Colorado Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS
FOR THE THREE MONTH PERIOD ENDED

JUNE 30, 2018

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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 June 30, 2018 and for the period then ended in comparison to the same period ended in 2017. This MD&A should be read in conjunction with the un-audited condensed consolidated financial statements for the period ended June 30, 2018 and June 30, 2017 and related notes (the "Interim 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 August 27, 2018.

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 including that certain expected exploration expenditures qualify as "flow through" expenditures, exploration and assay results, results of the Company's planned exploration 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 exploration programs and other opportunities that may become available to the Company. Accordingly, while the Company anticipates that it will have the ability to spend the flow-through funds available to it, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

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. 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 and its corporate office and principal place of business are located at 105 - 3500 Carrington Road, West Kelowna, B.C. V4T 3C1.

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 and management fees.

The Company's principal assets include a 100% interest in the North ROK, KSP, Castle-Kinaskan and KingPin properties, all of which are located in British Columbia.

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 any 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.***

******Readers are cautioned that mineral resources are not mineral reserves and 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.***

********Readers are cautioned that historical information contained in this report, regarding the Company's projects or adjacent properties are reported 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.***

Qualified Person

William Yeomans, P.Geo, a consultant to the Company, is the Qualified Person as defined by National Instrument 43-101 who reviewed the preparation of the relevant geoscience technical data discussed in this report.

Exploration Activities 2017- 2018 Field Season

British Columbia

KSP Property

On May 10, 2017 pursuant to the KSP Option 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 previous agreement with SnipGold Corp. ("SnipGold") (a wholly owned subsidiary of Seabridge Gold Inc) to earn its initial 51% interest in the KSP Property.

On August 3, 2017 Colorado entered into an amending agreement with SnipGold wherein the parties amended the KSP Option wherein Colorado purchased the remaining 49% interest held by SnipGold in in the KSP Property. The Company received Exchange approval and issued the payment of $1,000,000 in cash and 2,000,000 common shares of Colorado. SnipGold will retain a 2% NSR on the KSP Property (half of which can be purchased at any time for $2,000,000).

The Company now holds a 100% interest in the KSP Property.

Exploration – 2018 Field Season

On July 16, 2018 the Company initiated a 4,500 metre ("m") diamond drilling program at KSP with an approximate budget of $3.6M. The drill program is a follow-up program on multiple targets previously drill tested during the 2016-2017 field seasons. The top priorities of the program include:

- step-out drilling of a porphyry copper-gold discovery at the Tami prospect;
- expansion of high-grade gold mineralization along the Big Rock Deformation Zone (BRDZ); and
- exploration of high-grade zinc mineralization associated with a sphalerite-rich sulphide occurrence in the Inel Zinc zone[1].

Selected highlights from the 2016-2017 drill programs at each of these targets include the following:

Tami - Drill Hole TMDDH17-115 returned a 40 m interval grading 1.74 g/t Au with 0.24% Cu
BRDZ – Drill Hole INDDH16-29 returned a 5 m interval grading 11.5 g/t Au (assays capped at 31 g/t Au)
Inel Zinc Target – Drill Hole INDDH17-075 returned a 10 m interval grading 21.38% Zn with 0.96 g/t Au

Colorado's 2018 drill program at KSP will systematically follow-up on these results and test other drill targets including Upper Inel, A-J and Pins[1].

[1]See Colorado's website www.coloradoresources.com for figures and maps.

As at June 30, 2018 the Company has incurred $11,377,260 net of BCMET recoveries (March 31, 2018 - $11,267,321) in acquisition and explorations costs.

Outlook

As at the date hereof drilling continues at KSP and expenditures are on budget. The Company will update shareholders as results from the program as assays become available.

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

North ROK Property

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

As at June 30, 2018, the Company has incurred $6,652,517 net of BCMET recoveries (March 31, 2018- $6,633,457) in acquisition and explorations costs.

Outlook

Colorado will continue its technical review of the results to date and its broader implications for the North ROK project and will strive to improve its consultations with First Nations within the North ROK project area.

Castle (Kinaskan) Property

Colorado holds a 100% interest (subject to a 2% NSR) in the Castle property located in the Liard Mining District of British Columbia. The underlying original vendor holds a 2% NSR of which the Company has the option to purchase for $4,000,000.

As at June 30, 2018 the Company has incurred $760,647 (March 31, 2018 - $751,282) in acquisition and explorations costs.

Outlook

The Company is currently working with the BC Mines branch and local First Nations on receiving its amended exploration permit to include it proposed drill program. As at the date of this report the Company had not yet received its drill permit. Technical teams in the interim will continue to analyze the exploration data received to date to further define its next exploration program.

KingPin Property

The KingPin Property is located in the Golden Triangle area in northwestern British Columbia.

As at June 30, 2018, the Company has incurred $298,461 (March 31, 2018 - $297,506) in acquisition and explorations costs.

Outlook

The Kingpin Property covers >328 square km of prospective ground in the Golden Triangle area north of Stewart. This first pass work, although preliminary in nature, has given the Colorado exploration team a better understanding of the region. The technical team continues to review the collective data from the previous field seasons in order to compile a future work program and budget as funds become available.

Dispositions or Impairments

Three Month Period Ended June 30, 2018

Other

Other properties included:

- The GJ Key property is located southwest of the Company's North ROK property;
- The GS Property is located southeast of the Company's Heart Peaks Property;
- The Stu Property is located northwest of Stewart, British Columbia; and
- Two mineral tenures located northwest of Stewart, British Columbia referred to as the Iskuit Claims.

During the period ended June 30, 2018 the Company wrote-off the Other properties in the amount of $16,068. The impairment was done in accordance with level 3 of the fair value hierarchy.

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The following table outlines the details of capitalized exploration expenditures for the three month period ended June 30, 2018:

	British Columbia					
	North ROK/ROK-Coyote	KSP	KingPin	Castle	Other	Total
Balance as at March 31, 2018	$6,633,457	$11,267,321	$297,506	$751,282	$16,068	$18,965,634
Acquisition - Cash Payments	-	-	-	-	-	-
Acquisition - Staking/Lease Pymts/Claim Fees	-	9,000	-	-	-	9,000
Acquisition - Common shares/units	-	-	-	-	-	-
Acquisition - Advance Royalties	-	-	-	-	-	-
Total Acquisition	-	9,000	-	-	-	9,000
Assaying	952	7,455	-	-	-	8,407
Community relations	-	-	-	-	-	-
Drilling	-	-	-	-	-	-
Field supplies	9,889	-	-	-	-	9,889
Fieldwork	-	-	-	-	-	-
Geological & Geophysics	6,425	51,820	955	9,025	-	68,225
GIS mapping/reports	1,795	39,494	-	340	-	41,629
Permitting/legal	-	-	-	-	-	-
Site costs	-	1,990	-	-	-	1,990
Transport & rentals	-	180	-	-	-	180
Total Exploration	19,060	100,939	955	9,365	-	130,319
Total Expenditures	19,060	109,939	955	9,365	-	139,319
Provision	-	-	-	-	-	-
Write-down of exploration and evaluation assets	-	-	-	-	(16,068)	(16,068)
Balance at June 30, 2018	**$ 6,652,517**	**$ 11,377,260**	**$298,461**	**$760,647**	**$-**	**$19,088,885**

The following table outlines the details of exploration expenditures for the year ended March 31, 2018:

	British Columbia						USA	
	North ROK/ROK-Coyote	KSP	Hit	KingPin	Castle	Other	Nevada	Total
Balance as at March 31, 2017	$5,493,785	$5,357,595	$1,369,318	$225,567	$446,574	$16,068	$592,541	$13,501,447
Acquisition - Cash Payments	-	1,150,000	-	-	-	-	161,146	1,311,146
Acquisition - Staking/Lease Pymts/Claim Fees	-	9,041	37	-	-	-	47,987	57,065
Acquisition - Common shares/units	-	760,000	-	-	-	-	103,353	863,353
Acquisition - Advance Royalties	-	-	-	-	-	-	25,783	25,783
Total Acquisition	-	1,919,041	37	-	-	-	338,269	2,257,347
Assaying	78,310	178,896	-	6,478	24,177	-	28,977	316,840
Community relations	9,934	12,295	-	-	6,715	-	-	28,944
Drilling	319,175	1,191,061	-	-	-	-	-	1,510,236
Field supplies	25,499	74,526	-	-	3,104	-	-	103,129
Fieldwork	231,570	520,727	3,189	15,797	38,649	-	44,703	854,635
Geological & Geophysics	100,623	297,230	1,520	2,807	107,681	-	194,647	704,508
GIS mapping/reports	14,239	39,224	1,882	3,678	19,308	-	16,330	94,661
Permitting/legal	607	39	394	4	13	-	2,410	3,467
Site costs	164,273	580,529	203	8,261	40,375	-	2,120	795,761
Transport & rentals	195,442	1,096,160	3,500	34,913	64,684	-	1,057	1,395,756
Total Exploration	1,139,672	3,990,687	10,688	71,938	304,706	-	290,244	5,807,936
Total Expenditures	1,139,672	5,909,728	10,725	71,938	304,706	-	628,513	8,065,283
Provision	-	-	-	-	-	-	4,683	4,683
Write-down of exploration and evaluation assets	-	-	(1,380,043)	-	-	-	(1,225,738)	(2,605,781)
Balance at March 31, 2018	**$ 6,633,457**	**$ 11,267,321**	**$-**	**$297,506**	**$751,282**	**$16,068**	**-**	**$18,965,634**

Corporate

As at the date of this report hereof, Colorado made the following changes to its executive management team:

Management and Directors

On March 2, 2018 the Company announced it had received an Advance Notice from Mr. Travis as a shareholder effective February 27, 2018 pursuant to the Company's Advance Notice Policy. Five individuals were nominated for election as directors pursuant to a dissident proxy circular filed on March 14, 2018 ("Travis Dissident Proxy") in connection with the Company's annual general meeting which was held on April 17, 2018 (the "AGM").

On April 10, 2018, prior to the AGM, the Company and Mr. Travis entered into a settlement agreement (the "Travis Settlement") with respect to among other things the composition of the Company's board of directors and nominees to be elected at the AGM.

Under the terms of the Travis Settlement, two of the Company's director nominees, Cecil Bond and Robert Shaw, were included on a revised management's slate of four director nominees, which included two of Mr. Travis' director nominees, Bryan Wilson and Patrick Soares. A fifth director Mr. Alastair Still was to be appointed immediately after the AGM. The four nominees were duly elected at the AGM. Subsequent to the AGM effective April 17, 2018, Mr. Alastair Still was appointed as the fifth director.

On April 19, 2018 Terese Gieselman the Company's CFO and Corporate Secretary resigned and Ms. Gieselman provided notice to terminate the Minco Corporate Management Inc. ("Minco") consulting agreement ("Original Minco Contract") with an effective date of June 19, 2018.

Ms. Gieselman and Minco agreed pursuant to a settlement agreement effective June 19, 2018 to remain the Company's interim CFO and Corporate Secretary for a transition period at the Company's discretion (the "Transition Period"). Additionally, the Company and Minco entered into a consulting agreement effective June 19, 2018 ("New Minco Contract") to provide such services as required by the Company during the Transition Period. As part of the settlement agreement and in accordance with the Original Minco Contract, the Company on July 19, 2018, paid Minco an amount of $137,940.

The Company's board of directors as at the date of this report herein are; Robert Shaw, Cecil Bond, Alastair Still, Patrick Soares and Bryan Wilson.

See the Company's website www.coloradoresources.com for further details regarding the current management and directors.

Contingencies

On March 15, 2018, Colorado filed a civil claim against Adam Travis and Cazador Resources Ltd. ("Cazador") which was subsequently dismissed pursuant to the Travis Settlement.

Pursuant to the terms of the Travis Settlement, the Company agreed to reimburse Mr. Travis and Cazador for certain expenditures to a maximum of $625,000 for costs incurred in relation to the Dissident Proxy and other expenditures associated with the termination of Travis and the Cazador consulting agreement. As at June 30, 2018 the Company had paid $538,880 with the remaining balance of approximately $86,120 net of GST remains unpaid.

Additionally, pursuant to the Travis Settlement in connection with the termination of the Cazador contract on February 26, 2018, severance and outstanding fees of $225,000 remain outstanding ("Cazador Severance").

Costs with respect to the AGM and Travis Dissident Proxy including the Travis Settlement, legal, advisory and proxy solicitation as at June 30, 2018 were $831,133 ($604,928 as at March 31, 2018).

Expenditures related to the termination of Travis and Cazador together with the Travis Dissident Proxy costs have depleted the Company's unallocated working capital. Further funds will be required for ongoing operations *see Liquidity and Capital Resources.*

Results of Operations

Financial Results for the three months ended June 30, 2018 and June 30, 2017

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 three months ended June 30, 2018, the Company reported a $1,746,343 (2017 - $783,984) loss or $0.01 (2017 - $0.01) basic and diluted loss per share. The primary component of the current period loss included expenses for general administration in the amount of $1,699,081 (2017- $252,339), pre-exploration expenditures of $19,931 (2017 - $1,935) and share based payments of $Nil (2017 - $571,897). Additional expenses included the write-down of exploration and evaluation assets of $16,068 (2017 - $Nil) as described hereinabove. Expenditures were off-set by interest income of $13,419 (2017 - $10,852). During the period ended June 30, 2017 Company also recorded $54,008 in other income for the fulfillment of flow through expenditure requirements. During the three months ended June 30, 2017 the Company recorded $168,000 fair value loss on available for sale investments.

The summary of variances in expenditures[1] included:

	2018 $	2017 $	Variance $
Directors fees	13,040	16,500	(3,460)
Pre-exploration expenditures	19,931	1,935	17,996
Accounting and legal	515,372	12,621	502,751
Consulting	183,540	64,191	119,349
Corporate development	-	1,398	(1,398)
Investor relations, website development and marketing	2,431	42,195	(39,764)
Office and administration fees	64,589	71,854	(7,265)
Regulatory fees	7,020	2,500	4,520
Shareholder communication and annual general meeting	831,133	2,555	828,578
Transfer agent fees	4,608	1,315	3,293
Travel	11,618	7,521	4,097
Wages	78,770	46,189	32,581
Total	1,732,052	270,774	1,461,278

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

Overall corporate expenditures saw a substantial increase with variances in categories to note:

The increase in pre-exploration expenditures included the remaining expenditures in relation to the terminating the Company's option on the Greens Springs project that was written off in the prior year.

The increase in legal related to corporate matters with respect to the Travis Dissident Proxy and annual general meeting matters.

The increase in consulting fees was the result of the accrual for the Minco Settlement as described hereinabove.

Office and administrative saw a decrease in 2018 due to a decrease in activity in the offices and reduction in administration costs pursuant to the termination of the Cazador Contract as described hereinabove.

Shareholder Communication – the increase in expenses was in relation to the Company's annual general meeting wherein the Company engaged a proxy solicitor in connection with the Travis Dissident Proxy.

Wages – although the Company saw a decrease in employees from 5 employees to 3 as at June 30, 2018 the increase in wages related to Mr. Shaw who was engaged as an employee whereas in prior periods the former President and CEO was a consultant.

Summary of quarterly results

	June 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017
Total revenues	$—	$—	$—	$—
Net loss	$(1,746,343)[1]	$(2,439,573)[2]	$(136,213)[3]	$(1,146,139)[4]
Comprehensive loss	$(1,746,343)	$(2,375,573)	$(472,213)	$(726,139)
Basic and diluted loss per share		$(0.02)	($0.00)	($0.01)

	June 30, 2017	Mar. 31, 2017[5]	Dec. 31, 2016	Sept 30, 2016[6]
Total revenues	$—	$—	$—	$—
Net loss	$(783,984)	$(1,983,720)	$(512,355)	$25,124
Comprehensive loss	$(951,984)	$(1,679,970)	$(530,105)	$(106,876)
Basic and diluted loss per share	$(0.01)	$(0.02)	$(0.01)	$(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 June 30, 2018 the net loss was substantially related to general and administrative costs as described hereinabove;
2 For March 31, 2018 the net loss included the write-down of the Green Springs Property of $1,225,738 and the accrual of the Cazador Severance as described herein;
3 For December 31, 2017 the comprehensive loss included the fair value loss on available-for-sale investments of $336,000.
4 For September 30, 2017 the net loss included $1,380,042 in write-down of exploration and evaluation assets.
5 For March 31, 2017 net loss included $1,208,670 in write-down of exploration and evaluation assets and the comprehensive loss included a fair value gain on available-for-sale investments of $341,250;
6 For September 30, 2016 comprehensive loss of $106,876 included $132,000 in fair value loss on available-for-sale investment;

Financial Condition, Liquidity and Capital Resources

	June 30, 2018	March 31, 2018
Financial position:		
Cash and cash equivalents	$67,460	$1,476,261
Restricted cash	$3,495,318	$3,625,637
Working capital	$3,513,899	$5,331,213
Reclamation bonds	$150,000	$150,000
Property, plant and equipment	$19,403	$23,683
Exploration and evaluation assets	$19,088,885	$18,965,634
Total Assets	$23,619,309	$25,066,603
Shareholders' equity	$22,772,187	$24,470,530

Key changes to the Company's financial condition were a net decrease in cash of $1,408,801 for general and administration costs as described herein and restricted cash of $130,319 for flow through eligible exploration expenditures for an overall decrease of $1,817,314 in working capital to $3,513,899.

As a result of the increased expenditures related to the Company's annual general meeting and Travis Dissident Proxy the Company does not have adequate working capital for its operations and will require additional capital for its corporate overhead. The Company's focus will be to complete the current flow-through expenditures required while it seeks to increase its working capital to fund overhead through equity, debt or farm out options on its current exploration assets.

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 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 for longer periods where such investment may be redeemable after 30 days. The Company is not subject to externally imposed capital requirements.

Commitments and Contractual Obligations

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.

Civil Claim

On March 15, 2018, Colorado filed a civil claim against Adam Travis and Cazador which was dismissed pursuant to a settlement agreement (the "Travis Settlement") entered into between the Company, Cazador and Mr. Travis on April 10, 2018. The Travis Settlement included amongst other matters, provisions with respect to the composition of the Company's board of directors and nominees that were to be elected at Colorado's annual meeting of shareholders held on April 17, 2018 and the dismissal of the civil claim.

Pursuant to the terms of the Travis Settlement the Company also agreed to reimburse Mr. Travis certain expenditures to a maximum total of $625,000 for costs incurred in relation to the Dissident Proxy and other matters related to the termination of the Cazador agreement and Travis. As at June 30, 2018 the Company had paid $538,880 of expenditures claimed with the remaining balance of $86,120 net GST still outstanding as at the date hereof.

Additionally, pursuant to the Travis Settlement, in connection with the termination of the Cazador contract on February 26, 2018, severance and outstanding fees of $225,000 remains outstanding.

The Company and Mr. Travis are currently working on a settlement agreement to resolve the unpaid amounts of $86,120 and the outstanding severance and fees of $225,000.

Off Balance Sheet Arrangements

As at the effective 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 are unsecured, non-interest bearing and have no formal terms of repayment. The key management personnel of the Company are the officers of Colorado.

Key Management Compensation

		June 30 2018		June 30 2017
Administration and labour	$	12,500	$	34,705
Consulting fees		178,540		88,016
Wages		56,000		-
Share based payments		-		352,000
	$	247,040	$	474,721

i) Wages of $56,000 (2017- $Nil) were paid or accrued to Robert Shaw ("Shaw) the Company's President and Chief Executive Officer. Mr. Shaw was appointed on February 26, 2018.

ii) Consulting fees of $5,000 (2017 - $52,135) of which $Nil (2017 - $22,875) was capitalized to exploration and evaluation assets were paid or accrued to Cazador Resources Ltd. ("Cazador"), a company controlled by Adam Travis, the Company's former President and Chief Executive Officer. Mr. Travis was terminated as CEO effective February 26, 2018;

iii) Administration fees of $Nil (2017 - $15,753) were paid or accrued to Cazador in relation to the Company's general corporate administration;

iv) Consulting fees of $169,890 (2017 - $35,881) were paid or accrued to Minco Corporate Management Inc. ("Minco"), a company controlled by Terese Gieselman, the Chief Financial Officer and Corporate Secretary of the Company which include the accrual of $139,940 pursuant to the Minco Settlement as described hereinbleow;

v) Administration fees of $12,500 (2017 - $18,950) were paid or accrued to Minco in relation to providing administrative and accounting services; and

vi) Share-based payments are the fair value of options granted to key management personnel.

Minco Contract

On April 19, 2018, Terese Gieselman resigned effective June 19, 2018 and gave notice of termination of the consulting agreement dated October 31, 2014 between the Company and Minco (the "Minco Contract"). Pursuant to the terms of the Minco Contract an amount of $137,940 (the "Settlement Amount") was due and payable on June 19, 2018. The Company entered in to an agreement with Minco (the "Settlement Agreement") effective June 19, 2018 wherein the Company agreed to pay Minco the Settlement Amount (paid on July 20, 2018) and Minco agreed to release the Company from any and all future claims. Additionally, the Company and Minco entered into a consulting agreement (the "New Minco Contract") for a period of 12 months to provide services as required by the Company. The New Minco Contract maybe terminated with 10 days written notice.

Consulting Fees Non-Executive Directors

i) Consulting fees of $650 (2017 – $Nil) were paid or accrued to 43983 Yukon Inc. ("43983 Yukon") a company controlled by Larry Nagy, a former director of the Company. Mr. Nagy resigned as director effective April 17, 2018;

ii) Consulting fees of $8,000 (2017 - $Nil) were paid or accrued to William Lindqvist ("Lindqvist") a former director of the Company. Mr. Lindqvist resigned as a director effective April 17, 2018.

Related Party Liabilities Included in Trade and Other Payables:

Amounts due to:	Service for:	June 30 2018	March 31 2018
Cazador Resources Ltd.	Consulting Fees	$261,858	$251,108
Minco	Consulting Fees	147,810	$18,119
43983 Yukon	Expenses	7,407	12,679
Hering	Consulting Fees	-	$25,252
Shaw	Wages	-	$15,000
Lindqvist	Consulting Fees	32,645	$19,288
		$449,721	$341,446

Related Party Receivables included in Other receivables:

Amounts due from:	Service for:	June 30 2018	March 31 2018
Cazador	Expenses	$ -	$3,382
Minco	Rent & Expenses	66	939
Golden Ridge Resources Ltd.	Rent & Expenses	3,831	2,401
		$3,897	$6,722

Critical Accounting Policies and Estimates

Colorado is a venture issuer therefor 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, 2018. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's consolidated financial statements and the uncertainties that could have a bearing on its financial results.

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.

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 the Company's annual period beginning on April 1, 2019.

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.

This standard is applicable to the Company's annual period beginning on April 1, 2019.

IFRS 15 – Revenue Recognition

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 Construction Contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC 31 Revenue – Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for the Company's annual periods beginning on April 1, 2018. The adoption of this new standard had no impact on the Company's consolidated financial statements.

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 June 30, 2018 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 endeavour that it will 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. However, circumstances may arise where the Company is unable to meet those goals (as described hereinabove). 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 (See Going Concern).

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 endeavours 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;**
- **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**
- **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 period ended June 30, 2018.

Outstanding Share Data

Colorado's authorized capital is unlimited common shares without par value. As at the date of this report 124,491,646 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	$0.290	30-Oct-18
Stock options	410,000	$0.265	01-May-19
Stock options	185,000	$0.250	12-Sep-19
Stock options	310,000	$0.150	07-May-20
Stock options	295,000	$0.080	30-Dec-20
Stock options	630,000	$0.440	06-Jun-21
Stock options	1,052,500	$0.260	06-Jun-22
Stock options	500,000	$0.150	16-Feb-23
Warrants	1,900,000	$0.400	29-Dec-18
Warrants	1,000,000	$0.600	14-Feb-19
Warrants	1,500,000	$0.450	17-Mar-19
Warrants	441,300	$0.420	17-Sep-19
Warrants	4,462,500	$0.500	17-Sep-19
Warrants	41,700	$0.320	17-Sep-19
Warrants	11,360,000	$0.45	29-Feb-20

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 complete is initial exploration work for the 2018 field season and any further substantial development or corporate overhead working capital will require additional funding, as well as to advance any of its other projects. Funds will also be required in order for the Company 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 well as risks to First Nations concerns of development in certain areas that may affect the Company's ability to operate.

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 three 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.

Going Concern

The consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has not generated revenues from its operations to date. The Company incurred a net loss of $1,746,343 during the period ended June 30, 2018 (2018 - $783,984) and, as of that date, the Company's deficit was $23,209,991 at June 30, 2018 (March 31, 2018 - $21,463,648) of which the Company has flow through expenditure requirements of $3,495,318 (March 31, 2018 - $3,635,637) on or before December 31, 2018. These conditions indicate the existence of material uncertainties, which may cast significant doubt on the Company's ability to continue as a going concern. The Company will continue to have to raise funds beyond its current working capital balance in order to continue the development of its exploration properties and general 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.

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 financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants.

No adjustments have been made to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.