



**Colorado Resources Ltd.**

**News Release**

**Colorado Resources Signs Option and Joint Venture Agreement with Gold Fields to conduct up to \$20 million in exploration on its Oro Property, Yukon**

May 7, 2013

TSX-V: CXO

**COLORADO RESOURCES LTD. (TSX-V: CXO)** ("Colorado" or the "Company") is pleased to announce it has entered into an option and joint venture agreement (the "Agreement") with a wholly owned subsidiary of Gold Fields Limited, Gold Fields Selwyn Exploration Corporation ("Gold Fields"), whereby Colorado has agreed to transfer to Gold Fields up to a 70% interest in certain mineral claims held by Colorado in Yukon and its optioned Oro Property (**Property**). The Property covers approximately 36,000 hectares and is located in the mineral-rich MacMillan Pass area of the Yukon.

Under the terms of the Agreement, Gold Fields can earn a 51% interest in the Property (the "51% Option") by making aggregate option payments consisting of \$600,000 and incurring minimum exploration expenditures of \$7,500,000 and up to \$9,000,000 to complete 10,000 meters of drilling over a three year period.

Gold Fields can earn an additional 19% interest (the "19% Option") by making aggregate option payments of \$900,000 and incurring exploration expenditures of \$11,000,000 over the following two years.

Gold Fields shall be the operator during the option period and, upon exercise of the 19% Option (or after exercise of the 51% Option and when the 19% Option is not taken up, terminated or not satisfied), the Company and Gold Fields will form a joint venture on the terms set out in the Agreement.

The Company and the original vendors (the "Vendors") of the Oro Property have agreed to amend the terms of the underlying option agreement (the "Underlying Option"). Key amendments to the Underlying Option ("Amended Underlying Option") include:

- Cash payments of \$1,100,000 over a four year period will be amended to \$600,000 over a three year period (cash payments received under the 51% Option of the Agreement from Gold Fields will be paid to the Vendors);
- Share issuances of 1,300,000 shares over a 4 year period will be amended to instead be over a 3 year period as follows:
  - 200,000 common shares within 5 business days of TSX Venture Exchange ("Exchange") approval;
  - 300,000 common shares on or before January 15, 2014;
  - 400,000 common shares on or before January 15, 2015; and
  - 400,000 common shares on or before January 15, 2016.

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Under its Agreement with Gold Fields, Colorado shall remain obligated for all share issuances as described above. The Amending Underlying Option is subject to TSX Venture Exchange approval.

All amounts expressed are in Canadian dollars unless otherwise noted

Adam Travis, President and CEO, stated *"Over the past two exploration seasons, we have succeeded in identifying a zone extending over several kilometres containing multi-element geochemical anomalies in rock formations typically associated with Carlin style deposits. Given the large number of anomalies worthy of follow up exploration and drilling, we believe that the Oro Property would be best advanced by involving a major company and we are pleased to have entered into the Agreement with Gold Fields."*

### **Qualified Person**

Greg Dawson, P.Geol. is the Qualified Person as defined by National Instrument 43-101 who supervised the technical data in this news release

### **About Colorado**

Colorado is engaged in the business of mineral exploration for the purpose of acquiring and advancing mineral properties located in British Columbia and the Yukon and is also aggressively seeking quality properties in the US Southwest and Latin America. Colorado's exploration focus is gold and copper-gold properties and it is currently drilling two copper-gold properties located in the Red Chris area of northwestern BC.

ON BEHALF OF THE BOARD OF DIRECTORS OF

### **COLORADO RESOURCES LTD.**

*"Adam Travis"*

Adam Travis  
President and Chief Executive Officer

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### **Cautionary Note Regarding Forward-Looking Statements**

*This news release contains forward-looking information within the meaning of Canadian securities laws. Such information includes, without limitation, information regarding proposed exploration activities. Although the Company believes that such information is reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking information is typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking information provided by the Company is not a guarantee of future results or performance, and that actual results may differ materially from those in forward-looking information as a result of various factors, including, but not limited to, the state of the financial markets for the Company's equity securities, the state of the market for gold or other minerals that may be produced generally, recent market volatility; variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's ability to obtain any necessary permits, consents or authorizations required for its activities, to raise the necessary capital or to be fully able to implement its business strategies and other risks associated with the exploration and development of mineral properties.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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