	2,558	226,658	447,329	9,461	592,541	6,156,599
British Columbia Mining Tax Credits	(612)	(423,847)	(9)	-	(1,091)	(755)	-	-	(426,314)
Balance at March 31, 2017	5,493,784	\$5,357,595	\$1,369,318	-	\$225,567	\$446,574	\$16,068	\$592,541	13,501,447

The following table outlines the details of exploration expenditures for the year ended March 31, 2016:

	British Columbia				USA		Total
	North ROK	KSP	Hit	Heart Peaks	Other	Nevada	
Balance as at March 31, 2015	\$4,854,562	\$1,171,473	\$1,284,431	\$1,194,323	\$5,405	\$-	\$8,510,194
Acquisition - Cash Payments	-	\$100,000	-	-	-	-	100,000
Acquisition - Staking	\$754	-	\$183	-	\$4,163	128,523	133,623
Acquisition - Lease payments	-	9,000	-	-	-	-	9,000
Total Acquisition	\$754	\$109,000	\$183	\$0	\$4,163	\$128,523	\$242,623
Assaying	-	12,750	279	-	-	-	13,029
Community relations	583	958	-	333	-	-	1,875
Field supplies	-2,463	1,212	881	177	-	3,478	3,284
Fieldwork	338	3,800	13,431	-	-	12,740	30,309
Geological & Geophysics	8,236	133,998	57,162	8,250	73	21,022	228,740
Mapping & misc	1,606	49,359	10,098	2,366	394	6,957	70,778
Permitting and legal	-	-	-	-	-	1,707	1,707
Report compilation	-	1,775	690	-	-	-	2,465
Site costs	492	28,855	3,498	1,865	-	27,294	62,004
Transport & rentals	883	43,058	307	48	-	31	44,327
Total Exploration	\$9,674	\$275,766	\$86,345	\$13,038	\$466	\$73,229	\$458,519
British Columbia Mining Tax Credits	1,829	(20,451)	(6,452)	(1,250)	(79)	-	(26,402)
Reclassification to Assets Held for Sale	-	-	-	-	-	(201,753)	(201,753)
Total Expenditures	\$12,256	\$364,315	\$80,076	\$11,788	\$4,552	\$-	\$472,987
Balance at March 31, 2016	\$4,866,818	\$1,535,788	\$1,364,507	\$1,206,112	\$9,956	\$-	\$8,983,181

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Corporate

Financings

Use of Proceeds

Proceeds received from Financings	\$9,358,006
Less share issue costs	(490,366)
Net proceeds	8,867,641
Flow-thru funds to be expended	(5,873,380)
Balance to working capital	\$2,994,260

On May 18, 2016, the Company completed the initial tranche ("Tranche 1"), which consisted of the issuance of 2,211,430 non-flow units at a price of \$0.35 ("NFT Units") and 2,282,334 flow-through units at a price of \$0.42 ("FT Units") for aggregate gross proceeds of \$1,732,580. Each Tranche 1 NFT Unit consisted of one common share in the capital of the Company (an "NFT Share") and one common share purchase warrant (an "NFT Warrant"), with each NFT Warrant entitling the holder to acquire an additional NFT Share at an exercise price of \$0.50 until May 18, 2018. Each Tranche 1 FT Unit consisted of one flow-through common share in the capital of the Company (a "FT Share") and one-half of one non-transferable non-flow through common share purchase warrant. Each whole warrant (a "NFT Warrant") will entitle the holder to purchase one additional common share of the Company (a "NFT Share") at an exercise price of \$0.60 until May 18, 2018. The FT Warrants were valued using the Black-Scholes option pricing model at \$149,132.

On May 31, 2016, the Company completed the second tranche ("Tranche 2") which consisted of the issuance of 4,463,500 NFT Units and 1,260,000 FT Units for aggregate gross proceeds of \$2,091,426. Each Tranche 2 NFT Unit consisted of one common share in the capital of the Company (a "NFT Share") and one common share purchase warrant (a "NFT Warrant"), with each NFT Warrant entitling the holder to acquire an additional NFT Share at an exercise price of \$0.50 until May 31, 2018. Each Tranche 2 FT Unit consisted of one flow-through common share in the capital of the Company (a "FT Share") and one-half of one non-transferable non-flow through common share purchase warrant. Each whole warrant (a "NFT Warrant") will entitle the holder to purchase one additional common share of the Company (a "NFT Share") at an exercise price of \$0.60 until May 31, 2018. The FT Warrants were valued using the Black-Scholes option pricing model at \$63,000.

On June 1, 2016 the Company completed the issuance of 2,600,000 NFT Units for aggregate gross proceeds of \$910,000 (the "Final Tranche"). Each Final Tranche NFT Unit consisted of one common share in the capital of the Company (a "NFT Share") and one common share purchase warrant (a "NFT Warrant"), with each NFT Warrant entitling the holder to acquire an additional NFT Share at an exercise price of \$0.50 until June 1, 2018.

The NFT Warrant and FT Warrants contain an acceleration provision such that, if the closing price of the common shares of the Company on the TSX Venture Exchange is higher than \$0.75 for 20 consecutive trading days, then on the 20th consecutive trading day (the "Acceleration Trigger Date") the expiry date of the Warrants may be accelerated to the date that is 20 trading days after the Acceleration Trigger Date by the issuance of a news release announcing such acceleration within two trading days of the Acceleration Trigger Date.

The Company has paid aggregate finders' fees in connection with Tranche 1 and Tranche 2 of \$180,777 cash and issued to finders 68,880 warrants at an exercise price of \$0.35 and 128,119 warrants at an exercise price of \$0.42 (collectively the "Finder Warrants"). Each Finder Warrant is otherwise exercisable on the same terms as the warrants issued to investors in the offering. Additional share issue costs of \$95,813 were incurred in relation to legal, regulatory filing fees and fair value of agents warrants.

On December 29, 2016 the Company completed the issuance of 3,800,000 flow through units "Flow-Through Units") at an issue price of \$0.25 per Flow-Through Unit (the "Offering"). Each Flow-Through Unit consists of one flow-through common share in the capital of the Company (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 entitles the holder thereof to purchase one additional common share of the

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Company (a "NFT Warrant Share") at an exercise price of \$0.40 per NFT Warrant Share until December 29, 20. Finders' fees of an aggregate cash of \$13,625 were paid.

On March 17, 2017 the Company completed the issuance of 745,000 units of the Company (the "Units") at an issue price of \$0.32 per Unit. Each Unit consists 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 until September 17, 2019. The NFT Warrants were valued using residual value method at \$13,038.

Additionally the Company issued 8,180,000 flow-through units (the "Flow-Through Units") at an issue price of \$0.42 per Flow-Through Unit for aggregate gross proceeds of \$3,435,600. Each Flow-Through Unit consists 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"). The FT Warrants were valued using the Black-Scholes option pricing model at \$564,223. Each NFT Warrant entitles 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 until September 17, 2019.

In connection with the private placements completed on March 17, 2017 the Company paid aggregate finders' fees of \$198,690 cash and issued to finders 441,300 warrants at an exercise price of \$0.32 and 41,700 warrants at an exercise price of \$0.42 (collectively the "Finder Warrants"). Each Finder Warrant is otherwise exercisable on the same terms as the warrants issued to investors in the Offering. The Finder's Warrants were valued using the Black-Scholes option pricing model at \$6,649 and \$67,344 respectively.

Selected Annual Financial Information

The following table summarizes selected financial data reported by the Company for the years ended March 31, 2017, March 31, 2016 and March 31, 2015. The following annual results are compliant with IFRS.

	Years Ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Total Revenue	Nil	Nil	Nil
Loss for the year	\$(2,072,790) ¹	\$(933,579)	\$(3,229,605) ²
Loss and Comprehensive loss for the year	\$(2,089,290)	\$(896,079)	\$(3,295,230) ³
Net Loss per share basic and diluted	\$(0.03)	\$(0.02)	\$(0.07)
Total assets	\$21,059,976	\$11,974,293	\$11,699,101
Current liabilities	\$713,434	\$254,719	\$109,617
Long term liabilities	—	—	—
Shareholders' equity	\$20,346,542	\$11,719,574	\$11,589,484

1) Includes write-down of exploration and evaluation assets of \$1,208,670 and the gain on sale of exploration assets of \$528,534

2) Includes write-down of exploration and evaluation assets of \$2,110,567 and share based payments of \$243,278;

3) Includes fair value loss on available-for-sale investment of \$65,625;

4) Includes deferred tax recovery of \$422,000 and fair value gain on available-for-sale investments of \$65,625.

Results of Operations

Financial Results for the years ended March 31, 2017 and March 31, 2016

The Company has no operating revenues and relies on external financings to generate capital for its continued operations. As a result of its activities, Colorado continues to incur annual net losses.

For the year ended March 31, 2017, the Company reported a \$2,089,290 (2016 - \$896,079) comprehensive loss or \$0.03 (2016 - \$0.02) basic and diluted earnings per share. The primary component of the current year included expenses for general administration in the amount of \$1,091,301 (2016 - \$734,474), pre-exploration expenditures of \$194,587 (2016 - \$34,512) and share based payments of \$446,733 (2016 - \$191,671). Expenditures were off-set by interest income of \$30,562 (2016 - \$32,980) and management fees of \$75,124 (2016 - \$Nil) in relation to the Centerra option. During the year ended March

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31, 2017 the Company also recorded \$188,094 (2016 - \$7,581) in other income for the fulfillment of flow through expenditure requirements. Additionally the Company's loss off-set by the gain on exploration and evaluation assets of \$528,534 (2016 - \$Nil). The Company also recorded a net gain on the sale of the SnipGold shares of \$391,510 (2016 - \$Nil) offset by the loss on the sale of the Consideration Shares of \$422,574 (2016 - \$Nil) for a net loss of \$31,064 (2016 - \$Nil).

The summary of variances in expenditures¹ included:

	2017	2016	Variance	
	\$	\$	\$	%
Directors fees	12,500	25,000	(12,500)	-50%
Pre-exploration expenditures	194,587	34,512	160,075	464%
Accounting and legal	61,983	76,385	(14,402)	-19%
Consulting	412,401	278,624	133,777	48%
Corporate development	2,853	16,881	(14,028)	-83%
Investor relations, website development and marketing	148,241	71,563	76,678	107%
Office and administration fees	274,075	198,374	75,701	38%
Regulatory fees	23,831	9,672	14,159	146%
Shareholder communications	25,360	11,836	13,524	114%
Transfer agent fees	11,093	8,233	2,860	35%
Travel	50,377	30,757	19,620	64%
Wages	81,087	31,345	49,742	159%
Total	1,298,388	793,182	505,206	64%

¹ (Excludes depreciation, foreign exchange and share-based payments for option grants).

Overall corporate expenditures had a significant increase primarily as a result of the increased exploration activity at KSP, and recent acquisition of Green Springs, the completion of the financings as described herein and an increase in marketing activities and personnel both consultants and employees. Significant variances to note were:

The increase in pre-exploration expenditures from the comparative period 2015 related to an increase in property reviews, the technical due diligence review of the Green Springs acquisition and the sale of the Lithium property;

Increase in consulting fees was the result of increase in directors consulting services, in assistance to management on financing and exploration activities due to the current size of the Company;

Investor relations, website, corporate development and market were a result of the increase in expenditures related to additional conference attendance, increase in news releases and advertising from the prior period in 2015;

Office and administrative fees and wages increased with the addition of personnel and an increase in rent as a result of the Company taking the head lease on its office space in April 2016;

Travel – the increase in travel costs included the increase in conference attendance.

Wages – the increase in wages was related to the increase in employees from 2 employees to 5 as at March 31, 2017.

Summary of quarterly results

	Mar. 31, 2017	Dec. 31, 2016	Sept 30, 2016	June 30, 2016
Total revenues	\$—	\$—	\$—	\$—
Income (loss)	(1,983,720)	(\$512,355)	\$25,124	\$398,161
Comprehensive income (loss)	(1,679,970)	\$(530,105)	\$(106,876)	\$227,661
Basic and diluted loss per share	\$(0.02)	\$(0.01)	\$(0.00)	\$0.00

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	Mar. 31, 2016	Dec. 31, 2015	Sept 30, 2015	June 30, 2015
Total revenues	\$—	\$—	\$—	\$—
Loss	\$(193,037)	(349,167)	(177,959)	(213,416)
Comprehensive loss for	\$(155,537)	(367,917)	(159,209)	(213,416)
Basic and diluted loss per share	\$(0.01)	\$(0.01)	\$(0.00)	\$(0.00)

The Company earned no revenue during the periods presented other than interest income due to the nature of the industry and its current operations.

Significant Variances to note:

- 1 For March 31, 2017 comprehensive loss included \$1,208,670 in write-down of exploration and evaluation assets;
- 2 For September 30, 2016 comprehensive loss included \$132,000 included a fair value loss on available-for-sale investment;
- 3 For June 30, 2016 comprehensive income included \$170,500 included a fair value loss on available-for-sale investment;
- 4 For March 31, 2016 comprehensive loss of \$155,537 included a fair value gain on available-for-sale investment of \$37,500;

Fourth Quarter

The Company reported a loss of \$1,983,720 during the fourth quarter March 31, 2017 or \$0.02 loss per share compared to \$193,037 or \$0.01 loss per share for the comparative fourth quarter ended March 31, 2016. The primary component of the current year loss included the write-down of exploration and evaluation assets of \$1,208,670 for the Heart Peaks property and the loss on available for sale investments of \$323,375. Net Comprehensive loss of \$155,537 included a fair value gain on available-for-sale investment compared to a loss of \$65,625.

Financial Condition, Liquidity and Capital Resources

Key changes to the Company's financial condition were a net increase in cash of \$4,328,305 and an increase in working capital to \$6,679,484 primarily as a net result of the financings offset by general and administrative costs and investments in exploration and evaluation assets as described hereinabove.

	March 31 2017	March 31 2016
Financial position:		
Cash and cash equivalents	\$6,526,033	2,197,728
Working capital	6,679,484	2,616,475
Reclamation bonds	\$141,000	\$116,000
Property, plant and equipment	\$24,611	\$3,918
Exploration and evaluation assets	\$13,501,447	\$8,983,181
Total Assets	\$21,059,976	\$11,974,293
Shareholders' equity	\$20,346,542	\$11,719,574

With the completion of the recent financings as at the date of this report, the Company has met its exploration expenditure commitments and option payment to acquire the initial 51% of the KSP Property and has working capital to complete the additional \$4M in expenditures to acquire an additional 29% interest. Additionally the Company has working capital for the next 12 months. Additional funds received from the sale of the SnipGold Shares, Consideration Shares and exercise of options and warrants have been utilized for working capital requirements.

As Colorado will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund operations. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary

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financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants. The Company will continue to have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company's policy is to invest its cash in highly liquid, short term, interest bearing investments with maturities of 90 days or less from the date of acquisition or over for period longer that may be redeemable after 30 days. The Company is not subject to externally imposed capital requirements.

Commitments and Contractual Obligations

On April 1, 2016, the Company entered a one year lease with Canada West Realty Ltd. for increased office space at an annual rent payable of \$57,513 with an option to renew for an additional year at an agreed rate between the parties. On January 1, 2017, the Company amended the lease to renew for a further one year period effective April 1, 2017 at an annual rent payable of \$69,957. Effective August 1, 2017 the lease was terminated.

On May 27, 2017 the Company entered into a five year lease with Vintage Commercial Ltd. effective July 1, 2017 at an annual payable rent of \$47,191 in the first year (10 months) and \$53,766 effective July 1, 2018 until June 30, 2022.

Off Balance Sheet Arrangements

As at the date of this report, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial conditions of the Company including, without limitation, such considerations as liquidity and capital resources.

Related Party Transactions

Transactions with related parties were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. These transactions were in normal course of operations and measured at the fair value of the services rendered. With the exception as noted below, amounts due to related parties is unsecured, non-interest bearing and have no formal terms of repayment. The key management personnel of the Company are the directors and officers of Colorado.

Transactions with related parties were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Key Management Compensation

	March 31 2017	March 31 2016
Administration and labour	\$130,498	\$108,604
Consulting fees	560,835	391,433
Wages	43,636	-
Share based payments	214,409	145,500
	\$949,378	\$645,537

- i) Consulting fees of \$221,160 (2016 - \$175,133) of which \$48,355 (2016 - \$47,263) was capitalized to exploration and evaluation assets were paid or accrued to Cazador, a company controlled by Adam Travis, the President and Chief Executive Officer of the Company;
- ii) Administration and labour fees of \$65,609 (2016 - \$56,367) were paid or accrued to Cazador in relation to the Company's general corporate administration and fieldwork;
- iii) Consulting fees of \$151,988 (2016 - \$117,313) were paid or accrued to Minco, a company controlled by Terese Gieselman, the Chief Financial Officer and Corporate Secretary of the Company;

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- iv) Administration fees of \$64,888 (2016 - \$52,238) were paid or accrued to Minco in relation to providing administrative and accounting employment services;
- v) Consulting fees of \$52,363 (2016 - \$59,112) of which \$50,514 (2016 - \$48,369) was capitalized to exploration and evaluation assets were paid or accrued to Greg Dawson, the Company's former VP Exploration. Mr. Dawson resigned September 14, 2016;
- vi) Consulting fees of \$34,775 (2016 - \$12,100) were paid or accrued to 43983 Yukon Inc. ("43983") a company controlled by Larry Nagy, a director of the Company;
- vii) Consulting fees of \$95,550 (2016 - \$19,775) were paid or accrued to Carl Hering, a director of the Company;
- viii) Consulting fees of \$5,000 (2016 - \$8,000) were paid or accrued to William Lindqvist, a director of the Company;
- ix) Wages of \$43,636 (2016 - \$Nil) were paid to Alex Blanchard ("Blanchard") the Company's former VP Corporate Development (Blanchard was appointed on November 21, 2016);and
- x) Share-based payments are the fair value of options granted to key management personnel.

Related Party Liabilities Included in Trade and Other Payables:

Amounts due to:	Service for:	March 31 2017	March 31 2016
Cazador Resources Ltd.	Consulting Fees	\$26,246	\$200
Greg Dawson	Consulting Fees	-	4,434
Carl Hering	Consulting Fees	-	17,439
William Lindqvist	Consulting Fees	-	6,000
43983 Yukon Inc.	Consulting Fees	-	3,032
43983 Yukon Inc.	Expenses	340	-
		\$26,586	\$31,105

Related Party Receivables included in Other receivables:

Amounts due from:	Service for:	March 31 2017	March 31 2017
Cazador	Expenses	\$-	\$1,943
Damara	Rent & Expenses	16,113	3,706
Golden Ridge Resources Ltd.	Rent & Expenses	6,218	-
		\$22,331	\$5,649

Related Party Advances

On March 6, 2017, Damara issued 4,200,000 common shares at a price of \$0.05 per common share to extinguish a portion of the related party advance in the amount of \$210,000 (the "Debt Settlement"). As at March 31, 2017, \$15,000 (2016 - \$225,000) remained advanced to Damara, which has two common directors, Larry Nagy and William Lindqvist of the Company, in connection with property evaluation expenditures. Additionally the remaining principle balance of \$15,000 and interest accrued to December 31, 2016 (the settlement date) is non-interest bearing and due on demand.

Critical Accounting Policies and Estimates

Colorado is a venture issuer therefore this section is not applicable. The details of Colorado's accounting policies are presented in Note 3 of the audited financial statements for the year ended March 31, 2017. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

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Standards, Amendments and Interpretations Not Yet Effective

The standards listed below include only those which the Company reasonably expects may be applicable to the Company at a future date. The Company is currently assessing the impact of the standards on the consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9. However, for annual periods beginning before January 1, 2018, an entity may elect to apply those earlier versions instead of applying the final version of this new standard if its initial application date is before February 1, 2015.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- *Classification and measurement of financial assets:*
Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".
- *Classification and measurement of financial liabilities:*
When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.
- *Impairment of financial assets:*
An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.
- *Hedge accounting:*
Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).
- *Derecognition:*
The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

This standard is applicable to annual periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*.

Applicable to annual periods beginning on or after January 1, 2017.

- *Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows)*
The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

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- *Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 Income Taxes)*
The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value.

Financial Instruments and Risk Management

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those

risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by the Board of Directors if and when there are any changes or updates required.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of interest rate and commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and non-interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

Cash and guaranteed investment certificates are subject to floating interest rates.

The Company as at March 31, 2017 does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities may be subject to risks associated with fluctuations in the market prices of the relevant commodities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company also holds marketable securities that are subject to changes in market price.

Foreign Exchange Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not hold significant monetary assets or liabilities in foreign currencies and therefore is not exposed to significant risks arising from the fluctuation of foreign exchange rates.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and receivables. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand and receivables are entered into with credit-worthy counterparties.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company would prepare annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, when required the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable and option payment commitments. The Company does not maintain any trade payables beyond a 30-day period to maturity.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The consolidated statements of financial position carrying amounts for receivables, trade and other payables, and other liabilities approximate fair value due to their short-term nature.

Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities which include cash and cash equivalents and marketable securities;

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- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
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- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the available-for-sale investments has been determined by reference to published price quotations in an active market, a Level 1 valuation.

Capital Management

The Company monitors its cash and cash equivalents, common shares, warrants and stock options as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company's capital is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year ended March 31, 2017.

Outstanding Share Data

Colorado's authorized capital is unlimited common shares without par value. As at the date of this report 96,320,386 common shares were issued and outstanding. The Company as at the date of this report had the following outstanding options, warrants and convertible securities as follows:

Type of Security	Number	Exercise price	Expiry Date
Stock options	100,000	\$0.29	30-Oct-18
Stock options	895,000	\$0.265	01-May-19
Stock options	210,000	\$0.25	12-Sep-19
Stock options	810,000	\$0.15	07-May-20
Stock options	1,995,000	\$0.08	31-Dec-20
Stock options	1,035,000	\$0.44	06-Jun-21
Stock options	200,000	\$0.22	21-Nov-21
Stock options	2,607,500	\$0.26	06-Jun-22
Warrants	1,337,500	\$0.13	18-Dec-17
Warrants	2,211,430	\$0.50	18-May-18
Warrants	61,800	\$0.35	18-May-18
Warrants	1,141,166	\$0.60	18-May-18
Warrants	128,119	\$0.42	18-May-18
Warrants	630,000	\$0.60	31-May-18
Warrants	4,463,500	\$0.50	31-May-18
Warrants	7,080	\$0.35	31-May-18
Warrants	2,600,000	\$0.50	01-Jun-18
Warrants	1,900,000	\$0.40	29-Dec-17
Warrants	1,000,000	\$0.60	14-Feb-19
Warrants	1,500,000	\$0.45	17-Sep-19
Warrants	441,300	\$0.42	17-Sep-19
Warrants	4,462,500	\$0.50	17-Sep-19
Warrants	41,700	\$0.32	17-Mar-19

As at the date of this report there were no shares held in escrow.

Other Requirements

Additional disclosure of the Company's material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.

Risks and uncertainties

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company continues to seek opportunities to acquire exploration and/or development projects. The main operating risks include: although the Company has secured the adequate funding to fulfill work commitments to acquire the 80% interest in KSP for 2017 any further development will require additional funding, as well as to acquire, maintain and advance future exploration or advanced staged properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities.

As a mineral exploration company, Colorado's performance is affected by a number of industry and economic factors and exposure to certain environmental risks and regulatory requirements. These include metal prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in provided high-risk equity capital to exploration companies, and the availability of qualified staff and equipment such as drilling rigs to conduct exploration.

The Company currently has nine employees. All significant work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project. In certain cases where consultants are unable to carry their own insurance the Company includes such individuals under its coverage.