Colorado Resources Ltd.

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

JUNE 30, 2019

#105 - 2300 Carrington Road
West Kelowna, British Columbia
V4T 3C1 Canada

www.coloradoresources.com

Tel: (250) 768-1511
Fax: (250) 768-0849
Toll Free: 1 (855) 768-1511

Introduction

The Management Discussion & Analysis has been prepared by management and reviewed and approved by the Board of Directors on August 28, 2019. The following discussion of performance, financial condition and future prospects should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes thereto for the quarters ended June 30, 2019 and June 30, 2018, and in conjunction with the audited annual consolidated financial statements and the related notes thereto for the years ended March 31, 2019 and March 31, 2018. The information provided herein supplements but does not form part of the consolidated financial statements. This discussion covers the three months ended June 30, 2019 and the subsequent period up to August 28, 2019, the date of preparation of this MD&A. Monetary amounts in the following discussion are in Canadian dollars unless otherwise noted.

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 28, 2019.

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 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 of 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, Kinaskan-Castle 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

Michael Cathro, P.Geo, appointed as a director of the Company on August 20, 2019, 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.

Corporate

Goldcorp Loan

On September 13, 2018, the Company obtained a secured loan of $500,000 (the "Loan") from Goldcorp Inc. ("Goldcorp"). Terms of the Loan include interest at a rate of 8% per annum compounded monthly, a maximum term of twelve months, maturing on September 13, 2019 (the "Maturity Date") with early repayment provisions, and is secured against the Company's KSP, Kinaskan-Castle and North ROK properties.

Additional terms included the Company's option to pay interest in cash or, subject to the approval of the TSX Venture Exchange in shares (the "Interest Shares"). The issue price of any Interest Shares will be the lower of the 10-day volume weighted average price and the closing price of Colorado's common shares on the last trading day prior to payment.

As a condition for providing the Loan and subject to the approval of the Exchange, the Company has agreed to issue to Goldcorp common shares as a bonus (the "Bonus Shares"), as follows:

i. 250,000 Bonus Shares were issued upon receipt of Exchange approval; at a value of $21,250 being the market price of the shares of $0.085 on the date of issuance; and
ii. an additional 250,000 Bonus Shares if the Loan is not fully repaid before the six-month anniversary (issued subsequent to the period end, see Buckingham Plan of Arrangement section below).

As of June 30, 2019, the principle amount of $500,000 (March 31, 2019 - $500,000) remained outstanding. Included in trade payables is interest payable of $32,790 (March 31, 2019 - $22,512).

Subsequent to the period end, the Company settled the loan and interest in full. "Buckingham Plan of Arrangement" section below.

Buckingham Plan of Arrangement

Subsequent to the quarter ended June 30, 2019, on August 20, 2019, the Company completed a plan of arrangement with Buckingham Copper Corp. ("Buckingham"), which resulted in the acquisition of Buckingham, with Buckingham shareholders receiving one half of a common share of the Company for each Buckingham common share held, resulting in 12,049,053 Colorado common shares issued. The acquisition also resulted in the 4,200,000 outstanding Buckingham warrants being converted to Colorado warrants at the same terms as the common shares, resulting in an additional 2,100,000 Colorado warrants outstanding exercisable at $0.12 until August 20, 2022.

Concurrently, the Company completed a private placement financing (the "Financing") of 15,267,855 flow-through units at a price of $0.12 per unit, and 22,069,928 non flow-through units at a price of $0.085, for aggregate gross proceeds of $3,708,086. Each flow-through unit consists of one flow-through common share and one half of one common share purchase warrant, with each whole warrant exercisable at $0.15 for three years. Each non flow-through unit consists of one common share and one half of one common share purchase warrant, with each whole warrant exercisable at $0.12 for three years.

In connection with the Financing, Newmont Goldcorp Corp. has agreed to exercise its pre-emptive right and subscribed for 6,336,717 units of Colorado at a price of $0.085 per unit for aggregate proceeds of $538,612, with each unit consisting of one common share and one half of one common share purchase warrant exercisable at $0.12 for three years, thereby extinguishing the Company's loan amount $500,000 plus related interest. In addition, the Company issued 250,000 Bonus Shares at a deemed value of $0.115 per share pursuant to the Loan Agreement.

Colorado paid finder's fees in the amount of $82,140 and issued an aggregate of 688,885 warrants to certain finders arm's length to Colorado. Each finder's warrant is exercisable for one common share at a price of either $0.12 or $0.15 per share for a period of three years.

Upon the completion of the Plan of Arrangement, the five-member board of directors of Colorado was reconstituted by the addition of Michael Cathro and Dr. Fletcher Morgan to the remaining Colorado Board, comprised of Cecil Bond, Alastair Still and Bryan Wilson. In addition, Colorado's new management team now consists of Joseph Mullin, Chief Executive Officer, and recently appointed Chief Financial Officer, Eric Casey.

Common share activity

Period ended June 30, 2019

During the period ended June 30, 2019, the Company had no common share activity.

Year ended March 31, 2019

During the year ended March 31, 2019 the Company issued the following:

i) The Company issued an aggregate 1,700,000 common shares pursuant to the exercise of stock options at an exercise price of $0.08 per common share, for cash proceeds of $136,000. The fair value of options of $131,944 was transferred from contributed surplus to share capital. The weighted average share price of the Company's common shares on exercise was $0.16.

ii) The Company issued 250,000 common shares pursuant to the Loan as described in Note 12 hereinabove. The common shares were valued at $21,250 as determined by the market price when issued being $0.085 per share.

iii) The Company issued 395,498 common shares pursuant to the settlement of $23,730 in trade payables valued at $21,752 as determined by the market price when issued being $0.055 per share. Share issuance costs of $541 was incurred during the year.

Shares for Debt

On December 31, 2018, the Company settled an aggregate $23,730 in trade payables due to two former directors of the Company through the issuance of an aggregate 395,498 common shares at an agreed price of $0.06. As the market price at the time of issuance was $0.055 the Company recorded a gain on settlement of debt of $1,978.

Mineral Properties

British Columbia

KSP Property

Colorado holds a 100% interest (subject to certain NSR royalties) in the KSP property located to the southeast of the past-producing Snip Mine, British Columbia.

As previously reported during the 2018 field season, the Company completed a 7,700 m drill program, details of which are included in the Company's news releases of November 16, 2018 and September 14, 2018, and the Company's MD&A dated November 28, 2018 as filed on SEDAR. *See Colorado's website www.coloradoresources.com for complete list of drill hole results, figures and maps as well as the Company's Quality Assurance/Quality Control procedures.*

As at June 30, 2019, the Company has incurred $14,789,853 in acquisition and exploration costs (March 31, 2019 - $14,789,852), net of BCMET recoveries.

Outlook

The Company's technical team will continue to review the collective data from its exploration work completed to date in order to compile a future work program and budget as funds become available.

North ROK-Coyote Property

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

As at June 30, 2019, the Company has incurred $6,651,414 net of BCMET recoveries (March 31, 2019 - $6,651,414) in acquisition and explorations costs.

Outlook

Colorado will continue its technical review of the North ROK results. Prior to conducting further work at North ROK, the Company will engage with First Nations leadership and communities in the project area.

Kinaskan-Castle Property

Colorado holds a 100% interest (subject to a 2% NSR royalty) in the Kinaskan-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 previously reported during the 2018 field season the Company completed induced polarization (IP) geophysical survey details of which are included in the Company's news release of October 22, 2018 and its MD&A dated November 28, 2018 as filed on SEDAR. *See Colorado's website www.coloradoresources.com for complete list of drill hole results, figures and maps as well as the Company's Quality Assurance/Quality Control procedures.*

Subsequent to the 2018 field season, Colorado received a permit amendment allowing for the construction of ten diamond drill platforms. The permit is good until March 31, 2023.

As at June 30, 2019, the Company has incurred $937,069 (March 31, 2019 - $937,069) in acquisition and explorations costs.

Outlook

The Kinaskan-Castle drill permits are valid until March 31, 2023 and the Company's technical team will work to prepare the exploration program and budget for the 2019 field season.

As previously noted, the Company has acquired Buckingham (see Buckingham Plan of Arrangement) which holds an option to earn 100% interest in the Moat property. The Moat property adjoins the Kinaskan-Castle property to the east and southeast and will become part of Kinaskan-Castle for future exploration work and reporting purposes. Moat fills in Colorado's land position between GT Gold's Tatogga property** and Colorado's prospective Kinaskan-Castle property. GT Gold recently reported significant mineral discoveries on the Tatogga property.

On December 18, 2018, Buckingham entered into a property option agreement (the "Moat Option Agreement"), whereby it acquired the option to an undivided 100% right, title and interest to a group of mining claims in the Liard Mining Division of northwestern British Columbia (the "Moat Property"), subject to a 2.5% NSR. Under the terms of the Moat Option Agreement, the Company is to issue the following payments in common shares of the Company on or before the following dates:

1. 2,000,000 shares on signing (issued at a fair value of $0.0725 per share)
2. December 27, 2019, $400,000 in common shares
3. December 27, 2020, $500,000 in common shares
4. December 27, 2021, $700,000 in common shares

The 2019, 2020 and 2021 payments will be based on the Company's share price on the date of issuance. The Moat Option has been acquired by Colorado as part of the Plan of Arrangement.

KingPin Property

The KingPin Property covers >328 square km of prospective ground located in the Golden Triangle area north of Stewart in northwest British Columbia. During the 2018 field season no exploration work was completed as funds were allocated primarily to the KSP and Kinaskan-Castle properties.

As at June 30, 2019, the Company has incurred $298,546 (March 31, 2019 - $298,546) in acquisition and explorations costs.

Outlook

Colorado will continue its technical review of the KingPin results, in order to prepare a future work program.

Sofia Property

The Sofia property was acquired by way of the Buckingham Plan of Arrangement which was completed subsequent to the reporting period. The Sofia Property is held 100% by Buckingham subject to a 2% Net Smelter Return Royalty ("NSR") of which 1% of the NSR may be purchased for $2,000,000 within one year following the commencement of commercial production. Sofia is located in the Toodoggone mining district of northwestern British Columbia.

Outlook

Colorado will complete a compilation of previous exploration and may complete a small exploration program at Sofia in late 2019.

Other

"Other" properties held included the GJ Key property, GS property, Stu property, and Iskut claims, all located near Stewart, British Columbia, plus the Sol property and other claims near Ross River, Yukon Territory.

During the year ended March 31, 2019 the Company wrote-off the Other properties in the aggregate amount of $16,068 as the Company no longer intends to pursue these properties. The impairment was determined in accordance with level 3 of the fair value hierarchy.

During the year ended March 31, 2018 the Company wrote-off the Hit property and the Green Springs property in the aggregate amount of $2,605,780 as the Company no longer intends to pursue these properties. The impairment was determined in accordance with level 3 of the fair value hierarchy.

The remainder of this page is left blank intentionally

The following table outlines the details of capitalized exploration expenditures for the period ended June 30, 2019 and year ended March 31, 2019:

	British Columbia					
	North ROK/ROK-Coyote	KSP	KingPin	Kinaskan-Castle	Other	Total
Costs						
Balance at March 31, 2018	$ 6,633,457	$11,267,321	$ 297,506	$ 751,282	$ 16,068	$18,965,634
Acquisition costs	-	9,000	-	302	-	9,302
Exploration costs	17,957	3,513,532	1,040	185,485	-	3,718,014
Provision	-	-	-	-	-	-
Write-down of exploration and evaluation assets	-	-	-	-	(16,068)	(16,068)
Balance at March 31, 2019 and June 30, 2019	**$ 6,651,414**	**$14,789,853**	**$ 298,546**	**$ 937,069**	**$ -**	**$ 22,676,882**

Results of Operations

Financial Results for the three months ended June 30, 2019 and June 30, 2018

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, 2019, the Company reported a $276,500 (2018 - $1,746,343) loss or $0.00 (2018 - $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 $225,719 (2018- $1,699,081) and directors fees of $25,000 (2018 - $13,040). Expenditures were off-set by interest income of $496 (2018 - $13,040). During the period ended June 30, 2018 Company also recorded $16,068 write-down on exploration and evaluation assets as well as a $6,340 fair value loss on marketable securities.

The summary of significant variances in expenditures[1] included:

	2019 $	2018 $	Variance $
Accounting and legal	130,408	515,372	(384,964)
Consulting	9,706	183,540	(173,834)
Office and administration fees	26,539	64,589	(38,050)
Shareholder communication and annual general meeting	(2,406)	831,133	(833,539)
Wages	53,851	78,770	(24,919)
Total	243,378	1,708,806	(1,465,428)

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

Overall corporate expenditures saw an 86% decrease with variances in categories to note:

Accounting and legal was higher for the period ended June 30, 2018 due to the corporate matters relating to the Travis Dissident Proxy and annual general meeting matters.

Included in the June 2018 period was a settlement expense of $137,926 to the former CFO, which was classified in Consulting costs. See Note 17 of the condensed consolidated interim financial statements for further details. This settlement payment coupled with higher activity in the 2018 period explains the variance in consulting fees between the two three-month periods.

Office and administrative saw a decrease in 2019 due to a decrease in general corporate activity.

Shareholder communication and annual general meeting expenses were significantly higher in 2018 due to the settlement with the former CEO. See Note 17 of the condensed consolidated interim financial statements for further details.

Summary of quarterly results

	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018
Total revenues	$ -	$ -	$ -	$ -
Net loss	$(276,500)	$(94,816)	$(294,596)	$(208,727)
Comprehensive loss	$(276,500)	$(94,816)	$(294,596)	$(208,727)
Basic and diluted loss per share	$(0.00)	$(0.00)	$(0.00)	$(0.00)

	Jun. 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)	$(388,213)	$(726,139)
Basic and diluted loss per share	$(0.01)	$(0.02)	($0.00)	($0.01)

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 and included the Minco Settlement Agreement. See Note 17 of the condensed consolidated interim financial statements for further details;
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 severance fees as described hereinabove in connection with the Travis Settlement Agreement. See Note 17 of the condensed consolidated interim financial statements for further details.
3 For December 31, 2017 the comprehensive loss included the fair value loss on marketable securities of $336,000;
4 For September 30, 2017 the net loss included $1,380,042 in write-down of the Hit property.

Financial Condition, Liquidity and Capital Resources

	June 30 2019	March 31 2019
Financial position:		
Cash and cash equivalents	$258,419	$134,598
Working capital (deficiency)	($874,216)	($546,430)
Reclamation deposits	$162,000	$162,000
Property, plant and equipment	$137,944	$12,057
Exploration and evaluation assets	$22,676,882	$22,676,882
Total Assets	$23,330,926	$23,082,752
Shareholders' equity	$22,028,009	$22,304,509

Key changes to the Company's financial condition were a net increase in Property, plant and equipment due to the recognition of the long-term office lease asset of $137,679 in accordance with IFRS 16.

On August 20, 2019 the Company completed the Buckingham Plan of Arrangement, which included a cash injection for the Company of approximately $3.5 million as a result of the concurrent financing.

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

Office Lease

On May 27, 2017 the Company entered into a five year lease with Vintage Commercial Ltd. effective July 1, 2017 at an annual rent of $53,766 until June 30, 2022.

Proposed Transactions

Subsequent to the period ended June 30, 2019, the Company closed the Buckingham Plan of Arrangement. See the "Buckingham Plan of Arrangement" section hereinabove.

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.

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

	June 30 2019	June 30 2018
Administration and labour	$ 6,513	$ 12,500
Consulting fees	4,481	178,540
Wages	43,462	56,000
	$ 54,456	$ 247,040

a) Wages of $34,000 (2018 - $56,000) were paid or accrued to Robert Shaw ("Shaw) the Company's President and Chief Executive Officer. Mr. Shaw was appointed on February 26, 2018 and resigned on August 20, 2019.
b) Consulting fees of $Nil (2018 - $5,000) 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;
c) Consulting fees of $4,481 (2018 - $169,890) were paid or accrued to Minco Corporate Management Inc. ("Minco"), a company controlled by Terese Gieselman, the former Chief Financial Officer and Corporate Secretary of the Company.
d) Administration fees of $6,513 (2018 - $12.500) were paid or accrued to Minco in relation to providing administrative and accounting services.
e) Wages of $9,462 were accrued to Eric Casey, the Company's Chief Financial Officer and Corporate Secretary. Mr. Casey was appointed on June 19, 2019 and provided consulting services prior to his appointment.

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 $137,926 (the "Settlement Amount") was due and payable on June 19, 2018. The Company entered into an agreement with Minco (the "Minco 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. Effective June 19, 2019, the New Minco Contract expired.

Travis Settlement

On April 10, 2018 the Company and Adam Travis entered into a settlement agreement (the "Travis Settlement Agreement"). The Travis Settlement Agreement included provisions with respect to the composition of the Company's board of directors and nominees ("Dissident Proxy") that were to be elected at Colorado's annual meeting of shareholders held on April 17, 2018. Pursuant to the terms of the Travis Settlement Agreement the Company agreed to reimburse Mr. Travis and Cazador certain expenditures to a maximum of $650,000 for costs incurred in relation to the Dissident Proxy and other expenditures associated with Travis Settlement Agreement.

On November 28, 2018 the Company and Mr. Travis resolved all matters that were in dispute and paid all outstanding expenses in the amount of $688,421, and severance fees in the amount of $225,000 pursuant to the Travis Settlement Agreement.

Consulting Fees to Non-Executive Directors

- Consulting fees of $Nil (2018 – $650) were paid or accrued to 43983 Yukon Inc, a company controlled by Larry Nagy, a former director of the Company. Mr. Nagy resigned as director effective April 17, 2018;
- Consulting fees of $Nil (2018 - $8,000) were paid or accrued to William Lindqvist, a former director of the Company. Mr. Lindqvist resigned as a director effective April 17, 2018.
- Director fees of $6,250 (2018 - $7,625) were accrued to Cecil Bond, a director of the Company.
- Director fees of $6,250 (2018 - $8,125) were accrued to Bryan Wilson, a director of the Company.
- Director fees of $6,250 (2018 - $7,625) were accrued to Alastair Still, a director of the Company.
- Director fees of $6,250 (2018 - $7,125) were accrued to Patrick Soares, a former director of the Company. Mr. Soares resigned as a director effective August 20, 2019.

Related Party Liabilities Included in Trade and Other Payables:

Amounts due to:	Service for:	June 30 2019	March 31 2019
Minco	Consulting Fees	$ -	$ 6,904
Patrick Soares	Directors' fees	32,250	26,000
Cecil Bond	Directors' fees	32,250	26,000
Bryan Wilson	Directors' fees	32,750	26,500
Alastair Still	Directors' fees	32,750	26,500
Robert Shaw	Wages	84,500	50,500
Eric Casey	Wages	14,681	-
		$ 229,181	$ 162,404

Critical Accounting Policies and Estimates

The details of Colorado's accounting policies are presented in Note 3 of the audited financial statements for the year ended March 31, 2019. 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

Adoption of New Accounting Standards and Amendments

The IASB has issued a number of amendments to standards and interpretations, with one new standard affecting the Company, which is not yet effective in during the Company's current fiscal year, and has not been applied in preparing these condensed interim consolidated financial statements. These amendments, as well as the one new standard, are not anticipated to have an impact on the Company's financial statements when they are adopted in future years.

The IASB has also issued several new standards which are effective January 1, 2019. The only new standard first adopted by the Company in the three-month period ended June 30, 2019 was IFRS 16 as noted below. Pronouncements that are not applicable to the Company have been excluded from this note.

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 was adopted by the Company on April 1, 2019.

The impact of adopting this new standard resulted in an additional right of use asset of $137,679 capitalized and a corresponding lease liability of the same amount included as a liability in the condensed consolidated interim statements of financial position. The assets will be amortized over the term of the remaining lease period.

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 fixed 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, 2019 as described hereinabove is subject to the Goldcorp Loan with a set interest rate of 8% and therefore limited interest rate risk on 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. The key to 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 endeavours to 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, and trade and other payables 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.

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 accordingly 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, 2019.

Outstanding Share Data

Colorado's authorized capital is unlimited common shares without par value. As at the date of this report 181,551,696 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	310,000	$0.15	07-May-20
Stock options	145,000	$0.08	30-Dec-20
Stock options	450,000	$0.44	06-Jun-21
Stock options	852,500	$0.26	06-Jun-22
Stock options	500,000	$0.15	16-Feb-23
Warrants	441,300	$0.42	17-Sep-19
Warrants	4,462,500	$0.50	17-Sep-19
Warrants	41,700	$0.32	17-Sep-19
Warrants	11,360,000	$0.45	29-Feb-20
Warrants	2,100,000	$0.12	20-Aug-22
Warrants	7,633,928	$0.15	20-Aug-22
Warrants	11,034,964	$0.12	20-Aug-22
Warrants	3,168,359	$0.12	20-Aug-22
Warrants	688,885	$0.12 or $0.15	20-Aug-22

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: the Company does not currently have the funding to complete is initial exploration work for the 2019 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.

Other Information

List of Directors and Officers

Directors
Cecil R. Bond
Michael Cathro
Fletcher Morgan
Alastair Still
Bryan Wilson

Officers
Joseph Mullin, President & CEO
Eric Casey, CFO & Corporate Secretary

Auditors
Smythe LLP