CORAL GOLD RESOURCES LTD.

CORAL GOLD RESOURCES LTD.

(an Exploration Stage Company)

Consolidated financial statements

For the years ended January 31, 2016, 2015, and 2014

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Coral Gold Resources Ltd. (the "Company") are the responsibility of the Company's management. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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 audit and the annual consolidated financial statements prior to their submission to the Board of Directors for approval.

The consolidated financial statements as at January 31, 2016 and 2015 and for the years ended January 31, 2016, 2015, and 2014 have been audited by Manning Elliott LLP, an independent registered public accounting firm, and their report outlines the scope of their examination and gives their opinion on the consolidated financial statements.

"David Wolfin"

David Wolfin
President & CEO
May 30, 2016

"Malcolm Davidson"

Malcolm Davidson, CPA, CA
Chief Financial Officer
May 30, 2016

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Coral Gold Resources Ltd.

We have audited the accompanying consolidated financial statements of Coral Gold Resources Ltd. which comprise the consolidated statements of financial position as at January 31, 2016 and 2015 and the consolidated statements of operations and comprehensive income (loss), equity and cash flows for the years ended January 31, 2016, 2015, and 2014, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. The Company is not required to have, nor were we engaged to perform, an audit of the Company's internal control over financial reporting; accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Coral Gold Resources Ltd. as at January 31, 2016 and 2015 and the results of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to these consolidated financial statements which describes the existence of a material uncertainty that may cast significant doubt about the ability of Coral Gold Resources Ltd. to continue as a going concern.

/s/ Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

May 30, 2016

Comments by independent registered public accounting firm on Canada – United States reporting differences

The standards of the Public Company Accounting Oversight Board (United States) require the auditors' conclusion to be expressed using an unconditional statement of "substantial doubt" about the ability of Coral Gold Resources Ltd. (the "Company") to continue as a going concern. Our Report to the Shareholders dated May 30, 2016 is expressed in accordance with Canadian reporting standards that do not require the specific wording "substantial doubt" or to state the conditions and events that were considered in reaching this conclusion.

In accordance with the standards of the Public Company Accounting Oversight Board (United States) we state that the accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has a working capital deficit, has accumulated losses since inception and has not generated any revenues. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

/s/ Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

May 30, 2016

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

	Note	As at January 31, 2016	As at January 31, 2015
Assets			
Current assets			
Cash and cash equivalents		$ 599,964	$ 147,575
Other amounts receivable		4,887	17,954
Prepaid expenses		13,864	448
		618,715	165,977
Exploration and Evaluation Assets	**4**	19,192,353	19,152,737
Property and Equipment	**6**	94,696	96,986
Investments in Marketable Securities	**7**	92,746	146,032
Reclamation Bonds	**8**	89,638	655,209
Amounts Receivable from a Related Party	**11b**	-	58,903
Total Assets		$ 20,088,148	$ 20,275,844
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 64,324	$ 71,761
Amounts payable to related parties	**11c**	84,313	82,892
		148,637	154,653
Reclamation Provision	**12**	645,153	566,410
Deferred Tax Liability	**17**	620,000	1,290,000
Total liabilities		1,413,790	2,011,063
Equity			
Share Capital	**9**	45,367,275	45,205,901
Equity Reserves		1,086,046	2,684,849
Accumulated Other Comprehensive Income		40,628	87,588
Accumulated Deficit		(27,829,911)	(29,723,877)
Equity Attributable to Equity Holders of the Company		18,664,038	18,254,461
Equity Attributable to Non-Controlling Interests		10,320	10,320
Total Equity		18,674,358	18,264,781
Total Liabilities and Equity		$ 20,088,148	$ 20,275,844

Nature and continuance of operations – Note 1
Commitments – Note 13

Approved by the Board of Directors on May 30, 2016:

/s/ David Wolfin Director *   /s/ Gary Robertson* Director

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

CORAL GOLD RESOURCES LTD.
Consolidated Statements of Operations and Comprehensive Income (Loss)
For the years ended January 31, 2016, 2015, and 2014
(Expressed in Canadian dollars)

	Note	2016	2015	2014
Operating and Administrative Expenses				
Consulting fees		$ 2,663	$ 18,731	$ 18,836
Depreciation		2,290	2,397	6,975
Directors' fees		18,000	18,000	18,000
Finance costs	**12**	17,389	14,519	11,850
Impairment of exploration and evaluation assets	**5**	212,519	-	498,528
Investor relations		7,698	14,982	10,305
Management fees		30,000	30,000	30,000
Office and miscellaneous		10,632	37,459	44,426
Professional fees		67,295	62,964	87,669
Regulatory and compliance fees		39,491	29,324	23,603
Salaries and benefits		73,031	46,164	95,134
Share-based payments	**10**	157,142	259,163	9,350
Travel		4,043	4,766	5,841
		642,193	538,469	860,517
Loss before other items and tax		(642,193)	(538,469)	(860,517)
Other items				
Interest and other income		119	629	248
Gain on sale of investments	**7**	27,059	7,130	107,300
Gain on forgiveness of debt		5,250	-	-
Gain on settlement of debt	**9b**	-	25,719	46,340
Foreign exchange gain (loss)		(9,714)	28,798	7,903
Loss Before Income Tax		(619,479)	(476,193)	(698,726)
Deferred income tax recovery	**17**	670,000	476,720	647,855
Net Income (Loss)		50,521	527	(50,871)
Other Comprehensive Income (Loss) – Items that may be reclassified subsequently to income or loss				
Unrealized gain (loss) on available for sale securities	**7**	(46,960)	7,127	(197,176)
COMPREHENSIVE INCOME (LOSS)		$ 3,561	$ 7,654	$ (248,047)
Income (Loss) per Share - Basic and Diluted		$ 0.00	$ 0.00	$ (0.00)
Weighted Average Number of Common Shares Outstanding		44,200,953	42,016,049	36,024,532

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

CORAL GOLD RESOURCES LTD.

Consolidated Statements of Equity

For the years ended January 31, 2016, 2015, and 2014

(Expressed in Canadian dollars)

	Note	Number of Common Shares	Share Capital Amount	Reserve for Stock Options	Reserve for Warrants	Total Reserves	Accumulated Other Comprehensive Income	Accumulated Deficit	Non-Controlling Interest	Total
Balance, January 31, 2013		33,563,649	$ 43,954,422	$ 903,316	$ 1,798,602	$ 2,701,918	$ 277,637	$ (30,048,751)	$ 10,320	$ 16,895,546
Common shares issued for cash:										
Private Placements	**9**	3,694,500	278,190	-	91,260	91,260	-	-	-	369,450
Less: Share issuance costs		-	(3,000)	-	-	-	-	-	-	(3,000)
Common shares issued for debt	**9**	514,892	82,383	-	-	-	-	-	-	82,383
Share-based payments	**10**	-	-	2,629	6,721	9,350	-	-	-	9,350
Transfer of expired/cancelled options		-	-	(64,334)	-	(64,334)	-	64,334	-	-
Unrealized loss on investment in securities, net of tax	**7**	-	-	-	-	-	(197,176)	-	-	(197,176)
Net loss for 2014		-	-	-	-	-	-	(50,871)	-	(50,871)
Balance, January 31, 2014		**37,773,041**	**$ 44,311,995**	**$ 841,611**	**$ 1,896,583**	**$ 2,738,194**	**$ 80,461**	**$ (30,035,288)**	**$ 10,320**	**$ 17,105,682**
Common shares issued for cash:										
Private Placements	**9**	4,150,000	705,500	-	-	-	-	-	-	705,500
Exercise of warrants and compensation options		45,000	8,374	-	(1,624)	(1,624)	-	-	-	6,750
Common shares issued for debt	**9**	857,296	180,032	-	-	-	-	-	-	180,032
Share-based payments	**10**	-	-	237,547	21,616	259,163	-	-	-	259,163
Transfer of expired/cancelled options		-	-	(310,884)	-	(310,884)	-	310,884	-	-
Unrealized gain on investment in securities, net of tax	**7**	-	-	-	-	-	7,127	-	-	7,127
Net income for 2015		-	-	-	-	-	-	527	-	527
Balance, January 31, 2015		**42,825,337**	**$ 45,205,901**	**$ 768,274**	**$ 1,916,575**	**$ 2,684,849**	**$ 87,588**	**$ (29,723,877)**	**$ 10,320**	**$ 18,264,781**
Common shares issued for cash:										
Private Placements	**9**	5,000,000	162,500	-	87,500	87,500	-	-	-	250,000
Less: Share issuance costs		-	(1,126)	-	-	-	-	-	-	(1,126)
Share-based payments	**10**	-	-	13,446	143,696	157,142	-	-	-	157,142
Transfer of expired/cancelled options and warrants		-	-	(118,000)	(1,725,445)	(1,843,445)	-	1,843,445	-	-
Unrealized loss on investment in securities, net of tax	**7**	-	-	-	-	-	(46,960)	-	-	(46,960)
Net income for 2016		-	-	-	-	-	-	50,521	-	50,521
Balance, January 31, 2016		**47,825,337**	**$ 45,367,275**	**$ 663,720**	**$ 422,326**	**$ 1,086,046**	**$ 40,628**	**$ (27,829,911)**	**$ 10,320**	**$ 18,674,358**

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

CORAL GOLD RESOURCES LTD.
Consolidated Statements of Cash Flows
For the years ended January 31, 2016, 2015, and 2014
(Expressed in Canadian dollars)

	Note	2016	2015	2014
CASH PROVIDED BY (USED IN):				
Operating Activities				
Net income (loss)		$ 50,521	$ 527	$ (50,871)
Adjustments for non-cash items:				
Depreciation		2,290	2,397	6,975
Share-based payments		157,142	259,163	9,350
Gain on sale of investments		(27,059)	(7,130)	(107,300)
Gain on forgiveness of debt		(5,250)	-	-
Gain on settlement of debt		-	(25,719)	(46,340)
Foreign exchange gain (loss)		55,070	(14,363)	(25,400)
Finance costs		17,389	14,519	11,850
Impairment of exploration and evaluation assets		212,519	-	498,528
Deferred income tax recovery		(670,000)	(476,720)	(647,855)
		(207,378)	(247,326)	(351,063)
Net change in non-cash working capital	**16**	(2,668)	(60,766)	59,374
		(210,046)	(308,092)	(291,689)
Investing Activities				
Expenditures on exploration and evaluation assets		(191,679)	(229,840)	(218,352)
Proceeds on sale of investments		33,385	8,730	136,899
Decrease (increase) in reclamation bond		571,497	(43,982)	-
		413,203	(265,092)	(81,453)
Financing Activities				
Issuance of shares for cash, net		248,874	712,250	366,450
Effect of exchange rate fluctuations on cash and equivalents		358	435	316
Change in cash and equivalents		452,389	139,501	(6,376)
Cash and cash equivalents, beginning of year		147,575	8,074	14,450
Cash and cash equivalents, end of year		$ 599,964	$ 147,575	$ 8,074
Supplementary Cash Flow Disclosures				
Cash paid during the year for:				
Interest expense		$ -	$ -	$ -
Income taxes		$ -	$ -	$ -
Expenditures on exploration and evaluation assets included in amounts payable to related parties		$ (1,212)	$ (17,741)	$ (4,829)
Expenditures on exploration and evaluation assets in the amount of forgiven debt (Note 4 a (4))		$ (69,030)	$ -	$ -

The accompanying notes are an integral part of the consolidated 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 alternatively the ability of the Company to raise financing.

These consolidated 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 January 31, 2016, the Company has not yet generated any revenues from its operations and accumulated losses of $27,829,911. 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 substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. BASIS OF PRESENTATION

Statement of compliance

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

Basis of presentation

These consolidated financial statements are expressed in Canadian dollars, the Company's functional currency and have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The accounting policies in Note 3 have been applied consistently to all periods presented.

Approval of the consolidated financial statements

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 30, 2016.

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 income or loss for the year.

The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the consolidated 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 continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will achieve profitable operation. 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 income or 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.

2. BASIS OF PRESENTATION (continued)

Significant Accounting Judgements and Estimates (continued)

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 consolidated 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 consolidated financial statements.

Financial Instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash and cash equivalents, investments in related companies, amounts due from a related party, accounts payable and amounts due to related parties. At initial recognition management has classified financial assets and liabilities as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

The Company has classified its cash and cash equivalents as FVTPL. Investments in related companies are classified as available for sale and amounts due from a related party are classified as loans and receivables. Accounts payable and amounts due to related parties are classified as other liabilities.

Fair value hierarchy
Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are cashable readily convertible into a known amounts of cash.

Exploration and evaluation assets

The Company is in the exploration stage with respect to its mineral properties and capitalizes all costs relating to the acquisition, exploration and evaluation of mineral claims and recognizes any proceeds received as a reduction of the cost of the related claims. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment. All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm out of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

Incidental revenues and operating costs are included in exploration and evaluation assets prior to commercial production.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine development properties, and subsequently amortized over the life of the resources associated with the area of interest once mining operations have commenced.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are recorded at historical cost less accumulated depreciation and impairment. Historical costs include expenditures that are directly attributable to bringing the asset to a location and condition necessary to operate in a manner intended by management. Such costs are accumulated as construction in progress until the asset is available for use, at which point the asset is classified as plant and equipment. Once commercial production has commenced, certain equipment are depreciated using the units of production method, if sufficient reserve information is available or the straight-line method over their estimated useful lives, not to exceed the life of the mine to which the assets related.

Property and equipment are depreciated annually using the following methods and rates:

Computer hardware	20% declining balance
Equipment	20% declining balance
Vehicles	5 years straight line

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statements of comprehensive income or loss.

Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Impairment

At each financial reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Accounting for equity units

Proceeds received on the issuance of units, comprised of common shares and warrants are allocated based on the relative fair value approach which considers the value determined by the Black-Scholes option pricing model for the warrants.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

The share option plan allows Company employees, directors 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.

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.

Income (loss) per share

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

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 January 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.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2014	$ 18,974,552	$ 52,489	$ 3	$ 19,027,044
Exploration costs during 2015:				
Consulting	42,269	-	-	42,269
Lease payments	13,376	-	-	13,376
Taxes, licenses and permits	62,910	7,138	-	70,048
Balance, January 31, 2015	$ 19,093,107	$ 59,627	$ 3	$ 19,152,737
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

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

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.

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) Robertson Property (continued)

(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.

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 consolidated 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.

5. IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

The Company reviews the carrying amounts of its long-term assets at each statement of financial position date to determine whether there is any indication that those assets are impaired.

As at January 31, 2016, the Company determined that the six lode mining claims that were leased under the Breckon Lease June Claims (note 4 (a) 2 (i)) were insignificant to the property and did not warrant additional expenditure for lease payments and claims maintenance. The value attributed to the claims of $212,519 was written-off as a charge to operations and is included in net loss in 2016.

There were no impairments or write-offs during 2015.

During the year ended January 31, 2014, the Company determined that 184 claims were insignificant to the core property and did not warrant additional expenditures for claims maintenance. The 184 claims were previously part of the core claims – 100% and described in note 4 (a). The Company concluded that these claims were not required to maintain the value of the other core claims and therefore the costs incurred to date on those claims should be written off. The Company acquired these claims between 1986 and 1991. The $498,528 carrying value of the claims disposed was recorded as a charge to operations and is included in net loss in 2014.

(Expressed in Canadian dollars)

6. PROPERTY AND EQUIPMENT

	Land	Buildings	Vehicles	Computer Hardware	Equipment	TOTAL
	$	$	$	$	$	$
COST						
Balance at January 31, 2014	84,127	18,708	6,920	5,926	3,459	119,140
Additions	-	-	-	-	-	-
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**
ACCUMULATED DEPRECIATION						
Balance at January 31, 2014	-	6,080	6,920	5,354	1,403	19,757
Depreciation	-	1,872	-	114	411	2,397
Balance at January 31, 2015	-	7,952	6,920	5,468	1,814	22,154
Depreciation	-	1,870	-	91	329	2,290
Balance at January 31, 2016	-	**9,822**	**6,920**	**5,559**	**2,143**	**24,444**
CARRYING VALUE						
At January 31, 2015	84,127	10,756	-	458	1,645	96,986
At January 31, 2016	**84,127**	**8,886**	**-**	**367**	**1,316**	**94,696**

(Expressed in Canadian dollars)

7. INVESTMENT IN MARKETABLE SECURITIES

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.	220,000	$ 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

At January 31, 2015, the Company held shares as follows:

	Number of Shares	Cost	Accumulated Unrealized Gain (Loss)	Fair Value
Available-for-sale shares:				
Levon Resources Ltd.	519,071	$ 41,237	$ 104,103	$ 145,340
Great Thunder Gold Corp.	17,291	1,297	(605)	692
		$ 42,534	$ 103,498	$ 146,032

During the year ended January 31, 2016, the Company recorded an unrealized pre-tax loss of $46,960 (2015 – gain of 7,127; 2014 – loss of $226,639) on investments in marketable securities, representing the change in fair value during the year.

Certain directors of Great Thunder Gold Corp. are also directors of the Company. During the year ended January 31, 2016, the Company and Levon ceased to be related after changes to Levon management and the termination of shared administrative services.

During the year ended January 31, 2016, the Company sold 79,071 (2015 – 20,000; 2014 – 370,000) Levon shares and realized a gain of $27,059 (2015 – $7,130; 2014 - $107,300).

During the year ended January 31, 2016, Levon completed a transaction with SciVac Therapeutics Inc. (“SciVac”) 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.

During the year ended January 31, 2015, at the request of the Bureau the Company increased the bonds by US$40,149.

During the year ended January 31, 2016, the Company recovered $571,497 (US$452,172) in reclamation bonds. Instead of the bonds, the Company obtained a surety bond in the amount of US$452,172. Based on the nature of the surety bond, no amount is held until settlement.

As at January 31, 2016, the total reclamation deposits were $89,638 (US$64,000) (2015 – $655,209 (US$515,466)). Interest is accrued on the reclamation deposit at a monthly weighted average rate of 0.05% (2015 - 0.05%).

9. SHARE CAPITAL

a) Authorized

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

b) Issued during 2016 and 2015

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.

On August 5, 2014, the Company issued 45,000 common shares upon the exercise of share purchase warrants for gross proceeds of $6,750.

On July 28, 2014, the Company issued 857,296 common shares to three related companies settling amounts payable totalling $205,751 at a deemed price of $0.24 per share. The shares issued had a fair value of $180,032 and the Company recorded a gain on settlement of debt of $25,719. The shares issued by the Company are subject to a four month hold period that expired on November 29, 2014.

On March 13, 2014, the Company closed a non-brokered private placement issuing 4,150,000 common shares at a price of $0.17 per common share for gross proceeds of $705,500.

During the years ended January 31, 2016 and 2015, no stock options were exercised.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

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.

On September 23, 2014, the TSX Venture Exchange approved the final extension of the expiry dates of the warrants issued pursuant to the private placement that closed on April 1, 2010 from October 1, 2014 and October 23, 2014 to April 1, 2015 and April 23, 2015 respectively. All other terms remain the same.

As a result of the extension, the Company recorded an additional aggregate fair value compensation cost in the amount of $21,616, 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 1.15%, dividend yield of 0%, volatility of 92.75% and 116.13% respectively, and an expected life of 0.5 years.

A summary of the share purchase warrants and compensation options issued, exercised and expired during the years ended January 31, 2016 and 2015 is as follows:

	Number of Warrants	**Weighted Average Exercise Price**
Balance, January 31, 2014	10,158,620	$0.53
Exercised	(45,000)	$0.15
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**

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

c) Share purchase warrants and compensation options

Details of share purchase warrants outstanding as of January 31, 2016 and 2015 are:

	Exercise Price	Warrants Outstanding and Exercisable	
Expiry Date	**per Share**	January 31, 2016	January 31, 2015
April 1, 2015	$0.75	-	4,709,120
April 23, 2015	$0.75	-	1,755,000
September 10, 2017	$0.10	3,500,000	-
July 17, 2018	$0.15	3,649,500	3,649,500
January 14, 2018	$0.10	1,500,000	-
		8,649,500	**10,113,620**

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 years ended January 31, 2016 and 2015 stock option activity is summarized as follows:

	Number of Options	Weighted Average Exercise Price
Stock options outstanding, January 31, 2014	3,155,000	$0.50
Granted	1,420,000	$0.24
Cancelled	-	-
Expired	(605,000)	$0.71
Stock options outstanding, January 31, 2015	3,970,000	$0.38
Granted	500,000	$0.18
Cancelled	(355,000)	$1.19
Expired	(945,000)	$0.27
Stock options outstanding, January 31, 2016	**3,170,000**	**$0.28**
Stock options exercisable, January 31, 2016	**2,670,000**	**$0.31**

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

d) Stock options

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

Number Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date
800,000	$0.400	1.06	February 22, 2017
600,000	$0.300	1.70	October 12, 2017
1,270,000	$0.240	3.12	March 14, 2019
100,000	$0.125	4.68	October 6, 2020
100,000	$0.150	4.68	October 6, 2020
100,000	$0.175	4.68	October 6, 2020
100,000	$0.200	4.68	October 6, 2020
100,000	$0.225	4.68	October 6, 2020
3,170,000	$0.281	2.58	

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. Of these, 50,000 stock options are exercisable on or before March 14, 2015, and 1,370,000 stock options are exercisable on or before March 14, 2019.

No stock options were granted during the year ended January 31, 2014.

The Company recorded total share-based payments of $157,142 for the grant and vesting of stock options and for the extension of the expiry date of warrants during the year ended January 31, 2016 (2015 - $259,163; 2014 - $9,350) as follows:

	2016	2015	2014
Directors, officers and employees	$ -	$ 214,200	$ -
Investor relations	-	11,447	2,629
Consultants	13,445	11,900	-
Extension of warrants	143,697	21,616	6,721
	$ 157,142	$ 259,163	$ 9,350

(Expressed in Canadian dollars)

10. SHARE-BASED PAYMENTS (continued)

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. The fair value of the options re-valued and granted to officers, directors, consultants and employees was calculated using the Black-Scholes model with following weighted average assumptions:

	2016	2015	2014
Weighted average assumptions:			
Risk-free interest rate	0.42%	1.39%	-
Expected dividend yield	-	-	-
Expected option life (years)	3.20	4.86	-
Expected stock price volatility	100.07%	96.63%	-
Forfeiture rate	-	-	-
Weighted average fair value at grant date	$ 0.04	$ 0.17	-

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

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 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 years ended January 31 was as follows:

	2016	2015	2014
Salaries, bonuses, fees and benefits			
Members of the Board of Directors	$ 64,359	$ 62,835	$ 66,000
Other members of key management	27,531	24,067	43,707
Share-based payments			
Members of the Board of Directors	-	161,500	-
Other members of key management	-	34,000	-
	$ 91,890	$ 282,402	$ 109,707

b) In the normal course of operations the Company transacts with companies related to its directors or officers. The following amounts are receivable from related parties:

	January 31, 2016	January 31, 2015
Levon Resources Ltd.	$ -	$ 58,903
Total	$ -	$ 58,903

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES

c) In the normal course of operations the Company transacts with companies with directors or officers in common. During the year ended January 31, 2016, the Company settled $nil (2015 - $205,751) of related party debt through issuance of common shares of the Company, as described in Note 9b. At January 31, 2016 and January 31, 2015, the following amounts are payable to related parties:

	January 31, 2016	January 31, 2015
Directors	$ 70,500	$ 52,500
Oniva International Services Corp.	8,401	5,514
Sampson Engineering Inc.	1,212	1,200
Wear Wolfin Designs Inc.	-	5,250
Saulnier Capital	-	1,103
Frobisher Securities Ltd.	4,200	4,200
Intermark Capital Corp.	-	13,125
	$ 84,313	$ 82,892

The amounts included above in 11(b) and 11(c) are unsecured, non-interest bearing with no fixed terms of repayment.

d) 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 year are summarized below:

	2016	2015	2014
Salaries and benefits	$ 72,747	$ 40,640	$ 77,785
Office and miscellaneous	24,176	26,035	48,489
	$ 96,923	$ 66,675	$ 126,274

Salaries and benefits above includes $24,868 for key management personnel compensation that has been included in Note 11(a).

12. RECLAMATON 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 $633,312 (US$452,172) (2015 – $574,756 (US$452,172)), which is expected to be incurred during 2018. The risk-free rate of 3% (2015 – 3%) was used to calculate the present value of the reclamation provision.

A reconciliation of the reclamation provision is as follows:

	January 31, 2016	January 31, 2015
Beginning balance	$ 566,410	$ 484,000
Unwinding of discount	17,389	14,519
Change in estimates	-	-
Change in foreign exchange rate	61,354	67,891
	$ 645,153	$ 566,410

(Expressed in Canadian dollars)

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-months' 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.

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:

	January 31, 2016	January 31, 2015
Cash held at major financial institutions		
Canada – cash	$ 199,934	$ 103,470
US - cash	400,030	44,105
	599,964	147,575
Reclamation deposits held at major financial institutions	89,638	655,209
Total cash and reclamation deposits	$ 689,602	$ 802,784

14. FINANCIAL INSTRUMENTS (continued)

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 a working capital of $470,078 at January 31, 2016 and $11,324 at January 31, 2015. The Company has cash at January 31, 2016 in the amount of $599,964 (2015 - $147,575) in order to meet short-term business requirements. At January 31, 2016, the Company had current liabilities of $148,637 (2015 - $154,653). 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 2017.

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 January 31, 2016 and 2015.

14. FINANCIAL INSTRUMENTS (continued)

c) Market risk (continued)

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:

		January 31, 2016		January 31, 2015
Cash	US$	285,613	US$	34,698
Other amounts receivable		149		2,343
Amounts receivable from related parties		-		46,340
Reclamation bonds		64,000		515,466
Accounts payable		(3,317)		(15,945)
Net exposure	US$	346,445	US$	582,902
Canadian dollar equivalent	$	485,231	$	740,927

Based on the net Canadian dollar denominated asset and liability exposures as at January 31, 2016, a 10% (2015 – 10%) fluctuation in the Canadian/US exchange rates will impact the Company's net income and comprehensive income by approximately $48,523 (2015 - $74,093).

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.

(Expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (continued)

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 January 31, 2016:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 599,964	$ -	$ -
Investments in marketable securities	92,746	-	-
	$ 692,710	$ -	$ -

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. The Board of Directors does not establish quantitative returns on capital criteria for management. The Company considers its capital structure to consist of 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 year ended January 31, 2016.

16. ADDITIONAL CASH FLOW DISCLOSURES

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

	2016	2015
Amounts receivable from related parties	$ -	$ (12,732)
Other amounts receivable	13,067	(12,144)
Prepaid expenses	(13,416)	(448)
Accounts payable and accrued liabilities	(3,728)	(67,252)
Amounts payable to related parties	1,409	31,810
	$ (2,668)	$ (60,766)

(Expressed in Canadian dollars)

17. INCOME TAXES

Income tax recovery differs from the amount that would result from applying the Canadian federal and provincial statutory income tax rates to income (loss) before future income taxes. For the year ended January 31, 2016, the Canadian statutory rate is 26% (2015 - 26%).

	2016	2015	2014
Expected income tax recovery	$ 161,065	$ 123,811	$ 181,670
Permanent differences	(35,857)	(53,714)	10,760
Changes in timing differences and other	(3,792)	(108,612)	9,659
Effect of foreign exchange changes on U.S. loss carry-forwards	559,063	663,891	492,885
Expired losses	-	(123,653)	(20,428)
Changes in unrecognized deferred income tax assets	(50,115)	(62,588)	(135,099)
Adjustments due to effective tax rate attributable to U.S. tax on subsidiaries	39,636	37,585	37,513
Changes in income tax rates and other exchange	-	-	70,895
Total deferred income tax recovery	$ 670,000	$ 476,720	$ 647,855

The approximate tax effects of each type of temporary difference that gives rise to potential deferred income tax assets and liabilities are as follows:

	January 31, 2016	January 31, 2015
Non-capital losses carried forward	$ 6,078,677	$ 5,345,044
Exploration and evaluation assets	(6,716,579)	(6,648,222)
Equipment and other	17,902	13,178
Net deferred income tax liabilities	$ (620,000)	$ (1,290,000)

Temporary differences and tax losses arising in Canada have not been recognized as deferred income tax assets due to the fact that management has determined it is not probable that sufficient future taxable profits will be earned in Canada to recover such assets. Unrecognized deductible temporary differences are summarized as follows:

	January 31, 2016	January 31, 2015
Non-capital losses carried forward	$ 1,900,326	$ 1,856,564
Equipment and other	3,163	2,929
Investments	2,439	(2,680)
Exploration and evaluation assets	706,460	706,460
Unrecognized deductible temporary differences	$ 2,612,388	$ 2,563,273

At January 31, 2016, the Company had, for Canadian tax purposes, non-capital losses aggregating approximately $7,308,945. These losses are available to reduce taxable income earned by the Canadian operations of future years and expire as follows between 2026 and 2036.

At January 31, 2016, the Company had, for US tax purposes, net operating losses aggregating approximately US$12,401,000. The net operating losses are available to offset taxable income earned by the US operations of future years and expire as follows between 2020 and 2036.

(Expressed in Canadian dollars)

18. 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 year ended January 31, 2016, 2015, and 2014.

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

	January 31, 2016	January 31, 2015
Canada	$ 94,431	$ 148,139
USA	19,375,002	19,902,825
	$ 19,469,433	$ 20,050,964

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 audited consolidated financial statements for the year ended January 31, 2016 and the notes thereto ("Condensed Consolidated Interim Financial Statements").

This Management Discussion and Analysis ("MD&A") is dated May 30, 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 Consolidated 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 year ended January 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 January 2012, Coral's independent engineering firm, Beacon Hill Consultants (1988) Ltd. ("Beacon Hill") published a Preliminary Economic Assessment ("PEA") on 3 of the 10 known gold zones and determined that the Robertson Property is one of merit that warrants further development. The report also contained a current mineral resource estimate.

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.

Gold Ridge Property

The Gold Ridge Property consists of 102 claims covering approximately 2.5 square miles, and is adjacent to the western side of the Robertson claim block located in North Central Nevada on the Cortez Gold Trend. The Cortez gold mine is one of the world's largest and lowest cost gold mines, and the surrounding area hosts excellent upside exploration potential. In 2007, Coral drilled two deep holes on the northern most area of the Gold Ridge Property and encountered lower plate Carlin type formation with anomalous gold intercepts.

During 2007, the Company completed two deep flooded reverse circulation drill holes on the Gold Ridge Property, TV07-1 and TV07-2, to depths of 2,990 feet and 3,450 feet, respectively. The drilling was designed to test the lower plate of the Roberts Mountains thrust fault ("RMTF") for high-grade Carlin-type mineralization hosted by favorable carbonate strata. TV07-1 intersected a thick sequence of fine grained siliceous sedimentary and volcanic rocks followed by biotite and quartz hornfels equivalents in the upper plate of the RMTF. Although the hole failed to reach the lower plate of the RMTF, it did intersect a number of narrow low-grade zones. TV07-2 was collared along a dike-filled splay of the Try fault zone and intersected a sequence of mostly fine grained siliceous sedimentary rocks and hornfels to 3,080 feet, at which point altered and mineralized limy mudstone in the lower plate was encountered. Beginning at 3,080 feet, the hole returned 200 feet of weakly to strongly anomalous gold values ranging from 0.031 to 2.190 ppm gold, including four 10-foot-thick intervals that exceed 0.01 oz Au/t.

Follow up mapping, rock sampling, and infill gravity surveys in 2008 lead to the Company's identification of a new lower plate target zone that extends from the Company's deep hole, 2 km to the south. The Carlin-type target added significant discovery potential to the Robertson Property for a world-class gold deposit. The target zone consists of 107 claims covering approximately 2.5 square miles and is adjacent to the western side of the Robertson claim block just north of the Pipeline Mine open pit along a projected mineralized fault and fracture system that controls gold within that deposit.

2014 Gold Ridge Property Exploration Program*

The purpose of the 2014 drilling at Gold Ridge was to test a strong surface gold (up to 9.4 ppm) and Carlin-type trace element anomaly located 4.5 km north of the Pipeline mine. It was proposed that this anomaly (Ridge anomaly), defined by soil and rock chip samples, represented the surface expression of a Carlin-type system hosted by favorable carbonate rocks in the lower plate of the Roberts Mountains Thrust Fault. The second was a structural target defined by intersecting sets of west-northwest and north-northwest striking dikes and a surface gold anomaly (up to 6.06 ppm), located 1.5 km west of the Tenabo granodiorite stock.

Three vertical diamond core holes, RGR-0001D through RGR-0003D, were completed to depths of between 955 m and 1,255 m, for a total of 3,191 m. Selected analytical results for the three holes are reported in the table below.

Two holes, RGR-0001D and RGR-0003D were designed to test the Ridge anomaly. RGR-0001D was collared on Gold Ridge along the north edge of a significant surface rock chip and soil anomaly (Ridge anomaly) and drilled to a depth of 981 m. RGR-0003D was offset 451 m southwest of RGR-0001D and completed to a depth of 955 m. Both holes returned scattered anomalous Au value up to 0.698 ppm and 0.573 ppm, respectively, along with several narrow intervals exhibiting Carlin-type geochemical signatures. The holes encountered a mostly siliciclastic sequence dominated by mudstone and chert and disrupted by major west dipping thrust faults in the upper 450 m. All of the intervals exhibiting a Carlin-type geochemistry are spatially associated with thrust faults. Neither hole intersected significant gold values or lower plate carbonate rocks.

Hole RGR-0002D was collared about 1.6 km north of RGR-0001D and 1.16 km south of TV07-2, a deep hole drilled by Coral in 2007. The hole was drilled to a depth of 1,255 m and was located near the structural intersection between west-northwest and north-west striking dike swarms. RGR-0002 encountered a significant number of anomalous gold intercepts including one 5-ft-thick interval that returned 36.3 ppm (1.06 oz Au/t). Most of the higher grade Au values (≥0.34 ppm), including the high-grade intercept, are hosted by retrograde-altered calc-silicate hornfels replacing calcareous strata of the Ordovician Valmy Fm. Accompanying gold are anomalous levels of Se (up to 35 ppm), Bi (up to 114 ppm), Te (up to 34.8 ppm), Co (up to 119.5 ppm) as well as Ag (62.9 ppm), Cu (6,490) and As (978 ppm). The strong association of gold in RGR-0002D with zones of retrograde-altered hornfels, as well as the overall metal association (Au-As-Cu, Fe, Bi-Se-Te, Co and Ag) is strongly suggestive of distal skarn-type mineralization. The upper 900 m of RGR-0002D are dominated by an interbedded sequence of mudstone, chert and minor limestone intruded by numerous dikes ranging from granodiorite to rhyolite. Beginning at a depth of about 1,067 m and continuing to at least 1,130 m, RGR-0002D encountered a major shear zone interpreted to be the Roberts Mountains Thrust Fault. From about 1,090 m, rocks within the shear zone become increasingly calcareous and are thought to represent lower plate carbonate rocks. This interpretation is supported by a single conodont fossil age determination.

Analytical results for selected intervals from holes RGR-0001D through RGR-0003D. All values are in parts per million (ppm).

RGR-0001D

From (m)	To (m)	Length (m)	Au	Ag	As	Sb	Hg	Tl	Cu	Pb	Zn
1.6	4	2.4	0.259	1.24	677	35.8	0.89	0.25	39.1	16.3	137
10.1	11.6	1.5	0.504	1.39	341	132	7.07	0.64	26.2	18.2	35
673	681.4	8.4	0.343	2.25	962	7.3	0.096	0.23	141	18.9	222
931.4	932.4	1.1	0.625	13.4	830	30.5	0.59	0.83	215	3170	4910
942.1	943.7	1.6	0.541	1.84	1.7	2.2	0.02	0.23	848	68	225

RGR-0002D

From (m)	To (m)	Length (m)	Au	Ag	As	Sb	Hg	Tl	Cu	Pb	Zn
185.4	186.9	1.5	3.8	2.59	5,320	43.2	0.32	0.72	112	82	598
638.72	644.82	6.1	10.71	1.67	13.86	1.48	0.01	0.17	231	21	155
Including											
643.29	644.82	1.53	36.3	2.58	1.4	1.21	0.038	0.11	171	61.1	45
650.9	658.5	7.6	0.168	16.31	83.6	3.46	0.035	1.02	1971	36.7	156
780.5	783.5	3	1.5	1.74	24	1.5	0.008	1.1	491	18.8	53
910.1	913.1	3	1.32	1.24	1,265	6.7	0.014	1.8	263	13.4	295
1,057.8	1,070.1	12.3	0.306	2.66	1,019	2.71	0.12	0.96	573	15.7	117
1,109.8	1,114.3	4.6	0.363	0.38	961	2.04	0.007	1.56	34.6	13.7	76.3

RGR-0003D

From (m)	To (m)	Length (m)	Au	Ag	As	Sb	Hg	Tl	Cu	Pb	Zn
377.4	417.1	39.6	0.079	0.79	230	23.3	0.37	1.44	36	14.9	96
Including											
395.6	414.0	18.4	0.046	0.33	465	49.2	0.8	1.93	35.8	6.6	57
578.7	584.8	6.1	0.19	0.73	48	3.5	0.007	1.13	214	11.3	175

The sample preparation, gold assays and multi-element analyses were done by ALS Minerals. Gold assays were by inductively coupled plasma with atomic emission spectroscopy. This analytical method has a 0.001 ppm lower limit of detection. Samples with gold values exceeding 10.0 ppm were assayed using gravimetric determinations. Multi-element analyses were by four acid digestion of samples followed by mass spectroscopy determinations.

In May 2015, Coral received notice of termination from Barrick on the Gold Ridge Exploration and Option to Joint Venture agreement due to budgetary constraints. A description of the Gold Ridge property, details of the exploration program, and recommendations for further exploration are outlined below.

Gold Ridge Property Exploration Recommendations

In May 2015, following the notice of termination from Barrick, Coral received a report that it previously commissioned, summarizing the results of the 2014 Barrick Drilling Program. The report was prepared by Robert T. McCusker, P. Geol., Coral's Qualified Person for this project. Mr. McCusker makes the following recommendations for further exploration of the Gold Ridge property:

Ridge Anomaly

At the Ridge Anomaly, Hole RGR-0003D intersected a 130-ft.-thick zone of weakly anomalous gold values (up to 0.4ppm) from 1,238 ft., accompanied by locally anomalous levels for As (up to 745 ppm), Sb (up to 89 ppm), Hg (up to 1 ppm), and correspondingly low levels for Cu-Pb-Zn. This weakly mineralized zone is partly hosted by calcareous rocks in the Valmy Fm in the immediate footwall of a west-dipping imbricate fault in the hanging wall of the Abyss fault.

Recommendations as follow-up to the 2014 Ridge anomaly drilling:

- Complete detailed geological mapping of the area.
- Undertake additional surface sampling focusing on faults.
- Drill at least one additional core hole located on either the Coral 75 claim (Coral 100%) or the Coral 58 claim with the Excluded claim block (Barrick 61%, Coral 39%).
- The core hole should be drilled vertical to a depth of at least 2,000 ft.

<u>June Gulch Area</u>

In the June Gulch area, drill hole RGR-0002D returned numerous significant gold intercepts including a single five-foot-thick interval that assayed 34.4 ppm gold. Most of the higher anomalous gold values (>0.34 ppm) occur in retrograde-altered calc-silicate hornfels suggesting both a spatial and genetic relation to the Tenabo porphyry system. Additionally, dike-filled segments of the Try fault zone transect the entire district from the western edge of Crescent Valley to Indian Creek, creating a major conduit for hydrothermal fluids.

Recommendations as follow-up to the 2014 June Gulch drilling:

- Complete additional rock chip and dump sampling in the upper June Gulch and adjacent Mill Gulch areas. This should include sampling the numerous small dikes and fault zones.
- Continue mapping in these areas focusing on dikes and structures.
- Consider offsetting RGR-0002D with three core holes drilled to depths of at least 2,000-2,500 ft., depending on collar elevation.

<u>Lower Plate Exploration</u>

The 2014 Gold Ridge deep drilling did not include offsetting the intercept in Coral's 2007 hole, TV07-2, which encountered strongly anomalous Au values up to 2.19 ppm, accompanied by Carlin-type geochemistry in lower plate carbonate rocks. It is recommended that the mineralized zone intersected in TV07-2 be offset by two diamond core holes. This should include re-entry of TV07-2 and deflecting a hole to the southwest from a depth of about 1,500 ft. A second pre-collared vertical hole should be located 1,200 ft. south of TV07-2 and drilled to a depth of at least 3,500 ft. The purpose of the two holes is to test the potential for higher grade Carlin-type mineralization in the lower plate rocks closer to dike-filled high-angle fault segments in the Try fault zone.

- Using a TH-75 or equivalent RC drill, re-enter and clean out TV07 to a depth of 1,500 ft. and set casing and a wedge.
- Using HQ-diameter core, re-enter the cased hole and deflect the hole up to 10° to the southwest at least 2,000 ft.
- Using a TH-75 or equivalent RC drill rig, drill and case a 1,500-ft.-deep vertical pre-collar hole located 1,200 ft. south of TV07-2.
- Using HQ-diameter core, re-enter pre-collared hole and deepen to 3,500 ft.

**The information in this MD&A with respect to the 2014 Gold Ridge Property Exploration program relates to exploration data provided to Coral by Barrick, but does not reflect Barrick's interpretation, assessment or characterization of the data. The geologic interpretations, assessments and characterizations in this MD&A are solely those of Coral and should not be attributed to Barrick.*

Environmental Assessment ("EA")

In April 2010, SRK Consulting (US) Inc. ("SRK"), Coral's environmental compliance and permitting consultants, submitted an amended Plan of Operation ("APO") to the Bureau of Land Management (BLM) and the Nevada Department of Environmental Protection (NDEP) to allow the Company to carry out its work plan. A setback occurred when the BLM declined the drilling permit application because Coral's existing EA (circa 1980's) was out of date. Realizing the importance to the Company of the ability to keep drilling, the BLM suggested withdrawing the APO, and reverting back to a previous APO from 2007 that allowed the Company to drill on certain areas of the property without any amendments.

In June 2010, the original APO was withdrawn. The Company immediately commissioned SRK to commence work on the new EA, which was to include archeological and endangered species studies, as well as addressing a number of other environmental issues. While the completion of the new comprehensive EA has delayed certain parts of the drill program, Coral stands by its ongoing commitment to sound environmental management.

The BLM accepted the fifth submission of the 2010 APO, and a kick off meeting was held on July 20, 2011. The meeting outlined the need for a new EA. In particular, the various categories to be studied in the EA – cultural, wild life, native religions, hazmat, paleontology, range management, noxious weeds, air quality, hydrology, riparian zones, migratory birds, environmental justice, and socio economic issues.

Studies had been in progress since November 2010, but the EA did not officially start until July 2011. The cultural studies were done by Kautz Environmental Consultants, Inc. ("Kautz and Co.") of Reno, Nevada. Most of the other studies are by SRK out of Elko, Nevada who have overseen the entire environmental assessment.

As Coral anticipated, the work did not locate native religious sites or burial grounds, but the ghost mining town of Tenabo has required a detailed study.

By July 13, 2012, the baseline vegetation and wildlife field work had been completed and the baseline studies report was submitted to the BLM. The BLM's response to Coral's baseline studies was received on July 27, 2012 and delivered to SRK, who have since supplied a response to the modifications to the baseline studies required by the BLM. SRK reported that responses from all the various questions on vegetation, wildlife, air quality, and Native American specialists had been received. As a result the Cumulative Effects Study Area (CESA) was enlarged and SRK completed the cumulative analysis, which is the final stage of the EA.

On September 24, 2012, Coral announced that SRK had completed and submitted the EA to the BLM. In September 2013, Coral received a notice from the BLM, which included the Decision on the Robertson Project Amendment to the Exploration Plan of Operations and Reclamation Permit Application and also the Finding of No Significant Impact ("FONSI")

On January 13, 2014, Coral announced that it has received notice from the Bureau of Mining Regulation and Reclamation (BMRR) of the State of Nevada that the Plan of Amendment for Coral Resources Inc.'s Robertson Project has been approved. The BMRR has sent the revised Reclamation Permit to Coral.

Current Resources

Coral's current inferred resource estimate at the Robertson property core claims was calculated in the 2012 PEA Report by Beacon Hill. Gold ounces were calculated on the basis of US$1,350/oz Au and 70% Au recovery. The 0.0067 oz Au/t cut-off grade utilized to report the resource was derived from a mining cost of US$1.02/ton, processing cost of US$5.00/ton and waste cost of US$1.14/ton. The mineral resources in the table below were estimated using the CIM Standards on Mineral Resources and Reserves:

Zone	Tons	Ounces per Ton	Ounces of Au (Inferred)
39A	26,779,714	0.0230	615,933
GP Oxide	21,939,550	0.0127	278,632
GP Sulphide	48,759,224	0.0119	580,235
Porphyry Oxide	59,707,994	0.0137	818,000
Porphyry Sulphide	9,817,623	0.0132	129,593
Altenburg Hill Oxide	23,170,083	0.0131	303,528
Altenburg Hill Sulphide	178,279	0.0087	1,551
Triplett Gulch Sulphide	678,279	0.0152	10,310
East Zone Sulphide	694,672	0.0171	11,879
Total	191,725,418	0.0143	2,749,661

Note: Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to the Indicated or Measured mineral resource category.

Preliminary Economic Assessment ("PEA")

In 2010, Coral commissioned Beacon Hill to commence a PEA that would meet the NI 43-101 standard on three of its gold deposits located on the Robertson Property. The report was finalized and made public in late January 2012 (See news release dated January 18, 2012).

In completing the study, Beacon Hill used the services of Knight Piésold Ltd., SRK Consulting (U.S.) Inc., Kaehne Consulting Ltd., Kirkham Geosystems Ltd., R. McCusker, P.Geo., and F. Wright Consulting Inc. There are a number of deposits located on the Robertson property; however, Altenburg Hill, Porphyry, and Gold Pan are advanced development zones and are the subject of this PEA and based upon a combination of open pit mining methods and cyanide heap leach.

The results of the evaluation are as follows:

Resources and Mining

• Est. inferred resources at a cut-off of 0.005 oz. Au/t	78.2 million tons grading 0.0138 oz. Au/t
• In situ gold	1,080,900 oz.
• Development period to construction decision	5 years
• Mine life	10.5 years
• Average production rate	21,300 tpd
• Ore to waste Strip Ratio	0.6:1
• Leach recovery HG cut off 0.0147 oz. Au/t	67%
• Leach recovery LG cut off 0.005 to 0.0147 oz. Au/t	45%
• Saleable gold	608,000 oz.

Note: *Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to the Indicated or Measured mineral resource category.*

Economics

Two alternatives were reviewed: owner operated and contractor operated. The results shown are after tax. Taxes are considered indicative only.

Description	**Owner Operated** US$ millions	**Contractor Operated** US$ millions
Development Cost	16.5	16.5
Initial Capital Cost	122.1	97.0
Ongoing Capital Cost	54.2	26.1
Average Operating Cost US$/ton mined	5.28	6.45

Results of Economic Analysis at Various Gold Prices (Owner Operated)

Gold Price US$/oz	**IRR %**	**NPV undiscounted US$ million**	**NPV discounted 5% US$ million**	**Payback Period Years**
1,350	15.44	180.6	96.2	5.91
1,500	20.13	247.2	147.1	4.72
1,750	27.40	358.3	230.7	3.91

Results of Economic Analysis at Various Gold Prices (Contactor Operated)

Gold Price US$/oz	**IRR %**	**NPV undiscounted US$ million**	**NPV discounted 5% US$ million**	**Payback Period Years**
1,350	15.43	159.4	85.4	5.94
1,500	20.96	226.4	135.9	4.86
1,750	29.18	337.8	219.7	3.82

Note: *It should be noted that the economic analysis of this deposit is based upon the expenditures from the time a construction decision is made, and that all development costs to that point have been considered as sunk costs whether they have been expended or not at this time.*

The PEA is considered preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves have not yet demonstrated economic viability. Due to the uncertainty that may be attached to the inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration or mineral reserves once economic considerations are applied. Therefore, there is no certainty that the production profile concluded in the PEA will be realized.

The PEA indicates that the Robertson Property is one of merit that warrants further development. The first phase of this development is recommended to be exploration drilling, metallurgical test work, environmental studies, and permitting and completion of a prefeasibility study. The cost of this work is estimated to be US$7.9 million as shown below.

Summary of Expenditures to Completion of Prefeasibility

Description	**Estimated Cost $**
Royalty and Regulatory Fees	351,680
Exploratory and definition drilling	2,817,000
Metallurgical test work program	900,000
Environmental program	1,826,138
Preliminary Feasibility Study	1,495,000
Contingency	510,182
Total	**7,900,000**

Exploration and definition drilling consists of the following:

The Phase I should consist of drilling 40 HQ diameter diamond core holes and 42 RC holes having an average depth of 400-500 ft and totaling about 40,000 ft in the;

1. **Porphyry Zone:** "Twinning" 10 percent (20 holes) of the historic drill holes by diamond core drilling to determine if "historic" Amax drilling data can be used with confidence to upgrade the level of confidence in the resources. In addition, a further 17 RC holes, totaling about 7,600 ft, to be drilled along the west and south boundaries of the Porphyry Zone to test for possible extensions to mineralization.

2. **Altenburg Hill/South Porphyry Area:** Twenty-five RC holes totaling 12,400 ft.

3. **Gold Pan Zone:** Twenty wide-spaced diamond core holes totaling 10,000 ft to verify continuity and grade returned in historic drilling.

4. **Altenburg Hill/South Porphyry:** Based on results on the Phase I RC drilling follow up diamond core drilling (20 holes) is to be conducted in this area

The proposed metallurgical test work consists of variability testing, and will be performed on samples obtained both spatially and at depth for the oxide and transition to sulfide ore zones. This work will encompass;

- preparation of composite material representing larger zones of each deposit to define the crush size and other process conditions;
- crushing work index and abrasion testing;
- mineralogical evaluation of column feed and products;
- extensive column work to determine optimum crush size and other process conditions;
- similar testing as was performed on oxide materials to be done on sulfide and transition zone materials;
- additional processing parameters to be investigated including reagent use and concentrations;
- leach evaluation on material that is below the cut-off grades of the various deposits, which was classified as waste based on dump leaching of run of mine, low grade materials;
- Laboratory test work on up to 10 tonnes of 100% minus 300 mm (~12") feed.

Note also that the PEA concerns only the relatively shallow portions of these three deposits: Gold Pan, Porphyry and Altenburg Hill. Other deposits such as Distal, 39A, Triplet Gulch, and a zone to the east of Gold Pan were not part of this study. However, all deposits form part of the 2011 calculation of the resources by Beacon Hill using a base case of US$1,350 per ounce (Inferred mineral resource of 191 million tonnes at 0.0143 oz Au/ton containing a total of 2.741 million ounces). It should be noted that the resources are reported with consideration for their reasonable expectation of economic extraction as defined using an optimized pit shell.

The PEA also shows the logistical advantages of the Robertson Property, namely:

- Nevada State Highway 305, a paved all weather road, which is the main access to Barrick's Cortez Operations (adjoins the Robertson Property to the south), crosses the south east corner of the property;
- A network of gravel roads gives easy access to the gold resources at the Robertson Property;
- The gold resources are on the south east edge of the Shoshone Range. The leach pads can be built on the basinal flat land, only a short haul from the planned pits;
- The electric power transmission line that supplies Cortez parallels State Highway 306, and crosses the Robertson Property. The proposed gold recovery plant would be built adjoining the power transmission line (i.e. internal power lines will be very short);
- Workers at Cortez are bussed from Elko for a 12 hour shift, four days per week. Personnel at the Robertson Property would enjoy a slightly shorter commute from Elko, or, alternatively, they could live in Crescent Valley, Nevada, which is eight miles away on the State Highway 306.

Outlook

Coral remains financially sound and is prepared to maintain all of its properties in good standing. When market conditions improve, Coral plans to proceed with the recommendations made in the 2012 PEA to move the Robertson Property towards the pre-feasibility stage. Coral would also consider a partnership to develop the Robertson and Gold Ridge projects with a financially strong company.

Selected Annual Information

The following financial data is derived from the Company's audited consolidated financial statements for the three recently completed financial years:

Year ended	January 31, 2016	January 31, 2015	January 31, 2014
	$	$	$
Revenue	-	-	-
Loss before other items and taxes	(642,193)	(538,469)	(860,517)
Income (loss) for the year	50,521	527	(50,871)
Income (loss) per share	0.00	0.00	(0.00)
Total assets	20,088,148	20,275,844	19,856,395
Total liabilities	1,413,790	2,011,063	2,750,713
Working capital	470,078	11,324	(486,109)

The Company had a net income of $50,521 for the year ended January 31, 2016 as compared to a net income of $527 for the year ended January 31, 2015. The change from a net income in 2015 to a net income in 2016 is primarily due to an increase in the deferred income tax recovery in 2016. Share-based payments were $157,142 during the year ended January 31, 2016 compared to $259,163 for the year ended January 31, 2015, because fewer stock options were granted during the current year. For the current year, the Company recognized a gain on the sale of 79,071 shares of a related company of $27,059, while it sold 20,000 shares of a related company in 2015 recognizing a gain on the sale of investments of $7,130.

During the year ended January 31, 2016, the Company closed two non-brokered private placements raising gross proceeds of $250,000 to cover operating costs. During the year ended January 31, 2015, the Company closed a private placement raising gross proceeds of $705,500. As a result working capital increased in the current year as well as in the prior year. The majority of the Company's expenditures relates to exploration activities, and is capitalized in accordance with the Company's accounting policy and included in exploration and evaluation assets. Consequently, a significant amount of the Company's working capital used throughout the years is converted from a current asset to a long-term asset as opposed to appearing on the Statement of Operations and Comprehensive Loss.

The Company continues to maintain reclamation bonds with the State of Nevada, which have a carrying value of $89,638 at January 31, 2016 as compared to $655,209 at January 31, 2015, a decrease of $565,571. During the year ended January 31, 2016, the Company recovered $571,497 (US$452,172) in reclamation bonds. Instead of the bonds, the Company obtained a surety bond in the amount of US$452,172. Based on the nature of the surety bond, no amount is held until settlement. The Company plans to fulfill its obligation. However, as the result of planned exploration on the Robertson property, the Company has deferred the reclamation work at this time.

Results of Operations

Summary of Quarterly Results

Period ended	2016 Jan 31 Q4	2015 Oct 31 Q3	2015 Jul 31 Q2	2015 Apr 30 Q1	2015 Jan 31 Q4	2014 Oct 31 Q3	2014 Jul 31 Q2	2014 Apr 30 Q1
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Income/ Loss for the period	379,529	(77,821)	(213,795)	(37,392)	427,140	(64,743)	(50,095)	(311,775)
Income/ Loss per Share	(0.00)	(0.00)	(0.00)	0.00	0.00	(0.00)	(0.00)	(0.01)
Total Assets	20,088,148	20,274,214	20,264,237	20,273,808	20,275,844	20,196,319	20,224,710	20,315,873

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.

During the quarter ending April 30, 2014, the Company issued 1,420,000 incentive options to directors, officers, consultants, and employees of the Company and recorded an expense of $237,547. There were no new options issued during the current quarter.

During the quarter ended April 30, 2014, the Company closed a private placement raising gross proceeds of $705,500 by issuing 4,150,000 common shares at a price of $0.17 per common share.

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

	2016	2015	Note
Operating and Administrative Expenses			
Consulting fees	$ -	$ 4,050	
Depreciation	573	600	
Directors' fees	4,500	4,500	
Finance costs	4,689	3,579	
Investor relations	1,150	620	
Impairment of exploration and evaluation assets	212,519	-	**1**
Professional fees	13,904	17,255	
Regulatory and compliance fees	4,985	1,801	**2**
Management fees	7,500	7,500	
Office and miscellaneous	2,827	16,071	**3**
Salaries and benefits	21,361	11,524	**4**
Share-based payments	9,604	1,227	**5**
Travel	659	607	
	284,271	69,334	
Loss before other items and tax	(284,271)	(69,334)	
Other Income			
Interest and other income	13	77	
Foreign exchange gain (loss)	(6,213)	19,677	
Gain on sale of investment	-		
Loss Before Income Tax	(290,471)	(49,581)	
Deferred income tax recovery	670,000	476,720	**6**
Net Income for the Period	379,529	427,140	**7**
Other Comprehensive Income (Loss)			
Items that may be reclassified subsequently to income or loss			
Unrealized loss on available for sale securities	(35,200)	20,936	
Comprehensive Income For the Period	$ 344,329	$ 448,075	
Income per Share - Basic and Diluted	$ 0.00	$ 0.00	

1. As at January 31, 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 value attributed to the claims of $212,519 was written-off as a charge to operations in the three months ended January 31, 2016. There were no impairment write-downs in the three months ended January 31, 2015.

2. Regulatory and compliance fees for the three months ended January 31, 2016 were $4,985 compared to $1,801 in the comparative quarter, an increase of $3,184. The increase in listing and filing fees for the current quarter are due to the private placement closed on January 14, 2016 and the closing of the settlement agreement with Levon Resources Ltd.

3. Office and miscellaneous expenses were $2,827 for the quarter ended January 31, 2016 compared to $16,071 for the comparative quarter, a decrease of $13,244. During the comparative quarter, the Company incurred additional charges for the issuance and management of its reclamation bonds.

4. Salaries and benefits for the three months ended January 31, 2016 were $21,361 compared to $11,524 during the quarter ended January 31, 2015. The increase of $9,837 is due to the reclassification of fees relating to Corporate Secretary services previously allocated to consulting fees.

5. Share-based payment expenses for the three months ended January 31, 2016 were $9,604 compared to $1,227 during the quarter ended January 31, 2015, an increase of $8,377. The higher amount expensed in the current period is due to the vesting of a larger number of stock options than in the comparative period.

6. Deferred income tax recovery for the three months ended January 31, 2016 was $670,000 compared to $476,720 for the three months ended January 31, 2015. The increase of $193,280. 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.

7. As a result of the foregoing, net income for the quarter ended January 31, 2016 was $379,529 compared to net income of $427,140 for the quarter ended January 31, 2015, a decrease in income of $47,611.

Year ended January 31, 2016 compared with the year ended January 31, 2015

	2016	2015	Note
Operating and Administrative Expenses			
Consulting fees	$ 2,663	$ 18,731	1
Depreciation	2,290	2,397	
Directors' fees	18,000	18,000	
Finance costs	17,389	14,519	
Impairment of exploration and evaluation assets	212,519	-	2
Investor relations	7,698	14,982	3
Management fees	30,000	30,000	
Office and miscellaneous	10,632	37,459	5
Professional fees	67,295	62,964	
Regulatory and compliance fees	39,491	29,324	4
Salaries and benefits	73,031	46,164	6
Share-based payments	157,142	259,163	7
Travel	4,043	4,766	
	642,193	538,469	
Loss before other items and tax	(642,193)	(538,469)	
Other Income (Expenses)			
Interest and other income	119	629	
Gain on sale of investments	27,059	7,130	
Gain on forgiveness of debt	5,250	-	
Gain on settlement of debt	-	25,719	
Foreign exchange gain (loss)	(9,714)	28,798	
Loss Before Income Tax	(619,479)	(476,193)	
Deferred income tax recovery	670,000	476,720	8
Net Income for the Period	50,521	527	9
Other Comprehensive Loss			
Items that may be reclassified subsequently to income or loss			
Unrealized gain on available for sale securities	(46,960)	7,127	
Comprehensive Income For the Period	$ 3,561	$ 7,654	
Income per Share - Basic and Diluted	$ 0.00	$ 0.00	

1. Consulting fees for the year ended January 31, 2016 were $2,663 compared to $18,731 in the comparative period, a decrease of $16,068. The higher costs last year related to services of the corporate secretary and another consultant. The services of the corporate secretary are paid as salaries in the current period, and the services of the other consultant were discontinued in 2015.

2. As at January 31, 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 value attributed to the claims of $212,519 was written-off as a charge to operations in the year ended January 31, 2016. There were no impairment write-downs in the fiscal year ended January 31, 2015.

3. Investor relations expenses for the year ended January 31, 2016 were $7,698 compared to $14,982 for the prior year, a decrease of $7,284. The lower costs reflect the decreased activity for marketing purposes.

4. Regulatory and compliance fees for the year ended January 31, 2016 were $39,491 compared to $29,324 for the comparative year, an increase of $10,167.

5. Office and miscellaneous expenses for the year ended January 31, 2016 were $10,632 compared to $37,459 during the year ended January 31, 2015, a decrease of $26,827. During the comparative period, the Company incurred additional charges for the issuance and management of its reclamation bonds. There were no such fees incurred in the current period.

6. Salaries and benefits were $73,031 for the year ended January 31, 2016 compared to $46,164 for the year ended January 31, 2015. The increase of $26,867 is due to the reclassification of fees relating to Corporate Secretary services previously allocated to consulting fees.

7. Share-based payment expenses for the year ended January 31, 2016 were $157,142 compared to $259,163 for the year ended January 31, 2015, a decrease of $102,021. The higher share-based payments during the comparative period are mainly due to the extension of the expiry date for 6,464,120 share purchase warrants and the issuance of 1,420,000 stock options. In the current period, fewer options were granted and fewer warrants extended.

8. Deferred income tax recovery for the year ended January 31, 2016 was $670,000 compared to $476,720 for the year ended January 31, 2015. 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.

9. As a result of the foregoing, net income for the year ended January 31, 2016 was $50,521 compared to $527 for the year ended January 31, 2015, an increase in net income of $49,994.

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 year ended January 31, 2016 the Company incurred acquisition costs of $69,030 and exploration expenditures of $183,105, increasing the Company's mineral property carrying value on the Robertson Property by $252,135. At January 31, 2016, the Company had working capital of $470,078 and cash of $599,964.

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:

	January 31, 2016	January 31, 2015
Operating activities	$ (210,046)	$ (308,092)
Investing activities	413,203	(265,092)
Financing activities	248,874	712,250
Effect of exchange rate fluctuations on cash and cash equivalents	358	435
Net change in cash	452,389	139,501
Cash and cash equivalents, beginning of period	147,575	8,074
Cash and cash equivalents, end of period	$ 599,964	$ 147,575

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 decrease in cash used in operating activities during the year ended January 31, 2016 compared to the year ended January 31, 2015 is primarily due to a significant decrease of the amounts receivable balance from related parties during the year ended January 31, 2016, while during the year ended January 31, 2015 a significant amount of the historical accounts payable balance was paid down.

The Company's cash expenditures of $191,679 on exploration and evaluation assets account for a significant portion of the funds used in investing activities during the year ended January 31, 2016. During the comparative period, cash expenditures on exploration and evaluation activities were $229,840. The Company also restructured its reclamation bonds, and recovered $571,497 cash for use in operations. During the year ended January 31, 2016, the Company also disposed of 79,071 shares of marketable securities for gross proceeds of $33,385 compared to 20,000 shares sold for gross proceeds of $8,730 during the year ended January 31, 2015.

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 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 years ended January 31 was as follows:

	2016	2015	2014
Salaries, bonuses, fees and benefits			
Members of the Board of Directors	$ 64,359	$ 62,835	$ 66,000
Other members of key management	27,531	24,067	43,707
Share-based payments			
Members of the Board of Directors	-	161,500	-
Other members of key management	-	34,000	-
	$ 91,890	$ 282,402	$ 109,707

b) In the normal course of operations the Company transacts with companies related to its directors or officers. The following amounts are receivable from related parties:

	January 31, 2016	January 31, 2015
Levon Resources Ltd.	$ -	$ 58,903
Total	$ -	$ 58,903

c) In the normal course of operations the Company transacts with companies with directors or officers in common. During the year ended January 31, 2016, the Company settled $nil (2015 - $205,751) of related party debt through issuance of common shares of the Company, as described in Note 9b. At January 31, 2016 and January 31, 2015, the following amounts are payable to related parties:

	January 31, 2016	January 31, 2015
Directors	$ 70,500	$ 52,500
Oniva International Services Corp.	8,401	5,514
Sampson Engineering Inc.	1,212	1,200
Wear Wolfin Designs Inc.	-	5,250
Saulnier Capital	-	1,103
Frobisher Securities Ltd.	4,200	4,200
Intermark Capital Corp.	-	13,125
	$ 84,313	$ 82,892

The amounts included above in (b) and (c) are unsecured, non-interest bearing with no fixed terms of repayment.

d) Other related party transactions

The Company has a cost-sharing agreement to reimburse Oniva International Services Corp. ("Oniva"). The transactions with Oniva during the year are summarized below:

	2016	2015	2014
Salaries and benefits	$ 72,747	$ 40,640	$ 77,785
Office and miscellaneous	24,176	26,035	48,489
	$ 96,923	$ 66,675	$ 126,274

Salaries and benefits above includes $24,868 for key management personnel compensation that has been included in (a) above.

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 year.

Accounting Standards and Amendments Issued But Not yet Effective

The following accounting standards were issued but not yet effective as of January 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 is expected to 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 condensed consolidated interim 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:

	January 31, 2016	January 31, 2015
Cash held at major financial institutions		
Canada – cash	$ 199,934	$ 103,470
US - cash	400,030	44,105
	599,964	147,575
Reclamation deposits held at major financial institutions	89,638	655,209
Total cash and reclamation deposits	$ 689,602	$ 802,784

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 $470,078 at

January 31, 2016 (January 31, 2015 - $11,324). The Company has cash at January 31, 2016 in the amount of $599,964 (January 31, 2015 - $147,575) in order to meet short-term business requirements. At January 31, 2016, the Company had current liabilities of $148,637 (January 31, 2015 - $154,653). 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 January 31, 2016 and January 31, 2015.

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:

	January 31, 2016		January 31, 2015	
Cash	US$	285,613	US$	34,698
Other amounts receivable		149		2,343
Amounts receivable from related parties		-		46,340
Reclamation bonds		64,000		515,466
Accounts payable		(3,317)		(15,945)

Net exposure	US$	346,445	US$	582,902
Canadian dollar equivalent	$	485,231	$	740,927

Based on the net Canadian dollar denominated asset and liability exposures as at January 31, 2016, a 10% (January 31, 2015 – 10%) fluctuation in the Canadian/US exchange rates will impact the Company's net loss and comprehensive loss by approximately $48,523 (January 31, 2015 - $74,093).

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 January 31, 2016 and May 30, 2016:

Common shares: 47,825,337 as of January 31, 2016 and May 30, 2016.

Stock options:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (January 31, 2016)	Number of Shares Remaining Subject to Options (May 30, 2016)
February 22, 2017	$0.40	800,000	800,000
October 12, 2017	$0.30	600,000	600,000
March 14, 2019	$0.24	1,270,000	1,270,000
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:		**3,170,000**	**3,170,000**

Warrants:

Expiry Date	Exercise Price Per Share	Number of Underlying Shares (January 31, 2016)	Number of Underlying Shares (May 30, 2016)
September 10, 2017	$0.10	3,500,000	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:		**8,649,500**	**8,649,500**

** In July 2015, the TSX Venture Exchange approved the extension of the exercise date of these warrants to July 17, 2018. The original expiry date was July 17, 2015.*

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 January 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 year ended January 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 May 30, 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.