The following discussion and analysis of the results of operations and financial position of Levon Resources Ltd. (the "Company" or "Levon") for the three months ended June 30, 2017 should be read in conjunction with the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended June 30, 2017 ("the Financial Statements") and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated **August 10, 2017** and discloses specified information up to that date. Levon is classified as a "TSX 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") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The functional currency of the Company and each of its subsidiaries is the Canadian dollar. The Financial Statements are presented in Canadian dollars.

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 under the profile of Levon Resources Ltd. and the Company's website at www.levon.com. Further historical financial and other information relating to the mining exploration activities of the Company prior to completion of the SciVac Arrangement on July 9, 2015 is available on SEDAR at www.sedar.com under the profile of VBI Vaccines Inc. (formerly SciVac Therapeutics Inc.)

Vic Chevillon, MA, CPG, AIPG QP 1154, Vice President of Exploration and Director for Levon is a "qualified person" as such term is defined in National Instrument 43-101 and has reviewed and approved the scientific and technical disclosure contained in this MD&A.

NON-GAAP MEASURES

In this document "Loss before other items" is a non-GAAP measure, as it does not have any standardized meaning as prescribed by IFRS. It is used to assist management in measuring the Company's ability to finance operations and meet financial obligations. Non-GAAP measures should not be considered in isolation or construed as alternatives to their most directly comparable measure calculated in accordance with IFRS, or other measures of financial performance calculated in accordance with IFRS. The non-GAAP measures are unlikely to be comparable to similar measures presented by other issuers.

BUSINESS DESCRIPTION

Levon Resources Ltd. (formerly 1027949 BC Ltd.) (the "Company" or "Levon") was incorporated under the Business Corporations Act (British Columbia) on February 18, 2015.

The Company is an exploration stage public company whose principal business activities are the exploration for and development of exploration and evaluation properties in Mexico. There have been no significant revenues generated from these activities to date. The address of the Company's registered office is Suite 500 – 666 Burrard Street, Vancouver, British Columbia, V6C 2X8.

The Company continues to take a technically oriented, conservative, exploration driven approach to advance the Cordero Project as Levon's key asset. Management believes the project has a robust long term future as a world class mine when metal prices cycle back up.

The Company is listed on the Toronto Stock Exchange ("the TSX") trading under the symbol LVN. The common shares of Levon are also quoted for trading in the United States on the OTCQX under the ticker "LVNF". The Company is a reporting issuer in each of the Provinces of Canada, except Quebec.

The Company's principal business activities are the exploration and development of exploration and evaluation assets. The Company has generated no operating revenues, and, at June 30, 2017, does not anticipate any operating revenues from its mining exploration activities until the Company is able to find, acquire, place in production and operate a mine. Historically, the Company (or its predecessor company, "Old Levon") has raised funds to fund its operations through equity financing and the exercise of options and warrants.

The Company owns 100% of the Cordero Project, which is located 35 km northeast of the town of Hidalgo Del Parral, in the southern part of the state of Chihuahua in north central Mexico. In February of 2009, the Company commenced field work on the Cordero Project exploring for large scale, bulk tonnage, porphyry type Ag, Au, Zn, Pb deposits, a number of which have been recently discovered in similar geologic settings in central and north central Mexico (Penasquito, Pitarrilla, Camino Rojo and others). The Cordero Project is held through the Company's wholly-owned Mexico subsidiary company Minera Titan S.A. de C.V. ("Minera Titan").

CORPORATE DEVELOPMENTS – HIGHLIGHTS FOR THE QUARTER ENDED JUNE 30, 2017

As at June 30, 2017, the Company had working capital of $9,384,380, including cash of $2,264,269 and investments of $7,271,700.

During the quarter ended June 30, 2017, the Company reported a net loss of $1,200,746, which included an impairment charge of $318,298 on investments and a foreign exchange loss of $20,364.

On May 15, 2017, the Company commenced a 5,000 metre core infill drilling campaign at the Cordero Project on a central part of the 2014 resource to explore for improved near surface resource grades. The holes are being drilled in the Cordero Felsic Dome Complex (central) portion of the resource that spans four host igneous intrusive centers and, if the drilling is successful, results can improve the projected economics of a starter open pit being evaluated by the Company's mining engineering consultants.

The Company reported expenditures during the quarter relating to the Cordero Project amounting to $473,540, which reflects expenditures incurred in connection with the infill drill program.

Subsequent to the quarter end, In July 2017, the Company recovered approximately $96,000 of value added tax in Mexico. In addition the Company was paid interest of approximately $30,000 in connection with its VAT refund.

OVERVIEW OF THE CORDERO SILVER, ZINC, LEAD, GOLD PROJECT, MEXICO

Cordero Silver, Zinc, Lead, Gold Project, Mexico

The Company's wholly owned Cordero-Sanson Project ("the Cordero Project") is located 35 km northeast of the town of Hidalgo Del Parral, in the southern part of the state of Chihuahua in north central Mexico. In February of 2009, the Company commenced field work on the Cordero Project exploring for large scale, bulk tonnage, porphyry type Ag, Zn, Pb, Au deposits, a number of which have been recently discovered in similar geologic settings in central and north central Mexico (Penasquito, Pitarrilla, Camino Rojo and others).

Old Levon optioned the Cordero property through a joint venture agreement with VHV in 2009 to explore and develop the property as operator from the beginning of the joint venture.

The Cordero Project mining claims are all unpatented federal lode mining claims under Mexican law, which provide mineral exploration and mining rights. The annual assessment on the mining claims are all owned and administered and maintained by Minera Titan.

The Cordero Project consists of approximately 37,000 hectares of contiguous mining claims covering the entire Cordero district and is wholly-owned by Minera Titan, which is a Mexico company wholly-owned by Levon. The claims were mostly acquired by staking (concesionas mineras), except the optioned claims that cover the resource area, which were purchased in 2013 and 2014.

In 2013, Old Levon exercised an option to purchase agreements on two inlying claim blocks over a discovery area and also purchased and explored the Aida claim in the center of the discovery area and staked additional contiguous claims to the north, south and southwest.

In 2014, Minera Titan staked an additional 17,170 hectares to the west and south of its then 20,000 hectare claim position in order to cover altered and mineralized rocks and the prospective strike extensions of Cordero mineralized belts. In 2015, 7,452 hectares of the claims staked in 2014 were granted. The total number of hectares ultimately approved by the Mexican mining authorities may be different than the total new area staked. Should all claims receive approval, the total area covered by the Levon claims will be increased to 37,000 hectares.

The Company's exploration has covered the property and focused mainly on discovery and resource definition and expansion drilling within the central part of the Cordero Project Porphyry Belt defined in a southern tier of the main claim block. The Cordero Porphyry Belt is defined through 15 km of strike with widths from 3-5 km, by six mineralized porphyry and diatreme intrusive centers. Three of eight Phase1 exploration holes in 2009 were discovery holes in the central part of the Belt. The discovery holes intersected economic metal grades over mineable, bulk tonnage widths (news release November 3, 2009). Over the next six years, Levon followed up the discovery holes with exploration offset and grid drilling to define mineral resources, which have been updated as the discovery has expanded through four Phases of accelerated drilling. An initial NI 43-101 compliant mineral resource report was published June 21, 2011 (news release of June 12, 2011) with an updated resources announced on June 19, 2012 (NI 43-101 report filed on July 31, 2012 and then amended May 8, 2013) (news release of May 15, 2013). The resource was then open to expansion on its perimeter and at depth and onto the Aida claim at its centre, which at the time was not controlled by the Company.

On January 30, 2012, a first and favorable Preliminary Economic Assessment (PEA) was published on the then current exploration results (news release of January 30, 2012). The PEA was constrained to only the upper 30% of the resource located off of the Aida claim since at that time the claim was not owned and the Aida claim was in the center of the resource. The PEA was thus an interim document to be updated in the future.

The PEA was a collaboration between M3 and IMC. Herbert E. Welhener, MMSA-QPM, SME Registered Member #3434330RM, of IMC who is the independent Qualified Person calculated the resource. M3 Engineering & Technology completed the PEA. The PEA was announced January 30, 2012, published on March 12, 2012, amended on May 8, 2013. The PEA was derived by considering the uppermost 30% portion of the first resource outside a central claim that was not owned by the Company. The PEA considers mining through the Stage 4 open pits of the 8 stage modeled open pits of the 2011 resource (which excluded entirely the Aida claim geometry). The PEA projects a pre-tax Internal Rate of Return (IRR) of 19.5 % and an after-tax IRR of 14.8% (at a silver price of $25.15/oz., gold price of $1,384.77/oz., zinc price of $0.91 per pound, and lead price of $0.96 per pound) over a projected 15 years to complete the first four stages of open pit mining. The potential metal production over the 15 years of mining is 131,156,000 ounces of silver, 190,000 ounces of gold, 1,373,359,000 pounds of zinc, and 1,033,407,000 pounds of lead. Mill feed production rates are estimated at 40.0 thousand tonnes per day (Tpd) or 14.6 million tonnes per year. The capital cost of the project is estimated to be $646,800,000, with operating costs (mine, mill, process plant, operating, general administration, treatment, and transportation charges) estimated at $13.82 per tonne. The PEA and market down turn in 2012-2013 was used as leverage to negotiate and purchase the Aida claim outright for a cash payment in mid-2013.

A PEA should not be considered to be a prefeasibility or feasibility study, as the economics and technical viability of the Project have not been demonstrated at this time.

In 2013, Old Levon purchased the Aida claim outright and completed exploration and grid drilling across the claim with better than expected results (news release of April 30, 2014 and supporting materials of April 30, 2014). The Aida claim drill results were sufficient to require a 2014 update of the Cordero resource (news release September 3, 2014, corrected September 5, 2014), which is supported by the NI 43-101 Technical Report (dated October 15, 2014) filed with SEDAR (see profile of VBI Vaccines Inc. on www.sedar.com).

To date, a total of 274 core holes (126,916 m) have been drilled at Cordero including the expansion and resource definition drilling and initial exploration drilling in outlying targets. The outlying target drilling encountered mineralization in each of the targets for future exploration follow up, but the focus has been on expanding the bulk tonnage, open pit resource.

The updated 2014 Cordero resource extends across the entire Aida claim from the surface to depth in the center of the past calculated resources. The resource is constrained and tabulated within the geometry of a revised open pit, and includes an indicated resource containing 488,494,796 ounces (ozs) silver, 1,366,129 ozs gold, 9.0 billion pounds (B lbs) zinc and 4.7 B lbs lead in 848.5 million tonnes (M t) of material grading 41.03 silver equivalent grams per tonne (g/t), including 17.91 g/t silver, 0.05 g/t gold, 0.479 percent (%) zinc, and 0.254 % lead, at a cut-off grade of 15 g/t silver equivalent. The open pit resource geometry contains an additional inferred resource of 44,448,039 ozs silver, 84,746 ozs gold, 663,311 million pounds (M lbs) zinc, 396,532 M lbs lead within 92,158 million tonnes of material grading 31.4 g/t silver equivalent including 15.00 g/t silver, 0.029 g/t gold, 0.327% zinc, and 0.195 % lead at a cut-off grade of 15 g/t silver equivalent (Table 1). The open pit resource shell measures 2.5 kilometers by 1.6 kilometers and is 990 meters deep with a low overall strip ratio of 1.20 waste to mineralized material. A map and cross sections of the open pit may be viewed on Levon's website (www.levon.com) and in the report posted on SEDAR (see profile of VBI Vaccines Inc. on www.sedar.com). It is important to understand that the 2014 resource has not been delineated and is open to expansion at depth and around most of its perimeter. Since the resource is contained within a model pit, the strip ratio (waste to ore) includes undrilled material within proximal resource targets that require drilling to delineate the resource.

The 2014 mineral resource is based on 120,239 meters (m) of drilling in 245 core holes which is an addition of 19,396 m of drilling in 36 core holes over the drill information used for the June 2012 mineral resource estimate.

A summary of the updated resource estimate is shown in Table 1. Resource grades are expressed as silver equivalents, which equate to projected recovered metals. Silver equivalent is calculated using the most recent metallurgical testing recoveries for each metal. The resource shell is defined based on the deductions for mining and operating costs per tonne, including estimated transportation and refining costs for each metal in a projected mill concentrate (Table 2). Silver equivalents are calculated at $20 / oz silver, $1,250 / oz gold, 0.94 cents / lb zinc, and 0.95 cents / lb lead.

As with previous resource estimates, the 2014 Cordero resource is tabulated within an open pit geometry using an inverse distance estimation block model. The assay intervals are composited into 10 m bench height lengths for silver, gold, zinc and lead, which are estimated into a block model by inverse distance to the sixth power weighting. The 2014 updated resource modeling also incorporates the latest second round of metallurgical testing results built on the metallurgical testing of the first PEA and supervised by M3. The latest metallurgy indicates improved metal recoveries (NI 43-101 report of October 15, 2014) including for gold, which is included in the 2014 resource.

The 2014 Cordero resource estimate represents a 34% increase in indicated mineral resources over the July 2012 resource.

Table 1. Summary of the September 3, 2014 updated Cordero mineral resource.

Total Resource								Contained Metal			
Class	Cutoff AgEq, g/t	ktonnes	AgEq, g/t	Ag, g/t	Au, g/t	Zn, %	Pb, %	Ag oz	Au oz	Zn B lbs	Pb B lbs
Indicated	15	848,462	41.03	17.91	0.050	0.479	0.254	488,494,796	1,366,129	8.953	4.742
Inferred	15	92,158	31.39	15.00	0.029	0.327	0.195	44,448,039	84,746	0.663	0.367

Table 2. Silver equivalent calculation variables: metal prices, estimated recovery through a standard flotation mill with separate zinc and lead circuits, estimated away from property smelting and refining charges*.

Silver Equivalents Calculation Variables			
Metal	Metal Price	% Metal Recovery	Estimated smelter and refining charges
Ag	$20.00	85.0	$0.024/g
Au	$1,250.00	18.0	$0.00/g
Zn	$0.94	81.0	$0.32/lb
Pb	$0.95	80.0	$0.42/lb

**Costs used to define the resource shell include $6.00/t process cost, $0.75/t G&A, $1.75/t mining cost and the estimated TCRC costs.*

Exploration Potential

Cordero Project geology, metal assemblages and scale of the porphyry controlled mineralized centers recognized by Levon appear to be most analogous with the Penasquito mine of Goldcorp. The Company believes Cordero Project geology, mineralization and exploration results to date support and extend this geologic analogy. The best initial Cordero Project discovery was (hole C09-5) centered on a diatreme breccia (news release of November 3, 2009) directly analogous with the Penasquito open pit deposits.

The recognition of porphyry controlled Ag, Zn, Pb, Au mineralization 1 km to the northeast (discovery hole C09-8) (news release of November 3, 2009) lead to the application of porphyry exploration model, well known around the world, to guide Cordero Project exploration. The resource grid drilling defines a bulk tonnage mineralized zone about 3 km long and 2 km wide to maximum depths of 1.2 km. The mineralization is largely open to expansion by drilling strike and at depth.

Geologically important, younger porphyry style copper and molybdenite mineralization, has been intersected in a northeast part of the Cordero resource at depth (in hole C11-163 from 900 to 1,200 m) and also possible zinc porphyry, and replacement mineralization beneath the Pozo de Plata Diatreme. Both these geologic occurrences will require future deep exploration follow up.

Initial exploration drilling in eight outlying, standalone targets away from the resource encountered mineralization that requires future exploration drilling to fully evaluate the significance. Cordero geology, metal assemblages and scale of the porphyry controlled mineralized centers appear to be most analogous with the geology of the Penasquito mine of GoldCorp. We believe Cordero geology, mineralization and exploration results to date support this analogy and point to this scale of upside discovery potential at Cordero. Cordero is in the advanced resource delineation stage in and around the September 2014 published resource and the early exploration stage at depth beneath the resource and in outlying targets within the porphyry belts and the Perla mineralized volcanic centre.

2017 Infill Drill Program

In April 2017, the Company announced that it planned 5,000m (28 core holes) in close spaced, infill drilling within the Cordero Felsic Dome portion of the 2014 Cordero resource to test for near surface, high grade mineralization within the modeled open pit containing the 2014 Cordero resource, calculated by Independent Mining Consultants ("IMC") (news release of October 20, 2014).

In the face of low metal prices, Levon contracted IMC to study the possibility of the existence of a smaller starter pit within the 2014 Cordero resource. IMC modeled several possible starter open pits. Aida drill results in a central portion of the mineralized Cordero Felsic Dome, document that the resource is exposed at surface and a higher grade feeder zone was intersected by the drilling (news release of February 26, 2014). With these drill results, and additional detailed geological mapping performed by Levon in 2016, together with the IMC starter pit modeling, the Company has designed infill drilling within the 2014 Cordero resource to test for near surface higher grade material to improve a possible starter pit scenario, and further improve the stripping ratio by turning undrilled areas modelled as waste into resource (news release April 4, 2017).

Current detailed geologic surface mapping in 2016 and 2017, and past drill results reveal abundant multiple intrusives within the Cordero Felsic Dome Complex that range from several meters to 150 m in diameter, and the intrusives are generally enclosed in high grade, mineralized contact breccias that were often missed by the wider spaced resource grid drilling. Infill drilling is planned at 50 to 75 m centers in angle holes in targeted clustered intrusive areas to test for improved bulk tonnage grades.

A 3D reevaluation of all existing project data, and current geologic mapping reveals that the youngest intrusives within the Cordero Dome and the adjoining Pozo de Plata Diatreme, are silicified rhyolites that host the best gold in the resource. Best gold values of the resource to date are in the Pozo de Plata Diatreme. A 0.07 g/t Au shell within the resource extends from the Diatreme up into the Cordero Dome through the youngest silicified and veined rhyolite domes that form the highest peaks in the Cordero Dome Complex. The youngest rhyolites have not been drill tested for Au to date. About 50% of the planned 2017 drilling is aimed at starting to test the youngest rhyolite domes of the Cordero Felsic Dome Complex for Au.

The 2017 infill drilling program started on May 13, 2017(news release May 15, 2017) and is in progress as of the date of this MD&A and the Company currently is targeting the completion of the drill program by the end of August 2017. Once drilling is complete, the 2014 Cordero resource will be updated. The Company will also consider commissioning a PEA analysis.

Note: News releases dated prior to July 9, 2015 and technical reports relating to the Cordero Project referenced above in this section can be found on SEDAR at www.sedar.com under the profile of VBI Vaccines Inc.

Expenditures

The Company incurred the following exploration expenditures, which were expensed in the consolidated statement of operations and comprehensive loss for the three months ended June 30, 2017 and 2016:

Cordero Project		**Three months ended June 30, 2017**		**Three months ended June 30, 2016**
Drilling and exploration	$	286,410	$	17,610
Geological and management services		156,700		61,761
Mining rights		-		-
Payroll and general supplies		30,430		23,546
	$	**473,540**	**$**	**102,917**

Due to the current soft global metals market, the Cordero Project has been operated under a well-funded, safe and secure care and maintenance program, with minimized expenditures. Management's objective was to be able to seamlessly continue exploration and development in the future as market conditions warrant. As described above, in fiscal 2017, management initiated plans to commence the infill drill program, which commenced in May 2017. Operational expenditures relating to the Cordero Project amounted to $473,540 in the three month period ended June 30, 2017, as compared to $102,917 in the comparative year period, which reflects the increased activity related to the infill drill program.

The Company continues to adopt a technically oriented, conservative, exploration driven approach to advance Cordero as Levon's key asset; we believe the project has a robust long term future as a world class mine when metal prices cycle back upward.

For further details and maps of the Cordero Project, please see Levon Resource's website www.levon.com.

Other exploration and evaluation assets

During the period, the Company did not advance any exploration activity at any of its other non-material mineral properties.

For further information on other non-material properties held by the Company, refer to the Company's Annual Information Form ("AIF"), which is available on SEDAR at www.sedar.com under the Company's profile and its website, www.levonresources.com.

Levon continues its reconnaissance program to identify additional key Levon assets in other areas for properties with large scale, near term discovery potential. Property identifications and exams are proceeding in favorable mining jurisdictions.

Exploration and development risk

Exploration and development involves a high degree of risk and few properties are ultimately developed into producing mines. There is no assurance that the Company's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable. See "Business Risk Factors" herein, which refers the reader to the risk factors as set out in the Levon Resource's AIF for the year ended March 31, 2017, which is available on SEDAR at www.sedar.com under the Company's profile and its website, www.levon.com.

The Company's projections are estimates only based on management's assessment of facts at the time of the projections. Management believes these projections to be reasonable but actual results may differ.

For more information on risks and uncertainties facing the Company, refer to the section below named Business Risk Factors.

RESULTS OF OPERATIONS – THREE MONTHS ENDED JUNE 30, 2017

During the three month period ended June 30, 2017, the Company recorded a net loss of $1,200,746 (2016 - $596,128). The net loss for the period includes general and administrative expenses of $855,568 (2016 - $698,967), an impairment of investments charge of $318,298 (2016 - $Nil) and a foreign exchange loss of $20,364 (2016 - $184,444).

	Three months ended June 30, 2017	Three months ended June 30, 2016
Expenses		
Consulting and management fees	$ 226,810	$ 221,694
Exploration	473,540	102,917
General exploration	8,396	27,761
Listing and filing fees	18,795	14,036
Office, occupancy and miscellaneous	33,725	25,899
Professional fees	35,950	27,771
Share-based payments	21,556	269,374
Shareholder relations and promotion	29,061	4,138
Travel	7,735	5,377
Loss before other items	(855,568)	(698,967)
Finance income	1,314	3,415
Gain on disposal of mineral properties	-	150,000
Impairment of investment	(318,298)	-
Foreign exchange loss	(20,364)	(184,444)
Loss for before income taxes for the period	(1,192,196)	(729,996)
Deferred income tax (expense) recovery	(7,830)	133,868
Net loss for the period	**(1,200,746)**	**(596,128)**

The more significant items impacting the financial performance are discussed below:

Consulting and management fees

Consulting and management fees for the three-month period ended June 30, 2017, amounted to $226,810 (2016 - $221,694), which increased due to the impact of the US$ exchange rate on consulting and management fees incurred in $US.

Exploration expenditures

Exploration expenditures for the three-month period ended June 30, 2017, amounted to $473,540 (2016 - $102,917), which reflected a substantial increase attributable to the infill drill program at the Cordero Project that commenced in May 2017. Further detail for the Cordero expenditures is provided in "*Overview of the Cordero Silver, Gold, Zinc, Lead Project, Mexico*".

General exploration expenditures

General exploration expenditures for the three-month period ended June 30, 2017, amounted to $8,396 (2016 - $27,761), which decreased reflecting the focus during the period on the drill program at the Cordero Project and therefore a greater allocation of consulting fees paid to the Company's VP of Exploration to exploration expenditures.

Share-based payments

During the three-month period ended June 30, 2017, the Company recorded share-based compensation expense of $21,556 (2016 - $269,374). The share-based compensation expense is determined using the Black-Scholes option pricing model and the expense is recognized over the one-year vesting period of the options. The expense in the current period relates to 500,000 options granted in August 2016 while the prior year expense relates to 11,850,000 stock options granted to directors, officers and consultants of the Company in November 2015.

Shareholder relations and promotion

During the three-month period ended June 30, 2017, the Company recorded share-based compensation expense of $29,061 (2016 - $4,138). The Company invested during the period in a broader investor relations program to increase investor and shareholder reach and awareness, which was coordinated with the timing of the infill drill program at Cordero.

Gain on disposal of mineral properties

On April 20, 2016, the Company divested its 50% undivided interest in its Gold Bridge / BRX claims and recorded a gain of $150,000.

Impairment

The Company recorded an impairment at June 30, 2017, of $318,298 (2016 - $Nil) to reflect the further decline in the fair value of its investment in Pershing Gold Corporation below its carrying cost on March 31, 2017 (date of last recorded impairment).

Foreign exchange

The Company recorded a foreign exchange loss during the three-month period ended June 30, 2017, of $20,364 (2016 - $184,444) attributable to changes in C$ relative to the US$ and MXN Peso during the respective periods and the effect of translating US$ and MXN Peso net monetary assets to C$ at the reporting date. The impact of a modest changes of the C$ relative to the MXN Peso and US$ during the current period on the IVA receivable and US$ cash balances, respectively, accounts for substantially for the foreign exchange net loss during the period.

Other comprehensive loss/ income

In addition, the Company recorded during the three-month period ended June 30, 2017, in other comprehensive income an unrealized loss on its available-for-sale investments of $60,233 (2016 - gain of $1,029,752) attributable to decrease in the fair value of the Great Thunder Gold shareholding (2016 - an increase in the fair value of the Company's shareholding in Pershing Gold and the Great Thunder Gold shareholding). The unrealized loss on the Great Thunder shareholding gives rise to deferred income tax recovery of $7,830 reported in reported in other comprehensive loss in the three-month period ended June 30, 2017 (2016 - expense of $133,868), and a corresponding deferred income tax expense of $7,830 in net loss (2016 – tax recovery of $133,868).

SUMMARY OF QUARTERLY RESULTS

Period ended	Jun 30 2017 Q1	Mar 31 2017 Q4	Dec 31 2016 Q3	Sep 30 2016 Q2	Jun 30 2016 Q1	Mar 31 2016 Q4	Dec 31 2015 Q3	Sep 30 2015 Q2
Loss before other items	$(855,568)	$ (721,316)	$ (691,830)	$(785,723)	$(698,967)	$(1,136,487)	$(905,161)	$(648,672)
Net loss	$(1,200,746)	$(2,957,948)	$(1,100,378)	$(758,998)	$(596,128)	$(5,009,120)	$ (68,458)	$(952,884)
Basic and diluted loss per share	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.04)	$ (0.00)	$ (0.01)

The loss arising in the quarter ended September 30, 2015 reflected the acquisition and assumption of the Old Levon assets and liabilities on July 9, 2015 pursuant to the completion of the Arrangement. The Company had no income or expenses prior to that time since its incorporation on February 18, 2015. The increased loss before other items in the quarter ended December 31, 2015, includes share-based compensation of $464,184 and the net loss reflects a realized gain on investment of $700,000. The loss in the quarter ended March 31, 2016, includes a charge for an impairment of investments of $4,144,425. The loss in the quarter ended June 30, 2016, includes share-based compensation of $269,374, which is partly offset by a gain on disposal of mineral properties of $150,000. The increased loss in the quarter ended September 30, 2016, reflects higher exploration expenses relating to the payment of concession taxes of $128,757 for the Cordero Project. The increased loss in the quarter ended December 31, 2016 is impacted by a deferred income tax expense of $405,898 offsetting a deferred tax recovery recorded in other comprehensive loss in connection with unrealized losses in investments during the quarter. The losses in the quarters ended March 31, 2017 and June 30, 2017, reflect charges for an impairment of investments of $2,619,041 and $318,298, respectively.

LIQUIDITY AND CAPITAL RESOURCES

The Company acquired from Old Levon pursuant to the Arrangement cash of $5,149,205 and investments with a fair value at the time of $14,172,338. The Company has no other history of raising capital other than through the exercise of stock options during the current quarter. Historically, Old Levon has financed its operations to date through the issuance of common shares. Currently, the Company has sufficient working capital to complete its current infill drill program and cover its operating overheads for the next twelve months. However, the Company may need to divest investments to realize funds to fully cover its funding requirements over that period.

The Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The recoverability of the carrying value of exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations or the ability of the Company to raise alternative financing. The outcome of these matters cannot be predicted at this time. 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.

As at June 30, 2017 the Company had cash of $2,264,269 and working capital $9,384,380.

Period ended	June 30, 2017	March 31, 2017
Cash	$ 2,264,269	$ 3,096,105
Working capital	$ 9,384,380	$ 10,698,390
Deficit	$ 12,644,660	$ 11,443,914

Working capital at June 30, 2017 represents the fair value of the cash, investments, amounts receivable and prepaid expenses less accounts payable and accrued liabilities and due to related parties. Working capital decreased during the three months ended June 30, 2017 by $1,314,010 due to a decrease in cash to fund operating costs (including the infill drill program) and the decrease in the fair value of the Company's investments.

In July 2017, the Company recovered approximately $96,000 of value added tax in Mexico. In addition the Company was paid interest of approximately $30,000 in connection with its VAT refund.

CASH FLOW

	Three months ended June 30, 2017	Three months ended June 30, 2016
Cash used in operating activities	$ (778,331)	$ (395,072)
Cash provided by investing activities	-	-
Cash provided by financing activities	-	-
Decrease in cash and cash equivalents	$ (778,331)	$(395,072)
Foreign exchange effect on cash	(53,505)	(16,598)
Cash balance, beginning of the year	3,096,105	4,883,196
Cash balance, end of the period	$ 2,264,269	$4,471,526

Operating Activities:

Cash used in operating activities for the three months ended June 30, 2017 was $778,331 as compared to $395,072 in the prior year. The cash used in operating activities is mainly attributed to general and administrative and exploration expenditures incurred during the period. The higher cash used in operating activities during the three months ended June 30, 2017 is substantially attributable to increased exploration expenditures associated with the infill drill program that commenced in May 2017.

Investing Activities:

There were no investing activities during the three months ended June 30, 2017 and 2016.

Financing Activities:

There were no financing activities during the three months ended June 30, 2017 and 2016.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

Key management transactions

The Company has identified its directors and certain senior officers as its key management personnel. The total compensation paid or payable to the directors, CEO, CFO, VP Exploration and Corporate Secretary of the Company for years ended June 30, 2017 and 2016 are as follows:

	Three months ended June 30, 2017	Three months ended June 30, 2016
Consulting and management fees (i)(ii)	$ 183,245	$ 165,161
Share-based compensation	-	227,534
	$ 185,245	$ 392,695

(i) For the three months ended June 30, 2017, $24,140 (2016 – $9,604) was included as exploration expenses and $6,036 (2016 – $9,604) was included as general exploration expenses.
(ii) Consulting and management fees were paid to private companies controlled by the CEO, CFO, VP Exploration and Corporate Secretary of the Company.

Due to related parties

As at June 30, 2017, the due to related parties balance includes $32,034 owing to key management personnel (March 31, 2017 - $34,779).

Commitments with related parties

The Company has commitments for future minimum payments in respect of consulting agreements with key management as follows:

	June 30, 2017
Not later than one year	$ 525,569
Later than one year and no later than five years	233,586
	$ 759,155

Included in the above table are the following consulting contracts with key management:

(i) A consulting agreement with the Company's VP Exploration with a five year term ending June 30, 2020, which may be terminated by the Company at any time by paying USD $22,500 plus USD $7,500 for each whole or partial year since the effective date.
(ii) A consulting agreement with the Company's CEO with a three year term ending June 30, 2018, which may be terminated by the Company at any time by paying USD $825,000. The Company is committed to pay the CEO USD $750,000 in the event of a change in control of the Company.
(iii) A consulting agreement with a company controlled by a director of the Company providing financial management and advisory services with a one-year term expiring on September 30, 2017. The Company is committed to pay a success fee of 4% on any amount raised for the Company.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions.

ACCOUNTING POLICIES AND ESTIMATES

Accounting policies

The Financial Statements have been prepared in accordance with IAS 34, "Interim financial reporting". The accounting policies adopted in the Financial Statements are consistent with those adopted in and set out in Note 3 to the Company's audited financial statements as at and for the year ended March 31, 2017.

Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. Actual results may differ from those estimates.

In preparing the Financial Statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those in the Company's audited financial statements as at and for the year ended March 31, 2017.

BUSINESS RISK FACTORS

This MD&A contains forward-looking statements that involve risk and uncertainties. In addition to the other information presented in this MD&A, in evaluating the Company and its business the readers should consider carefully the risk factors set out in the Company's AIF for the year ended March 31, 2017, which is available on SEDAR (www.sedar.com).

The Company's actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in the Company's AIF for the year ended March 31, 2017, and elsewhere in this MD&A.

FAIR VALUE MEASUREMENTS

The Company measures certain of its financial assets at fair value on a recurring basis and these are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis. There are three levels of the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 inputs having the highest priority.

The levels of the fair hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Cash equivalents are comprised of cashable GICs and are carried at fair value in accordance with Level 1 of the fair value hierarchy. Investment securities are accounted for at fair value based on quoted market prices in accordance with Level 1 of the fair value hierarchy. The carrying amount of reclamation deposits approximate their fair value in accordance with Level 2 of the fair value hierarchy as the stated rates approximate market rates of interest.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as at June 30, 2017.

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 2,264,269	$ -	$ -
Investments	$ 7,271,700	$ -	$ -
Reclamation deposits	$ -	$ 32,629	$ -

OUTSTANDING SHARE DATA

The following is the Company's outstanding share data:

Common Shares: 121,671,693 issued and outstanding as at June 30, 2017 and August 10, 2017.

Stock Options: 10,221,000 outstanding as at June 30, 2017 and August 10, 2017.

COMMITMENTS

In addition to the commitments pursuant to consulting agreements with key management set out in "*Related Party Transactions*", the Company's commitment for future minimum payments in respect of operating lease agreements is as follows:

		June 30, 2017		March 31, 2017
Not later than one year	$	35,682	$	41,307
Later than one year and no later than five years		12,538		17,240
	$	48,220	$	58,547

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with IFRS. Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

The Company's internal controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the consolidated financial statements.

Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's internal controls over financial reporting as at March 31, 2017. There has been no change in the Company's internal controls over financial reporting that occurred during the three months ended June 30, 2017 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting, and management has concluded that the Company's internal controls are effective as at June 30, 2017.

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 **August 10, 2017**. 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. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. 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, except as required by law. 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. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by forward-looking statements contained in this MD&A, include but are not limited to risks and uncertainties related to international operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of silver, gold and other resources; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those risk factors outlined in the Company's most recent Annual Information Form, which is available on SEDAR at www.sedar.com under the Company's profile.