CORAL GOLD RESOURCES LTD.

CORAL GOLD RESOURCES LTD.

(an Exploration Stage Company)

Condensed Consolidated Interim Financial Statements

For the six months ended July 31, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Condensed Consolidated Interim Financial Statements of Coral Gold Resources Ltd. (the "Company") are the responsibility of the Company's management. The Condensed Consolidated Interim Financial Statements are prepared in accordance with International Financial Reporting Standards, and reflect management's best estimates and judgment based on information currently available.

Management has developed, and is maintaining, a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed consolidated interim financial statements prior to their submission to the Board of Directors for approval.

The condensed consolidated interim financial statements as at July 31, 2016 and 2015 and for the six months then ended have not been audited or reviewed.

"David Wolfin"

David Wolfin
President & CEO
September 29, 2016

"Malcolm Davidson"

Malcolm Davidson, CPA, CA
Chief Financial Officer
September 29, 2016

CORAL GOLD RESOURCES LTD.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

	Note	July 31, 2016 (Unaudited)	January 31, 2016
Assets			
Current assets			
Cash and cash equivalents		$ 476,611	$ 599,964
Other amounts receivable		9,901	4,887
Prepaid expenses		10,024	13,864
		496,536	618,715
Exploration and Evaluation Assets	**4**	19,229,187	19,192,353
Property and Equipment	**6**	93,593	94,696
Investments	**7**	155,572	92,746
Reclamation Bonds	**8**	83,558	89,638
Total Assets		$ 20,058,446	$ 20,088,148
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 96,333	$ 64,324
Amounts payable to related parties	**11b**	100,724	84,313
		197,057	148,637
Reclamation Provision	**12**	610,323	645,153
Deferred Tax Liability		620,000	620,000
Total liabilities		1,427,380	1,413,790
Equity			
Share Capital	**9**	45,523,425	45,367,275
Equity Reserves		1,104,426	1,086,046
Accumulated Other Comprehensive Income		103,454	40,628
Accumulated Deficit		(28,110,559)	(27,829,911)
Equity Attributable to Equity Holders of the Company		18,620,746	18,664,038
Equity Attributable to Non-Controlling Interests		10,320	10,320
Total Equity		18,631,066	18,674,358
Total Liabilities and Equity		$ 20,058,446	$ 20,088,148

Commitments – Note 13
Subsequent Events – Note 18

Approved by the Board of Directors on September 29, 2016:

/s/ David Wolfin Director *Gary Robertson* Director

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

CORAL GOLD RESOURCES LTD.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss

For the three and six months ended July 31, 2016 and 2015

(Expressed in Canadian dollars)

(Unaudited)

	Note	Three months ended July 31, 2016	Three months ended July 31, 2015	Six months ended July 31, 2016	Six months ended July 31, 2015
Operating and Administrative Expenses					
Consulting fees		$ 2,500	$ 2,663	$ 2,500	$ 2,663
Depreciation		550	572	1,102	1,145
Directors' fees		4,500	4,500	9,000	9,000
Finance costs	12	4,498	4,200	8,970	8,238
Investor relations		52,337	1,457	54,798	1,797
Listing and filing fees		8,796	13,117	12,789	15,497
Management fees		7,500	7,500	15,000	15,000
Office and miscellaneous		16,921	5,078	19,980	6,629
Professional fees		30,827	19,938	46,870	32,361
Salaries and benefits		20,669	18,004	43,378	31,928
Share-based payments	10	70,930	143,696	70,930	144,049
Travel		2,602	1,971	5,321	2,542
		222,630	222,696	290,638	270,849
Loss before other items		(222,630)	(222,696)	(290,638)	(270,849)
Other items					
Interest and other income		14	15	21	94
Foreign exchange gain (loss)		(1,025)	(1,964)	9,964	(12,741)
Gain on sale of investment	7	-	10,850	-	27,059
Gain on forgiveness of debt		-	-	-	5,250
Gain on settlement of debt		-	-	-	-
Net Loss		(223,641)	(213,795)	(280,648)	(251,187)
Other comprehensive income					
Unrealized gain (loss) on investment securities	7	31,508	(8,732)	62,826	43,153
Total comprehensive income (loss)		$ (192,133)	$ (222,527)	$(217,822)	$ (208,034)
Loss per share (basic and diluted)		$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding		48,049,226	42,825,337	47,936,663	42,825,337

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

CORAL GOLD RESOURCES LTD.

Condensed Consolidated Interim Statements of Changes in Equity

For the six months ended July 31, 2016 and 2015
(Expressed in Canadian dollars)
(Unaudited)

	Note	Number of Common Shares	Share Capital Amount	Reserve for Stock Options	Reserve for Warrants	Total Reserves	Accumulated Other Comprehensive	Accumulated Deficit	Total Equity
Balance, January 31, 2015		**42,825,337**	**$45,205,901**	**$768,274**	**$1,916,575**	**$2,684,849**	**$87,588**	**$(29,723,877)**	**$18,264,781**
Common shares issued for cash:									
Share-based payments		-	-	353	143,696	144,049	-	-	144,049
Transfer of expired options and warrants		-	-	-	(1,446,027)	(1,446,027)	-	1,446,027	-
Unrealized gain on investment securities, net of tax		-	-	-	-	-	43,153	-	43,153
Loss for the period		-	-	-	-	-	-	(251,187)	(251,187)
Balance, July 31, 2015		**42,825,337**	**$45,205,901**	**$768,627**	**$614,244**	**$1,382,871**	**$130,741**	**$(28,529,037)**	**$18,190,476**
Balance, January 31, 2016		**47,825,337**	**$45,367,275**	**$663,720**	**$422,326**	**$1,086,046**	**$40,628**	**$(27,829,911)**	**$18,674,358**
Common shares issued for cash:									
Exercise of stock options		15,000	6,150	(2,550)	-	(2,550)	-	-	3,600
Exercise of warrants		1,000,000	150,000	-	(50,000)	(50,000)	-	-	100,000
Share-based payments		-	-	70,930	-	70,930	-	-	70,930
Unrealized gain on investment securities, net of tax		-	-	-	-	-	62,826	-	62,826
Loss for the period		-	-	-	-	-	-	(280,648)	(280,648)
Balance, July 31, 2016		**48,840,337**	**$45,523,425**	**$732,100**	**$372,326**	**$1,104,426**	**$103,454**	**$(28,110,559)**	**$18,631,066**

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

CORAL GOLD RESOURCES LTD.

Condensed Consolidated Interim Statements of Cash Flows

For the six months ended July 31, 2016 and 2015

(Expressed in Canadian dollars)

(Unaudited)

	Note	2016	2015
CASH PROVIDED BY (USED IN):			
Operating Activities			
Net loss		$ (280,648)	$ (251,187)
Adjustments for non-cash items:			
Depreciation		1,103	1,145
Share-based payments		70,930	144,049
Foreign exchange (gain) loss		(36,530)	17,128
Finance costs		8,970	8,238
Gain on sale of investments		-	(27,059)
Gain on settlement of debt		-	(5,250)
		(236,175)	(112,936)
Net change in non-cash working capital	**16**	34,303	34,787
		(201,872)	(78,150)
Investing Activities			
Expenditures on exploration and evaluation assets		(23,891)	(165,273)
Proceeds on sale of investments		-	33,384
Increase (decrease) in reclamation bond		-	571,497
		(23,891)	439,608
Cash flows from financing activities			
Issuance of shares for cash, net		103,600	-
Cash provided by financing activities		103,600	-
Effect of exchange rate fluctuations on cash and equivalents		(1,190)	103
Net increase (decrease) in cash and equivalents		(123,353)	361,561
Cash and cash equivalents, beginning of period		599,964	147,575
Cash and cash equivalents, end of period		$ 476,611	$ 509,136
Supplementary Cash Flow Disclosures			
Cash paid during the period for:			
Interest expense		$ -	$ -
Income taxes		$ -	$ -
Expenditures on exploration and evaluation assets included in amounts payable to related parties, net		$ 3,162	$ 1,812
Expenditures on mineral properties included in accounts payable		$ 21,374	$ 12,109

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Coral Gold Resources Ltd. (the "Company") was incorporated in 1988 under the *Company Act* of British Columbia and is primarily involved in the exploration and development of its mineral properties. The Company's head office and principal place of business is Suite 900, 570 Granville Street, Vancouver, BC, Canada. The Company's common shares are traded on the TSX-V, OTCBB, and the Frankfurt Stock Exchange.

The business of mining and exploring for minerals involves a high degree of risk, and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing.

These Condensed Consolidated Interim Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at July 31, 2016, the Company had working capital of $299,479 and accumulated losses of $28,110,559. The Company has not yet generated any revenues from its operations. The Company is required to raise new financing through the sale of shares or issuance of debt to continue with its operations and to develop its mineral properties. Although management intends to secure additional financing, there is no assurance that management will be successful in its efforts to secure additional financing or that it will ever develop a self-supporting business. These factors together form a material uncertainty which may raise significant doubt about the Company's ability to continue as a going concern. These Condensed Consolidated Interim Financial Statements do not include any adjustments that might result from the outcome of this uncertainty.

2. BASIS OF PRESENTATION

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company, except for the accounting policies which have changed as a result of the adoption of new and revised standards and interpretations which are effective February 1, 2016. These condensed consolidated interim financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's January 31, 2016 annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Foreign Currency Translation

The functional and reporting currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in net loss for the period.

The preparation of these Condensed Consolidated Interim Financial Statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the Condensed Consolidated Interim Financial Statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates under different assumptions and conditions.

2. BASIS OF PRESENTATION (continued)

Significant Accounting Judgements and Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Going concern

Determining if the Company has the ability to raise the financing required to continue as a going concern is a judgment made by management. Further disclosure is included in Note 1.

b) Impairment of equipment and exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's equipment and exploration and evaluation assets are impaired. External sources of information management considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its equipment and mining interests.

c) Depreciation rate for equipment

Depreciation is allocated based on assumed asset lives. Should the asset life or depreciation rates differ from the initial estimate, an adjustment would be made in the consolidated statements of operations and comprehensive loss.

d) ***Estimated reclamation provisions***

The Company's provision for decommissioning liabilities represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation and site closure costs. The provision reflects estimates of future costs, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk free interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company.

e) 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.

f) Recognition and measurement of deferred tax assets and liabilities

Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Weight is attached to tax planning opportunities that are within the Company's control, and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets/liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The Condensed Consolidated Interim Financial Statements include the accounts of the Company and its US subsidiaries.

	Ownership Interest	Jurisdiction	Nature of Operations
Coral Resources, Inc.	100%	Nevada, USA	Exploration Company
Coral Energy Corporation	100%	California, USA	Holding Company
Marcus Corporation	98.49%	Nevada, USA	Holding Company

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions are eliminated in preparing the Condensed Consolidated Interim Financial Statements.

Share-based payment transactions

The share option plan allows Company employees, directors, officers, and consultants to acquire shares of the Company. All options granted are measured at fair value, and are recognized in expenses as share-based payments with a corresponding increase in equity reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of employee options is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. For non-employees, share-based payments are measured at the fair value goods and services received or the fair value or the fair value of the equity instruments issued, if it is determined the fair value cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the options is accrued and charged either to operations or exploration and evaluation assets, with the offset credit to equity reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. Upon the expiration or cancellation of unexercised stock options, the Company will transfer the value attributed to those stock options from equity reserves to deficit.

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions (continued)

Reclamation provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore mineral properties in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and restoration, reclamation and re-vegetation of affected areas. The reclamation provisions are initially recorded with corresponding increase to the carrying amount of related mineral properties.

When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mineral property. Over time, the discounted liability is increased for the change in present value based on the risk-free interest rate applicable to the future cash outflows, which is accreted over time through periodic charges to income or loss.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. In the Company's case, diluted loss per share is the same as basic loss per share as the effects of including all outstanding options and warrants would be anti-dilutive.

New accounting standards adopted by the Company

There were no new or revised accounting standards applicable to the Company scheduled for mandatory adoption on February 1, 2016, and thus no standards were adopted in the current year.

Accounting Standards and Amendments Issued But Not Yet Effective

The following accounting standards were issued but not yet effective as of July 31, 2016:

IFRS 10 Consolidated Financial Statements
The amendments to IFRS 10 require a full gain or loss to be recognized when a transaction involves a business (whether it is housed in a subsidiary or not), while a partial gain or loss would be recognized when a transaction involves assets that do not constitute a business, even if the assets are housed in a subsidiary. The amendments have been adopted by the Company effective January 1, 2016 with no significant impact on its consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers
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 comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact the final standard may have on its consolidated financial statements.

IFRS 9 – Financial Instruments
The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments (“IFRS 9”) which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard may have on its consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 7 Financial instruments: Disclosure

IFRS 7 was amended to require additional disclosures on transition from IAS 39 to IFRS 9. The standard is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The Company is currently evaluating the impact this standard is expected to have on its consolidated financial statements.

IFRS 16 Leases

IFRS 16 was issued on January 13, 2016, and will be effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

The Company has accumulated the following acquisition and exploration expenditures:

	Robertson Property	Ruf and Norma Sass Claims	Other	Total
Balance, January 31, 2015	$ 19,093,107	$ 59,627	$ 3	$ 19,152,737
Exploration costs during the period:				
Acquisition costs	37,157	31,873	-	69,030
Exploration costs during 2016:				
Consulting	44,880	-	-	44,880
Lease payments	27,997	-	-	27,997
Taxes, licenses and permits	101,927	8,301	-	110,228
Impairment write-down	(212,519)	-	-	(212,519)
Balance, January 31, 2016	$ 19,092,549	$ 99,801	$ 3	$ 19,192,353
Exploration costs during the period:				
Consulting	11,004	-	-	11,004
Lease payments	20,460	-	-	20,460
Taxes, licenses and permits	5,370	-	-	5,370
Balance, July 31, 2016	$ 19,129,383	$ 99,801	$ 3	$ 19,229,187

The Company has certain interests in 688 patented and unpatented lode mining claims located in Lander County, Nevada, subject to net smelter returns ("NSR") on production ranging from 4% to 10%, and which certain leases provide for advanced royalty payments.

a) Robertson Property

On June 21, 2016, Coral announced that it had entered into a purchase and sale agreement (the "**Agreement**") with Barrick Cortez Inc. ("**Barrick**"), a subsidiary of Barrick Gold Corp., for the sale of the Robertson Property in Lander County, Nevada, to Barrick in consideration of:

1. The payment to Coral of US$15.75 million (Cdn $20.72 million based on the current exchange rate) in cash (the "**Cash Consideration**") on closing;
2. The return of 4,150,000 common shares of Coral held by Barrick (which represent approximately 8.7% of the Company's basic common shares outstanding as of June 20, 2016) for cancellation by the Company (the "**Share Reduction**"); and
3. A sliding scale 1% to 2.25% net smelter returns royalty (the "**NSR**") on the Robertson Property, payable quarterly, subject to potential advance royalty payments as outlined below, as well as a right of first refusal enabling Barrick to acquire the NSR in the event that the Company wishes to sell the NSR to any third party (the "**Transaction**").

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) Robertson Property (continued)

The sliding scale NSR rate will be determined based on the observed gold price during each quarterly period based on the average LBMA Gold Price PM during the quarterly period, as follows:

Average Gold Price/Oz During the Quarter (USD)	Applicable NSR Royalty Rate
Up to and including $1,200.00	1.00%
$1,200.01 to $1,400.00	1.25%
$1,400.01 to $1,600.00	1.50%
$1,600.01 to $1,800.00	1.75%
$1,800.01 to $2,000.00	2.00%
Over $2,000.00	2.25%

Pursuant to the Agreement, in the event that the Robertson Property is not placed into production by December 31, 2023, then beginning on January 1, 2024, and continuing on an annual basis thereafter until the earlier of (i) the date commercial production commences and (ii) January 2, 2033, Barrick will make advance royalty payments to Coral Gold of US$0.5M, which will be non-refundable and fully credited against any future obligations under the NSR.

Barrick will also assume all liabilities relating to the Robertson Property, and will provide replacement security for the reclamation bond.

Completion of the Transaction is subject to customary closing conditions, including TSX Venture Exchange acceptance and the approval of the shareholders of the Company by special resolution. The board of directors of Coral (the "**Board**") has considered all relevant factors and unanimously determined that the Transaction is in the best interests of the Company and its shareholders. The Company has held a general meeting of shareholders on July 22, 2016, in which the sale of the Robertson Property was approved by 99.65% of votes.

The Robertson Property to be purchased by Barrick includes the properties also known as the Core, Gold Ridge, Excluded and the RUF mining claims, but does not include the properties known as the Norma, Sass, Eagle and JDN mining claims, which will remain the property of Coral. The Robertson Property is located in eastern Lander County, Nevada, sixty miles southwest of Elko. The property spans approximately 8,480 acres, comprised of 415 claims and 9 patented claims. Consolidation of the ownership of the Robertson Property will allow the project to benefit from Barrick's Cortez operation.

The Robertson property is comprised of four contiguous claim groups known as the Core claims, Gold Ridge claims, Excluded claims, and Ruf claims.

In an agreement dated March 5, 2014, the Company granted Barrick Gold Exploration Inc. an option to purchase a 60% interest in 108 claims on the west side of the Core claims. This agreement was terminated in May 15, 2015.

(1) Core Claims

The Company holds an interest in 338 patented and unpatented lode mining claims. The Company owns 284 of these claims outright, of which 39 unpatented lode claims are owned by the Company's 98.49% owned subsidiary, Marcus Corporation.

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) Robertson Property (continued)

The remaining 54 claims are leased by the Company as follows:

(i) Chachas/Moore Lease

The Company assumed an option-to-purchase agreement dated November 30, 1975 related to 13 mineral claims, which form part of the Core claims of the Robertson Property. The total purchase price of the claims is US$2,000,000, which is payable in installments of US$1,000 per month until paid in full.

The property is subject to an 8% NSR. Any NSR royalty payments paid to the lessors are credited against the minimum monthly payments for a period equal to the value of the royalties paid at a rate of US$1,000 per month.

(ii) Blue Nugget, Lander Ranch, and Norma Sass Claims

The Company entered a mineral lease and option-to-purchase agreement with respect to 9 Blue Nugget claims, 27 Lander Ranch claims, 24 Norma claims, and 11 Sass claims, of which the Blue Nugget and Lander Ranch claims form part of the Core claims of the Robertson Property, and the Norma and Sass claims form part of the Norma Sass Property (Note 4b). Pursuant to the fifth amending agreement, the term of the lease was extended to April 21, 2013 and was left to expire. The total purchase price of the claims is US$1,500,000, which is payable in annual installments of $500 per claim until paid in full.

In October 2015, the Company entered into a revised mining lease agreement to lease 9 Blue Nugget claims and 27 Lander Ranch claims (the “Property”) for a term of ten years, which replaces the agreement above. In consideration of the lease, the Company agreed to keep the claims in good standing by paying the annual federal and local claim maintenance fees, commencing with the 2015-2016 assessment year. The Company also has the option to purchase all of the owner’s right, title, and interest in the Property, including owner’s reserved royalty, for the sum of US$108,000 within twelve months of the agreement date. In each year thereafter, the option price will be increased by 10% or US$10,800. The owner reserves the right to continue exploration, development, mining, and sale of turquoise on the Property, and agrees to defend, indemnify, and hold the Company harmless from all claims, demands, and liabilities arising from these activities.

(iii) Northern Nevada Lease

The Company entered a mineral lease with respect to 12 claims, which form part of the Core claims of the Robertson Property with an indefinite term. The claims are subject to a 4% NSR for which the Company is required to make minimum annual advanced royalty payments in the amount of $9,600 per year throughout the term of the lease. Of these 12 claims, 5 are part of the Core claims and 7 are part of Gold Ridge claims.

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) Robertson Property (continued)

(2) Gold Ridge Claims

Of the 108 claims, 95 are owned outright and 13 are held under leases as follows.

(i) Breckon Lease June Claims

The Company entered a mineral lease and option-to-purchase agreement granting it the exclusive rights to explore, develop, and exploit six lode mining claims, which form part of the Gold Ridge claims of the Robertson Property. The agreement is for an initial term of four years expiring on March 22, 2012 in consideration of the payment of an annual rent of US$25,000, renewable in successive four-year terms, provided that the rent will increase by US$5,000 every four years. The agreement was renewed in March 2012 until March 2016, with annual rent of US$30,000.

The property is subject to a 3% NSR royalty, subject to the Company's exclusive right to purchase the NSR for US$1,000,000 per percentage point. The Company also has the exclusive right to purchase the property, subject to the NSR, for US$1,000,000.

In March 2016, the Company determined that the six lode mining claims that were leased under the Breckon Lease June Claims were insignificant to the property and did not warrant additional expenditure for lease payments and claims maintenance. The Company concluded that these claims were not required to maintain the value of the other claims and therefore the costs incurred to date on those claims should be written off. The value attributed to the claims that were written off was $212,519.

(ii) Northern Nevada Lease

7 of the 12 lease claims are included in the Gold Ridge claims.

(3) Excluded Claims (previously referred to as Carve-out Claims) – 39% carried interest

By Agreement dated May 16, 1996, the Company granted Amax Gold Exploration Inc. ("Amax") an option to purchase a 61% interest in 132 claims (originally 219 claims). Amax exercised the option by paying twice the amount the Company had incurred in exploration expenditures on the property. Under the terms of the Agreement, the Company has a 39% carried interest.

The Amax 61% interest was subsequently acquired by Cortez GML, and is currently owned by Barrick Gold Corporation.

(4) Ruf Claims – 100% owned

By an amended option agreement dated September 13, 1995, the Company granted Levon Resources Ltd., a company related by common directors, an option to purchase a 50% interest in 58 claims including 23 Ruf, 24 Norma and 11 Sass Claims (Notes 4a(1)(ii) and 4c), of which the Ruf claims form a portion of the Robertson Property and the Norma Sass claims constitute the Norma Sass Property. On December 31, 2002, the Agreement was amended whereby Levon earned a 33.33% interest in these claims. On January 25, 2016, the Company and Levon entered into a Settlement and Property Transfer Agreement, wherein the Company acquired Levon's undivided 1/3 interest in the Norma, Sass and Ruf mining claims, and Levon's 1/2 interest in the Eagle mining claims, all located in Lander County, Nevada, in consideration of the Company's forgiveness of USD$53,258 in debt owed by Levon to the Company. Expenditures incurred on the Ruf claims have been classified to Ruf and Norma Sass claims in the exploration expenditure table. A third party holds a 3% NSR royalty from some of these mining claims, up to a limit of US$1,250,000.

4. EXPLORATION AND EVALUATION ASSETS (continued)

b) Norma Sass Property – 100% interest

The Company holds a 100% interest in the 38 Norma Sass mining claims located in Lander County, Nevada.

c) JDN Hilltop Crest – 100% interest

The Company holds a 100% interest in 27 claims in the Hilltop District, Lander County, Nevada.

d) Eagle Claims – 100% interest

The Company holds a 100% interest in 45 claims in the Eagle Claims situated in the Shoshone Range, Lander County, Nevada.

Realization of Exploration and Evaluation Assets

The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards can be substantial if an ore body is discovered, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

Title to Exploration and Evaluation Assets Interests

Although the Company has taken steps to verify the title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material, and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company other than the amount presented and disclosed as a reclamation provision in these Condensed Consolidated Interim Financial Statements.

Environmental legislation is becoming increasingly stringent, and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

(Expressed in Canadian dollars)

6. PROPERTY AND EQUIPMENT

	Land	Buildings	Vehicles	Computer Hardware	Equipment	TOTAL
COST	$	$	$	$	$	$
Balance at January 31, 2015	84,127	18,708	6,920	5,926	3,459	119,140
Additions	-	-	-	-	-	-
Balance at January 31, 2016	84,127	18,708	6,920	5,926	3,459	119,140
Additions	-	-	-	-	-	-
Balance at July 31, 2016	**84,127**	**18,708**	**6,920**	**5,926**	**3,459**	**119,140**
ACCUMULATED DEPRECIATION						
Balance at January 31, 2015	-	7,952	6,920	5,468	1,814	22,154
Depreciation	-	1,871	-	91	329	2,291
Balance at January 31, 2016	-	9,823	6,920	5,559	2,143	24,445
Depreciation	-	935	-	167	-	1,102
Balance at July 31, 2016	-	**10,758**	**6,920**	**5,726**	**2,143**	**25,547**
CARRYING VALUE						
At January 31, 2016	84,127	8,885	-	367	1,316	94,695
At July 31, 2016	**84,127**	**7,950**	**-**	**200**	**1,316**	**93,593**

(Expressed in Canadian dollars)

7. INVESTMENTS

At July 31, 2016, the Company held shares as follows:

	Number of Shares		Cost		Accumulated Unrealized Gain		Fair Value
Available-for-sale shares:							
Levon Resources Ltd.	220,000	$	11,637	$	89,563	$	101,200
VBI Vaccines Inc. (formerly SciVac Therapeutics Inc.)	11,000		23,274		29,196		52,470
Great Thunder Gold Corp.	17,291		1,297		605		1,902
		$	36,208	$	119,364	$	155,572

At January 31, 2016, the Company held shares as follows:

	Number of Shares		Cost		Accumulated Unrealized Gain (Loss)		Fair Value
Available-for-sale shares:							
Levon Resources Ltd.	200,000	$	11,637	$	19,163	$	30,800
SciVac Therapeutics Inc.	440,000		23,274		38,326		61,600
Great Thunder Gold Corp.	17,291		1,297		(951)		346
		$	36,208	$	56,538	$	92,746

In the six months ended July 31, 2016, SciVac Therapeutics Inc. ("SciVac") completed a transaction with VBI Vaccines Inc. ("VBI"). The transaction resulted in a reverse-takeover of SciVac and VBI will continue as the surviving corporation. SciVac changed its name to VBI Vaccines Inc. and its trading symbol on the TSX to "VBV", and listed its shares on the Nasdaq Capital Market. In connection with the transaction a 1:40 share consolidation of SciVac shares was effected on April 29, 2016 and SciVac's shares began trading on a split-adjusted basis at market open on May 2, 2016. Prior to the transaction, the Company held 440,000 common shares of SciVac and upon completion is holding 11,000 common shares of VBI.

During the six months ended July 31, 2016, the Company recorded an unrealized gain of $62,826 (2015 - $43,153) on investments, representing the change in fair value during the period.

Certain directors of Levon and Great Thunder Gold Corp. (formerly Mill Bay Ventures Inc.) are also directors of the Company.

During the year ended January 31, 2016, Levon completed a transaction with SciVac Therapeutics Inc. resulting in the exchange of 0.5 of a common share of Levon for each previous Levon common share held, and the issuance of one new SciVac common share for each previous Levon common share held.

8. RECLAMATION BONDS

Under the Bureau of Land Management of the United States (the "Bureau"), the Company is required to hold reclamation bonds that cover the estimated cost to reclaim the ground disturbed.

As at July 31, 2016, the total reclamation deposits were $83,558 (US$64,000) (January 31, 2016 - $89,638 (US$64,000)). Interest is accrued on the reclamation deposit at a monthly weighted average rate of 0.05% (2016 - 0.05%).

9. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value. All shares outstanding are fully paid.

b) Issued during 2017 and 2016

On July 11, 2016, the Company issued 1,000,000 common shares upon the exercise of 1,000,000 warrants at an exercise price of $0.10 for gross proceeds of $100,000.

On July 21, 2016, the Company issued 15,000 common shares upon the exercise of 15,000 stock options at an exercise price of $0.24 for gross proceeds of $3,600.

On January 14, 2016, the Company closed a non-brokered private placement of 1,500,000 units at a price of $0.05 per unit for gross proceeds of $75,000. Each unit consists of one common share and one non-transferrable share purchase warrant.

On September 10, 2015, the Company closed a non-brokered private placement of 3,500,000 units at a price of $0.05 per unit for gross proceeds of $175,000. Each unit consists of one common share and one non-transferrable share purchase warrant.

c) Share purchase warrants and compensation options

On January 14, 2016, the Company issued 1,500,000 share purchase warrants as part of a non-brokered private placement. Each warrant entitles the investor to purchase one additional common share in the capital of the Company at an exercise price of $0.10 for a term of two years expiring on January 14, 2018.

On September 10, 2015, the Company issued 3,500,000 share purchase warrants as part of a non-brokered private placement. Each warrant entitles the investor to purchase one additional common share in the capital of the Company at an exercise price of $0.10 for a term of two years expiring on September 10, 2017.

On July 13, 2015, the TSX Venture Exchange approved an extension of the expiry date of the warrants issued pursuant to the private placement that closed on July 17, 2013 by three years from July 17, 2015 to July 17, 2018. All other terms remained the same.

As a result of the extension, the Company recorded an additional aggregate fair value compensation cost in the amount of $143,697, which has been estimated using the Black-Scholes option pricing model with the following assumptions for the fair value of the amended warrants at the date of the amendment: risk-free interest rate of 0.38%, dividend yield of 0%, volatility of 100.44%, and an expected life of 3 years.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

c) Share purchase warrants and compensation options (continued)

A summary of the share purchase warrants and compensation options issued, exercised and expired during the periods ended July 31, 2016 and January 31, 2016 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2015	10,113,620	$0.53
Issued	5,000,000	$0.10
Expired	(6,464,120)	$0.75
Balance, January 31, 2016	8,649,500	$0.12
Exercised	(1,000,000)	$0.10
Balance, July 31, 2016	**7,649,500**	**$0.12**

	Exercise Price	Warrants Outstanding and Exercisable	
Expiry Date	**per Share**	July 31, 2016	January 31, 2016
September 10, 2017	$0.10	2,500,000	3,500,000
July 17, 2018	$0.15	3,649,500	3,649,500
January 14, 2018	$0.10	1,500,000	1,500,000
		7,649,500	**8,649,500**

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

d) Stock options

The Company's stock option plan provides for the granting of options to directors, officers, employees and consultants. Under the terms of the option plan, options issued will not exceed 10% (2014 - 10%) of the issued and outstanding shares from time to time. The option price under each option is not less than the discounted market price on the grant date. The expiry date for each option is set by the Board of Directors at the time of issue and cannot be more than ten years after the grant date. All options vest 100% on the grant date unless a vesting schedule is set by the Board of Directors at the time of issue.

For the periods ended July 31, 2016 and January 31, 2016 stock option activity is summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2015	3,970,000	$0.38
Granted	500,000	$0.18
Cancelled	(355,000)	$1.19
Expired	(945,000)	$0.27
Balance, January 31, 2016	3,170,000	$0.28
Exercised	(15,000)	$0.24
Balance, July 31, 2016	**3,155,000**	**$0.28**

A summary of stock options outstanding as at July 31, 2016 is as follows:

Number Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date
800,000	$0.400	0.56	February 22, 2017
600,000	$0.300	1.20	October 12, 2017
1,255,000	$0.240	2.62	March 14, 2019
100,000	$0.125	4.19	October 6, 2020
100,000	$0.150	4.19	October 6, 2020
100,000	$0.175	4.19	October 6, 2020
100,000	$0.200	4.19	October 6, 2020
100,000	$0.225	4.19	October 6, 2020
3,155,000	$0.282	2.08	

As at July 31, 2016, 2,655,000 options were exercisable at a weighted-average exercise price of $0.319. The weighted average remaining contractual life of stock options outstanding as at July 31, 2016 was 2.15 years.

(Expressed in Canadian dollars)

10. SHARE-BASED PAYMENTS

On October 6, 2015, the Company granted incentive stock options for the purchase of up to 500,000 common shares to a consultant. These 500,000 stock options have the following prices and vesting terms, and are exercisable on or before October 6, 2020:

- 100,000 at a price of $0.125 vesting after three months
- 100,000 at a price of $0.15 vesting after six months
- 100,000 at a price of $0.175 vesting after nine months
- 100,000 at a price of $0.20 vesting after twelve months
- 100,000 at a price of $0.225 vesting after fifteen months

On March 14, 2014, the Company granted incentive stock options for the purchase of up to 1,420,000 common shares at a price of $0.24 per share to directors, officers, consultants, and employees of the Company. 50,000 of these stock options are exercisable on or before March 14, 2015, and 1,370,000 stock options are exercisable on or before March 14, 2019.

The Company recorded total share-based payments of $70,930 for the grant and vesting of stock options during the six months ended July 31, 2016 (2015 - $353) as follows:

	2016	**2015**
Directors, officers and employees	$ -	$ -
Investor relations	-	203
Consultants	70,930	150
	$ 70,930	$ 353

Option pricing requires the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates. There were no options granted during the six months ended July 31, 2016.

	2016	**2015**
Weighted average assumptions:		
Risk-free interest rate	0.57%	-
Expected dividend yield	-	-
Expected option life (in years)	4.28	-
Expected stock price volatility	103.14%	-
Forfeiture rate	-	-
Weighted average fair value at grant date	$0.05	-

Expected volatility was forecasted based on the historical volatility of the Company.

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions are measured at the estimated fair values of the services provided or goods received. Related party transactions not disclosed elsewhere in these financial consolidated statements are as follows:

a) Key Management Compensation

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company. The remuneration of directors and officers for the six months ended July 31 was as follows:

	2016	2015
Salaries, bonuses, fees and benefits		
Members of the Board of Directors	$ 36,820	$ 34,440
Other members of key management	17,187	7,876
Share-based payments		
Members of the Board of Directors	-	-
Other members of key management	-	-
	$ 54,007	$ 42,316

b) In the normal course of operations the Company transacts with companies with directors or officers in common. At July 31, 2016 and January 31, 2016, the following amounts are payable to related parties:

	July 31, 2016	January 31, 2016
Directors	$ 81,690	$ 70,500
Oniva International Services Corp.	11,672	8,401
Sampson Engineering Inc.	3,162	1,212
Frobisher Securities Ltd.	4,200	4,200
	$ 100,724	$ 84,313

The amounts included above are unsecured, non-interest bearing with no fixed terms of repayment.

c) Other related party transactions

The Company has a cost-sharing agreement to reimburse Oniva International Services Corp. (“Oniva”), as described in Note 13. The transactions with Oniva during the six months ended July 31 are summarized below:

	2016	2015
Salaries and benefits	$ 43,384	$ 31,749
Office and miscellaneous	18,980	14,739
	$ 62,364	$ 46,488

(Expressed in Canadian dollars)

12. RECLAMATION PROVISION

The Company's reclamation provision relates to the reclamation work required by the Bureau to be performed on the Robertson Property.

Management estimates the total undiscounted inflation-adjusted amount of cash flows required to settle its reclamation provision to be approximately $590,356 (US$452,172) (January 31, 2016 - $633,312 (US$452,172)), which is expected to be incurred during 2018. The risk-free rate of 3% (January 31, 2016 – 3%) was used to calculate the present value of the reclamation provision.

A reconciliation of the reclamation provision is as follows:

	July 31, 2016	January 31, 2016
Beginning balance	$ 645,153	$ 566,410
Unwinding of discount	8,970	17,389
Change in estimates	-	-
Change in foreign exchange rate	(43,800)	61,354
	$ 610,323	$ 645,153

13. COMMITMENTS

The Company has a cost-sharing agreement to reimburse Oniva for a percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses. The agreement may be terminated with one-month's notice by either party. Transactions and balances with Oniva are disclosed in Note 11.

14. FINANCIAL INSTRUMENTS

The fair values of the Company's cash and cash equivalents, amounts receivable from a related party, accounts payable, and amounts payable to related parties approximate their carrying values due to the short-term nature of these instruments. Investment securities are accounted for at fair value based on quoted market prices.

The Company's financial instruments are exposed to certain financial risk, credit risk, liquidity risk, and market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents is exposed to credit risk. The Company is not exposed to significant credit risk on amounts receivable (excluding GST).

The Company manages credit risk, in respect of cash, by maintaining the majority of cash at high credit rated Canadian financial institutions.

(Expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (continued)

a) Credit risk (continued)

Concentration of credit risk exists with respect to the Company's cash and cash equivalents and reclamation deposits as the majority of the amounts are held with a single Canadian and US financial institution. The Company's concentration of credit risk, and maximum exposure thereto, is as follows:

		July 31, 2016		January 31, 2016
Cash held at major financial institutions				
Canada – cash	$	142,286	$	199,934
US - cash		334,325		400,030
		476,611		599,964
Reclamation deposits held at major financial institutions		83,558		89,638
Total cash and reclamation deposits	$	560,169	$	689,602

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due.

The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company had working capital of $299,479 at July 31, 2016 (January 31, 2016 - $470,078). The Company has cash at July 31, 2016 in the amount of $476,611 (January 31, 2016 - $599,964) in order to meet short-term business requirements. At July 31, 2016, the Company had current liabilities of $197,057 (January 31, 2016 - $148,637). Accounts payable have contractual maturities of approximately 30 days and are subject to normal trade terms. Amounts due to related parties are without stated terms of interest or repayment.

The Company will require significant cash funding to conduct its planned exploration programs, meet its administrative overhead costs, and maintain its mineral properties in 2016.

14. FINANCIAL INSTRUMENTS (continued)

c) Market risk

Market risk consists of interest rate risk, foreign currency risk, and other price risk. These are discussed further below.

Interest rate risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is exposed to interest rate price risk with respect to reclamation deposits as they bear interest at market rates. However, given the stated rates of interest are fixed, the Company is not exposed to significant interest rate price risk as at July 31, 2016 and January 31, 2016.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

The Company is exposed to foreign currency risk with respect to cash, other amounts receivable, accounts payable and accrued liabilities, and amounts payable to related parties, as a portion of these amounts are denominated in US dollars as follows:

	July 31, 2016		January 31, 2016	
Cash	US$	256,065	US$	285,613
Other amounts receivable		165		149
Amounts receivable from related parties		-		-
Reclamation bonds		64,000		64,000
Accounts payable		(17,343)		(3,317)
Net exposure	US$	302,887	US$	346,445
Canadian dollar equivalent	$	395,449	$	485,231

Based on the net Canadian dollar denominated asset and liability exposures as at July 31, 2016, a 10% (January 31, 2016 – 10%) fluctuation in the Canadian/US exchange rates will impact the Company's net loss and comprehensive loss by approximately $39,545 (January 31, 2016 - $48,523).

The Company manages foreign currency risk by minimizing the value of financial instruments denominated in foreign currency. The Company has not entered into any foreign currency contracts to mitigate this risk.

14. FINANCIAL INSTRUMENTS (continued)

c) Market risk

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with respect to its investment securities, as they are carried at fair value based on quoted market prices.

The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

d) Classification of Financial instruments

IFRS 7 *'Financial Instruments: Disclosures'* establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as at July 31, 2016:

		Level 1	Level 2	Level 3
Cash and cash equivalents	$	476,611	-	-
Investments in Marketable Securities		155,572	-	-
	$	632,183	-	-

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity.

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 or adjust the amount of cash and cash equivalents. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the six months ended July 31, 2016.

(Expressed in Canadian dollars)

16. ADDITIONAL CASH FLOW DISCLOSURES

The net change in non-cash working capital is comprised of the following:

	July 31, 2016	July 31, 2015
Other amounts receivable	$ (5,014)	$ 10,451
Prepaid expenses	3,840	(2,233)
Accounts payable and accrued liabilities	21,016	3,894
Amounts payable to related parties	14,461	22,675
	$ 34,303	$ 34,787

17. SEGMENTED INFORMATION

The Company operates one operating segment, mineral exploration and development activities. The Company is in the exploration stage and, accordingly, has no reportable revenues for the six months ended July 31, 2016 and January 31, 2016.

The Company has non-current assets in the following geographic locations:

	July 31, 2016	January 31, 2016
Canada	$ 157,089	$ 94,431
USA	19,404,821	19,375,002
	$ 19,561,910	$ 19,469,433

18. SUBSEQUENT EVENT

Subsequent to July 31, 2016, the Company issued 10,000 common shares for net proceeds of $2,400 upon the exercise of 10,000 stock options at an exercise price of $0.24.

The following discussion and analysis of the operations, results, and financial position of Coral Gold Resources Ltd. (the "Company" or "Coral") should be read in conjunction with the Company's condensed consolidated interim financial statements for the six months ended July 31, 2016 and the audited consolidated financial statements for the year ended January 31, 2016 and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated September 29, 2016 and discloses specified information up to that date. Coral is classified as a "venture issuer" for the purposes of National Instrument 51-102. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise cited, references to dollar amounts are Canadian dollars.

Throughout this report we refer to "Coral", the "Company", "we", "us", "our", or "its". All these terms are used in respect of Coral Gold Resources Ltd. ***We recommend that readers consult the "Cautionary Statement" on the last page of this report.*** Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website at www.coralgold.com.

Business Overview

The Company is an exploration stage entity whose principal business activities are the acquisition, exploration, and development of mineral properties. The Company's mining claims are located in the states of Nevada and California in the United States. The Company's present principal exploration activities have been focused on the Robertson mining claims located in Crescent Valley, Nevada. The Company is a reporting issuer in British Columbia, Alberta, and Ontario, a foreign issuer with the United States Securities & Exchange Commission, and trades on the TSX Venture Exchange under the symbol CLH, on the OTCBB under the symbol CLHRF, and on the Berlin & Frankfurt Stock Exchanges under the symbol GV8.

The financial statements reflect the financial position and results of operations of Coral and its active US subsidiary, Coral Resources, Inc. All material intercompany transactions have been eliminated.

Overall Performance

The following is a summary of significant events and transactions during the six months ended July 31, 2016 and to the date of this MD&A:

Robertson Property, Nevada

Coral's Robertson property is an advanced stage exploration project located along the Battle Mountain/Cortez Gold trend in north-central Nevada and immediately adjacent to the Pipeline gold mine. Over the past 25 years, Coral Gold and various joint venture partners have spent more than $25 million exploring the Robertson property.

In that time an extensive database comprised of 533,453 feet of drilling through 1,160 drill holes and 101,757 gold assays has outlined 10 gold zones.

In mid-2010, exploration of the property was essentially halted by the BLM, who required Coral to submit a new Environmental Assessment before approving Coral's new plan of operations. The situation, which is outlined below, was resolved in September 2013 after considerable expense and delayed progress.

In March 2014, Coral signed an Option, Joint Venture, and Private Placement agreement with Barrick Gold Exploration Inc. ("Barrick Gold") and Barrick Gold Corporation ("Barrick") on the Gold Ridge property. This property had previously been considered part of the Robertson property, but was partitioned for the sake of the exploration agreement. During 2014, Barrick drilled 3 holes at Gold Ridge.

Proposed Sale of the Robertson Property to Barrick

On June 21, 2016, Coral announced that it had entered into a purchase and sale agreement (the "**Agreement**") with Barrick Cortez Inc. ("**Barrick**"), a subsidiary of Barrick Gold Corp., for the sale of the Robertson Property in Lander County, Nevada, to Barrick in consideration of:

1. The payment to Coral of US$15.75 million (Cdn $20.72 million based on the current exchange rate) in cash (the "**Cash Consideration**") on closing;
2. The return of 4,150,000 common shares of Coral held by Barrick (which represent approximately 8.5% of the Company's basic common shares outstanding as of July 31, 2016) for cancellation by the Company (the "**Share Reduction**"); and
3. A sliding scale 1% to 2.25% net smelter returns royalty (the "**NSR**") on the Robertson Property, payable quarterly, subject to potential advance royalty payments as outlined below, as well as a right of first refusal enabling Barrick to acquire the NSR in the event that the Company wishes to sell the NSR to any third party (the "**Transaction**").

The sliding scale NSR rate will be determined based on the observed gold price during each quarterly period based on the average LBMA Gold Price PM during the quarterly period, as follows:

Average Gold Price/Oz During the Quarter (USD)	Applicable NSR Royalty Rate
Up to and including $1,200.00	1.00%
$1,200.01 to $1,400.00	1.25%
$1,400.01 to $1,600.00	1.50%
$1,600.01 to $1,800.00	1.75%
$1,800.01 to $2,000.00	2.00%
Over $2,000.00	2.25%

Pursuant to the Agreement, in the event that the Robertson Property is not placed into production by December 31, 2023, then beginning on January 1, 2024, and continuing on an annual basis thereafter until the earlier of (i) the date commercial production commences and (ii) January 2, 2033, Barrick will make advance royalty payments to Coral Gold of US$0.5M, which will be non-refundable and fully credited against any future obligations under the NSR.

Barrick will also assume all liabilities relating to the Robertson Property, and will provide replacement security for the reclamation bond.

Completion of the Transaction is subject to customary closing conditions, including TSX Venture Exchange acceptance and the approval of the shareholders of the Company by special resolution. The board of directors of Coral (the "**Board**") has considered all relevant factors and unanimously determined that the Transaction is in the best interests of the Company and its shareholders. The Company has held a general meeting of shareholders on July 22, 2016, in which the sale of the Robertson Property was approved by 99.65% of votes.

The Robertson Property to be purchased by Barrick includes the properties also known as the Core, Gold Ridge, Excluded and the RUF mining claims, but does not include the properties known as the Norma, Sass, Eagle and JDN mining claims, which will remain the property of Coral. The Robertson Property is located in eastern Lander County, Nevada, sixty miles southwest of Elko. The property spans approximately 8,480 acres, comprised of 415 claims and 9 patented claims. Consolidation of the ownership of the Robertson Property will allow the project to benefit from Barrick's Cortez operation.

Outlook

As a result of the expected sale of the Robertson gold property (and associated royalty agreement) to Barrick, Coral is refining its vision and focus on gold exploration in Nevada. The Company is well-positioned to pursue a number of growth opportunities now under consideration by management.

Results of Operations

Summary of Quarterly Results

Period ended	2016 Jul 31 Q2	2016 Apr 30 Q1	2016 Jan 31 Q4	2015 Oct 31 Q3	2015 Jul 31 Q2	2015 Apr 30 Q1	2015 Jan 31 Q4	2014 Oct 31 Q3
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Income/ Loss for the period	(223,641)	(57,007)	379,529	(77,821)	(213,795)	(37,392)	427,140	(64,743)
Income/ Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00	(0.00)	(0.00)
Total Assets	20,58,446	20,020,724	20,088,148	20,274,214	20,264,237	20,273,808	20,275,844	20,196,319

Quarterly costs fluctuate with non-cash items such as share-based payments, gains and losses on the sale of investments, deferred income tax, and foreign exchange variances.

Because the Company has not generated any income in recent years, total assets trend downward during the periods when no new funds are raised. However, the majority of expenditures are capitalized as exploration and evaluation assets. Therefore, total asset value does not decrease as dramatically as working capital will. When there is a sharp increase in total assets, it is often because cash was raised through the issuance of new equity shares.

During the quarter ending January 31, 2016, the Company recognized a deferred income tax recovery of $670,000. Income tax expense/recovery fluctuates yearly depending on the timing of expiration of U.S. tax loss carryforwards of the U.S. subsidiary, fluctuations in foreign exchange and difference in accounting and tax treatment of mineral properties.

During the quarters ended January 31, 2016 and October 31, 2015, the Company closed two private placements raising gross proceeds of $75,000 and $175,000 respectively by issuing 1,500,000 and 3,500,000 units respectively at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the investor to purchase one additional common share of the Company's equity at a price of $0.10 per share for a term of two years, expiring on January 14, 2018 and September 10, 2017.

During the quarter ended July 31, 2015, the Company extended the expiry date of 3,649,500 warrants, and recorded $143,697 in share-based payments in relation to the extension.

During the quarter ending January 31, 2015, the Company recognized a deferred income tax recovery of $476,720. Income tax expense/recovery fluctuates yearly depending on the timing of expiration of U.S. tax loss carryforwards of the U.S. subsidiary, fluctuations in foreign exchange and difference in accounting and tax treatment of mineral properties.

Three months ended July 31, 2016 compared with the three months ended July 31, 2015

	2016	2015	Note
Operating and Administrative Expenses			
Consulting fees	$ 2,500	$ 2,663	
Depreciation	550	572	
Directors' fees	4,500	4,500	
Finance costs	4,498	4,200	
Investor relations	52,337	1,457	**1**
Professional fees	30,827	19,938	**2**
Regulatory and compliance fees	8,796	13,117	
Management fees	7,500	7,500	
Office and miscellaneous	16,921	5,078	**3**
Salaries and benefits	20,669	18,004	
Share-based payments	70,930	143,696	**4**
Travel	2,602	1,971	
	222,630	222,696	
Loss before other items	(222,630)	(222,696)	
Other Income (expense)			
Interest and other income	14	15	
Forgiveness of debt	-	-	
Foreign exchange gain (loss)	(1,025)	(1,964)	
Gain on sale of investment	-	10,850	
Loss for the Period	(223,641)	(213,795)	**5**
Other Comprehensive Income			
Items that may be reclassified subsequently to income or loss			
Unrealized gain on available for sale securities	31,508	(8,732)	
Comprehensive Income (Loss)For the Period	$ (192,133)	$ (222,527)	
Income per Share - Basic and Diluted	$ (0.00)	$ (0.00)	**5**

1. Investor relations expenses increased by $50,880 to $52,337 for the quarter ended July 31, 2016 compared to $1,457 for the quarter ended July 31, 2015. During the current quarter, the Company increased its investor communications program in relation to the sale of the Robertson Property, and updated its marketing materials for trade shows and other events.

2. Professional fees increase by $10,889 to $30,827 for the three months ended July 31, 2016 compared to $19,938 in the quarter ended July 31, 2015. The increase in expenses is mainly due to renegotiation of property leases and title search for certain parts of the Robertson Property due to the sales agreement concerning the Robertson Property.

3. Office and miscellaneous expenses increased from $5,078 for the three months ended July 31, 2015 to $16,921 for the quarter ended July 31, 2016. The increase of $11,843 is due to increased Telephone expenses due to additional communications with investors and legal council in the U.S. as a result of the transaction with Barrick. The Company is also taking a larger share of the allocated IT expenses as a result of increased investor relations and general company activity.

4. Share-based compensation expenses decreased from $143,696 for the three months ended July 31, 2015 to $70,930 for the quarter ended July 31, 2016. The higher expenses in the comparative quarter were due to the extension of the expiry date of 3,649,500 warrants. The share-based compensation expense for this quarter is due to the vesting of previously granted stock options, the fair value of which has increase significantly since the grant date due to the transaction with Barrick.

1\. As a result of the foregoing, net loss for the quarter ended July 31, 2016 was $223,641 compared to a net loss of $213,795 for the quarter ended July 31, 2015. The decrease in net loss did not have an impact on loss per share.

Six months ended July 31, 2016 compared with the six months ended July 31, 2015

	2016	2015	Note
Operating and Administrative Expenses			
Consulting fees	$ 2,500	$ 2,663	
Depreciation	1,102	1,145	
Directors' fees	9,000	9,000	
Finance costs	8,970	8,238	
Investor relations	54,798	1,797	**1**
Professional fees	46,870	32,361	**2**
Regulatory and compliance fees	12,789	15,497	
Management fees	15,000	15,000	
Office and miscellaneous	19,980	6,629	**3**
Salaries and benefits	43,378	31,928	**4**
Share-based payments	70,930	144,049	**5**
Travel	5,321	2,542	
	290,638	270,849	
Loss before other items	(290,638)	(270,849)	
Other Income (expense)			
Interest and other income	21	94	
Foreign exchange gain (loss)	9,969	(12,741)	
Gain on forgiveness of debt	-	5,250	
Loss for the Period	(280,648)	(251,187)	**6**
Other Comprehensive Income			
Items that may be reclassified subsequently to income or loss			
Unrealized gain on available for sale securities	62,826	43,153	
Comprehensive Income (Loss)For the Period	$ (217,822)	$ (208,034)	
Income per Share - Basic and Diluted	$ (0.01)	$ (0.01)	**6**

1. Investor relations expenses for the six months ended July 31, 2016 increased by $53,001 to $54,798 compared to $1,797 for the six month ended July 31, 2015. During the six months ended July 31, 2016, the Company increased its investor communications program in relation to the sale of the Robertson Property, and updated its marketing materials for trade shows and other events.

2. Professional fees for the six months ended July 31, 2016 increased by $14,509 to $46,870 compared to $32,361 for the six months ended July 31, 2015. The increase in expenses is mainly due to renegotiation of property leases and title search for certain parts of the Robertson Property due to the sales agreement concerning the Robertson Property.

3. Office and miscellaneous expenses increased from $6,629 for the six months ended July 31, 2015 to $19,980 for the six months ended July 31, 2016. The increase of $13,351 is due to increased Telephone expenses due to additional communications with investors and legal council in the U.S. as a result of the transaction with Barrick. The Company is also taking a larger share of the allocated IT expenses as a result of increased investor relations and general company activity.

4. Share-based compensation expenses decreased from $144,049 for the six months ended July 31, 2015 to $70,930 for the period ended July 31, 2016. The higher expenses in the comparative period were due to the extension of the expiry date of 3,649,500 warrants. The share-based compensation expense for the current period is due to the vesting of previously granted stock options, the fair value of which has increase significantly since the grant date due to the transaction with Barrick.

2. As a result of the foregoing, net loss for the six months ended July 31, 2016 was $280,648 compared to a net loss of $251,187 for the six months ended July 31, 2015. The decrease in net loss did not have an impact on loss per share.

Liquidity and Capital Resources

Currently, the Company has no operating income, but is earning interest income on its entire cash holdings. Historically, the Company has funded its operations through equity financings and the exercise of stock options and warrants.

During the six months ended July 31, 2016 the Company incurred exploration expenditures of $36,834, increasing the Company's mineral property carrying value on the Robertson Property by $36,834. The Company received $100,000 from the exercise of 1,000,000 warrants at an exercise price of $0.10 and $3,600 from the exercise of 15,000 stock options at an exercise price of $0.24. At July 31, 2016, the Company had working capital of $299,479 and cash of $476.611.

During the year ended January 31, 2016, the Company received 250,000 in two non-brokered private placements by issuing a total of 5,000,000 units, comprising of one common share and one share purchase warrant per unit. These funds will be used to maintain administrative operations.

The Company is in the exploration stage. The investment in and expenditures on the mineral property comprise substantially all of the Company's assets. The recoverability of amounts shown for its mineral property interest and related deferred costs are dependent upon the continued support of its directors, the discovery of economically recoverable reserves, and the ability of the Company to obtain the financing necessary to complete development and achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time.

Mineral exploration and development is capital intensive, and in order to maintain its interest the Company will be required to raise new equity capital in the future. There is no assurance that the Company will be successful in raising additional new equity capital.

The change in cash flow activities can be summarized as follows:

	July 31, 2016	July 31, 2015
Operating activities	$ (201,872)	$ (78,150)
Investing activities	(23,891)	439,608
Financing activities	103,600	-
Effect of exchange rate fluctuations on cash and cash equivalents	(1,190)	103
Net change in cash	(123,353)	361,561
Cash and cash equivalents, beginning of period	599,964	147,575
Cash and cash equivalents, end of period	$ 476,611	$ 509,136

Cash used in operating activities is primarily comprised of operating and administrative expenses, as the Company is at the exploration stage and has no sources of revenue. The increase in cash used in operating activities during the period ended July 31, 2016 compared to the period ended July 31, 2015 is primarily due to a higher net loss for the year and a negative impact of foreign exchange on operating cash flows.

The Company's cash expenditures of $23,891 on exploration and evaluation assets account for all of the funds used in investing activities during the period ended July 31, 2016.

Off-balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Related party transactions are measured at the estimated fair values of the services provided or goods received. Related party transactions not disclosed elsewhere in these financial consolidated statements are as follows:

a) Key Management Compensation

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company. The remuneration of directors and officers for the six months ended July 31 was as follows:

	2016	2015
Salaries, bonuses, fees and benefits		
Members of the Board of Directors	$ 36,820	$ 34,440
Other members of key management	17,187	7,876
Share-based payments		
Members of the Board of Directors	-	-
Other members of key management	-	-
	$ 54,007	$ 42,316

b) In the normal course of operations the Company transacts with companies with directors or officers in common. At July 31, 2016 and January 31, 2016, the following amounts are payable to related parties:

	July 31, 2016	January 31, 2016
Directors	$ 81,690	$ 70,500
Oniva International Services Corp.	11,672	8,401
Sampson Engineering Inc.	3,162	1,212
Frobisher Securities Ltd.	4,200	4,200
	$ 100,724	$ 84,313

The amounts included above are unsecured, non-interest bearing with no fixed terms of repayment.

c) Other related party transactions

The Company has a cost-sharing agreement to reimburse Oniva for a percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses. The agreement may be terminated with one-month's notice by either party. The transactions with Oniva during the six months ended July 31th are summarized below:

	2016	**2015**
Salaries and benefits	$ 43,384	$ 31,749
Office and miscellaneous	18,980	14,739
	$ 62,364	$ 46,488

Proposed Transactions

The Company does not currently have any proposed transactions.

Critical Accounting Estimates

Significant areas requiring the use of management estimates include the recoverability of amounts receivable, the recoverable value of exploration and evaluation assets, the estimation of the useful lives of property and equipment, the recoverability and measurement of deferred income tax assets and liabilities, the provisions for estimated site restoration obligations, and the inputs used in accounting for share-based payments expense. While management believes that these estimates are reasonable, actual results could differ from those estimates, and could have a material impact to the results of operations and cash flows of the Company.

New Accounting Standards Adopted by the Company

There were no new or revised accounting standards applicable to the Company scheduled for mandatory adoption on February 1, 2016, and thus no standards were adopted in the current period.

Accounting Standards and Amendments Issued But Not yet Effective

The following accounting standards were issued but not yet effective as of July 31, 2016:

IFRS 10 Consolidated Financial Statements
The amendments to IFRS 10 require a full gain or loss to be recognized when a transaction involves a business (whether it is housed in a subsidiary or not), while a partial gain or loss would be recognized when a transaction involves assets that do not constitute a business, even if the assets are housed in a subsidiary. The amendments have been adopted by the Company effective January 1, 2016 with no significant impact on its consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers
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 comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact the final standard may have on its consolidated financial statements.

IFRS 9 – Financial Instruments
The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard may have on its consolidated financial statements.

IFRS 7 Financial instruments: Disclosure
IFRS 7 was amended to require additional disclosures on transition from IAS 39 to IFRS 9. The standard is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The Company is currently evaluating the impact this standard is expected to have on its consolidated financial statements.

IFRS 16 Leases
IFRS 16 was issued on January 13, 2016, and will be effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Financial Instruments

The Company has classified its cash and cash equivalents as FVTPL. Marketable securities are classified as available for sale, and amounts due from related parties are classified as loans and receivables. Accounts payable and amounts due to related parties are classified as other liabilities. The fair values of the Company's cash and cash equivalents, due from related parties, due to related parties, and accounts payable approximate their carrying values because of the short-term nature of these instruments.

The Company's financial instruments are exposed to certain financial risks such as credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents is exposed to credit risk. The Company is not exposed to significant credit risk on amounts receivable (excluding GST).

The Company manages credit risk, in respect of cash, by maintaining the majority of cash at high credit rated Canadian financial institutions.
Concentration of credit risk exists with respect to the Company's cash and cash equivalents and reclamation deposits as the majority of the amounts are held with a single Canadian and US financial institution. The Company's concentration of credit risk, and maximum exposure thereto, is as follows:

	July 31, 2016	January 31, 2016
Cash held at major financial institutions		
Canada – cash	$ 142,286	$ 199,934
US - cash	334,325	400,030
	476,611	599,964
Reclamation deposits held at major financial institutions	83,558	89,638
Total cash and reclamation deposits	$ 560,169	$ 689,602

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due.

The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company had working capital of $299,479 at July 31, 2016 (January 31, 2016 - $470,078). The Company has cash at July 31, 2016 in the amount of $476,611 (January 31, 2016 - $599,964) in order to meet short-term business requirements. At July 31, 2016, the Company had current liabilities of $197,057 (January 31, 2016 - $148,637). Accounts payable have contractual maturities of approximately 30 days and are subject to normal trade terms. Amounts due to related parties are without stated terms of interest or repayment.

The Company will require additional cash funding to conduct its planned exploration programs, meet its administrative overhead costs, and maintain its mineral properties in 2016.

Market risk

Market risk consists of interest rate risk, foreign currency risk, and other price risk. These are discussed further below.

Interest rate risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is exposed to interest rate price risk with respect to reclamation deposits as they bear interest at market rates. However, given the stated rates of interest are fixed, the Company is not exposed to significant interest rate price risk as at April 30, 2016 and January 31, 2016.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

The Company is exposed to foreign currency risk with respect to cash, other amounts receivable, amounts receivable from related parties, reclamation bonds, and accounts payable, as a portion of these amounts are denominated in US dollars as follows:

		July 31, 2016		**January 31, 2016**
Cash	US$	256,065	US$	285,613
Other amounts receivable		165		149
Amounts receivable from related parties		-		-
Reclamation bonds		64,000		64,000
Accounts payable		(17,343)		(3,317)
Net exposure	US$	302,887	US$	346,445
Canadian dollar equivalent	$	395,449	$	485,231

Based on the net Canadian dollar denominated asset and liability exposures as at July 31, 2016, a 10% (January 31, 2016 – 10%) fluctuation in the Canadian/US exchange rates will impact the Company's net loss and comprehensive loss by approximately $39,545 (January 31, 2016 - $48,523).

The Company manages foreign currency risk by minimizing the value of financial instruments denominated in foreign currency. The Company has not entered into any foreign currency contracts to mitigate this risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with respect to its investment securities, as they are carried at fair value based on quoted market prices.

The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Outstanding Share Data

The Company had the following issued and outstanding share capital as at July 31, 2016 and September 29, 2016:

Common shares: 48,840,337 as of July 31, 2016 and 48,850,337 as of September 29, 2016.

Stock options:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (July 31, 2016)	Number of Shares Remaining Subject to Options (September 29, 2016)
February 22, 2017	$0.40	800,000	800,000
October 12, 2017	$0.30	600,000	600,000
March 14, 2019	$0.24	1,255,000	1,245,000
October 6, 2020	$0.125	100,000	100,000
October 6, 2020	$0.15	100,000	100,000
October 6, 2020	$0.175	100,000	100,000
October 6, 2020	$0.20	100,000	100,000
October 6, 2020	$0.225	100,000	100,000
TOTAL:		**3,155,000**	**3,160,000**

Warrants:

Expiry Date	Exercise Price Per Share	Number of Underlying Shares (July 31, 2016)	Number of Underlying Shares (September 29, 2016)
September 10, 2017	$0.10	2,500,000	3,500,000
January 14, 2018	$0.10	1,500,000	1,500,000
July 17, 2018	$0.15	3,649,500	3,649,500
TOTAL:		**7,649,500**	**8,649,500**

Disclosure Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for evaluating the effectiveness of the Company's disclosure controls and procedures, and have concluded, based on our evaluation, that they are effective as at July 31, 2016 to ensure that information required to be disclosed in reports filed or submitted under Canadian securities legislation is recorded, processed, summarized, and reported within the time period specified in those rules and regulations.

Internal Controls over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB.

The Company assessed the design of the internal controls over financial reporting as at January 31, 2016 and concluded that there are material weaknesses in internal controls over financial reporting, which are as follows:

a) Due to the limited number of staff resources, the Company believes there are instances where a lack of segregation of duties exist to provide effective controls; and

b) Due to the limited number of staff resources, the Company may not have the necessary in-house knowledge to address complex accounting and tax issues that may arise.

The weaknesses and their related risks are not uncommon in a company the size of Coral because of limitations in size and number of staff. The Company believes it has taken steps to mitigate these risks by increasing additional accounting personnel, consulting outside advisors, and involving the Audit Committee and Board of Directors in reviews and consultations where necessary. However, these weaknesses in internal controls over financial reporting could result in a more than remote likelihood that a material misstatement would not be prevented or detected. The Company believes that it must take additional steps to further mitigate these risks by consulting outside advisors on a more regular and timely basis.

There have been no changes in the Company's internal controls over financial reporting that occurred during the period ended July 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

Cautionary Statement

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of September 29, 2016. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.