Colorado Resources Ltd.

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

MARCH 31, 2018

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Introduction

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Colorado Resources Ltd. (the "Company" or "Colorado") as at March 31, 2018 and comparison to the year ended in 2017. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2018 and March 31, 2017 and related notes (the "Annual Statements").

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated. The effective date of this MD&A is July 27, 2018.

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

Cautionary Statement on Forward-Looking Information

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

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

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

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

Overview Performance and Operations

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

The Company is a "reporting" company in the provinces of British Columbia, Alberta and Ontario and is listed on the TSX Venture Exchange (the "Exchange"), having the symbol CXO.V as a Tier 1 issuer and its corporate office and principal place of business are located at 105 - 3500 Carrington Road, West Kelowna, B.C. V4T 3C1.

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

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

Cautionary Notes
****Readers are cautioned that the exploration targets at the Company's British Columbia properties are early-stage exploration prospects and conceptual in nature. With the exception of the North ROK Property, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in any target being delineated as a mineral resource. (See Company website for further details on North ROK).***

*****Readers are cautioned this report contains information about adjacent properties on which Colorado has no right to explore or mine. Readers are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on the Company's properties.***

******Readers are cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to measure and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.***

******Readers are cautioned that historical information contained in this report, regarding the Company's project or adjacent properties are reported for historical reference only and cannot be relied upon as a Company's QP, as defined under NI-43-101 has not prepared nor verified the historical information.***

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

Exploration Activities 2017- 2018 Field Season

British Columbia

KSP Property

On May 10, 2017 pursuant to the KSP Option the Company made the final cash payment of $150,000 and completed the initial exploration expenditures of $6,000,000 at KSP to satisfy its previous agreement with SnipGold Corp. ("SnipGold") (a wholly owned subsidiary of Seabridge Gold Inc) to earn its initial 51% interest in the KSP Property.

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

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

Exploration – 2018 Field Season

On June 4, 2018 the Company announced its 2018 field season plans which included a 6,000 metre ("m") diamond drilling program for the KSP and Kinaskan-Castle properties (see Kinaskan-Castle below).

Drilling on the 308 sq. kilometre ("km") KSP Property will follow-up on multiple targets previously drill tested during the 2016-2017 field seasons. The top priorities of a planned 4,500 m program include:

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

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

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

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

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

Exploration – 2017 Field Season

The Company completed Phase 1 and 2 of a drill program which commenced in early July 2017 and was completed in late October 2017. The 2017 drill program at the KSP Project was successful in identifying new mineralization at the Camp Porphyry, West Khyber and Tami Zones. The Company expanded its original 7,500m program to 11,824m in 68 drillholes. Most (52) of our drillholes targeted outlying areas within a 500m radius of our 2016 drilling at the Upper AK, Inel Ridge, BRDZ, South Discovery, Inel Basin, V.G and Camp Porphyry Zones over a 1km square area. We also drilled 5 drillholes in two areas at Khyber and 11 drillholes at Tami approximately 2km to the southwest and 5km to the southeast of Inel respectively. Drilling completed at the Camp Porphyry and West Khyber areas reported gold +/- copper and molybdenum mineralization. At the Tami Zone, our 2017 program partially outlined a new and encouraging gold-copper intrusive related system. *See news releases September 12, 2017, November 6, 2017 and December 6, 2017 for the complete results of 2017 KSP drill program on the Company's website or www.sedar.com.*

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.

Outlook

Colorado's technical team have mobilized our field crews and commenced drilling at KSP on July 10, 2018. The Company will update shareholders as results from its programs are available.

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

North ROK Property

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

Exploration– 2017 Field Season

During the 2017 field season field crews were mobilized in June 2017 at the expanded North ROK Property and completed a targeted soil survey, prospecting and geological mapping. Colorado's technical group is using the invaluable experience gained from the North ROK porphyry discovery to further guide and assess the potential of the adjacent and newly acquired ROK–Coyote property. The acquisition of the ROK-Coyote Property has increased the prospective area at North ROK from approximately 1,000 hectares to over 4,000

hectares and provides Colorado control over the majority of the prospective ground between Imperial Metals Red Chris Mine* and the North ROK porphyry discovery (see News Release dated March 13, 2017).

A total of 2,208 soil samples and 159 rock samples were collected during this program and geologic mapping not only increased the known size of the Mabon intrusion but also identified seven separate areas of copper mineralization associated with the eastern contact of the Mabon stock and other intrusive dykes which were not previously recognized on the original ROK–Coyote Property. ***See news release dated November 21, 2017 for the full details of the soil and rock sampling program and highlighted results on the Company's website or www.sedar.com which includes the Company's QA/QC Statement on Assay results.***

In late November 2017 the Company completed a 2,529m, six drillhole program on the Mabon Zone which primarily targeted mineralization at depth and to the west of the known 2014 Inferred Resource.***

The 2017 drillholes were successful in returning significant copper-gold intersections on broadly based step-outs beyond the limits of this resource. Additionally the Company gained an improved understanding of the geometry of the North ROK mineralized zones which will assist with future drillhole targeting within the broader North ROK–Coyote property. ***See news release dated January 18, 2018 for full details of the results of the 2017 drill program on the Company's website or www.sedar.com***

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

Outlook

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

Castle (Kinaskan) Property

In early 2017, following the acquisition of ground from Kaizen Discovery, the Company holds a 100% interest in the Castle property, located in the Liard Mining District of British Columbia, which is surrounded on three sides by Colorado's 100% owned Kinaskan property (collectively termed the Kinaskan-Castle Property).

Exploration – 2018 Field Season

For the 2018 field season exploration will continue at the 178 sq. km Kinaskan-Castle property, located 2 km west of GT Gold's** Saddle Zone discovery. Colorado's 2018 plans include additional IP surveys and 1,600 m of diamond drilling, to follow-up on previous geophysical work, geological mapping and high-grade gold mineralization discovered in float samples collected during 2017 (see Colorado news release dated January 5, 2018 and results summarized in Kinaskan-Castle Target Map on Colorado's website www.coloradoresources.com). The Kinaskan-Castle program will test the extension of known porphyry copper-gold mineralization as well as the potential for high grade gold mineralization.

Exploration – 2017 Field Season

Colorado initiated a preliminary exploration program during September 2017 which included the collection of 856 soil and 201 rock samples, 10 km^2 of geological mapping, an 11-line km I.P. survey and a 150-line km airborne magnetic survey.

The 856 reconnaissance soil samples were collected on 200m line spacings with 50m centres on north-south orientated lines south and east of the Castle Minfile occurrence. Prospecting covered much of the 5km strike of the Castle Alteration Zone (CAZ) and resulted in the collection of 191 rock samples (73 chips, 15 composites and 103 grabs). Of the 191 rock samples collected in 2017, 34 returned >5g/t Au and 35 returned >3% Cu.

The results of geological mapping suggest that areas of enhanced gold and copper geochemistry are associated with quartz-sericite-pyrite and potassic rock alteration, multiple intrusive phases and brittle deformation zones. The CAZ forms a slightly arcuate shaped, east-west trending corridor which has a strike length of approximately 5km and is bounded at the east end by the Castle property boundary; to the west it disappears under younger volcanic cover. Mineralization appears to have affinities to both porphyry gold–copper systems and intermediate sulphidation, structurally controlled gold–silver (copper) vein systems.

A total of 11km of ground I.P. and 150km of airborne magnetics covered much of the Castle portion of the K-C Property. Ground I.P., although prematurely terminated, suggests that strong chargeability responses have been identified on a single line 1,500m to the east of historic** drilling. The airborne magnetic data indicate that the CAZ is defined in part by an east-west striking magnetic high anomaly. Historic**** drill results suggest that better mineralized zones may be associated with the margins of magnetic highs.**

See news release dated January 5, 2018 for the full details of the results of the 2017 exploration program the Company's website or www.sedar.com which include the Company's QA/QC Statement on Assay results.

On November 20, 2017 the Company entered into a letter agreement (the "Letter Agreement") wherein Damara Gold Corp. ("Damara") was granted the option to acquire a 100% interest in the Castle project subject to certain back-in-rights.

Consideration for the Transaction would have included an aggregate $250,000 in cash payments and the issuance of 10,250,000 common shares in the capital of Damara (the "Consideration Shares") to Colorado, and $8,000,000 in exploration expenditures (which would have included a $300,000 reimbursement of the initial 2017 exploration program costs within 5 business days of receipt of the approval of the Exchange for the Transaction) over a three year period. Colorado would have had the exclusive right, within 45 days from the option exercise date, to elect to exercise its back-in right (the "Back-in Right") wherein Colorado could have acquired a 51% interest upon incurring $8,000,000 in exploration expenditures over a two year period with a minimum $2,000,000 in year one.

On December 15, 2017 after further consideration of the transaction the parties mutually agreed to terminate the Letter Agreement. Consequently Colorado, in connection with the termination agreed to reimburse Damara $10,719 for work completed in preparing a technical report. The amount was applied to an outstanding receivable in connection with rent and expenses due to Colorado for shared office space (See related party transactions).

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

Outlook

The Company's technical team will look to mobilize crews to Kinaskan-Castle subsequent to the KSP 2018 drill program.

KingPin Property

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

During the 2017 field season the Company completed approximately $72,000 in field work in order to keep the claims in good standing.

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

Outlook

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

Dispositions

Year Ended March 31, 2018

Hit Property

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

During the year ended March 31, 2018 the Company wrote off the Hit Property in the amount of $1,380,042. The impairment was done in accordance with level 3 of the fair value hierarchy.

Green Springs

Colorado entered into an option in December 2016 with Ely Gold & Minerals Inc. ("ELY") wherein ELY granted an exclusive option (the "Option") to Colorado to acquire ELY's 100% interest in and to the Green Springs Property by making aggregate cash payments of US$2,950,000 (US$150,000 paid) and aggregate share issuances of 2,250,000 common shares (800,000 issued to date) over 4 years.

As at March 31, 2018 the Company wrote off exploration and acquisition costs of $1,225,738 and on May 9, 2018 gave notice to Ely terminating the Option.

Year Ended March 31, 2017

Lithium Project – Nevada

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

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 American Lithium (the "Consideration Shares") on or before June 22, 2016 (the "Closing Date").

On June 7, 2016, the Company completed the sale of the Claims for cash and Consideration Shares and recorded a gain on disposal as follows:

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

Heart Peaks

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

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

Impairment

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

Outlook

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

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

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

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

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

Corporate

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

Management and Directors

On February 16, 2016 Mr. Travis the Company's former President and CEO along with the consulting agreement with Cazador Resources Ltd. ("Cazador") were terminated with an effective date of February 26, 2018. Mr. Travis remained a director until April 17, 2018.

On February 26, 2018 the Company appointed Robert P. Shaw as President and CEO.

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

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

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

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

Ms. Gieselman and Minco agreed pursuant to a settlement agreement effective June 19, 2018 to remain the Company's interim CFO and Corporate Secretary for a transition period at the Company's discretion (the "Transition Period"). Additionally, the Company and Minco entered into a consulting agreement effective June 19, 2018 ("New Minco Contract") to provide such services as required by the Company during the Transition Period. As part of the settlement agreement and in accordance with the Original Minco Contract, the Company on July 19, 2018, paid Minco an amount of $137,926.

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

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

Contingencies

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

Pursuant to the terms of the Travis Settlement, the Company agreed to reimburse Mr. Travis and Cazador for certain expenditures to a maximum of $625,000 for costs incurred in relation to the Dissident Proxy and other expenditures associated with the termination of Travis and the Cazador consulting agreement. As at 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, 2018, severance and outstanding fees of $225,000 remain outstanding ("Cazador Severance").

Estimated costs to July 27, 2018 with respect to the AGM and Travis Dissident Proxy including the Travis Settlement, legal, advisory and proxy solicitation are $1,800,000 ($604,928 as at March 31, 2018).

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

Financings

On August 31, 2017 the Company issued 10,000,000 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 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.

Proceeds from the FT Units will be used by Colorado to incur eligible Canadian exploration expenditures to expand the 2017 exploration program. Colorado renounced the qualifying expenditures to subscribers of the FT Units for the fiscal year ended December 31, 2017. Proceeds from the sale of Units will be used for general corporate purposes.

The FT Units are part of a donation arrangement structured by PearTree Securities Inc. through which Goldcorp became the ultimate holder of the FT Units. Goldcorp also purchased 4,240,000 Units directly from Colorado. The Placements closed on August 31, 2017, following which Goldcorp owned approximately 14.25% of the issued and outstanding shares of Colorado.

On completion of the Placements, Goldcorp has the right to maintain its pro-rata ownership percentage in Colorado during future financings. This right will entitle, but not obligate, Goldcorp to participate in any future equity financings by Colorado to the extent necessary for Goldcorp to acquire up to a 19.95% equity ownership interest in the issued and outstanding common shares of Colorado. Goldcorp will also have a right of first refusal in respect of any non-equity financing and tolling arrangements related to future exploration or development on the KSP property and any BC properties Colorado expends the funds received from Goldcorp.

Use of Proceeds

Proceeds received from Financing's	$7,242,800
Less share issue costs	(263,910)
Net proceeds	6,978,890
Flow-thru funds to be expended	4,642,800
Balance to working capital	$2,336,090

Selected Annual Financial Information

The following table summarizes selected financial data reported by the Company for the years ended March 31, 2018, March 31, 2017 and March 31, 2016. The following annual results are compliant with IFRS.

	Years Ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Total Revenue	**Nil**	Nil	Nil
Loss for the year	**$(4,505,909)[1]**	$(2,072,790)[2]	$(933,579)
Loss and Comprehensive loss for the year	**$(4,526,909)**	$(2,089,290)	$(896,079)
Net Loss per share basic and diluted	**$(0.04)**	$(0.03)	$(0.02)
Total assets	**$25,066,603**	$21,059,976	$11,974,293
Current liabilities	**$596,073**	$713,434	$254,719
Long term liabilities	—	—	—
Shareholders' equity	**$24,470,530**	$20,346,542	$11,719,574

1) Includes write-down of exploration and evaluation assets of $2,605,780 the impairment of the Damara Shares of $105,000 offset by other income of $540,077 from the flow-through liability extinguishment;
2) Includes write-down of exploration and evaluation assets of $1,208,670 and the gain on sale of exploration assets of $528,534

Results of Operations

Financial Results for the years ended March 31, 2018 and March 31, 2017

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

For the year ended March 31, 2018, the Company reported a $4,505,909 (2017 - $2,072,790) loss or $0.04 (2016 - $0.03) basic and diluted loss per share. The primary component of the current year included expenses for general administration in the amount of $1,669,838 (2017- $1,091,301), pre-exploration expenditures of $5,173 (2017 - $194,587) and share based payments of $628,565 (2017 - $446,733). Additional expenses included the write-down of exploration and evaluation assets of $2,605,780 (2017 - $1,208,670) as described hereinabove. Expenditures were off-set by interest income of $94,081 (2017 - $30,562) and management fees of $Nil (2017 - $75,124) in relation to the Company's Heart Peaks property that was under option in 2017. During the year ended March 31, 2017 the Company also recorded $540,077 (2017 - $188,094) in other income for the fulfillment of flow through expenditure requirements. Additionally, the Company's loss was off-set by the gain on the sale of exploration and evaluation assets of $Nil (2017 - $528,534). The Company also recorded a net gain on sale of available-for-sale investments on the sale of the SnipGold shares of $Nil (2017 - $391,510) offset by the loss on the sale of the Consideration Shares of $Nil (2017 - $422,574 for a net loss of $Nil (2017 - $31,064).

The summary of variances in expenditures[1] included:

	2018	2017	Variance	
	$	$	$	%
Directors fees	108,500	12,500	96,000	768%
Pre-exploration expenditures	5,173	194,587	(189,414)	-97%
Accounting and legal	329,172	61,983	267,189	431%
Consulting	542,401	412,401	130,000	32%
Corporate development	2,063	2,853	(790)	-28%
Investor relations, website development and marketing	119,251	148,241	(28,990)	-19.6%
Office and administration fees	235,993	274,075	(38,082)	-14%
Regulatory fees	19,190	23,831	(4,641)	-19%
Shareholder communications	227,256	25,360	201,896	796%
Transfer agent fees	6,298	11,093	(4,795)	-43%
Travel	55,710	50,377	5,333	11%
Wages	132,504	81,087	51,417	63%
Total	1,783,511	1,298,388	485,123	37%

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

Overall corporate expenditures saw a 37% increase with variances in categories to note:

The increase in directors' fees was a result of additional meetings both formal and informal related to the corporate affairs of the Company including the current change of management as described hereinabove.

The decrease in pre-exploration expenditures was the result of the Company's focus on exploration programs on its currently held properties as described hereinabove and the resulting fewer reviews of new property opportunities.

The increase in legal was a result of the increased corporate review of transactions such as the KSP Option amendment, property purchases and corporate matters relating to the Travis Dissident Proxy and annual general meeting matters.

The increase in consulting fees was the result of the accrual for the Cazador Severance as described hereinabove On April 1, 2017 the Company instituted annual directors' fees for non-executive directors of $12,500 per annum paid on a quarterly basis and $1,000 per board or audit committee meeting for regularly held meetings. Additional meetings outside of the regularly held meetings regarding corporate matters of the board are compensated at $1000 per meeting for non-executive directors. Additionally, $100,509 (2017 – $48,355) of fees incurred for the CEO were capitalized to exploration and evaluation expenditures

Office and administrative saw a decrease in 2018 primarily as a result of commercial general liability insurance of $12,500 being expensed for the full year in 2017.

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

Wages – the increase in wages was related to the increase in employees from 2 employees to 5 as at March 31, 2018.

Summary of quarterly results

	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017
Total revenues	$—	$—	$—	$—
Net loss	$(2,439,573)	$(136,213)	$(1,146,139)	$(783,984)
Comprehensive income (loss)	$(2,375,573)	$(388,213)	$(726,139)	$(951,984)
Basic and diluted loss per share	$(0.02)	($0.00)	($0.01)	$(0.01)

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

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

Significant Variances to note:

1. For March 31, 2018 the net loss included the write-down of the Green Springs Property of $1,225,738 and the accrual of the Cazador Severance as described herein;
2. For December 31, 2017 the comprehensive loss included the fair value loss on available-for-sale investments of $336,000.
3. For September 30, 2017 the net loss included $1,380,042 in write-down of exploration and evaluation assets.
4. For March 31, 2017 net loss included $1,208,670 in write-down of exploration and evaluation assets and the comprehensive loss included a fair value gain on available-for-sale investments of $341,250;
5. For September 30, 2016 comprehensive loss included $132,000 included a fair value loss on available-for-sale investment;

6 For June 30, 2016 comprehensive income included $170,500 recorded for the unrealized fair value loss on available-for-sale investment;

Fourth Quarter

The Company reported a net loss of $2,439,573 during the fourth quarter March 31, 2018 or $0.02 loss per share compared to $1,983,720 or $0.02 loss per share for the comparative fourth quarter ended March 31, 2017. The primary component of the current year loss included the write-down of exploration and evaluation assets of $1,225,738 for the Green Springs Property write-down, the accrual for the Cazador Severance and the impairment of $105,000 recorded for the Damara Shares compared to $1,208,670 for the Heart Peaks property and the loss on available for sale investments of $323,375 in the comparative year March 31, 2017. Net Comprehensive loss of $2,375,573 (2017 - $1,679,970) included a fair value gain on available-for-sale investment of $63,000 (2017 - $341,250).

Financial Condition, Liquidity and Capital Resources

	March 31 2018	March 31 2017
Financial position:		
Cash and cash equivalents	**$1,476,261**	$2,184,745
Restricted cash	**$3,625,637**	$4,341,288
Working capital	**$5,331,213**	$6,679,484
Reclamation bonds	**$150,000**	$141,000
Property, plant and equipment	**$23,683**	$24,611
Exploration and evaluation assets	**$18,965,634**	$13,501,447
Total Assets	**$25,066,603**	$21,059,976
Shareholders' equity	**$24,470,530**	$20,346,542

Key changes to the Company's financial condition were a net decrease in cash of $708,484 and restricted cash of $715,651 and decrease of $1,348,271 in working capital to $5,331,213 primarily as a net result of the financing completed in August offset by the general and administrative costs and investments in exploration and evaluation assets as described hereinabove.

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

As Colorado will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund operations. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants. The Company will continue to have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company's policy is to invest its cash in highly liquid, short term, interest bearing investments with maturities of 90 days or less from the date of acquisition or for longer periods where such investment may be redeemable after 30 days. The Company is not subject to externally imposed capital requirements.

Commitments and Contractual Obligations

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

Civil Claim

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

Pursuant to the terms of the Travis Settlement the Company also agreed to reimburse Mr. Travis certain expenditures to a maximum total of $625,000 for costs incurred in relation to the Dissident Proxy and other matters related to the termination of the Cazador agreement and Travis. As at July 27, 2018 the Company had paid $538,880 of expenditures claimed with the remaining balance of $86,120 still outstanding.

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

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

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.

Off Balance Sheet Arrangements

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

Related Party Transactions

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

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

Key Management Compensation

	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.

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 employment 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 to:	Service for:	March 31 2018	March 31 2017
Cazador Resources Ltd.	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

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

Related Party Advances

On March 6, 2017, Damara issued 4,200,000 common shares at a price of $0.05 per common share to extinguish a portion of the related party advance in the amount of $210,000 (the "Debt Settlement"). As at March 31, 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.

Critical Accounting Policies and Estimates

Colorado is a venture issuer therefor this section is not applicable. The details of Colorado's accounting policies are presented in Note 3 of the audited financial statements for the year ended March 31, 2018. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's consolidated financial statements and the uncertainties that could have a bearing on its financial results.

Standards, Amendments and Interpretations Not Yet Effective

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

IFRS 9 *Financial Instruments*

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

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

- *Classification and measurement of financial assets:*
Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".

- *Classification and measurement of financial liabilities:*
When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- *Impairment of financial assets:*
An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

- *Hedge accounting:*
Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

- *Derecognition:*
The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

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

IFRS 16 Leases

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

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

IFRS 15 – Revenue Recognition

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

Financial Instruments and Risk Management

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

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

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

General Objectives, Policies and Processes

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

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

Market Risk

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

Interest Rate Risk

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

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

The Company as at March 31, 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 endeavours not maintain any trade payables beyond a 30-day period to maturity.

Determination of Fair Value

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

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

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

Fair Value Hierarchy

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

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

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

Capital Management

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

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

Outstanding Share Data

Colorado's authorized capital is unlimited common shares without par value. As at the date of this report 124,491,646 common shares were issued and outstanding. The Company as at the date of this report had the following outstanding options, warrants and convertible securities as follows:

Type of Security	Number	Exercise price	Expiry Date
Stock options	100,000	$0.290	30-Oct-18
Stock options	760,000	$0.265	01-May-19
Stock options	185,000	$0.250	12-Sep-19
Stock options	660,000	$0.150	07-May-20
Stock options	995,000	$0.080	30-Dec-20
Stock options	880,000	$0.440	06-Jun-21
Stock options	2,002,500	$0.260	06-Jun-22
Stock options	500,000	$0.150	16-Feb-23
Warrants	1,900,000	$0.400	29-Dec-18
Warrants	1,000,000	$0.600	14-Feb-19
Warrants	1,500,000	$0.450	17-Mar-19
Warrants	441,300	$0.420	17-Sep-19
Warrants	4,462,500	$0.500	17-Sep-19
Warrants	41,700	$0.320	17-Sep-19
Warrants	11,360,000	$0.45	29-Feb-20

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

Other Requirements

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

Risks and uncertainties

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company continues to seek opportunities to acquire exploration and/or development projects. The main operating risks include: although the Company has secured the adequate funding to complete is initial exploration work for the 2018 field season and any further substantial development or corporate overhead working capital will require additional funding, as well as to advance any of its other projects. Funds will also be required in order for the Company to acquire, maintain and advance future exploration or advanced staged properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities, as well as risks to First Nations concerns of development in certain areas that may affect the Company's ability to operate.

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

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

Going Concern

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 and allocated as restricted cash. 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.