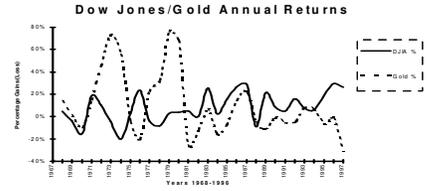




Gold



Energy & Tech Stocks

Weekly Hotline Message

(Now in our 27th Year)

September 4, 2009

New Buy Recommendation

Coral Gold Corporation



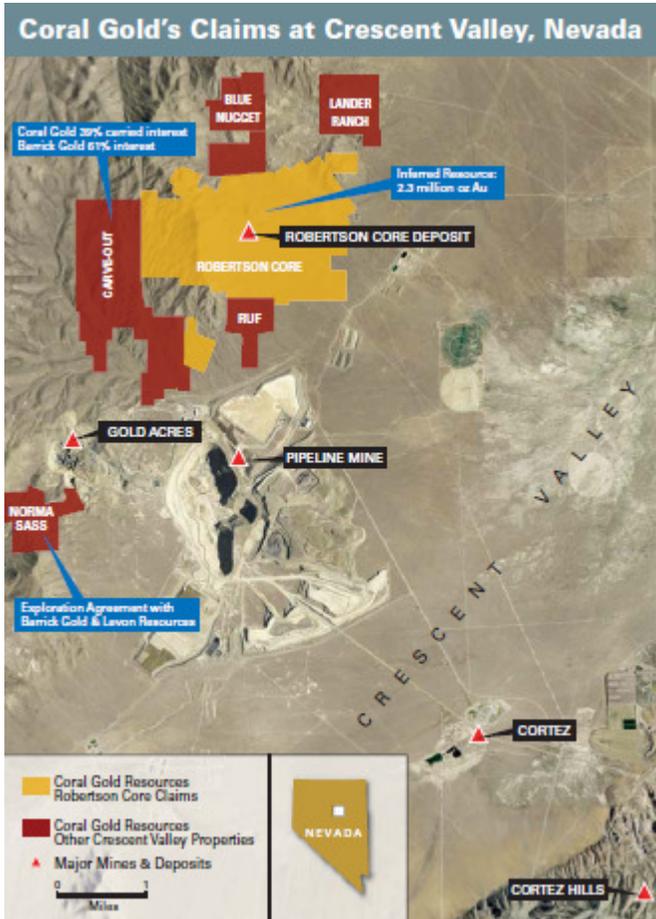
Business: Exploration and development of gold mining projects in Nevada.

Traded Toronto Venture:	CLH
OTC BB	CLHRF
Price 9/04/09:	US\$0.422
Shares Outstanding:	24,989,771
Fully Diluted:	31,941,770
Market Capitalization:	\$10.6 Million
Cash:	\$800,000
Gold Resource (millions of oz.):	2.3
Gold Price in Ground:	US\$4.61
Progress Rating:	"C"
Telephone Number:	604-682-3701
Web Site:	www.coralgold.com

Stocks with 10-bagger potential. That's what we look for. That's what we think we may have in this sleeper stock named Coral Gold. I'm not sure if it's because this name has been around so long that people have grown tired of it or if the markets are just still so depressed and inefficient that this company's latent value isn't recognized. Whatever the case, we think Coral Gold is a greatly undervalued stock, given the following factors:

- A 2.3-million-ounce indicated gold resource on its Robertson Core Deposit. Feasibility work was carried out on this property by Amax around 1990 but at that time, with a gold price of \$400 and about half as many ounces as the current resource, it would have been, at best, a marginally profitable project. Amax walked from the project and it reverted 100% to Coral Gold. (See Property Map on next page)
- Since then, three mines surrounding Coral Gold's mines have made this one of the most prolific gold producing areas in North America. Somewhere around 1 million ounces of gold per year are mined out of these properties by Barrick Gold. Many have speculated that it was these prime holdings of Placer Dome that caused Barrick to take over that company. In any event, with existing deposits being mined out at a rapid pace, Coral Gold's Robertson Core Deposit of 2.3 million ounces appears to be a plum that Barrick will most likely need to acquire in time, as it can most likely become a satellite deposit and feed into Barrick's mill on the Pipeline Property.
- We believe Barrick would have made a move for Coral Gold's Robertson Property already, had they

not made a magnificent discovery at Cortez Hills, shown on the bottom right corner of the map above. This is an amazing project into which some \$500 million dollars will be sunk. That ½-billion-dollar



investment is reportedly expected to be returned in one year because of exceptionally high grades in the 2- to 3-oz. range. Incidentally, ore will be transferred 10 miles to the Pipeline Mill via conveyer belt. The distance from Coral Gold's deposit to the mill via conveyer belt would be only 3 miles.

- Given Coral Gold's current market cap of just slightly over US\$10 million, the market is paying a mere \$4.61 per ounce in the ground, despite the fact that this project is located in Nevada where all the requisite infrastructure is in place. The chart shown above, which was prepared last spring, gives you an idea of how inexpensively the market is pricing Coral's gold on this one project. At the extreme end of the spectrum is Kirkland Lake. With a market cap of \$555 million, the market was paying \$175.46 per ounce, compared to about \$5.84 for Coral Gold's ounces at that time. The closest valuation to Coral was Etruscan, with a value of \$11.94. But keep in mind, Etruscan's properties are in Africa and some of those countries may carry considerably high levels of political risk. Atna Resources, another company on our list, had its gold priced at

\$33.92 per ounce last fall. That company's current market cap is \$68 million, compared to \$58 million earlier this year. Comaplex Minerals had its in-situ gold priced at \$51.75, or about one-third of Kirkland Lake. If Coral Gold were priced at that level, we would get our desired tenfold gain.

- Considerable Exploration Potential – While the 2.3 million ounce indicated resource provide a firm foundation for this company's shares at their current level, buying Coral provides shareholders with a lottery ticket to possible new discoveries. The gold colored claim areas on the map above are 100% owned claims held by Coral. Because of its low share price, management has not been aggressively exploring on its own ground. However, Barrick has remained active on some of the claims it is joint venturing with Coral Gold. The claims shown in red provide Coral Gold with a 39% carried interest. This quarter, Barrick Gold is planning to drill two or three deep holes to try to find the lower plate typical of rich Carlin-style gold deposits. The drilling will take place on the Norma Sass Property, directly

Company	Issued (Mil)	Oz Au (Mil)	Share Price	Market Cap (\$Mil)	Market Cap Per oz. Au
Kirkland Lake Gold	58.5	3.16	\$9.50	\$555	\$175.63
U.S Gold	80	3.38	\$2.45	\$196	\$57.99
Comaplex Minerals	52.7	2.85	\$2.80	\$147.5	\$51.75
Atna Resources	83	1.71	\$0.70	\$58	\$33.92
Etruscan	159	3.60	0.27	\$43	\$11.94
Klondex	26.7	1.05	\$1.00	\$26.7	\$25.43
Coral Gold	25	2.31	\$0.54	\$13.5	\$5.84

west of the Pipeline Deposit. A good high-grade intersection or two here could send these shares to much higher levels. Not only the Norma Sass but also several other properties shown on the map above have the potential for adding to lower-grade surface and/or high-grade gold mineralization at depth. Indeed, it has been postulated by various geologists in the past that the gold mineralization in this area may well get richer to the north of the Pipeline, which is exactly where Coral Gold's Robertson Property is located.

MANAGEMENT

Louis Wolfin, CEO & Director - Mr. Wolfin has directed Coral's growth from its inception in 1982. He directed the timely acquisition of Coral's Nevada holdings and negotiated joint venture exploration agreements with Amax Gold and Placer Dome/Kennecott. Mr. Wolfin's career in management and finance spans more than forty years. Among his notable achievements was the development of the Avino silver mine in Mexico, which operated continuously for over 30 years.

David Wolfin, President & Director - Mr. Wolfin brings 23 years' experience in mining and finance. He learned the business from the ground up, starting as a geologist's assistant in Nevada, a metallurgist's assistant at the Avino mine in Mexico and later in a number of mining and exploration-related capacities. In the late 1980s, Mr. Wolfin worked on the floor of the Vancouver Stock Exchange and also for several brokerage houses, gaining a solid foundation in the finance side of the industry. Since 1990, Mr. Wolfin has worked for the Resource Group of companies, including Avino Silver & Gold Mines Ltd. (President & Director), Bralorne Gold Mines Ltd. (Vice-President Finance & Director), Coral Gold Resources Ltd. (President & Director), Levon Resources Ltd. (Director), Berkley Resources Inc. (Director), Mill Bay Ventures Inc. (Director), Cresval Capital Corp. (Director) and Gray Rock Resources Ltd. (Director). In his various roles with these firms, he has helped raise over C\$50 million.

Matt Wayrynen, Vice President - Mr. Wayrynen, who has led Coral since 2002, provides extensive financial and management experience in a variety of industries. Over the past 15 years, he has sourced and managed venture capital, start-ups and mergers and acquisitions.

Lisa Sharp, CFO - Lisa Sharp is a Certified General Accountant with over 15 years of senior management experience working with both private and public companies in a variety of industries. Ms. Sharp's experience encompasses financial and regulatory compliance, private placement financings and U.S. Filings. Most recently Ms. Sharp has been the Chief Financial Officer of a technology company listed on the TSX Venture Exchange.

Lloyd Andrews, Chairman and Director - Mr. Andrews, a former Washington State Senator, provides Coral with extensive experience in both the private and public sectors. He is a retired member of the Board of Smith Barney Mutual Fund.

Chris Sampson, V.P. Exploration & Director - Mr. Sampson is a Professional Geologist who, in his 30+ years in the mining industry, has worked on hundreds of mineral projects worldwide. He has played a key role in exploration and development of Coral's Nevada holdings since their initial acquisition in 1988.

Dorothy Chin, Corporate Secretary - Ms. Chin is a member of the Chartered Secretaries Canada, a Canadian Division of The Institute of Chartered Secretaries and Administrators ("ICSA"). She has more than 15 years experience in the mining and resource sectors, serving with public companies in regulatory compliance, governance, and administration of corporate affairs.

SUMMARY & CONCLUSION

Coral Gold's Nevada holdings, with a 2.3 million ounce gold indicated resource, major exploration potential, and strategic location in the midst of Barrick Gold's world-class gold mining operations, is an exceptionally undervalued asset. We don't know how much longer it might take for the market to recognize Coral's value. Time value of money risks cannot be avoided when buying gold mining stocks. But ultimately our faith in markets causes us to believe the market will price Coral's shares at much higher levels.

We suspect that part of the reason these shares are so low, relative to the underlying value, is because Barrick is the dominant player in this immediate area, with little or no competition. However, as the world moves away from fiat money because of its self-destructive nature, we think Coral Gold's options to go it alone or attract other joint venture partners to move forward should increase.

In your editor's view, it is highly likely that there will be a huge move of capital into gold mining, especially if I am right in my belief that the financial markets have a lot of melting down still ahead. As Bob Hoyer has so adequately pointed out, we are at the beginning of the sixth, very large, global deleveraging events of the last 300 years. When these major deleveraging events occur, the real price of gold—what an ounce of gold will buy—increases very dramatically. That's very favorable for gold mining because the cost of production declines and profit margins rise dramatically. The last major credit-unwinding event took place in the 1930s, and many of the old mines built back then are now being reopened in this depression. The reason gold mining rises so dramatically during these great credit market-unwinding events is because fiat money is destroyed and, in order to rebuild society, a move back to real money—gold and silver—becomes an economic necessity.

Against that background, you take a hugely undervalued asset like that of Coral Gold and you have to draw the following conclusions: (1) With such low value, the downside risk is minimal, especially given the conservative management of Coral Gold; and (2) The upside potential is enormous. As pointed out above, Coral is selling at a mere fraction of its peers based on its ounces in the ground, not to mention the potential to hit a really big, high-grade deposit at depth, given its address in the midst of Nevada's Carlin plate elephant country.

Your editor is not making any guarantees about any immediate prospects for this company. But we think, come thick or thin, it has the staying power and it has a 2.3-million-ounce gold asset that should guard against any dramatic downside risk, considering its current market cap of only around US\$10 million. Based on all of the factors noted above, we are adding Coral to our list of gold share buy recommendations.

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