CORAL GOLD RESOURCES LTD.

(an Exploration Stage Company)

Consolidated Financial Statements

For the Years Ended January 31, 2020, 2019, and 2018

(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, 2020 and 2019 and for the years ended January 31, 2020, 2019, and 2018 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 14, 2020

"Nathan Harte"

Nathan Harte, CPA
Chief Financial Officer
May 14, 2020

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
Coral Gold Resources Ltd.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Coral Gold Resources Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2020 and 2019, and the consolidated statements of operations and comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years ended January 31, 2020, 2019 and 2018, and the related notes, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2020 and 2019, and its financial performance and its cash flows for the years ended January 31, 2020, 2019 and 2018 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

May 14, 2020

We have served as the Company's auditor since 2013.

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

	Note	January 31, 2020	January 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents		$ 10,688,861	$ 8,308,884
Term deposits		-	9,656,320
Other amounts receivable		8,369	7,064
Prepaid expenses	**10b**	389,742	33,966
Total current assets		11,086,972	18,006,234
Exploration and evaluation assets	**6**	280,079	236,887
Royalty receivable	**7**	4,205,261	3,969,356
Investments	**8**	2,674,862	10,280
Total assets		$ 18,247,174	$ 22,222,757
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 56,548	$ 46,056
Amounts payable to related parties	**10b**	15,000	31,467
Current income tax liability	**15**	-	2,834,277
Total current liabilities		71,548	2,911,800
Deferred tax liability	**15**	44,000	55,000
Total liabilities		115,548	2,966,800
EQUITY			
Share capital	**9**	43,043,557	43,833,127
Equity reserves		1,297,224	1,192,691
Accumulated other comprehensive income		31,062	4,611
Accumulated deficit		(26,250,537)	(25,784,792)
Equity Attributable to Shareholders of the Company		18,121,306	19,245,637
Equity Attributable to Non-Controlling Interests		10,320	10,320
Total Equity		18,131,626	19,255,957
Total Liabilities and Equity		$ 18,247,174	$ 22,222,757

Commitments – Note 11
Subsequent events – Note 17

Approved by the Board of Directors on May 14, 2020:

/s/ David Wolfin Director *   /s/ Ron Andrews* 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, 2020, 2019, and 2018

(Expressed in Canadian dollars)

	Note	2020	2019	2018
Operating and Administrative Expenses				
Consulting fees		$ 84,712	$ 60,000	$ 97,500
Depreciation		-	1,079	1,670
Directors' fees		60,000	52,500	33,750
Finance costs		-	-	6,786
Investor relations		47,822	49,670	60,603
Management fees		72,000	72,000	154,500
Office and miscellaneous		116,370	55,001	28,123
Professional fees		67,112	66,702	169,845
Listing and filing fees		54,511	56,237	69,670
Salaries and benefits		224,547	118,686	159,457
Share-based payments	**9**	317,283	294,432	565,250
Travel		62,255	52,259	28,828
		1,106,612	878,566	1,375,982
Loss Before Other Items and Income Taxes		(1,106,612)	(878,566)	(1,375,982)
Other Items				
Interest income		262,729	233,671	-
Other income		-	3,784	-
Gain on sale of exploration and evaluation assets	**5**	-	-	5,871,719
Finance income	**7**	198,406	189,154	117,379
Gain on sale of investments	**8**	-	14,635	93,693
Foreign exchange gain (loss)		102,532	1,150,371	(907,286)
Loss on sale of fixed assets		-	(15,641)	(34,183)
Other expenses		-	(289,136)	-
Income (Loss) Before Income Taxes		(542,945)	408,272	3,765,340
Income Tax Recovery (Expense)				
Current income tax recovery (expense)	**15**	-	309,024	(2,751,000)
Deferred income tax recovery (expense)	**15**	11,000	(13,000)	1,001,000
		11,000	296,024	(1,750,000)
Net Income (Loss)		(531,945)	704,296	2,015,340
Other Comprehensive Income (Loss) – Items that may be reclassified subsequently to income or loss				
Unrealized gain (loss) on available for sale securities	**8**	26,451	(19,197)	(57,269)
Comprehensive Income (Loss)		$ (505,494)	$ 685,099	$ 1,958,071
Earnings (Loss) per Share - Basic and Diluted		$ (0.01)	$ 0.01	$ 0.04
Weighted Average Number of Common Shares Outstanding	**3**			
Basic		47,466,277	48,672,608	47,570,158
Diluted		47,466,277	49,826,429	50,509,282

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

CORAL GOLD RESOURCES LTD.

Consolidated Statements of Changes in Equity
(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, 2017		**48,850,337**	**$45,495,382**	**$ 667,335**	**$ 404,469**	**$ 1,071,804**	**$ 81,077**	**$ (28,811,050)**	**$ 10,320**	**$ 17,847,533**
Common shares issued for cash:										
Exercise of stock options	**9**	510,000	249,209	(98,609)	-	(98,609)	-	-	-	150,600
Exercise of warrants and compensation options		3,965,000	481,315	-	(76,565)	(76,565)	-	-	-	404,750
Less: Share issuance costs		-	(5,850)	-	-	-	-	-	-	(5,850)
Common shares returned to treasury and cancelled	**9**	(4,150,000)	(1,411,000)	-	-	-	-	-	-	(1,411,000)
Common shares repurchased and cancelled		(911,500)	(320,431)	-	-	-	-	-	-	(320,431)
Common shares repurchased in treasury		(432,500)	(132,309)	-	-	-	-	-	-	(132,309)
Share-based payments	**9**	-	-	565,250	-	565,250	-	-	-	565,250
Transfer of expired/cancelled options and warrants		-	-	(269,581)	(10,000)	(279,581)	-	279,581	-	-
Unrealized gain on investment in securities, net of tax	**8**	-	-	-	-	-	(57,269)	-	-	(57,269)
Net loss for 2018		-	-	-	-	-	-	2,015,340	-	2,015,340
Balance, January 31, 2018		**47,831,337**	**$44,356,316**	**$ 864,395**	**$ 317,904**	**$ 1,182,299**	**$ 23,808**	**$ (26,516,129)**	**$ 10,320**	**$ 19,056,614**
Common shares issued for cash:										
Exercise of stock options	**9**	205,000	86,700	(36,350)	-	(36,350)	-	-	-	50,350
Exercise of warrants and compensation options		3,469,500	741,073	-	(220,649)	(220,649)	-	-	-	520,424
Common shares returned to treasury and cancelled	**9**	(3,462,500)	(1,350,962)	-	-	-	-	-	-	(1,350,962)
Share-based payments	**19**	-	-	294,432	-	294,432	-	-	-	294,432
Transfer of expired/cancelled options and warrants		-	-	(26,500)	(541)	(27,041)	-	27,041	-	-
Unrealized loss on investment in securities, net of tax	**8**	**-**	-	-	-	-	(19,197)	-	-	(19,197)
Net loss for 2019			-	-	-	-	-	704,296	-	704,296
Balance, January 31, 2019		**48,043,337**	**$43,833,127**	**$ 1,095,977**	**$ 96,714**	**$ 1,192,691**	**$ 4,611**	**$ (25,784,792)**	**$ 10,320**	**$ 19,255,957**
Common shares issued for cash:										
Exercise of stock options	**9**	840,000	351,975	(146,550)	-	(146,550)	-	-	-	205,425
Less: Share issuance costs		-	(10,886)	-	-	-	-	-	-	(10,886)
Common shares returned to treasury and cancelled	**9**	(2,536,500)	(1,130,659)	-	-	-	-	-	-	(1,130,659)
Share-based payments	**9**	-	-	317,283	-	317,283	-	-	-	317,283
Transfer of expired/cancelled options and warrants		-	-	(66,200)	-	(66,200)	-	66,200	-	-
Unrealized loss on investment in securities, net of tax	**8**	-	-	-	-	-	26,451	-	-	26,451
Net loss for 2020		-	-	-	-	-	-	(531,945)	-	(531,945)
Balance, January 31, 2020		**46,346,837**	**$43,043,557**	**$ 1,200,510**	**$ 96,714**	**$ 1,297,224**	**$ 31,062**	**$ (26,250,537)**	**$ 10,320**	**$ 18,131,626**

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, 2020, 2019, and 2018
(Expressed in Canadian dollars)

	Note	2020	2019	2018
CASH PROVIDED BY (USED IN):				
Operating Activities				
Net income (loss)		$ (531,945)	$ 704,296	$ 2,015,340
Adjustments for non-cash items:				
Current income tax expense (recovery)		-	(309,024)	2,751,000
Deferred income tax expense (recovery)		(11,000)	13,000	(1,001,000)
Depreciation		-	1,079	1,670
Finance costs		-	-	6,786
Finance income		(198,406)	(189,154)	-
Foreign exchange gain		(30,500)	(1,225,704)	(507,302)
Gain on sale of investments		-	(14,635)	(93,693)
Gain on sale of exploration and evaluation assets		-	-	(5,871,719)
Other expenses		-	289,136	-
Share-based payments		317,283	294,432	565,250
		(461,568)	(436,574)	(2,133,668)
Net change in non-cash working capital	**14**	(3,197,331)	76,312	(113,747)
		(3,658,899)	(360,262)	(2,247,415)
Investing Activities				
Expenditures on exploration and evaluation assets		(43,192)	(45,879)	(265,059)
Proceeds on sale of mineral property		-	-	20,184,056
Proceeds on sale of investments		-	27,488	109,562
Increase in investments		(2,658,284)	-	-
Decrease in term deposits		9,656,320	(5,961,905)	(3,694,415)
Decrease in reclamation bond		-	-	83,277
		6,954,844	(5,980,296)	16,417,421
Financing Activities				
Issuance (repurchase) of shares for cash, net		(936,119)	(780,188)	96,760
Effect of exchange rate fluctuations on cash and cash equivalents		20,151	1,108,197	(180)
Change in cash and equivalents		2,379,977	(6,012,549)	14,266,586
Cash and cash equivalents, beginning of year		8,308,884	14,321,433	54,847
Cash and cash equivalents, end of year		$ 10,688,861	$ 8,308,884	$ 14,321,433
Cash and cash equivalents consists of:				
Cash		$ 804,520	$ 4,592,134	$ 5,722,848
Term deposits maturing in less than 90 days		9,884,341	3,716,750	8,598,585
		$ 10,688,861	$ 8,308,884	$ 14,321,433

Supplementary cash flow disclosures – Note 14

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

1. NATURE OF OPERATIONS

Coral Gold Resources Ltd. (the "Company") was incorporated in 1988 under the *Company Act* of British Columbia and is involved in the exploration and development of its mineral properties and holds a royalty interest in a mineral property owned by a third party. 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, OTCQX, 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.

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 consolidation

The consolidated financial statements include the accounts of the Company and its US subsidiaries as follows:

	Ownership Interest	Jurisdiction	Nature of Operations
Coral Resources, Inc.	100%	Nevada, USA	Exploration Company
Coral Energy Corporation (up until December 30, 2019)	100%	California, USA	Holding Company
Marcus Corporation	98.49%	Nevada, USA	Holding Company

During the year ended January 31, 2020, Coral Energy Corporation was dissolved.

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Basis of presentation

These consolidated financial statements are expressed in Canadian dollars, the Company's presentation 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 14, 2020.

2. BASIS OF PRESENTATION (continued)

Foreign currency translation

The functional currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the 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 consolidated 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.

Significant accounting judgements and estimates

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.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated 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) Impairment of exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's 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.

b) 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.

c) 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.

d) Measurement of royalty receivable and royalty interest

The Company measured the fair value of the Company's royalty receivable relating to the Robertson Property as the present value of the minimum payments that will be made, if the Robertson Property does not enter the production stage and earns revenues. The valuation method requires the input of a discount rate, and takes into account the timing of the payments, which have been specified in the underlying transaction agreement. Changes in the input assumptions such as the discount rate can materially affect the fair value estimate. A nominal value of $1 was attributed to the royalty interest in excess of the royalty receivable, and has been classified as an exploration and evaluation asset.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial asset and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL"). Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

Classification – financial assets

Amortized cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequent to initial recognition at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method, and is recognized in interest and other income, on the consolidated statements of operations and comprehensive income (loss).

The Company's financial assets at amortized cost includes royalty receivable.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings.

The Company has designated all of its investments in equity securities as FVTOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Fair value through profit or loss ("FVTPL")

By default, all other financial assets are measured subsequently at FVTPL. The Company's financial assets at FVTPL includes cash and cash equivalents and term deposits.

Classification – financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost include accounts payable and amounts due to related parties.

Financial liabilities classified FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the consolidated statements of operations.

The Company has no hedging arrangements and does not apply hedge accounting.

Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets when necessary. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

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 readily convertible into 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

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.

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:

Buildings	10% declining balance
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 operations and comprehensive income (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.

Royalty interests

Royalty interests consist of royalty agreements. These interests are recorded at cost and capitalized as tangible assets with finite lives. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any. Project evaluation costs that are not related to a specific agreement are expensed in the period incurred.

Producing royalty interests are depleted using the units-of-production method over the life of the property to which the interest relates, which is estimated using available information of proven and probable reserves and the portion of resources expected to be classified as mineral reserves at the mine corresponding to the specific agreement.

On acquisition of royalty interests, an allocation of its fair value is attributed to the exploration potential of the interest and is recoded as an asset on the acquisition date. The value of the exploration potential is accounted for in accordance with IFRS 6 *Exploration and Evaluation of Mineral Resources* and is not depleted until such time as the technical feasibility and commercial viability have been established at which point the value of the asset is accounted for in accordance with IAS 16 *Property, Plant and Equipment*.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Share capital

Share capital is classified as equity. Incremental costs directly attributable to the issue of shares and share options are recognized as a deduction from equity. When share capital is repurchased, the amount of the consideration paid, included directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from equity. When treasury shares are subsequently reissued, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from accumulated deficit.

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.

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 accumulated deficit.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue, when earned, is expected to be comprised of revenue from contracts with customers under its royalty interests. The Company has determined that each unit of a commodity that is delivered to a customer under a royalty interest arrangement is a performance obligation for the delivery of a good that is separate from each other unit of the commodity to be delivered under the same arrangement. In accordance with IFRS 15 *Revenue from Contracts with Customers*, the Company recognizes revenue to depict the transfer of the relevant commodity to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those commodities.

For royalty interests, revenue recognition occurs when the relevant commodity is transferred to the end customer by the operator of the royalty property. Revenue is measured at the fair value of the consideration received or receivable when management can reliably estimate the amount, pursuant to the terms of the royalty agreement. In some instances, the Company will not have access to sufficient information to make a reasonable estimate of consideration to which it expects to be entitled and, accordingly, revenue recognition is deferred until management can make a reasonable estimate. Differences between estimates and actual amounts are adjusted and recorded in the period that the actual amounts are known.

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.

Earnings (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.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The calculations for basic and diluted earnings (loss) per share are as follows:

	2020	2019	2018
Net income (loss) for the period	$ (531,945)	$ 704,296	$ 2,015,340
Basic weighted average number of shares outstanding	47,466,277	48,672,608	47,570,158
Dilutive stock options	-	700,150	606,119
Dilutive warrants	-	453,671	2,333,005
Diluted weighted average number of shares outstanding	47,466,277	49,826,429	50,509,282
Basic earnings (loss) per share	$ (0.01)	$ 0.01	$ 0.04
Diluted earnings (loss) per share	$ (0.01)	$ 0.01	$ 0.04

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.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Application of new and revised accounting standards:

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 *Leases* ("IFRS 16") which replaces IAS 17 *Leases* and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract based on whether the customer controls the asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. A lessee can choose to apply IFRS 16 using either a full retrospective approach or a modified retrospective approach. The Company has applied IFRS 16 at the date it became effective using a modified retrospective approach. By applying this method, the comparative information for the 2018 fiscal year has not been restated.

4. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

At the inception of a contract, the Company assesses whether a contract is or contains a lease. If so, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which consists of:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date;
- Any indirect costs incurred;
- An estimate of costs to dismantle or remove the underlying asset or to restore the site on which the asset is located; and
- Any incentives received from the lessor.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases are expensed on a straight-line basis over the lease term.

The Company has elected to apply the practical expedients in IFRS 16 and reviewed all existing leases and concluded that all leases that were previously expensed over the lease term where considered to be either short-term leases or leases of low value assets, and therefore there is no impact to the consolidated financial statements upon adoption of IFRS 16.

IFRIC 23 - Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC 23 *Uncertainty over Income Tax Treatments.* The interpretation provides guidance on the accounting for current and deferred income tax liabilities and assets when there is uncertainty over income tax treatments. IFRIC 23 was applicable for annual periods beginning on or after January 1, 2019.

IFRIC 23 requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. If the treatment is likely to be accepted, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If not, the entity should reflect the effect of uncertainty in determining its accounting tax position. The Interpretation is effective for annual periods beginning on or after January 1, 2019.

The Company adopted IFRIC 23 in its consolidated financial statements for the annual period beginning on January 1, 2019, with no impact thereon.

Changes in accounting standards not yet effective:

IFRS 3 – Definition of a Business

In October 2018, the IASB issued amendments to IFRS 3 *Definition of a Business* which:

- Clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- Add an option concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

(Expressed in Canadian dollars)

4. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020, and to asset acquisitions that occurred on or after the beginning of that period. Earlier application is permitted. The Company does not expect any material impact upon adoption.

5. DISPOSITION OF EXPLORATION AND EVALUATION ASSETS

On June 8, 2017, the Company announced that it has closed the previously announced purchase and sale agreement (the “Agreement”) with Barrick Cortez Inc. (“Barrick”), a subsidiary of Barrick Gold Corp., for the sale of the Robertson Property in Lander County, Nevada, to Barrick. The Robertson Property sold to Barrick includes four contiguous claim groups known as the Core, Gold Ridge, Excluded, and the RUF mining claims, but does not include the portions of mining claims known as the Norma, Sass, Eagle, and JDN, which will remain owned by the Company.

The sale consideration is as follows:

- Payment to the Company of US$15.75 million (approximately Cdn $21.84 million based on foreign exchange rates) in cash;

- The return of 4,150,000 common shares of the Company held by Barrick (which represented approximately 8.5% of the Company’s basic common shares outstanding as of June 8, 2017) for cancellation by the Company; and

- A sliding scale 1% to 2.25% net smelter returns royalty (the “NSR”) on the Robertson Property, payable quarterly, subject to potential advance royalty payments as outlined below, as well as a right of first refusal enabling Barrick to acquire the NSR in the event that the Company wishes to sell the NSR to any third party.

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

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

Pursuant to the Agreement, as amended, and due to the delay in closing, in the event that the Robertson Property is not placed into production by December 31, 2024, then beginning on January 1, 2025, and continuing on an annual basis thereafter until the earlier of (i) the date commercial production commences and (ii) January 2, 2034, Barrick will make advance royalty payments to the Company of US$0.5 million, which will be non-refundable and fully credited against any future obligations under the NSR.

(Expressed in Canadian dollars)

5. DISPOSITION OF EXPLORATION AND EVALUATION ASSETS (continued)

The fair value of the royalty receivable (Note 7) was estimated based on the present value of the advance royalty payments, using a discount rate of 5.04%. A value of $1 was allocated to the royalty interest above the estimated fair value of the non-refundable advanced royalty payments.

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

As a result of the transaction, the Company recorded a gain of $5,871,719, net of transaction costs, which has been included in Other Items on the consolidated statements of operations and comprehensive income (loss).

6. EXPLORATION AND EVALUATION ASSETS

The Company has accumulated the following acquisition and exploration expenditures:

	Robertson Property	Ruf & Norma Sass Claims	Eagle & JDN Claims	Robertson Royalty Interest	Total
Balance, January 31, 2018	$ -	$ 162,595	$ 37,252	$ 1	$ 199,848
Exploration costs during the year:					
Drilling	-	8,823	-	-	8,823
Royalties	-	4,695	-	-	4,695
Taxes, licenses and permits	-	7,836	15,685	-	23,521
Balance, January 31, 2019	$ -	$ 183,949	$ 52,937	$ 1	$ 236,887
Exploration costs during the year:					
Consulting	-	-	13,612	-	13,612
Drilling	-	-	-	-	-
Royalties	-	4,686	-	-	4,686
Taxes, licenses and permits	-	8,294	16,600	-	24,894
Balance, January 31, 2020	$ -	$ 196,929	$ 83,149	$ 1	280,079

The Company has certain interests in 108 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) Norma Sass Property – 100% interest

The Company holds a 100% interest in the 36 Norma Sass mining claims located in Lander County, Nevada. Expenditures incurred on the Ruf claims have been classified to Ruf and Norma Sass claims in the exploration expenditure table.

b) JDN Hilltop Crest – 100% interest

The Company holds a 100% interest in 27 claims in the Hilltop District, Lander County, Nevada. Expenditures incurred on the Ruf claims have been classified to JDN and Eagle claims in the exploration expenditure table.

6. EXPLORATION AND EVALUATION ASSETS (continued)

c) 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. Expenditures incurred on the Ruf claims have been classified to JDN and Eagle claims in the exploration expenditure table.

d) Robertson Property – Royalty

The Company has an interest in a NSR royalty on the Robertson Property. Refer to Note 5 for details.

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.

(Expressed in Canadian dollars)

7. ROYALTY RECEIVABLE

A reconciliation of the royalty receivable balance is as follows:

		January 31, 2020		January 31, 2019
Beginning balance	$	3,969,356	$	3,540,753
Finance income		198,406		189,154
Change in foreign exchange rate		37,499		239,449
	$	4,205,261	$	3, 969,356

8. INVESTMENTS

a) *Common shares*

At January 31, 2020, the Company held shares as follows:

	Number of Shares		Cost		Accumulated Unrealized Gain (Loss)		Fair Value
Available-for-sale shares:							
Discovery Metals Corp.	20,350	$	1,957	$	11,881		13,838
VBI Vaccines Inc.	2,000		4,232		(1,492)		2,740
		$	6,189		10,389	$	16,578

At January 31, 2019, the Company held shares as follows:

	Number of Shares		Cost		Accumulated Unrealized Gain (Loss)		Fair Value
Available-for-sale shares:							
Levon Resources Ltd.	37,000	$	1,957	$	3,778	$	5,735
VBI Vaccines Inc.	2,000		4,232		150		4,382
Great Thunder Gold Corp.	10,819		866		(703)		163
		$	7,055		3,225	$	10,280

During the year ended January 31, 2020, the Company recorded an unrealized gain of $6,299 (2019 – loss of $19,197; 2018 – loss of $57,269) on investments in marketable securities, representing the change in fair value during the year.

During the year ended January 31, 2020, Discovery Metals Corp. ("Discovery") acquired Levon Resources Ltd. ("Levon"). As a result of the transaction, the Company received 20,350 common shares of Discovery in exchange for the previously-owned 37,000 common shares of Levon.

During the year ended January 31, 2020, the Company sold 2,704 (2019 – Nil, 2018 – Nil) shares of Great Thunder Gold Corp. for gross proceeds of $379 (2019 – $Nil, 2018 – $Nil). As a result, the Company recorded a loss on sale of investments of $595 for the year ended January 31, 2019 (gain of 2019 – $14,635, 2018 – gain of $93,693).

8. INVESTMENTS (continued)

b) Other investments

During the year ended January 31, 2020, the Company purchased US$2,000,000 ($2,646,600 based on the closing US dollar to Canadian dollar exchange rate at January 31, 2020) in principal-protected notes that mature on November 22, 2021. During the year ended January 31, 2020, the Company recorded $11,684 (2019 – Nil, 2018 – Nil) in unrealized interest income on the appreciation of these investments. As at January 31, 2020, the fair value of the investments was $2,658,284.

9. SHARE CAPITAL AND SHARE-BASED PAYMENTS

a) Authorized

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

b) Issued during 2020 and 2019

During the year ended January 31, 2020, the Company issued 840,000 common shares upon the exercise of stock options for gross proceeds of $205,425.

During the year ended January 31, 2019, the Company issued 205,000 common shares upon the exercise of stock options for gross proceeds of $50,350.

During the year ended January 31, 2019, the Company issued 3,469,500 common shares upon the exercise of warrants for gross proceeds of $520,524.

During the year ended January 31, 2018, the Company issued 510,000 common shares upon the exercise of stock option for gross proceeds of $150,600.

During the year ended January 31, 2018, the Company issued 3,965,000 common shares upon the exercise of warrants for gross proceeds of $404,750

c) Share repurchases and cancellations

Normal Course Issuer Bids ("NCIB")

2019-2020 NCIB

On August 28, 2019, the Company announced that the TSX Venture Exchange ("TSX-V") has accepted the Company's notice for its third normal course issuer bid (the "Third NCIB").

Pursuant to the Third NCIB, the Company may purchase up to 2,950,485 common shares up until August 28, 2020, which represents approximately 10% of the total current public float (being total issued shares, less shares held by insiders, and their associates and affiliates).

During the year ended January 31, 2020, the Company purchased and cancelled 2,536,500 common shares (year ended January 31, 2019 – 2,781,000) pursuant to this NCIB. As at January 31, 2020 and 2019, the Company held no treasury shares associated with this NCIB.

(Expressed in Canadian dollars)

9. SHARE CAPITAL AND SHARE-BASED PAYMENTS (continued)

c) Share repurchases and cancellations (continued)

2018-2019 NCIB

On July 30, 2018, the Company announced that the TSX Venture Exchange (“TSX-V”) had accepted the Company’s Notice for a NCIB.

Pursuant to the NCIB, the Company may purchase up to 3,938,462 common shares up until July 30, 2019, which represents approximately 10% of the total current public float (being total issued shares, less shares held by insiders, and their associates and affiliates).

During the year ended January 31, 2019, the Company purchased and cancelled 2,781,000 common shares (year ended January 31, 2018 - Nil) pursuant to this NCIB. As at January 31, 2019 and 2018, the Company held no treasury shares associated with this NCIB.

2017-2018 NCIB

On June 26, 2017, the Company announced that the TSX Venture Exchange (“TSX-V”) had accepted the Company’s Notice for a NCIB

Pursuant to the NCIB, the Company may purchase up to 3,844,000 common shares up until June 26, 2018, which represents approximately 10% of the total public float (being total issued shares, less shares held by insiders, and their associates and affiliates.

During the year ended January 31, 2019, the Company purchased 681,500 common shares (year ended January 31, 2018 – 1,344,000) and cancelled 1,114,000 common shares (year ended January 31, 2018 – 911,500) pursuant to this NCIB. As at January 31, 2019, this NCIB was completed and the Company held nil treasury shares (January 31, 2018 – 432,500 trasury shares) associated with this NCIB.

Cancellation of Shares – Sale of Robertson Property

During the year ended January 31, 2018, and pursuant to the closing of the transaction with Barrick (Note 5), 4,150,000 common shares of the Company were returned and cancelled.

d) Share purchase warrants

A summary of the share purchase warrants issued, exercised and expired is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2018	3,484,500	$0.15
Exercised	(3,469,500)	$0.15
Expired	(15,000)	$0.15
Balance, January 31, 2019	-	-
Exercised	-	-
Expired	-	-
Balance, January 31, 2020	**-**	**-**

(Expressed in Canadian dollars)

9. SHARE CAPITAL AND SHARE-BASED PAYMENTS (continued)

e) Stock options

The Company has a stock option plan to purchase the Company's common shares, under which it may grant stock options of up to 10% of the Company's total number of shares issued and outstanding on a non-diluted basis. The stock option plan provides for the granting of stock options to directors, officers, and employees, and to persons providing investor relations or consulting services, the limits being based on the Company's total number of issued and outstanding shares per year. The stock options vest on the date of grant, except for those issued to persons providing investor relations services, which vest over a period of one year. The option price must be greater than or equal to the discounted market price on the grant date, and the option term cannot exceed ten years from the grant date.

Stock option activity is summarized as follows:

	Number of Options	Weighted Average Exercise Price
Stock options outstanding and exercisable, January 31, 2018	3,395,000	$0.29
Granted	1,545,000	$0.36
Exercised	(205,000)	$0.30
Cancelled	(85,000)	$0.29
Stock options outstanding and exercisable, January 31, 2019	4,650,000	$0.31
Granted	1,120,000	$0.41
Exercised	(840,000)	$0.24
Cancelled	(275,000)	$0.34
Expired	(60,000)	$0.29
Stock options outstanding, January 31, 2020	**4,595,000**	**$0.36**

A summary of stock options outstanding as at January 31, 2020 is as follows:

		Outstanding		Exercisable	
Expiry Date	Price	Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Options Outstanding	Weighted Average Remaining Contractual Life (Years)
October 6, 2020	$0.125	100,000	0.68	100,000	0.68
October 6, 2020	$0.150	100,000	0.68	100,000	0.68
October 6, 2020	$0.175	100,000	0.68	100,000	0.68
October 6, 2020	$0.200	100,000	0.68	100,000	0.68
October 6, 2020	$0.225	100,000	0.68	100,000	0.68
July 5, 2022	$0.355	1,530,000	2.43	1,530,000	2.43
September 4, 2023	$0.380	1,245,000	3.59	1,245,000	3.59
January 25, 2024	$0.390	200,000	3.99	200,000	3.99
November 14, 2024	$0.410	1,120,000	4.79	280,000	4.79
		4,595,000	3.20	3,755,000	2.84

(Expressed in Canadian dollars)

9. SHARE CAPITAL AND SHARE-BASED PAYMENTS (continued)

e) Stock options (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:

	2020	2019	2018
Weighted average assumptions:			
Risk-free interest rate	2.13%	2.12%	1.42%
Expected dividend yield	-	-	-
Expected option life (years)	5.00	5.00	4.96
Expected stock price volatility	89.70%	112.34%	129.96%
Forfeiture rate	-	-	-
Weighted average fair value at grant date	$0.27	$0.31	$0.32

10. 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

The Company has identified its directors and certain senior officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company, as key management personnel. The remuneration of directors and officers for the years ended was as follows:

	2020	2019	2018
Salaries, bonuses, fees and benefits			
Members of the Board of Directors	$ 132,228	$ 124,500	$ 191,575
Other members of key management	92,019	37,801	55,071
Share-based payments			
Members of the Board of Directors	209,032	219,248	400,000
Other members of key management	30,967	32,480	72,000
	$ 464,247	$ 414,029	$ 718,646

(Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

b) Amounts due to/from relates parties

In the normal course of operations, the Company transacts with companies with directors or officers in common. Advances to Oniva International Services Corp. ("Oniva") of $364,390 (January 31, 2019 - $Nil) for expenditures to be incurred on behalf of the Company are included in prepaid expenses and other assets on the consolidated statements of financial position as at January 31, 2020. The following amounts are payable to related parties:

	January 31, 2020	January 31, 2019
Directors	15,000	11,250
Oniva International Services Corp.	-	20,217
	$ 15,000	$ 31,467

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

c) Other related party transactions

The Company has a cost-sharing agreement to reimburse Oniva International Services Corp. ("Oniva"), as described in Note 11. The transactions with Oniva during the year are summarized below:

	2020	2019	2018
Salaries and benefits	$ 216,696	$ 118,361	$ 105,344
Office and miscellaneous	160,767	77,443	66,663
	$ 377,463	$ 195,804	$ 172,007

Salaries and benefits above includes $92,019 (2019 – $37,801; 2018 – $55,071) for key management personnel compensation that has been included in Note 10(a).

11. COMMITMENTS

The Company has a cost-sharing agreement to reimburse Oniva for a percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses. The agreement may be terminated with one-month's notice by either party. Transactions and balances with Oniva are disclosed in Note 10.

12. FINANCIAL INSTRUMENTS

The estimated fair values of the Company's cash and cash equivalents, term deposits, 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 estimated fair value of the royalty receivable approximates its carrying value based on current market rates for similar instruments.

(Expressed in Canadian dollars)

12. FINANCIAL INSTRUMENTS (continued)

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, term deposits and certain investments are exposed to credit risk.

The Company manages this credit risk by maintaining the majority of those instruments at high credit rated Canadian financial institutions.

Concentration of credit risk also exists with respect to the Company's royalty receivable (see Note 7). The Company's concentration of credit risk, and maximum exposure thereto, is as follows:

	January 31, 2020	January 31, 2019
Cash and cash equivalents	$ 10,688,861	$ 8,308,884
Term deposits	-	9,656,320
Investments (Note 8(b))	2,658,284	-
Royalty receivable	4,205,261	3,969,356
Total	$ 17,552,406	$ 21,934,560

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. At January 31, 2020, the Company had working capital of $11,015,424 (January 31, 2019 – $15,094,434). The Company has cash at January 31, 2020 in the amount of $10,688,861 (January 31, 2019 - $8,308,884) for short-term business requirements. Of this amount, $408,189 has been set aside for the purchases of shares related to the Company's normal course issuer bid, and is currently being held in the Company's brokerage account. The Company has access to the cash at any time, and meets the definition of Cash and Cash Equivalents under *IAS 7 Statements of Cash Flows*.

At January 31, 2020, the Company had current liabilities of $71,548 (January 31, 2019 - $2,911,800). 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.

12. FINANCIAL INSTRUMENTS (continued)

c) Market risk

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

Interest rate risk

Interest rate risk consists of two components:

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

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

The Company is exposed to interest rate price risk with respect to cash equivalents, term deposits and certain investments, 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, 2020 and 2019.

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, royalty receivable and accounts payable, as a portion of these amounts are denominated in US dollars as follows:

		January 31, 2020		January 31, 2019
Cash and cash equivalents	US$	7,292,870	US$	5,842,116
Term deposits		-		7,360,000
Royalty receivable		3,177,859		2,988,169
Investments		2,008,830		-
Accounts payable		-		(65)
Current income tax liability		-		(2,160,272)
Net exposure	US$	12,479,559	US$	14,029,948
Canadian dollar equivalent	$	16,514,200	$	18,407,291

Based on the net Canadian dollar denominated asset and liability exposures as at January 31, 2020, a 10% (2019 – 10%) fluctuation in the Canadian/US exchange rates will impact the Company's net income and comprehensive income by approximately $1,651,420 (2019 - $1,840,729).

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.

12. FINANCIAL INSTRUMENTS (continued)

c) Market risk (continued)

Other price risk

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

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

d) Classification of Financial instruments

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that prioritizes the inputs 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).

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, 2020:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 10,688,861	$ -	$ -
Investments	2,674,862	-	-
	$ 13,363,723	$ -	$ -

13. 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, 2020.

(Expressed in Canadian dollars)

14. SUPPLEMENTARY CASH FLOW DISCLOSURES

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

	2020	2019	2018
Amounts receivable	$ (1,305)	$ 80,896	$ 7,473
Prepaid expenses	(355,775)	(1,729)	(19,060)
Accounts payable and accrued liabilities	(757)	5,543	(28,621)
Amounts payable to related parties	(5,217)	(8,398)	(73,539)
Current income tax liability	(2,834,277)	-	-
	$ (3,197,331)	$ 76,312	$ (113,747)

Supplementary Cash Flow Disclosures:			
Cash paid during the year for:			
Interest expense	$ -	$ -	$ -
Income taxes	$ 2,969,134	$ 81,238	$ -

15. INCOME TAXES

Income tax recovery (expense) 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, 2020, the Canadian federal and provincial statutory rate is 27% (2019 - 27%, 2018 – 26%).

	2020	2019	2018
Expected income tax recovery (expense)	$ 144,000	$ (110,000)	$ (982,000)
Permanent differences	(72,000)	(113,000)	100,000
Changes in timing differences and other	48,000	336,000	459,000
Effect of foreign exchange changes on U.S. loss carry-forwards	-	(17,000)	(52,000)
Expired losses	-	-	-
Changes in unrecognized deferred income tax assets	(122,000)	200,000	(758,000)
Adjustments due to effective tax rate attributable to U.S. tax on subsidiaries	13,000	-	(517,000)
Total deferred and current income tax recovery (expense)	$ 11,000	$ 296,000	$ (1,750,000)

The approximate tax effects of each type of temporary difference that gives rise to deferred income tax assets (liabilities) recognized in these consolidated financial statements are as follows:

	January 31, 2020	January 31, 2019
Non-capital losses carried forward	$ 20,000	$ -
Reclamation provision	-	-
Exploration and evaluation assets	(62,000)	(55,000)
Equipment and other	(2,000)	-
Net deferred income tax assets (liabilities)	$ (44,000)	$ (55,000)

(Expressed in Canadian dollars)

15. INCOME TAXES (continued)

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 deferred tax assets (liabilities) are summarized as follows:

		January 31, 2020		January 31, 2019
Non-capital losses carried forward	$	2,662,000	$	2,539,000
Equipment and other		4,000		4,000
Investments		-		-
Exploration and evaluation assets		734,000		734,000
Unrecognized deductible temporary differences	$	3,400,000	$	3,277,000

At January 31, 2020, the Company had, for Canadian tax purposes, non-capital losses aggregating approximately $9,860,000 (2019 - $9,402,000). These losses are available to reduce taxable income earned by the Canadian parent company in future years and expire as follows between 2026 and 2039. As at January 31, 2020 and 2019, the Company also had $2,717,155 of deductible temporary differences related to exploration and evaluation assets which may be carried forward indefinitely, subject to certain restrictions.

16. SEGMENTED INFORMATION

The Company operates one operating segment, mineral exploration activities. The Company is in the exploration stage and, accordingly, has no reportable revenues for the years ended January 31, 2020, 2019, and 2018.

The Company has non-current assets other than financial instruments and deferred tax assets in the following geographic locations:

		January 31, 2020		January 31, 2019
Canada	$	-	$	-
USA		280,079		236,887
	$	280,079	$	236,887

17. SUBSEQUENT EVENTS

COVID-19

Currently, the Company's corporate office has been working remotely and there have been no cases of COVID-19 with any of the Company's directors, officers, employees and consultants as of the report date of these consolidated financial statements.

The Company remains flexible both financially and operationally to adjust to the changing situation as appropriate and we will continue to monitor the situation and provide updates accordingly.

Normal Course Issuer Bid

Subsequent to January 31, 2020, pursuant to the 2019-2020 NCIB (see Note 9(c)), the Company repurchased and cancelled 518,500 common shares for proceeds of $254,826.

Option Exercises

Subsequent to January 31, 2020, the Company received gross proceeds of $170,875 from the issuance of common shares through exercises of 472,500 stock options.

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, 2020, and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated May 14, 2020 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 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 OTCQX under the symbol CLHRF, and on the Berlin & Frankfurt Stock Exchanges under the symbol GV8.

Overall Performance

The following is a summary of significant events and transactions during the year ended January 31, 2020, and to the date of this MD&A:

Robertson Work Completed by Barrick up to January 31, 2020

NGM recently delivered its summary of work completed in Q4 2019 at Robertson, reporting that 1,675 meters of geotechnical drilling has been completed. NGM are progressing with updating the geological model, preparing mine plans, confirming metallurgical assumptions, and carrying out baseline study work.

While details of the new resource estimate have not yet been made public, indications have been made that the Robertson Property is now considered part of the mineral resource base for the Cortez Mine Complex.

Based on previous reports received from Barrick, Coral reported that Barrick had also completed the following field and review work:

- Robertson 2019 core drilling program began early March 2019
    - 13,920 meter drilling program
    - Infill and comparison drilling at Porphyry and Altenburg Hill
    - Infill drilling at Gold Pan/39A
- Currently developing updated geological and metal models for completion at end of Q2 2019
    - Data addition from 45 core holes drilled in 2018 to develop the mineral inventory, and upgrade the geological understanding and advance metallurgy.

- Baseline study work
    - Waste/ore characterization work is ongoing
    - Biological baseline work is ongoing.
- Phase II Heap Leach column testing is in progress
- SEM mineralogy analysis was completed on the 2018 rock samples

The Company holds a sliding scale 1% to 2.25% net smelter returns royalty (the "NSR") on the Robertson Property, payable quarterly, subject to potential advance royalty payments as outlined below, as well as a right of first refusal enabling Barrick to acquire the NSR in the event that the Company wishes to sell the NSR to any third party (the "Transaction").

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

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

In the event that the Robertson Property is not placed into production by December 31, 2024, then beginning on January 1, 2025, and continuing on an annual basis thereafter until the earlier of (i) the date commercial production commences and (ii) January 2, 2034, Barrick will make advance royalty payments to Coral Gold of US$0.5M, which will be non-refundable and fully credited against any future obligations under the NSR.

The Robertson Property includes the properties also known as the Core, Gold Ridge, Excluded, and the RUF mining claims, but does not include the properties known as the Norma, Sass, Eagle, and JDN mining claims. Robertson is located in eastern Lander County, Nevada, sixty miles southwest of Elko.

About the Robertson Property

Robertson is an advanced-stage exploration property located along the Cortez gold trend adjacent to Barrick's Pipeline Gold Mine and on trend with Barrick's Cortez Hills mine, which collectively produced over a million ounces of gold in 2016 and recently reported gold reserves of 10.2 million ounces proven and probable. Over the past 25 years, exploration at Robertson by Coral and its various senior partners identified at least six mineralized gold zones with an inferred mineral resource of 2.7 million ounces* (191,725,418 tons grading 0.0143 oz Au/Ton). Coral completed a positive Preliminary Economic Assessment ("PEA") and Plan of Operation towards pre-feasibility in 2012. The property spans approximately 8,480 acres, comprised of 415 claims and 9 patented claims.

**Note: Mineral resources which 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.*

<u>Normal Course Issuer Bids</u>

On August 28, 2019, the Company announced that the TSX Venture Exchange ("TSX-V") has accepted the Company's notice for its third normal course issuer bid (the "Third NCIB").

Pursuant to the Third NCIB, the Company may purchase up to 2,950,485 common shares, which represents approximately 10% of the total current public float (being total issued shares, less shares held by insiders, and their associates and affiliates). Purchases will be made at the discretion of Coral at prevailing market prices, for a 12 month period. Coral intends to hold all shares acquired under the NCIB for cancellation. The funding for any purchase pursuant to the NCIB will be financed out of the unallocated working capital of the Company

The Board of Directors believes the underlying value of the Company may not be reflected in the current market price of the Company's common shares, and the Board has determined that the NCIB is in the best interests of the Company and its shareholders.

As of the date of this MD&A, the Company has purchased and cancelled 2,056,500 common shares pursuant to the third NCIB. As at January 31, 2020, the Company held Nil treasury shares.

Since the first NCIB was announced in 2017, the Company has successfully repurchased 7,835,500 and cancelled 7,835,500 common shares through the three NCIBs.

Qualified Person

Coral's projects are under the supervision of Robert McCusker, P.Geo, Coral Consultant, who is a qualified person within the context of National Instrument 43-101. Mr. McCusker has reviewed and approved the technical data herein.

<u>Outlook</u>

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

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, 2020	January 31, 2019	January 31, 2018
Revenue	$ -	$ -	$ -
Loss before other items and taxes	(1,106,612)	(878,566)	(1,375,982)
Income (loss) for the year	(531,945)	704,296	2,015,340
Income (loss) per share	(0.01)	0.01	0.04
Total assets	18,247,174	22,222,757	21,937,782
Total liabilities	115,548	2,966,800	2,881,168
Working capital	11,015,424	15,094,434	15,296,877

The Company had a net loss of $531,945 for the year ended January 31, 2020 as compared to net income of $704,296 for the year ended January 31, 2019. The change is primarily due to a large foreign exchange gain in the year ended January 31, 2019. Foreign exchange effects were marginal in the year ended January 31, 2020.

Other significant changes from the comparative year include movements in foreign exchange, as the Company holds a significant amount of its cash and term deposits in US dollars. Share-based payments were $317,283 during the year ended January 31, 2020, compared to $294,432 for the year ended January 31, 2019.

During the years ended January 31, 2020 or 2019, the Company did not perform any raises of financing in order to cover operating costs. During the year ended January 31, 2018, the Company received US$15.75 million in gross proceeds from the sale of the Robertson property to Barrick. The majority of the Company's expenditures in the year ended January 31, 2020, related to costs associated with exploring and maintaining the Company's current exploration and evaluation assets, as well as general and administrative expenses.

Results of Operations

Summary of Quarterly Results

Period ended	2020 Jan 31 Q4	2019 Oct 31 Q3	2019 Jul 31 Q2	2019 Apr 30 Q1	2019 Jan 31 Q4	2018 Oct 31 Q3	2018 Jul 31 Q2	2018 Apr 30 Q1
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Income/ (Loss) for the period	(53,645)	(120,973)	(605,871)	248,544	(3,159,556)	2,895,854	180,671	787,327
Earnings/ (Loss) per Share	(0.00)	(0.00)	(0.01)	0.01	(0.06)	0.06	0.00	0.02
Total Assets	18,247,174	18,567,493	19,084,710	22,573,712	22,222,757	22,717,571	23,239,327	22,572,292

Quarterly income (loss) fluctuate with non-cash items such as share-based payments, movements in current and deferred income tax, and foreign exchange variances.

During the quarters ended April 30, 2019, Oct. 31, July 31, April 30, 2018, the Company benefited from a foreign exchange gain as a result of cash balances held in US dollars.

During the quarter ended January 31, 2019, the Company had a substantial current income tax expense related the prior year sale of the Robertson property, resulting in a net loss of $3,159,556 for the period.

Three months ended January 31, 2020 compared with the three months ended January 31, 2019

	2020	2019	Note
Operating and Administrative Expenses			
Consulting fees	$ 38,650	$ 15,000	1
Depreciation	-	917	
Directors' fees	15,000	15,000	
Finance costs (recovery)	-	-	
Investor relations	20,998	14,241	2
Listing and filing fees	12,544	9,314	
Management fees	18,000	18,000	
Office and miscellaneous	36,209	30,144	
Professional fees	23,931	20,683	
Salaries and benefits	55,781	32,031	3
Share-based payments	156,821	175,959	4
Travel	26,886	26,340	
	404,820	357,629	
Loss before other items	(404,820)	(357,629)	
Other Items			
Interest income	177,534	233,671	5
Other income	-	3,784	
Finance income	47,960	49,528	
Foreign exchange loss	114,681	(279,683)	6
Gain on sale of investments	-	-	
Loss on sale of mineral property	-	-	
Loss on sale of fixed assets	-	(108)	
Other expenses	-	(289,136)	
Loss Before Income Tax	(64,645)	(639,573)	
Current income tax expense	-	(2,506,983)	7
Deferred income tax expense	11,000	(13,000)	7
Net Loss for the Period	(53,645)	(3,159,556)	8
Other Comprehensive Income (Loss)			
Items that may be reclassified subsequently to income or loss			
Unrealized gain marketable securities	(124,873)	21,583	
Comprehensive Loss For the Period	$ (178,518)	$ (3,137,973)	
Loss per Share - Basic and Diluted	$(0.00)	$(0.06)	8

1. Consulting fees for the three months ended January 31, 2020 were $38,650 compared to $15,000 in the comparative quarter 2019. The increase related to consulting work towards the assessment of potential acquisitions and other corporate activity.

2. Investor relations expenses for the three months ended January 31, 2020, were $20,998 compared to $14,241 in the comparative quarter. The increase is due to the Company continuing to focus efforts on marketing and promotional materials in order to evaluate all opportunities.

3. Salaries and benefits for the three months ended January 31, 2020, were $55,781 compared to $32,031 in the comparative quarter. The increase is the result of additional corporate activities during the period as the Company evaluates potential projects.

4. Share based payments for the three months ended January 31, 2020, was $156,821 compared to $189,597 in the comparative quarter, a decrease of $32,776. The decrease is a result of the change in the Company's stock option policy during the year ended January 31, 2019, where all stock options now vest quarterly over a 12-month period, and differences in expenses reflect the valuation assumptions of the options as well as timing of issuance.

5. During the three months ended January 31, 2020, the Company recognized $177,534 in interest income, compared with $233,671 in the same period 2019. This amount is related to interest earned on the Company's term deposits and does fluctuate over periods with changing interest rates and market conditions.

6. Foreign exchange gain for the three months ended January 31, 2020 was $114,681, compared to a loss of $279,683 in the corresponding period. This is primarily due to movements in foreign exchange rates on the Company's US bank account balances and term deposits.

7. Current and deferred income tax recoveries are $Nil and $11,000 for the three months ended January 31, 2020, compared with expenses of $2,506,983 and $13,000 respectively for the same period in 2019. This is the result of the income reported related to the gain on sale of mineral properties in previous years.

8. As a result of the foregoing, net loss for the three months ended January 31, 2020 was $53,645, compared to $3,159,556 for the same period in 2019. The change is predominantly the result of income taxes expenses incurred relating to the prior year. Net loss per share for the year was $0.00 compared to $0.06 in the same period in 2019.

Year ended January 31, 2020, compared with the year ended January 31, 2019

	2020	2019	Note
Operating and Administrative Expenses			
Consulting fees	$ 84,712	$ 60,000	1
Depreciation	-	1,079	
Directors' fees	60,000	52,500	
Finance costs	-	-	
Investor relations	47,822	49,670	
Listing and filing fees	54,511	56,237	
Management fees	72,000	72,000	
Office and miscellaneous	116,370	55,001	2
Professional fees	67,112	66,702	
Salaries and benefits	224,547	118,686	3
Share-based payments	317,283	294,432	4
Travel	62,255	52,259	
	1,106,612	878,566	
Loss Before Other Items	(1,106,612)	(878,566)	
Other Items			
Foreign exchange gain (loss)	102,532	1,150,371	5
Interest income	262,729	233,671	6
Finance income	198,406	189,154	
Gain on sale of investments	-	14,635	
Other income	-	3,784	
Loss on sale of fixed assets	-	(15,641)	
Other expenses	-	(289,136)	
Income (Loss) Before Income Taxes	(542,945)	408,272	
Current income tax recovery	-	309,024	7
Deferred income tax (expense) recovery	11,000	(13,000)	7
Net Income (Loss)	(531,945)	704,296	8
Other Comprehensive Income (Loss)			
Items that may be reclassified subsequently to income or loss			
Unrealized gain (loss) marketable securities	26,451	(19,197)	
Comprehensive Income (Loss) For the Year	$ (505,494)	$ 685,099	
Income (Loss) per Share - Basic and Diluted	$(0.01)	$0.01	8

1. Consulting fees for the year ended January 31, 2020 were $84,712 compared to $60,000 in the comparative period 2019. The increase related to consulting work towards the assessment of potential acquisitions and other corporate activity.

2. Office and miscellaneous expenses for the year ended January 31, 2020 were $116,370 compared to $55,001 during the corresponding period January 31, 2019. The increase in the current period is due to the increased office activities relating to the evaluation of new and ongoing projects, as well as ongoing necessary upgrades to the Company's IT systems.

3. Salaries and benefits for the year ended January 31, 2020 were $224,547 compared to $118,686 in the comparative year. The increased costs are related to additional corporate activities during the period as the Company evaluates potential projects.

4. Share based payments for the year ended January 31, 2020, was $317,283 compared to $294,432 in the comparative period. The increase is a result of the change in the Company's stock option policy during the year ended January 31, 2019, where all stock options now vest quarterly over a 12-month period, and differences in expenses reflect the valuation assumptions of the options as well as timing of issuance.

5. Foreign exchange gains were $102,235 during the year ended January 31, 2020, compared to $1,150,371 for the year ended January 31, 2019. This is primarily due to movements in foreign exchange rates on the Company's US bank accounts and term deposits.

6. During the year ended January 31, 2020, the Company recognized $262,729 in interest income, compared with $233,671 in the same period 2019. This amount is related to interest earned on the Company's term deposits and can fluctuate from period to period with changing interest rates and market conditions.

7. Current and deferred income tax recoveries are $Nil and $11,000 for the year ended January 31, 2020, compared with a recovery of $309,024 and expense of $13,000 respectively for the same period in 2019. The current period expenses are the result of the income reported related to the Company's US subsidiaries.

8. As a result of the foregoing, net loss for the year ended January 31, 2020 was $531,945, compared to net income of $704,296 for the same period in 2019. The change is predominantly the result of favourable fluctuations in foreign exchange in the prior period on balances held in US dollars. Net loss per share for the year was $0.01 compared to net income per share of $0.01 in the same period in 2019.

Liquidity and Capital Resources

Currently, the Company has no revenues. Historically, the Company has funded its operations through equity financings and the exercise of stock options and warrants, up until the sale of the Robertson Property.

The Company's current mineral properties are all in the exploration stage. As well, the Company has a long-term royalty, which would require investment from the current property holder in order to get to production. The recoverability of amounts shown in royalty receivable are based on guaranteed payments that are owed to the Company should the operator of the Robertson Property choose not to go forward with operations.

Mineral exploration and development is capital intensive, and in order to maintain its interests, the Company needs to be diligent with its current working capital. 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, 2020	January 31, 2019
Operating activities	$ (3,658,899)	$ (360,262)
Investing activities	6,954,844	(5,980,296)
Financing activities	(936,119)	(780,188)
Effect of exchange rate fluctuations on cash and cash equivalents	20,151	1,108,197
Net change in cash	2,379,977	(6,012,549)
Cash and cash equivalents, beginning of period	8,308,884	14,321,433
Cash and cash equivalents, end of period	$ 10,688,861	$ 8,308,884

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, 2020, compared to the year ended January 31, 2019, is largely due to a total reduction in current income tax liability payable in 2019, relating to FYE-2018.

During the year ended January 31, 2020, the Company received cash proceeds of $205,425 from the issuance of common shares through exercises of stock options and, used $1,141,547 to purchase existing outstanding common shares through the Company's two NCIBs.

During the year ended January 31, 2020, the Company incurred exploration cash expenditures of $43,192. At January 31, 2020, the Company had a working capital of $11,015,424 and cash and cash equivalents and term deposits of $10,688,861.

During the year ended January 31, 2020, the Company decreased its term deposits by $9,656,320 in order to ensure that the Company had ease of access to funds, while still earning sufficient return on the funds received from the sale of the Robertson Property through more liquid product offerings.

<u>Off-balance Sheet Arrangements</u>

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

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

a) Key management compensation

The Company has identified its directors and certain senior officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company, as key management personnel. The remuneration of directors and officers for the years ended was as follows:

	2020	2019	2018
Salaries, bonuses, fees and benefits			
Members of the Board of Directors	$ 132,228	$ 124,500	$ 191,575
Other members of key management	92,019	37,801	55,071
Share-based payments			
Members of the Board of Directors	209,032	219,248	400,000
Other members of key management	30,967	32,480	72,000
	$ 464,247	$ 414,029	$ 718,646

b) Amounts due to/from relates parties

In the normal course of operations the Company transacts with companies with directors or officers in common.

The following amounts are payable to related parties:

	January 31, 2020	January 31, 2019
Directors	15,000	11,250
Oniva International Services Corp.	36,109	20,217
Intermark Capital Corp.	-	-
	$ 51,109	$ 31,467

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

c) Other related party transactions

The Company has a cost-sharing agreement to reimburse Oniva International Services Corp. (“Oniva”), as described in Note 12 of the financial statements. The transactions with Oniva during the years ended January 31, are summarized below:

	2020	2019	2018
Salaries and benefits	$ 216,696	$ 118,361	$ 105,344
Office and miscellaneous	160,767	77,443	66,663
	$ 377,463	$ 195,804	$ 172,007

Salaries and benefits above includes $92,019 (2019 – $37,801; 2018 – $55,071) for key management personnel compensation that has been included in a) above.

Proposed Transactions

The Company does not currently have any proposed transactions.

New Accounting Standards Adopted by the Company

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 – Leases ("IFRS 16") which replaces IAS 17 – Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract based on whether the customer controls the asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. A lessee can choose to apply IFRS 16 using either a full retrospective approach or a modified retrospective approach. The Company has applied IFRS 16 at the date it became effective using a modified retrospective approach. By applying this method, the comparative information for the 2018 fiscal year has not been restated.

At the inception of a contract, the Company assesses whether a contract is or contains a lease. If so, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which consists of:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date
- Any indirect costs incurred
- An estimate of costs to dismantle or remove the underlying asset or to restore the site on which the asset is located
- Any incentives received from the lessor

The Company has elected not to recognize right of use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases are expensed on a straight-line basis over the lease term.

The Company has elected to apply the practical expedients in IFRS 16 and reviewed all existing leases and concluded that all leases that were previously expensed over the lease term where considered to be either short-term leases or leases of low value assets, and therefore there is no impact to the consolidated financial statements upon adoption of IFRS 16.

IFRIC 23 - Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC 23 *Uncertainty over Income Tax Treatments.* The interpretation provides guidance on the accounting for current and deferred income tax liabilities and assets when there is uncertainty over income tax treatments. IFRIC 23 was applicable for annual periods beginning on or after January 1, 2019.

IFRIC 23 requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. If the treatment is likely to be accepted, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If not, the entity should reflect the effect of uncertainty in determining its accounting tax position. The Interpretation is effective for annual periods beginning on or after January 1, 2019.

The Company adopted IFRIC 23 in its consolidated financial statements for the annual period beginning on January 1, 2019, with no impact on the financial statements.

Changes in accounting standards not yet effective:

IFRS 3 – Definition of a Business

In October 2018, the IASB issued amendments to IFRS 3 – *Definition of a Business* which:

- Clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- Add an option concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Financial Instruments

The estimated fair values of the Company's cash and cash equivalents, term deposits, 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 estimated fair value of the royalty receivable approximates its carrying value based on current market rates for similar instruments.

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 and term deposits are exposed to credit risk.

The Company manages this credit risk by maintaining the majority of those instruments at high credit rated Canadian financial institutions.

Concentration of credit risk also exists with respect to the Company's royalty receivable. The Company's concentration of credit risk, and maximum exposure thereto, is as follows:

	January 31, 2020	January 31, 2019
Cash and cash equivalents	$ 10,688,861	$ 8,308,884
Term deposits	-	9,656,320
Investments	2,658,284	-
Royalty receivable	4,205,261	3,969,356
Total	$ 17,552,406	$ 21,934,560

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. At January 31, 2020, the Company had working capital of $11,015,424 (January 31, 2019 – $15,094,434). The Company has cash at January 31, 2020 in the amount of $10,688,861 (January 31, 2019 - $8,308,884) for short-term business requirements. Of this amount, $408,189 has been set aside for the purchases of shares related to the Company's normal course issuer bid, and is currently being held in the Company's brokerage account. The Company has access to the cash at any time, and meets the definition of Cash and Cash Equivalents under *IAS 7 – Statements of Cash Flows*.

At January 31, 2020, the Company had current liabilities of $71,548 (January 31, 2019 - $2,911,800). 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.

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 cash equivalents and term 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, 2020 and 2019.

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, royalty receivable and accounts payable, as a portion of these amounts are denominated in US dollars as follows:

		January 31, 2020		January 31, 2019
Cash and cash equivalents	US$	7,292,870	US$	5,842,116
Term deposits		-		7,360,000
Royalty receivable		3,177,859		2,988,169
Investments		2,008,830		-
Accounts payable		-		(65)
Current income tax liability		-		(2,160,272)
Net exposure	US$	12,479,558	US$	14,029,948
Canadian dollar equivalent	$	16,514,200	$	18,407,291

Based on the net Canadian dollar denominated asset and liability exposures as at January 31, 2020, a 10% (2019 – 10%) fluctuation in the Canadian/US exchange rates will impact the Company's net income and comprehensive income by approximately $1,651,420 (2019 - $1,840,729).

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.

d) Classification of Financial instruments

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that prioritizes the inputs 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).

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, 2020:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 10,688,861	$ -	$ -
Investments	2,674,862	-	-
	$ 13,363,723	$ -	$ -

Outstanding Share Data

The Company had the following issued and outstanding share capital as at January 31, 2020, and May 14, 2020:

Common shares: 46,346,837 as of January 31, 2020, and 46,326,837 as of May 14, 2020.

Stock options:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (January 31, 2020)	Number of Shares Remaining Subject to Options (May 14, 2020)
October 6, 2020	$0.125	100,000	100,000
October 6, 2020	$0.150	100,000	100,000
October 6, 2020	$0.175	100,000	100,000
October 6, 2020	$0.200	100,000	100,000
October 6, 2020	$0.225	100,000	100,000
July 5, 2022	$0.355	1,685,000	1,195,000
September 4, 2023	$0.380	1,335,000	1,080,000
January 25, 2024	$0.390	200,000	200,000
November 14, 2024	$0.410	1,120,000	1,117,500
TOTAL:		**4,595,000**	**4,092,000**

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, 2020, 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, 2020, 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, 2020, 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 14, 2020. 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.