Colorado Resources Ltd.

COLORADO RESOURCES LTD.
(An Exploration Stage Company)

Consolidated Financial Statements

For the Years Ended March 31, 2018 and 2017

COLORADO RESOURCES LTD.
(An Exploration Stage Company)
March 31, 2018 and 2017
(Expressed in Canadian Dollars)

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Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF COLORADO RESOURCES LTD.

We have audited the accompanying consolidated financial statements of Colorado Resources Ltd., which comprise the consolidated statements of financial position as at March 31, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Colorado Resources Ltd. as at March 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 in the consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
July 27, 2018

COLORADO RESOURCES LTD.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at March 31
(Expressed in Canadian Dollars)

	Note		2018		2017
Assets					
Current					
Cash and cash equivalents	5,13	$	1,476,261	$	2,184,745
Restricted cash	2,3		3,625,637		4,341,288
Receivables	6		461,632		483,623
Prepaids and advances	18		153,756		47,262
Available-for-sale investments	8		210,000		336,000
Total current assets			5,927,286		7,392,918
Non-current					
Reclamation deposits	9		150,000		141,000
Property, plant and equipment	10		23,683		24,611
Exploration and evaluation assets	7,11,15		18,965,634		13,501,447
Total non-current assets			19,139,317		13,667,058
Total Assets		$	25,066,603	$	21,059,976
Liabilities and Shareholders' Equity					
Current					
Trade and other payables	12,18	$	591,390	$	173,357
Other liabilities	13		-		540,077
Provision	14		4,683		-
Total current liabilities			596,073		713,434
Shareholders' equity					
Share capital	15		40,678,462		32,622,219
Contributed surplus	15,16		5,255,716		4,661,062
Accumulated other comprehensive income			-		21,000
Accumulated deficit			(21,463,648)		(16,957,739)
Total shareholders' equity			24,470,530		20,346,542
Total Liabilities and Shareholders' Equity		$	25,066,603	$	21,059,976

Signed on behalf of the Board of Directors by:

"Cecil Bond"	Director	*"Robert Shaw"*	Director
Cecil Bond		Robert Shaw	

The accompanying notes are an integral part of these consolidated financial statements

COLORADO RESOURCES LTD.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended March 31
(Expressed in Canadian Dollars)

	Note		2018		2017
Expenses					
Administrative and general	17,18	$	1,669,838	$	1,091,301
Depreciation	10		11,037		9,043
Directors fees			108,500		12,500
Pre-exploration expenditures			5,173		194,587
Loss on foreign exchange			6,174		6,206
Share-based payments	16		628,565		446,733
Total expenses			(2,429,287)		(1,760,370)
Other income					
Interest income			94,081		30,562
Management fees received	11		-		75,124
Other income	13		540,077		188,094
Gain on settlement of debt	8,18		-		105,000
Write-down on available-for-sale investments	8		(105,000)		-
Write-down on exploration and evaluation assets	11		(2,605,780)		(1,208,670)
Loss on sale of available-for-sale investments	8		-		(31,064)
Gain on sale of exploration and evaluation assets	7,11		-		528,534
Net loss for the year		$	(4,505,909)	$	(2,072,790)
Other comprehensive loss					
Items that may be recycled through profit and loss:					
Fair value loss on available-for-sale investments	8		(21,000)		(16,500)
Loss and Comprehensive loss for the year		$	(4,526,909)	$	(2,089,290)
Loss per common share basic and diluted	21	$	(0.04)	$	(0.03)

The accompanying notes are an integral part of these consolidated financial statements

COLORADO RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended March 31

(Expressed in Canadian Dollars)

	Note	Share Capital Amount	Contributed Surplus	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total
Balance March 31, 2016		$ 23,542,273	$ 3,024,750	$ 37,500	$ (14,884,949)	$ 11,719,574
Loss for the year		-	-	-	(2,072,790)	(2,072,790)
Shares issued for exploration and evaluation assets	11,15	1,182,231	-	-	-	1,182,231
Shares issued for cash	15	10,221,856	-	-	-	10,221,856
Fair value of options exercised	16	73,387	(73,387)	-	-	-
Fair value of agents warrants	15	-	94,385	-	-	94,385
Share issuance costs	15	(586,945)	-	-	-	(586,945)
Flow-through share premium	16	(1,810,583)	-	-	-	(1,810,583)
Share-based payments	16	-	446,733	-	-	446,733
Fair value of warrants	15	-	1,168,581	-	-	1,168,581
Available-for-sale-investment	8	-	-	(16,500)	-	(16,500)
Balance March 31, 2017		$ 32,622,219	$ 4,661,062	$ 21,000	$ (16,957,739)	$ 20,346,542
Loss for the year		-	-	-	(4,505,909)	(4,505,909)
Shares issued for exploration and evaluation assets	11,15	862,500	-	-	-	862,500
Fair value of options exercised	15,16	33,911	(33,911)	-	-	-
Share-based payments	16	-	628,565	-	-	628,565
Available-for-sale-investment	8	-	-	(21,000)	-	(21,000)
Shares issued for cash	15	7,423,741	-	-	-	7,423,741
Shares issuance costs	15	(263,909)	-	-	-	(263,909)
Balance, March 31 2018		**$ 40,678,462**	**$5,255,716**	**$ -**	**$(21,463,648)**	**$ 24,470,530**

COLORADO RESOURCES LTD.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended March 31

(Expressed in Canadian Dollars)	Note	2018	2017
Cash flows from operating activities			
Loss for the year	21	$ (4,505,909)	$ (2,072,790)
Adjustments to reconcile loss to net cash used in operating activities			
Depreciation	10	11,037	9,043
Share-based payments	16	628,565	446,733
Gain on sale of assets-held-for-sale	7	-	(525,131)
Gain on sale of assets		-	(1,650)
Loss on sale of available-for-sale-investments	8	-	31,064
Other income	13	(540,077)	(188,094)
Gain on settlement of debt	8,18	-	(105,000)
Write-down on exploration and evaluation assets		2,605,780	1,208,670
Write-down of available-for-sale-investments	8	105,000	-
Changes in non-cash working capital balances:			
Receivables	6	21,991	13,489
Trade and other payables	12	505,553	(69,239)
Prepaid and advances	18	(106,494)	(15,722)
Total cash outflows from operating activities		(1,274,554)	(1,268,627)
Cash flows from investing activities			
Proceeds from the disposition of exploration and evaluation assets	7,11	-	175,884
Proceeds from the sale of available-for-sale-investments	8	-	646,369
Purchase of reclamation deposits	9	(9,000)	(25,000)
Purchase of property, plant and equipment	10	(10,109)	(29,736)
Resource property expenditures, *net of recoveries*	7,11,15	(7,290,304)	(4,899,881)
Total cash outflows from investing activities		(7,309,413)	(4,132,364)
Cash flows from financing activities			
Exercise of options	15,16	44,000	117,500
Exercise of warrants	15	136,941	746,350
Shares issued for private placement	15	7,242,800	9,358,006
Share issuance costs	15	(263,909)	(492,560)
Total cash inflow provided by financing activities		7,159,832	9,729,296
Increase (decrease) in cash during the year		(1,424,135)	4,328,305
Cash and cash equivalents beginning of year		6,526,033	2,197,728
Cash and cash equivalents end of year		$ 5,101,898	$ 6,526,033
Composition of cash and cash equivalents and restricted cash			
Cash		$ 166,098	$ 5,503,033
Cash equivalents	13	4,935,800	1,023,000
Cash and cash equivalents, end of the year		$ 5,101,898	$ 6,526,033

See Note 23 for Supplemental Cash Flow Information

1. CORPORATION INFORMATION

Colorado Resources Ltd. (the "Company") was incorporated on October 9, 2009 under the *Business Corporations Act* (British Columbia). The Company is in the exploration stage and its principal business activities include the acquisition, exploration and development of mineral properties. The Company's principal properties are located in British Columbia.

The Company 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

2. BASIS OF PREPARATION AND GOING CONCERN

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Board of Directors on July 27, 2018.

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian Dollars, which is the functional currency of the Company and its subsidiaries.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Going Concern

These consolidated 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 $4,505,909 during the year ended March 31, 2018 (2017 - $2,072,790) and, as of that date, the Company's deficit was $21,463,648 (2017 - $16,957,739) and is expected to continue to incur losses. The Company has working capital of $5,331,213 as at March 31, 2018 (2017 - $6,679,484) of which the Company has flow through expenditure requirements of $3,625,637 (2017 - $4,341,288) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

These consolidated financial statements include the accounts of the following subsidiaries:

	% of Ownership	Jurisdiction	Principal Activity
Colorado Gold S.A. de C.V. ("Colorado Gold")	100%	Mexico	Inactive
Colorado Exploration Inc.	100%	USA	Exploration

A subsidiary is an entity that the Company controls, either directly or indirectly. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All inter-company transactions and balances including unrealized income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Foreign Currency Transactions

The functional and presentation currency of the parent company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value and are reported at the exchange rate at the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, demand deposits with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the year in which they are incurred.

Acquisition Costs

The fair value of all consideration paid to acquire an exploration and evaluation asset is capitalized, including amounts arising under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on property, plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, acquisition costs and exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure and acquisition costs, in excess of estimated recoveries, are written off to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Mineral Exploration and Evaluation Expenditures (cont'd)

Acquisition Costs (cont'd)

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property will be considered to be a mine under development and will be classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Farm-Out Arrangements

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess accounted for as a gain on disposal.

Property, Plant and Equipment

Recognition and Measurement

On initial recognition, property, plant and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Major Maintenance and Repairs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent Costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and Losses

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within other income in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment (cont'd)

Depreciation

Depreciation is recognized in profit or loss and is provided at the following annual rates:

	Percentage
Field equipment	30%
Furniture and fixtures	20%
Office equipment	30%
Vehicles	30%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairment of Non-Financial Assets

Impairment tests on non-financial assets, including exploration and evaluation assets are undertaken whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent it reverses gains previously recognized in accumulated other comprehensive loss/income.

Financial Instruments

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade-date basis. The Company's accounting policy for each category is as follows:

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. Receivables net of sales tax receivable and reclamation deposits are included in this category.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Financial Assets (cont'd)

Available-for-Sale Investments

Non-derivative financial assets that do not meet the definition of loans and receivables are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

Held-to-maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold to maturity are classified as held-to-maturity. Financial assets classified as held-to-maturity are measured at amortized cost using the effective interest method.

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets. The Company has no financial assets classified as held to maturity at March 31, 2018 and 2017.

Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

Financial assets are classified as FVTPL when the financial asset is held-for-trading or is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future, it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Cash and cash equivalents and restricted cash are included in this category.

Financial Liabilities

The Company classifies its financial liabilities in the following categories: FVTPL and other financial liabilities.

FVTPL

Financial liabilities at FVTPL are initially recognized at fair value with changes in fair value recorded through profit or loss. The Company does not have any financial liabilities at FVTPL at March 31, 2018 and 2017.

Other Financial Liabilities

Other financial liabilities are non-derivatives and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Financial Liabilities (cont'd)

Other Financial Liabilities (cont'd)

the liability is outstanding. Trade and other payables are included in this category and represent liabilities for goods and services provided to the Company prior to the end of the year that are unpaid.

Provisions

Provisions are recognized as liabilities when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities, include restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks. Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company allocates the flow-through share using the residual method into i) share capital, ii) warrants and iii) flow-through share premium, equal to the estimated premium, if any, investors paid for the flow-through feature, which is recognized as a liability. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision. The required flow-through expenditures as at March 31, 2018 of $3,625,637 (2017- $4,342,288) is recorded as restricted cash.

Proceeds received from the issuance of flow-through shares are restricted to be used only for certain Canadian resource property exploration expenditures incurred within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's reporting year is disclosed separately as flow-through share proceeds in Note 13.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset only to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share options and warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new share options and are shown in equity as a deduction, net of tax, from the proceeds. Where the Company issued common shares and warrants together as units, value is allocated first to share capital based on the market value of common shares on the date of issue, with any residual value from the proceeds being allocated to the warrants.

Contributed Surplus

Contributed surplus consists of the fair value of stock options and warrants granted since inception, less amounts transferred to share capital for exercised stock options and warrants. If granted options or warrants vest and then subsequently expire or are forfeited, no reversal of contributed surplus is recognized.

Earnings/Loss Per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year. Diluted earnings per common share is computed by dividing the net income applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Diluted loss per common share excludes the effects of any instruments that would be anti-dilutive if they were converted.

Share-based Payments

The fair value, at the grant date, of equity-settled share option awards is charged to profit or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the contributed surplus. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black-Scholes option pricing model which considers the following factors:

- Exercise price
- Expected life of the award
- Expected volatility
- Current market price of the underlying shares
- Risk-free interest rate
- Dividend yield

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Taxes Recoverable

Mineral Tax Credit

The Federal and Provincial taxation authorities provide companies with tax incentives for undertaking mineral exploration programs in certain areas. The Company accrues these credits as a reduction of exploration and evaluation expenditures in the period that the related expenditures were incurred. These accrued credits are subject to review by the relevant authorities and by their nature are subject to measurement uncertainty. Adjustments, if any, resulting from such a review are recorded in the period that the tax filings are amended.

Recent and Future Accounting Pronouncements

The standards listed below include only those which the Company reasonably expects may be applicable to the Company at a future date. Unless otherwise noted, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Future Accounting Pronouncement (cont'd)

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 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 Company expects no impact on its consolidated financial statements upon adoption of this standard.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss/income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Exploration and Evaluation Expenditure

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, indicators of impairment are identified suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash generating unit or group of cash generating units level in the year the new information becomes available. Such impairment tests and recoverable value models have a degree of estimation and judgment which may differ in the future.

Income Taxes

The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Impairment of Available-for-Sale Investments

Management assesses at the end of each reporting period whether there had been any other-than-temporary impairments on its investments, using objective evidence to determine if the marketable securities are impaired. Listed prices on public stock exchanges are used to determine if the fair value is at a significant or prolonged decline below the historical cost of the marketable securities.

At March 31, 2018, there were indications that suggest that the Company's marketable securities are impaired (note 8).

Valuation of Share-based Payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Mineral Tax Credit

The Company is entitled to refundable tax credits on qualified resource expenditures incurred in Canada. Management's judgement is applied in determining whether the resource expenditures are eligible for claiming such credits.

Going Concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgements of management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investment and financing activities and management's strategic planning. Should those judgements prove to be inaccurate, management's continued use of the going concern assumptions may be inappropriate.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on hand, demand deposits with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. Cash at banks and on hand earns interest at floating rates based on daily bank deposit rates. Cash equivalents are held in cashable guaranteed investment certificates with maturity dates of August 31, 2018 with interest rates ranging from 1.9% to 2.1%.

6. RECEIVABLES

		March 31 2018		March 31 2017
Sales taxes receivable	$	27,935	$	25,209
British Columbia mining tax credits		426,314		426,314
Other - Note 18		7,383		32,100
	$	461,632	$	483,623

Sales tax receivable represents input tax credits arising from sales tax levied on the supply of goods purchased or services received in Canada.

The British Columbia mining tax credits ("BCMET") receivable represent a refund claim applied for on exploration expenditures incurred in British Columbia pursuant to the *British Columbia Minerals Tax Act.*

(Expressed in Canadian Dollars)

7. DISPOSAL OF ASSETS

As at March 31, 2018 the Company held no assets for sale.

As at March 31, 2017 the Company sold its 100% interest in certain mineral claims located in the State of Nevada (the "Claims"), subject to the Company retaining a 1% net smelter returns royalty ("NSR"). The Purchaser is entitled to purchase the NSR for a cash payment of $1,000,000.

Consideration for the sale of the Claims included the following:

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

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

8. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments consist of an investment in 4,200,000 Damara Gold Corp. ("Damara") pursuant to the settlement of an advance receivable from Damara (See Note 18, 26). 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. During the year ended March 31, 2018, the Company recorded $126,000 as an unrealized loss (March 31, 2017 - $21,000 unrealized gain) on investment in marketable securities of which $21,000 was recognized in other comprehensive loss reducing the balance to Nil, and $105,000 (2017- $Nil) was recorded as a write down on available-for-sale investments in profit or loss on the basis of a prolonged decline in fair value of these securities.

During the year ended March 31, 2017, Company sold the 400,000 shares of American Lithium Corp. for net proceeds of $123,609 and recorded a loss on the sale of available-for-sale-investment of $422,574.

During the year ended March 31, 2017, the Company sold its investment of 1,875,000 shares of SnipGold Corporation ("SnipGold") for net proceeds of $522,760 and recorded a gain on the sale of available-for-sale-investment of $391,510.

9. RECLAMATION DEPOSITS

The Company is required to make reclamation deposits in respect of its expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company on its Hit, North ROK, Heart Peaks and KSP properties. The reclamation deposits are held with the Minister of Energy and Mines in British Columbia. Reclamation bonds included guaranteed investment certificates with maturity dates of ranging from June 2018 to February 2019 with interest rates ranging from 2.1% to 2.6%.

(Expressed in Canadian Dollars)

10. PROPERTY, PLANT AND EQUIPMENT

	Vehicle	Furniture & Fixtures	Office Equipment	Field Equipment	Total
Cost					
Balance March 31, 2016	$ 10,528	$ 11,871	$ 44,242	$ 260,737	$ 327,378
Assets acquired	-	1,016	11,256	17,464	29,736
Balance March 31, 2017	10,528	12,887	55,498	278,201	357,114
Assets acquired	-	888	1,735	7,486	10,109
Balance March 31, 2018	$ 10,528	$ 13,775	$ 57,233	$ 285,687	$ 367,223
Depreciation					
Balance March 31, 2016	$ 10,528	$ 10,783	$ 42,055	$ 260,094	$ 323,460
Depreciation for the year	-	1,136	3,388	4,519	9,043
Balance March 31, 2017	10,528	11,919	45,443	264,613	332,503
Depreciation for the year	-	293	3,377	7,367	11,037
Balance March 31, 2018	**$ 10,528**	**$ 12,212**	**$ 48,820**	**$ 271,980**	**$ 343,540**
Carrying amounts					
Balance March 31, 2017	-	$ 968	$ 10,055	$ 13,588	$ 24,611
Balance March 31, 2018	**-**	**$ 1,563**	**$ 8,413**	**$ 13,706**	**$ 23,683**

11. EXPLORATION AND EVALUATION ASSETS

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	British Columbia							Nevada USA	
	North ROK/ROK-Coyote	KSP	Hit	Heart Peaks	KingPin	Castle	Other	Green Springs	Total
Costs									
Balance at March 31, 2016	$ 4,866,818	$ 1,535,788	$ 1,364,507	$ 1,206,112	$ -	$ -	$ 9,956	$ -	$ 8,983,181
Acquisition costs	614,922	135,250	-	-	136,950	443,309	(4,723)	209,435	1,535,143
Exploration costs	12,657	4,110,404	4,820	2,558	89,708	4,020	14,185	383,106	4,621,457
Disposal of exploration and evaluation assets	-	-	-	-	-	-	(3,350)	-	(3,350)
Write-down of exploration and evaluation assets	-	-	-	(1,208,670)	-	-	-	-	(1,208,670)
British Columbia Mining Tax Credits	(612)	(423,847)	(9)	-	(1,091)	(755)	-	-	(426,314)
Balance 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 costs	-	1,919,041	37	-	-	-	-	338,269	2,257,347
Exploration costs	1,139,672	3,990,685	10,688	-	71,939	304,708	-	290,245	5,807,937
Provision	-	-	-	-	-	-	-	4,683	4,683
Write-down of exploration and evaluation assets	-	-	(1,380,042)	-	-	-	-	(1,225,738)	(2,605,780)
Balance at March 31, 2018	**$ 6,633,457**	**$ 11,267,321**	**$ -**	**$ -**	**$ 297,506**	**$ 751,282**	**$ 16,068**	**$ -**	**$ 18,965,634**

(Expressed in Canadian Dollars)

11. EXPLORATION AND EVALUATION ASSETS (cont'd)

British Columbia

North ROK Property

Colorado holds a 100% interest in the North ROK Property located in northern British Columbia.

On March 13, 2017, the Company and Firesteel Resources Inc. ("Firesteel") entered into a purchase agreement to acquire a 100% interest in the ROK-Coyote property (the "ROK-Coyote Agreement") which now forms part of the North ROK Property.

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

- 1,500,000 units of Colorado ("Consideration Units") to be issued to Firesteel within five days of the TSX Venture Exchange ("Exchange") approval (issued). Each Consideration Unit consisted of one common share ("Consideration Share") and one common share purchase warrant (a "Warrant"). Each Warrant entitles Firesteel to purchase a further common share at a purchase price of $0.45 per share for a period of 24 months (See note 15). The warrants were measured at fair value using the Black-Scholes option pricing model at $187,422. The following key assumptions used in valuing the warrants:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield
17-Mar-17	17-Mar-19	$0.285	$0.45	0.81%	2	104.67%	0%

The Underlying Vendors' NSR includes a 2% NSR agreement with arms-length parties on three claims ("ROK NSR"). The ROK NSR can be extinguished in its entirety for a purchase price of $2,000,000. The Underlying Vendors' NSR also includes an agreement with arm's length and non-arm's length parties for a 2% NSR on 16 claims ("Real McCoy and Coyote NSR") of which 1% of the Real McCoy and Coyote NSR can be purchased for an aggregate $2,000,000. Adam Travis, a director of the Company as at March 31, 2018, holds a 50% interest in the Real McCoy & Coyote NSR. Subsequent to March 31, 2018 Mr. Travis ceased to be a director

As at March 31, 2018, the Company has incurred $6,633,457 net of BCMET recoveries (March 31, 2017 - $5,493,785) in acquisition and explorations costs.

KSP Property

KSP Option

On November 6, 2013, the Company and SnipGold Corp. ("SnipGold") entered into a non-binding Letter of Agreement and thereafter on December 19, 2013, the parties formalized an option agreement (the "KSP Option") where Colorado had the right to acquire up to an 80% interest in the southeastern portion of SnipGold's Iskut Property and an adjoining area acquired by Colorado through staking (collectively referred to as the "KSP Property"). The KSP Property is located to the southeast of the past-producing Snip Mine, British Columbia. On June 21, 2016, Seabridge Gold Inc. ("Seabridge") acquired SnipGold and has assumed all obligations of SnipGold. SnipGold remains a wholly owned subsidiary of Seabridge.

Consideration for the KSP Option consists of aggregate cash payments of $500,000 (paid) and exploration expenditures of $6,000,000 (completed) over a four-year period to earn an initial 51% interest ("Initial Interest").

On May 10, 2017, the Company provided notice pursuant to the KSP Option to exercise the Initial 51% Interest and acquired the 51% interest in the Property.

11. EXPLORATION AND EVALUATION ASSETS (cont'd)

British Columbia (cont'd)

KSP Property (cont'd)

***KSP Option* (cont'd)**

On August 3, 2017 Colorado entered into an amending agreement with SnipGold wherein the parties amended the KSP Option wherein Colorado purchased the outstanding 49% interest remaining. The Company received Exchange approval and issued the payment of $1,000,000 in cash and 2,000,000 Colorado shares issued at $0.38 per share for $760,000. SnipGold retains a 2% NSR on the KSP Property (half of which can be purchased at any time for $2,000,000).

KSP Other

The KSP Property includes several additional claims and mineral leases acquired through staking or purchase agreements wherein:

- **one mineral tenure is subject to a 2% NSR to an individual of which the NSR may be purchased in its entirety for $1,000,000;**
- **one mineral tenure is subject to a 1% NSR to an individual of which the NSR may be purchased in its entirety for $500,000; and**
- **two mineral tenures are subject to a 2% NSR to Teck Resources Limited.**

As at March 31, 2018 the Company has incurred $11,267,321 net of BCMET recoveries (March 31, 2017 - $5,357,595) in acquisition and explorations costs.

Hit Property

Colorado holds a 100% interest in mineral tenures located in the Similkameen Mining Division of British Columbia forming the Hit Property, acquired through staking and pursuant to various agreements and subject to certain net smelter return royalties as follows:

Aspen Option

On April 23, 2012, the Company entered into an option agreement as amended on January 13, 2014 and October 24, 2014 ("Aspen Option") to acquire mineral claims in the Aspen Grove area of south-western British Columbia from the Vendors which form part of the Hit Property. The Vendors also retained a 2.5% NSR of which 2% of the NSR may be purchased for $4,000,000.

Hit Other

On September 16, 2011, the Company acquired a 100% interest in additional mineral tenures referred to as the Aspen Grove South Property, located in southern British Columbia from two private individuals (the "Vendors") forming part of the Hit Property. The Vendors retained a 2.5% NSR of which the first 1.5% of the NSR may be purchased for $1,000,000 and the remaining 1% NSR for $3,000,000.

During the year ended March 31, 2018 the Company wrote-off the Hit Property in the amount of $1,380,043 (2017 - $Nil). The impairment was done in accordance with level 3 of the fair value hierarchy.

Heart Peaks Property

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

On September 11, 2015, the Company and Centerra Gold Inc. ("Centerra") entered into an option agreement (the "Centerra Option") whereby Centerra can earn a 70 % interest in the HP Property through making exploration expenditures totaling $8,000,000 by December 31, 2019 ($1,500,000 in year one).

(Expressed in Canadian Dollars)

11. EXPLORATION AND EVALUATION ASSETS (cont'd)

British Columbia **(cont'd)**

Heart Peaks Property (cont'd)

Under the terms of the Centerra Option, Colorado was the project manager on the HP Property and received a management fee of $Nil (2017 - $75,124) Pursuant to the terms of the Centerra Option, Centerra provided written notice and terminated the Centerra Option effective October 3, 2016.

During the year ended March 31, 2017, the Company wrote-off the Heart Peaks property in the amount of $1,208,670. The impairment was done in accordance with level 3 of the fair value hierarchy.

KingPin Property

The Company acquired a 100% interest in several mineral claims located in the Golden Triangle area in northwestern British Columbia through staking (collectively referred to as the "KingPin Property").

On April 20, 2016, the Company entered into a purchase agreement with a third party (the "Vendor"), to acquire a 100% interest in the Max Property subject to a retained 2% net smelter returns royalty (the "NSR") for the following consideration:

1. On signing a $20,000 cash payment to the Vendor (paid); and
2. 200,000 common shares of Colorado to be issued to the Vendor within 10 days of Exchange approval (issued).

The Company has the option to purchase from the Vendor 1% of the NSR for $1,000,000 within 240 days of commercial production and thereafter at any time the remaining 1% for $5,000,000. The Max Property forms part of the KingPin Property.

As at March 31, 2018, the Company has incurred $297,506 (March 31, 2017 - $225,567) in acquisition and explorations costs.

Castle Property

On February 3, 2017, the Company and Kaizen Discovery Inc. ("Kaizen") entered into a purchase agreement to acquire a 100% interest in the Castle property located in the Liard Mining District of British Columbia (the "Castle Agreement"). Under the terms of the agreement, Colorado acquired a 100% interest in the Castle Property, subject to a 2% percent NSR to the underlying original vendor (the "Original Vendor NSR") for the following consideration:

1. 1,000,000 units of Colorado ("Consideration Units") to Kaizen within five days of the TSX Venture Exchange ("Exchange") approval (issued). Each Consideration Unit consists of one common share and ("Consideration Share") one common share purchase warrant (a "Warrant"). Each Warrant entitles Kaizen to purchase a further common share at a purchase price of $0.60 per share for a period of 24 months (See note 15). The warrants were measured at fair value using the Black-Scholes option pricing model at $103,309. The following key assumptions were used in valuing the warrants:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield
14-Feb-17	14-Feb-19	$0.34	$0.60	0.80%	2	102.89%	0%

The Company has the option to purchase the Original Vendor NSR for $4,000,000.

As at March 31, 2018 the Company has incurred $751,282 (March 31, 2017 - $446,574) in acquisition and explorations costs.

11. EXPLORATION AND EVALUATION ASSETS (cont'd)

British Columbia **(cont'd)**

Other

GJ Key property is located southwest of the Company's North ROK property. During the year ended March 31, 2017, the Company sold a 50% interest in the two claims comprising the GJ Key Property along with one claim that forms part of the Company's Castle Property to a third party for a cash payment of $5,000 (the "Purchase Price"). An amount of $3,350 of the Purchase Price was allocated to the GJ Key Property and the balance of $1,650 was recorded in gain on the sale of exploration and evaluation assets.

As at March 31, 2018, the Company had a recorded credit balance to date of $1,367 (March 31, 2017 - $1,367 credit balance) against acquisition and exploration costs.

The GS Property is located southeast of the Company's Heart Peaks Property.

As at March 31, 2018, the Company has incurred to date $6,597 (March 31, 2017 - $6,597) in acquisition and exploration costs.

As at March 31, 2018, the Company has incurred to date $3,286 (March 31, 2017 - $3,286) in acquisition and exploration costs on two mineral tenures located northwest of Stewart, British Columbia referred to as the Iskuit Claims.

The Company staked a mineral tenure referred to as the Stu Property, located northwest of Stewart, British Columbia. As at March 31, 2018, the Company has incurred to date $7,552 (March 31, 2017 - $7,552) in acquisition and exploration costs.

US

Nevada

Green Springs

On December 6, 2016, Colorado entered into a definitive agreement with Ely Gold & Minerals Inc. ("ELY") wherein ELY granted the exclusive option to Colorado to acquire ELY's 100% interest in and to the Green Springs Property by making the following payments and share issuances over four years:

- Initial - US$50,000 cash (paid) and the issuance of 300,000 common shares (issued) upon Exchange approval (*received on December 13, 2016);*
- Year 1 Anniversary - US$100,000 cash (paid) and the issuance of 500,000 common shares (issued);
- Year 2 Anniversary- US$200,000 cash and the issuance of 600,000 common shares;
- Year 3 Anniversary - US$400,000 cash and the issuance of 850,000 common shares; and
- Year 4 Anniversary- US$2,250,000 cash (the "Final Option Payment").

Colorado may at its election make the Final Option Payment 50% cash and 50% common shares based on a 30 day volume weighted average price subject to a floor price of $0.20 per share).

On May 9, 2018 the Company provided notice to Ely to terminate the option and as at March 31, 2018, the Company wrote-off the Green Springs property in the amount of $1,225,738 (2017 - $Nil). The impairment was done in accordance with level 3 of the fair value hierarchy.

(Expressed in Canadian Dollars)

12. TRADE AND OTHER PAYABLES

		March 31 2018		March 31 2017
Trade payables	$	196,532	$	96,467
Accrued Liabilities		52,412		50,304
Due to related party - Note 18		342,446		26,586
Total	$	591,390	$	173,357

13. OTHER LIABILITIES

	Issued on March 17 2017	Issued on May 18 2016	Issued on December 18 2015	Total
Balance at March 31, 2016	$ -	$ -	$ 86,169	$ 86,169
Liability incurred on flow-through shares issued	540,077	101,925	-	642,002
Settlement of flow-through share liability on incurring expenditures	-	(101,925)	(86,169)	(188,094)
Balance at March 31, 2017	540,077	-	-	540,077
Liability incurred on flow-through shares issued	-	-	-	-
Settlement of flow-through share liability on incurring expenditures	(540,077)	-	-	(540,077)
Balance at March 31, 2018	$ -	$ -	$ -	$ -

On August 31, 2017, the Company completed a private placement for 12,720,000 flow-through common shares at a price of $0.365 per share for gross proceeds of $4,642,840 The Company determined that these shares were not issued at a premium based on the share price of $0.38 on the date of issuance. The liability incurred on flow-through shares was $Nil.

On March 17, 2017, the Company completed a private placement for 8,180,000 flow-through common shares at a price of $0.42 per share for gross proceeds of $3,435,600. The Company determined that these shares were issued at a premium of $0.135 per share based on the share price of $0.285 on the date of issuance. The liability recognized on the issuance of the shares was $540,077. As at March 31, 2018 the Company had incurred $3,435,600 of qualifying Canadian Exploration Expenditures (“CEE”) thereby fulfilling approximately the obligation and had extinguished $540,077 of the liability. The extinguishment of the liability was recognized as other income of $540,077 during the year ended March 31, 2018.

On December 29, 2016, the Company completed a private placement for 3,800,000 flow-through common shares at a price of $0.25 per share for gross proceeds of $950,000. The Company determined that these shares were not issued at a premium based on the share price of $0.28 on the date of issuance. The liability incurred on flow-through shares was $Nil

On May 31, 2016, the Company completed Tranche 2 of a private placement of 1,260,000 flow-through common shares at a price of $0.42 per share for gross proceeds of $529,200. The Company determined that these shares were issued at a premium of $0.05 based on the share price of $0.37 on the date of issuance. The liability incurred on flow-through shares was $Nil.

On May 18, 2016, the Company completed Tranche 1 of a private placement of 2,282,334 flow-through common shares at a price of $0.42 per share for gross proceeds of $958,580. The Company determined that these shares were issued at a premium of $0.11 per share based on the share price of $0.31 on the date of issuance. The liability incurred on flow-through shares was $101,925. As at March 31, 2017, the Company had incurred $958,580 of qualifying Canadian Exploration Expenditures (“CEE”) thereby fulfilling the obligation and had extinguished $101,925 of the liability. The extinguishment of the liability was recognized as other income of $101,925 during the year ended March 31, 2017.

(Expressed in Canadian Dollars)

13. OTHER LIABILITIES (cont'd)

On December 18, 2015, the Company completed a private placement of 6,255,000 flow-through common shares at a price of $0.08 per share for gross proceeds of $500,400. The Company determined that these shares were issued at a premium of $0.015 per share based on the share price of $0.065 on the date of issuance resulting in a liability of $93,750. As at March 31, 2017, the Company had incurred the remaining $460,057 fulling the $500,400 of qualifying Canadian Exploration expenditures thereby fulfilling the remaining $86,169 in relation this this flow-through share financing. The extinguishment of the liability was recognized as other income of $86,169 during the year ended March 31, 2017.

14. PROVISIONS

The Company fulfils its site restoration obligations as required when a drill site is abandoned, and accordingly, no discounted present value was calculated due to the expected short-term nature of the obligation. Management will continue to assess asset retirement obligations as future exploration activity is undertaken.

At March 31, 2018, the estimated costs for exploration and evaluation rehabilitation were $4,683 (March 31, 2017 - $Nil).

15. SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares with no par value.

Common Shares

The following is a summary of changes in common share capital from April 1, 2016 to March 31, 2018:

	Note	Number	Price	Total
Balance - March 31, 2016		61,386,967	-	$23,542,273
Issued for private placement	15	9,274,931	$0.350	3,246,226
Issued for private placement	15	11,722,334	$0.420	4,923,380
Issued for private placement	15	3,800,000	$0.250	950,000
Issued for private placement	15	745,000	$0.320	238,400
Exercise of share purchase warrants	15	5,741,154	$0.130	746,350
Exercise of options	15,16	150,000	$0.250	37,500
Exercise of options	15,16	150,000	$0.150	22,500
Exercise of options	15,16	200,000	$0.080	16,000
Exercise of options	15,16	100,000	$0.265	26,500
Exercise of options	15,16	50,000	$0.300	15,000
Shares issued for exploration and evaluation assets	11	200,000	$0.320	64,000
Shares issued for exploration and evaluation assets	11	300,000	$0.200	60,000
Shares issued for exploration and evaluation assets	11	1,000,000	$0.340	340,000
Shares issued for exploration and evaluation assets	11	1,500,000	$0.285	427,500
Share issue costs	15	-	-	(586,945)
Fair value of stock options transferred on exercise	16	-	-	73,387
Fair value of warrants for exploration and evaluation assets	11,15			290,731
Flow-through share premium	13	-	-	(1,810,583)
Balance - March 31, 2017		96,320,386	-	$ 32,622,219
Issued for private placement	15	12,720,000	$0.365	4,642,800
Issued for private placement	15	10,000,000	$0.260	2,600,000
Exercise of share purchase warrants	15	1,260	$0.350	441
Exercise of share purchase warrants	15	1,050,000	$0.130	136,500
Exercise of options	15,16	200,000	$0.220	44,000
Fair value of stock options transferred on exercise	16	-	-	33,911
Shares issued for exploration and evaluation assets	11,15	2,000,000	$0.380	760,000
Shares issued for exploration and evaluation assets	11,15	500,000	$0.205	102,500
Share issue costs	15	-	-	(263,909)
Balance - March 31, 2018		122,791,646	-	$40,678,462

15. SHARE CAPITAL AND RESERVES (cont'd)

Common Shares (cont'd)

During the year ended March 31, 2018 the Company issued the following:

1. On August 3, 2017 the Company issued 2,000,000 common shares to SnipGold pursuant to the KSP Option as described in Note 11 hereinabove. The common shares were valued at $760,000 as determined by the market price when issued being $0.38 per share.

2. On August 24, 2017 the Company issued 200,000 common shares pursuant to the exercise of options at an exercise price of $0.22 per share.

3. On August 31, 2017 the Company issued 10,000,000 non-flow-through units (the "Units") at an issue price of $0.26 per Unit. Each Unit consists of one common share in the capital of the Company (a "Common Share") and one half of one non-transferable Common Share purchase warrant. Each whole warrant (a "Warrant"), will entitle the holder thereof to acquire an additional Common Share at an exercise price of $0.45 until February 29, 2020.

   Additionally, the Company issued a further 12,720,000 flow-through units (the "FT Units") at an issue price of $0.365 per FT Unit. Each Flow-Through Unit consists of one flow-through common share of the Company that qualifies as a flow-through share for purposes of the *Income Tax Act* (Canada) (a "FT Share") and a Warrant on the same terms as described hereinabove.

   The Company has paid aggregate cash finders' fees in connection with the placements of $190,268. Additional share issue costs of $73,641 were incurred in relation to legal, regulatory and filing fees.

4. On September 12, 2017 the Company issued 1,260 common shares pursuant to the exercise of share purchase warrants at an exercise price of $0.35.

5. On November 22, 2017 the Company issued 500,000 common shares pursuant to the Green Springs Agreement as described Note 11 hereinabove. The common shares were valued at $102,500 as determined by the market price when issued being $0.205 per common share;

6. On December 15, 2017 the Company issued 1,050,000 common shares pursuant the exercise of share purchase warrants at an exercise price of $0.13.

During the year ended March 31, 2017 the Company issued the following:

7. On April 26, 2016, the Company issued 200,000 common shares pursuant to the Max Property Agreement forming part of the Company's KingPin property as described Note 11 hereinabove. The common shares were valued at $64,000 as determined by the market price when issued being $0.32 per common share.

8. On May 18, 2016, the Company completed the initial tranche ("Tranche 1") of a financing, which consisted of the issuance of 2,211,431 non-flow units at a price of $0.35 ("NFT Units") and 2,282,334 flow-through units at a price of $0.42 ("FT Units") for aggregate gross proceeds of $1,732,580. Each Tranche 1 NFT Unit consisted of one common share in the capital of the Company (a "NFT Share") and one common share purchase warrant (a "NFT Warrant"), with each NFT Warrant entitling the holder to acquire an additional NFT Share at an exercise price of $0.50 until May 18, 2018. The NFT Warrants were valued using the residual value method of $88,457. Each Tranche 1 FT Unit consisted of one flow-through common share in the capital of the Company (a "FT Share") and one–half of one non-transferable non-flow through common share purchase warrant. Each whole warrant (a "NFT Warrant") will entitle the holder to purchase one additional common share of the Company (a "NFT Share") at an exercise price of $0.60 until May 18, 2018. The FT Warrants were valued using the Black-Scholes option pricing model at $149,132.

15. SHARE CAPITAL AND RESERVES (cont'd)

Common Shares (cont'd)

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

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

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

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

11. On December 13, 2016, the Company issued 300,000 common shares pursuant to the Green Springs Agreement as described Note 11 hereinabove. The common shares were valued at $60,000 as determined by the market price when issued being $0.20 per common share;

12. On December 29, 2016, the Company completed the issuance of 3,800,000 flow through units ("Flow-Through Units") at an issue price of $0.25 per Flow-Through Unit (the "Offering"). Each Flow-Through Unit consists of one flow-through common share in the capital of the Company (a "FT Share") and one–half of one non-transferable non-flow through common share purchase warrant (each whole warrant a "NFT Warrant"). Each NFT Warrant entitles the holder thereof to purchase one additional common share of the Company (a "NFT Warrant Share") at an exercise price of $0.40 per NFT Warrant Share until December 29, 2016. Finders' fees of an aggregate cash fees of $13,625 were paid.

13. On February 14, 2017, the Company issued 1,000,000 Consideration Units to Kaizen pursuant to the Castle Agreement as described in Note 11 hereinabove. The Consideration Shares were valued at $340,000 as determined by the market price when issued being $0.34 per share. The warrants were valued using the Black-Scholes option pricing model at $103,309 (See Note 11).

14. On March 17, 2017, the Company issued 1,500,000 Consideration Units to Firesteel pursuant to the ROK-Coyote Agreement as described in Note 11 hereinabove. The Consideration Shares were valued at $427,500 as determined by the market price when issued being $0.285 per share. The warrants were valued using the Black-Scholes option pricing model at $187,422 (See Note 11).

15. SHARE CAPITAL AND RESERVES (cont'd)

Common Shares (cont'd)

15. On March 17, 2017 the Company completed the issuance of 745,000 units of the Company (the "Units") at an issue price of $0.32 per Unit. Each Unit consists of one common share in the capital of the Company (a "Common Share") and one–half of one non-transferable Common Share purchase warrant (each whole warrant a "Warrant"), with each Warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of $0.50 until September 17, 2019. The Warrants were valued using residual value method at $13,038 (See Note 11).

16. Additionally, the Company issued 8,180,000 flow-through units (the "Flow-Through Units") at an issue price of $0.42 per Flow-Through Unit for aggregate gross proceeds of $3,435,600. Each Flow-Through Unit consists of one flow-through common share of the Company that qualifies as a flow-through share for purposes of the *Income Tax Act* (Canada) (a "FT Share") and one–half of one non-transferable non-flow through common share purchase warrant (each whole warrant a "NFT Warrant"). The FT Warrants were valued using the Black-Scholes option pricing model at $564,223. Each NFT Warrant entitles the holder thereof to purchase one additional common share of the Company (a "NFT Warrant Share") at an exercise price of $0.50 per NFT Warrant Share until September 17, 2019.

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

17. The Company issued and aggregate 5,741,154 common shares pursuant to the exercise of share purchase warrants at an exercise price of $0.13 per common share.

18. The Company issued and aggregate 150,000 common shares pursuant to the exercise of stock options at an exercise price of $0.25 per common share.

19. The Company issued and aggregate 150,000 common shares pursuant to the exercise of stock options at an exercise price of $0.15 per common share.

20. The Company issued an aggregate 200,000 common shares pursuant to the exercise of stock options at an exercise price of $0.08 per common share.

21. The Company issued an aggregate 100,000 common shares pursuant to the exercise of stock options at an exercise price of $0.265 per common share.

22. The Company issued an aggregate 50,000 common shares pursuant to the exercise of stock options at an exercise price of $0.30 per common share.

(Expressed in Canadian Dollars)

15. SHARE CAPITAL AND RESERVES (cont'd)

Share Purchase Warrants

The following is a summary of changes in share purchase warrants from April 1, 2016 to March 31, 2018:

	Number	Weighted Average Share Price
Balance as at March 31, 2016	7,078,654	$0.13
Issued	19,908,596	$0.49
Exercised	(5,741,154)	$0.13
Balance as at March 31, 2017	21,246,096	$0.73
Issued	11,360,000	$0.45
Exercised	(1,050,000)	$0.13
Expired	(287,500)	$0.13
Balance as at March 31, 2018	31,268,596	$0.48

At March 31, 2018, 31,268,596 (March 31, 2017 -21,246,096) share purchase warrants were outstanding and exercisable with a weighted average remaining contractual life of 1.08 (March 31, 2017 – 1.29) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date
2,211,430	$0.50	18-May-18
1,141,166	$0.60	18-May-18
630,000	$0.60	31-May-18
4,463,500	$0.50	31-May-18
2,600,000	$0.50	01-Jun-18
1,900,000[1]	$0.40	29-Dec-18
4,090,000	$0.50	17-Sep-19
372,500	$0.50	17-Sep-19
1,000,000	$0.60	14-Feb-19
1,500,000	$0.45	17-Mar-19
11,360,000	$0.45	29-Feb-20
31,268,596		

[1]On December 21, 2017 the Company received Exchange approval to extend the expiry of 1,900,000 share purchase warrants exercisable at $0.40 from December 29, 2017 to December 31, 2018.

During the year ended March 31, 2017 the fair value of 8,361,167 share purchase warrants of $1,067,066 was allocated to contributed surplus. The share purchase warrants were valued using the Black-Scholes option pricing model using the following weighted average assumptions: risk free interest rate of 0.77%; expected dividend yield of 0%; expected stock price volatility of 94.02% and expected life in years of 2.09.

(Expressed in Canadian Dollars)

15. SHARE CAPITAL AND RESERVES (cont'd)

Agents Warrants

The following is a summary of changes in Agent's Warrants from April 1, 2016 to March 31, 2018:

	Number	Weighted Average Share Price
Balance as at March 31, 2016	—	—
Issued	679,999	$0.41
Balance as at March 31, 2017	679,999	$0.41
Exercised	(1,260)	$0.35
Balance as at March 31, 2018	678,739	$0.41

As at March 31, 2018, 678,739 (March 31, 2017 – 679,999) share purchase warrants were outstanding and exercisable with a weighted average remaining contractual life of 1.08 (March 31, 2017 – 2.08) years. Each Agent Warrant entitles the holders thereof the right to purchase one common share as follows:

Agent's Warrants	Exercise Price	Expiry Date
60,540	$0.35	18-May-18
128,119	$0.42	18-May-18
7,080	$0.35	31-May-18
441,300	$0.42	17-Sep-19
41,700	$0.32	17-Sep-19
678,739		

During the year ended March 31, 2018 there were no agent warrants issued.

During the year ended March 31, 2017, $94,385 associated with the issuance of 679,999 agent warrants was recorded as contributed surplus based on the fair value. For purposes of the fair value calculations, the following weighted average assumptions were used for the Black-Scholes valuation model:

	2018	2017
Risk free interest rate	-	0.58%
Expected dividend yield	-	0.00%
Expected stock price volatility	-	70.20%
Expected life in years	-	1.78

(Expressed in Canadian Dollars)

16. SHARE-BASED PAYMENTS

Option Plan Details

The Company adopted a stock option plan (the "Plan") to grant options to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The option price under each option shall be not be less than the discounted market price as defined in the policies of the Exchange on the grant date. All options vest when granted unless otherwise specified by the Board of Directors.

The following is a summary of changes in options for the year ended March 31, 2018:

				During the year ended March 31, 2018					
Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Exercised	Expired	Closing Balance	Vested and Exercisable	Unvested
6-Jun-12	6-Jun-17	$0.300	1,052,500	-	-	(1,052,500)	-	-	-
30-Oct-13	30-Oct-18	$0.290	100,000				100,000	100,000	
1-May-14	1-May-19	$0.265	895,000	-	-	-	895,000	895,000	-
12-Sep-14	12-Sep-19	$0.250	210,000	-	-	-	210,000	210,000	-
7-May-15	7-May-20	$0.150	810,000	-	-	-	810,000	810,000	-
30-Dec-15	30-Dec-20	$0.080	1,995,000	-	-	-	1,995,000	1,995,000	-
6-Jun-16	6-Jun-21	$0.440	1,035,000	-	-	-	1,035,000	1,035,000	-
21-Nov-16	21-Nov-21	$0.220	200,000		(200,000)	-	-	-	-
6-Jun-17	6-Jun-22	$0.260	-	2,607,500	-	-	2,607,500	2,607,500	-
16-Feb-18	16-Feb-23	$0.150	-	500,000	-	-	500,000	500,000	-
			6,297,500	3,107,500	(200,000)	(1,052,500)	8,152,500	8,152,500	-
Weighted Average Exercise Price			$0.23	$0.24	$0.22	$0.30	$0.22	$0.22	-
Weighted Average Life remaining			2.74	2.75	-	-	3.09	3.09	-

(Expressed in Canadian Dollars)

16. SHARE-BASED PAYMENTS (cont'd)

Option Plan Details (cont'd)

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Exercised	Expired	Closing Balance	Vested and Exercisable	Unvested
				During the year ended March 31, 2017					
14-Sep-11	14-Sep-16	$0.70	150,000	-	-	(150,000)	-	-	-
6-Jun-12	6-Jun-17	$0.30	1,102,500	-	(50,000)		1,052,500	1,052,500	-
23-Jan-13	23-Jan-18	$0.25	100,000	-	(100,000)	-	-	-	-
30-Oct-13	30-Oct-18	$0.29	100,000	-	-	-	100,000	100,000	-
1-May-14	1-May-19	$0.265	995,000	-	(100,000)	-	895,000	895,000	-
12-Sep-14	12-Sep-19	$0.25	260,000	-	(50,000)	-	210,000	210,000	-
7-May-15	7-May-20	$0.15	970,000	-	(150,000)	(10,000)	810,000	810,000	-
30-Dec-15	31-Dec-20	$0.08	2,205,000	-	(200,000)	(10,000)	1,995,000	1,995,000	-
6-Jun-16	6-Jun-21	$0.44	-	1,085,000	-	(50,000)	1,035,000	1,035,000	-
21-Nov-16	21-Nov-21	$0.22	-	200,000	-	-	200,000	200,000	-
			5,882,500	1,285,000	(650,000)	(220,000)	6,297,500	6,297,500	-
Weighted Average Exercise Price			$0.19	$0.44	$0.18	$0.59	$0.22	$0.22	-
Weighted Average Life remaining			1.69	3.10	-	-	2.71	2.71	-

Fair Value of Options Issued During the Year

The weighted average fair value at grant date of options granted during the year ended March 31, 2018 was $0.22 per option (2017 - $0.23).

The expected price volatility is based on the historic volatility (based on the expected life of the options), adjusted for any expected changes to future volatility due to publicly available information.

i) Expenses Arising from Share-based Payment Transactions

Total expenses arising from share-based payment transactions recognized during the year ended March 31, 2018 were $628,565 (March 31, 2017 - $446,733) using the Black-Scholes option pricing model. For purposes of the fair value calculations, the following weighted average assumptions were used for the Black-Scholes valuation model:

(Expressed in Canadian Dollars)

16. SHARE-BASED PAYMENTS (cont'd)

Option Plan Details (cont'd)

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free-Interest Rate	Expected Life	Volatility Factor	Dividend Yield
16-Feb-18	16-Feb-23	$0.14	$0.15	2.04%	5	116.29%	0
6-Jun-17	6-Jun-22	$0.27	$0.26	1.28%	5	115.26%	0
6-Jun-16	6-Jun-21	$0.47	$0.44	0.62%	5	114.63%	0
21-Nov-16	21-Nov--21	$0.21	$0.22	1.00%	5	116.45%	0

ii) Weighted average remaining contractual life of stock options

The weighted average remaining contractual life of stock options as at March 31, 2018 is 3.09 years (March 31, 2017 – 2.74 years).

17. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	Years Ended March 31 2018	2017
Administrative and General Expenses:			
Accounting and legal		$ 329,172	$ 61,983
Consulting	18	542,401	412,401
Corporate development		2,063	2,853
Investor relations, website development and marketing		119,251	148,241
Office and administration fees		235,993	274,075
Regulatory fees		19,190	23,831
Shareholder communications		227,256	25,360
Transfer agent fees		6,298	11,093
Travel		55,710	50,377
Wages	18	132,504	81,087
		$ 1,669,838	$ 1,091,301

18. 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.

Key Management Compensation

	March 31 2018	March 31 2017
Administration and labour	$ 130,933	$ 130,498
Consulting fees	701,535	560,835
Wages	15,000	43,636
Share based payments	408,670	214,409
	$ 1,256,138	$ 949,378

i) Wages of $15,000 (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 $463,924 (2017 - $221,160) of which $100,509 (2017 - $48,355) 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 (See Note 22 and 26);

(Expressed in Canadian Dollars)

17. **RELATED PARTY TRANSACTIONS** (cont'd)

iii) Administration and labour fees of $72,508 (2017 - $65,610) of which $22,430 was capitalized to exploration and evaluation assets were paid or accrued to Cazador in relation to the Company's general corporate administration and fieldwork;

iv) Consulting fees of $145,800 (2017 - $151,988) 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;

v) Administration fees of $58,425 (2017 - $64,888) were paid or accrued to Minco in relation to providing administrative and accounting services;

vi) Consulting fees of $Nil (2017 - $52,363) of which $Nil (2017 - $50,514) was capitalized to exploration and evaluation assets were paid or accrued to Greg Dawson, the Company's former VP Exploration. Mr. Dawson resigned September 14, 2016;

vii) Wages of Nil (2017 - $43,636) were paid to Alex Blanchard ("Blanchard") the Company's former VP Corporate Development (Blanchard was the Company's VP Corporate Development between November 21, 2016 and on May 21, 2017); and

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

Rental Payments

Equipment rental payments of $8,000 (2017 - $Nil) were paid or accrued to Cazador;

Consulting Fees Non-Executive Directors

i) Consulting fees of $22,450 (2017 – $34,775) 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 $52,361 (2017 - $95,550) were paid or accrued to Carl Hering ("Hering") a former director of the Company. Mr. Hering resigned effective March 20, 2018;

iii) Consulting fees of $17,000 (2017 - $5,000) 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:	March 31 2018	March 31 2017
Cazador	Consulting Fees	$252,108	$26,246
Minco	Consulting Fees	18,119	-
43983 Yukon	Expenses	12,679	340
Hering	Consulting Fees	25,252	-
Shaw	Wages	15,000	-
Lindqvist	Consulting Fees	19,288	-
		$342,446	$26,586

Related Party Receivables included in Other receivables:

Amounts due from:	Service for:	March 31 2018	March 31 2017
Cazador	Expenses	$3,382	$-
Minco	Rent & Expenses	939	-
Damara Gold Corp.	Interest, Rent & Expenses	-	16,113
Golden Ridge Resources Ltd.	Rent & Expenses	2,401	6,218
		$6,722	$22,331

Amounts noted in other receivables (Note 6) are for rent and expenses for shared office space and administrative costs with related parties and companies with common directors or officers.

(Expressed in Canadian Dollars)

18. RELATED PARTY TRANSACTIONS (cont'd)

Related Party Advances

On March 6, 2017, Damara issued 4,200,000 common shares at a price of $0.05 per common share to extinguish a portion of the related party advance in the amount of $210,000 (the "Debt Settlement" -Note 8). As at March 31, 2018, $Nil (March 31, 2017 - $15,000) remained advanced to Damara, which has two former directors, Larry Nagy and William Lindqvist in common with the Company, in connection with property evaluation expenditures. As at March 31, 2018 the $15,000 advance and interest of $64,479) were paid in full.

19. SEGMENT REPORTING

The Company operates in one industry segment, the mineral resources industry, and in two geographical segments, Canada and the United States.

	March 31 2018			March 31 2017		
	Canada	USA	Total	Canada	USA	Total
Prepaids and advances	$153,756	$ -	$153,756	$47,262	$ -	$47,262
Reclamation Deposits	150,000	-	150,000	$141,000	-	141,000
Property, plant and equipment	23,683	-	23,683	$24,611	-	24,611
Exploration and evaluation assets	18,965,634	-	18,965,634	$12,908,906	$592,541	$13,501,447
Total	$19,293,073	$-	$19,293,073	$13,121,779	$592,541	$13,714,320

	2018	2017
Net loss for the year - Canada	$(3,280,792)	$(2,071,599)
Net loss for the year - USA	(1,225,117)	(1,191)
Net loss for the year	$(4,505,909)	$(2,072,790)

20. INCOME TAXES

Taxation in the Company and its subsidiary's operational jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

The difference between tax expense for the years ended and the expected income taxes based on the statutory tax rate arises as follows:

	March 31 2018	March 31 2017
Loss before tax per the accounts	$(4,505,909)	$(2,072,790)
Recovery at local statutory rates - 26.00% (2017 – 26.00%)	(1,171,536)	(538,925)
Non-deductible expenses	24,600	48,823
Flow-through shares	—	517,408
Differences between Canadian and foreign tax rates	(218,109)	(185)
Impact of foreign exchange on tax assets and liabilities	—	(381)
Origination and reversal of temporary differences	60,528	—
Impact of (over)/under provision in prior year	26,045	3,274
Resource properties	1,938,045	—
Change in unrecognized deferred tax assets	(659,573)	(30,014)
Income taxes	—	—

(Expressed in Canadian Dollars)

20. INCOME TAXES (cont'd)

Deferred Tax Assets and Liabilities

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities as at March 31, 2018 and 2017 are summarized as follows:

	March 31 2017	March 31 2017
Non-capital losses	$1,900,501	$891,256
Share issuance costs		
Capital assets		
Resource properties	(1,900,501)	(888,526)
Available-for-sale securities	—	(2,730)
Unrecognized deferred tax asset		
Deferred tax asset/(liability)	—	—

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets, has been met.

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	March 31 2017	March 31 2017
Unrecognized deductible temporary differences and unused tax losses:		
Non-capital losses	$1,749,670	$4,213,550
Equipment	359,444	
Resource properties	1,217,989	348,146
Share issue cost	597,811	527,818
Available for sale securities	52,500	—
Capital losses	25,349	15,531
Non-refundable ITC	332,138	332,138
Total	$4,334,901	$5,437,183

As at March 31, 2018, the Company has estimated non-capital losses for Canada of $8,723,000 for tax purposes that may be carried forward to reduce taxable income derived in future years, as summarized below:

Total non-capital tax losses expire as follows:

Year of Expiry	Taxable Losses
2030	$71,000
2031	676,000
2032	1,177,000
2033	985,000
2034	1,270,000
2035	1,122,000
2036	935,000
2037	797,000
2038	**1,690,000**
Total	**$8,723,000**

(Expressed in Canadian Dollars)

20. INCOME TAXES (cont'd)

Flow-through Shares

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended March 31, 2018, the Company received $4,642,800 (2017 - $5,873,380) from the issue of flow-through shares. These amounts will not be available to the Company for future deduction from taxable income. During the year-ended March 31, 2018, the Company renounced $8,078,400 (2017 - $2,437,780) to the subscribers (See Note 13).

As at March 31, 2018 the Company had $3,625,637 remaining in flow through expenditures to complete.

21. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the period.

	March 31 2018	March 31 2017
Net loss attributable to common shareholders	($4,505,909)	($2,072,790)
Weighted average number of common shares	111,390,227	75,987,764
Basic and diluted loss per share	($0.04)	($0.03)

22. COMMITMENTS AND CONTINGENCIES

Office Lease

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

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

Civil Claim

On March 15, 2018, Colorado filed a civil claim against Adam Travis and Cazador which was subsequently dismissed pursuant to the Travis Settlement as defined hereinbelow.

On April 10, 2018 the Company and Adam Travis entered into a settlement agreement (the "Travis Settlement"). The Travis Settlement 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 the Company agreed to reimburse Mr. Travis and Cazador 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 July 27, 2018 the Company had paid $538,880 with the remaining balance of approximately $86,120 unpaid.

Additionally, pursuant to the Travis Settlement, in connection with the termination of the Cazador contract on February 26, 2016, severance and outstanding fees of $225,000 were recorded as consulting fees and included in trade and other payables (see Note 26).

23. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on cash flows are excluded from the consolidated statements of cash flows. During the year ended March 31, 2018 and March 31, 2017 the following transactions were excluded from the consolidated statements of cash flows:

i) The Company issued 2,500,000 common shares (2017 – 3,000,000) valued at $862,500 (2017 - $891,500) for acquisition of exploration and evaluation assets, as determined by their market prices when issued (Notes 11 and 15);
ii) Exploration and evaluation assets amounts of $Nil (2017 - $87,250) were included in accounts payable at March 31, 2018;
iii) Exploration and evaluation assets included a site restoration provision of $4,683 at March 31, 2018;
iv) A compensation charge of $Nil (2017 - $94,385) associated with the grant of Nil (2017 – 679,999) Agent Warrants was recorded as share issue costs at March 31, 2018 - see Note 15;
v) The Company recorded a gain of $Nil (2017 - $105,000) on the settlement of debt as described in Note 8 and 18; and
vi) During the year end March 31, 2018 and 2017 no cash was paid for interest or income taxes.

24. 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.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

General Objectives, Policies and Processes (cont'd)

Interest Rate Risk

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

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

The Company as at March 31, 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 (See Note 2 and 25). The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

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

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

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

General Objectives, Policies and Processes (cont'd)

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.

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 sale of the available-for-sale investments (Note 8) and cash and cash equivalents, have been determined by reference to published price quotations in an active market, a Level 1 valuation.

25. CAPITAL MANAGEMENT

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

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company's capital is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year ended March 31, 2018.

26. EVENTS AFTER THE REPORTING DATE

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") is 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.

26. EVENTS AFTER THE REPORTING DATE (cont'd')

Stock Options

Subsequent to March 31, 2018, 1,400,000 stock options at an exercise price of $0.08 were exercised for proceeds of $112,000.

Subsequent to March 31, 2018, 2,760,000 stock options expired unexercised.

Warrants and Agent Warrants

Subsequent to March 31, 2018 11,056,096 warrants and 195,739 agent warrants expired unexercised.

Available-for-sale Investments

Subsequent to March 31, 2018 the Company sold 2,932,000 Damara Shares for gross proceeds of $146,600.

Travis Settlement

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.