

LEVON RESOURCES LTD.
(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements - Unaudited

For the three and six months ended September 30, 2017
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2017	March 31, 2017
ASSETS		
Current		
Cash and cash equivalents	\$ 936,765	\$ 3,096,105
Amounts receivable	10,795	14,281
Prepaid expenses	23,324	23,092
Investments (Note 3)	7,330,717	7,650,231
	8,301,601	10,783,709
Non-current assets		
Reclamation deposits (Note 4)	32,629	32,629
Value added tax receivable (Note 5)	1,739,956	1,751,783
Exploration and evaluation assets (Note 6)	50,000,000	50,000,000
Property and equipment	17,226	20,963
	51,789,811	102,056,075
Total Assets	\$ 60,091,412	\$ 62,589,084
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 98,288	\$ 50,540
Due to related parties (Note 8)	5,698	34,779
	103,986	85,319
Total Liabilities	103,986	85,319
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	72,461,530	72,461,530
Contributed surplus	1,424,305	1,394,091
Accumulated other comprehensive income	90,999	92,058
Deficit	(13,989,408)	(11,443,914)
	59,987,426	62,503,765
Total Equity	59,987,426	62,503,765
Total Liabilities and Shareholders' Equity	\$ 60,091,412	\$ 62,589,084

Approved on behalf of the Board:

"Edward Karr"

Director

"Ron Tremblay"

Director

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Operations and Comprehensive Income
(Expressed in Canadian Dollars)

	Three months ended September 30, 2017	Three months ended September 30, 2016	Six months ended September 30, 2017	Six months ended September 30, 2016
Expenses				
Consulting and management fees (Note 8)	\$ 211,953	\$ 221,184	\$ 438,763	\$ 442,878
Exploration (Notes 6 and 8)	895,902	222,241	1,369,442	325,158
General exploration (Notes 6(e) and 8)	6,585	20,653	14,981	48,414
Listing and filing fees	2,516	10,320	21,311	24,356
Office, occupancy and miscellaneous	31,851	37,561	65,576	63,460
Professional fees	3,238	29,368	39,188	57,139
Share-based payments (Notes 7 and 8)	8,658	195,459	30,214	464,833
Shareholder relations and promotion	25,135	23,828	54,196	27,966
Travel	16,759	25,109	24,494	30,486
	(1,202,597)	(785,723)	\$ (2,058,165)	(1,484,690)
Finance income	29,762	2,567	31,076	5,982
Gain on disposal of mineral properties (Note 6(d))	-	-	-	150,000
Impairment of investments (Note 3)	-	-	(318,298)	-
Foreign exchange loss	(179,586)	(59,766)	(199,950)	(244,210)
Loss before income taxes	(1,352,421)	(842,922)	(2,545,337)	(1,572,918)
Deferred income tax recovery (expense)	7,673	83,924	(157)	217,792
Net loss for the period	(1,344,748)	(758,998)	(2,545,494)	(1,355,126)
Other comprehensive income (loss)				
Items that will be reclassified to net loss				
Unrealized gain (loss) on investments (Note 3)	59,017	645,567	(1,216)	1,675,319
Deferred income tax (expense) recovery	(7,673)	(83,924)	157	(217,792)
Other comprehensive income (loss), net of tax	51,344	561,643	(1,059)	1,457,527
Total comprehensive (loss) income for the period	\$ (1,293,404)	\$ (197,355)	\$ (2,546,553)	\$ 102,401
Loss per share, basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding				
	121,671,693	120,861,939	121,671,693	120,205,920

The accompanying notes are an integral part of these consolidated financial statements.

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total shareholders' equity
At March 31, 2016	119,542,693	\$ 71,869,874	\$ 976,864	\$ (51)	\$ (6,030,462)	\$ 66,816,225
Exercise of stock options	1,941,500	540,075	(229,435)	-	-	310,640
Share-based payments	-	-	464,833	-	-	464,833
Net loss for the period	-	-	-	-	(1,355,126)	(1,355,126)
Total other comprehensive income for the period	-	-	-	1,457,527	-	1,457,527
At September 30, 2016	121,484,193	\$ 72,409,949	\$ 1,212,262	\$ 1,457,476	\$ (7,385,588)	\$ 67,694,099
Exercise of stock options	187,500	51,581	(21,581)	-	-	30,000
Share-based payments	-	-	203,410	-	-	203,410
Net loss for the period	-	-	-	-	(4,058,326)	(4,058,326)
Total other comprehensive loss for the period	-	-	-	(1,365,418)	-	(1,365,418)
At March 31, 2017	121,671,693	\$ 72,461,530	\$ 1,394,091	\$ 92,058	\$ (11,443,914)	\$ 62,503,765
Share-based payments	-	-	30,214	-	-	30,214
Net loss for the period	-	-	-	-	(2,545,494)	(2,545,494)
Total other comprehensive loss for the period	-	-	-	(1,059)	-	(1,059)
At September 30, 2017	121,671,693	\$ 72,461,530	\$ 1,424,305	\$ 90,999	\$ (13,989,408)	\$ 59,987,426

The accompanying notes are an integral part of these consolidated financial statements.

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Six months ended September 30, 2017	Six months ended September 30, 2016
Operating activities		
Net loss for the period	\$ (2,545,494)	\$ (1,355,126)
Items not involving cash:		
Depreciation	3,737	7,624
Share-based payments (Note 7)	30,214	464,833
Gain on disposal of mineral properties (Note 6(d))	-	(150,000)
Impairment of investments (Note 3)	318,298	-
Unrealized foreign exchange	209,188	247,228
Deferred income tax	157	(217,792)
Changes in non-cash working capital items:		
Amounts receivable	(58,927)	(18,957)
Prepaid expenses and deposits	(251)	(6,461)
Accounts payable and accrued liabilities	51,345	27,495
Due to related parties	(29,081)	13,422
Cash used in operating activities	(2,020,814)	(987,734)
Financing activities		
Proceeds from stock option exercises	-	310,640
Cash provided by financing activity	-	310,640
Foreign exchange effect on cash	(138,526)	10,751
Decrease in cash and cash equivalents	(2,159,340)	(666,343)
Cash and cash equivalents, beginning of the period	3,096,105	4,883,196
Cash and cash equivalents, end of the period	\$ 936,765	\$ 4,216,853
Cash and cash equivalents consists of:		
Cash	\$ 187,661	\$ 240,789
Cash equivalents	749,104	3,976,064
	\$ 936,765	\$ 4,216,853
Supplemental cash flow information		
Interest received	\$ 34,699	\$ 11,957

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Levon Resources 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.

These condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company’s continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

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

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

Basis of presentation

These condensed interim consolidated financial statements are expressed in Canadian dollars, the Company’s functional currency, and have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The accounting policies set out in Note 3 of the Company’s audited financial statements as at and for the year ended March 31, 2017, have been applied in preparing these condensed interim consolidated financial statements.

Approval of the condensed interim consolidated financial statements

These condensed interim consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 9, 2017.

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)
Six months ended September 30, 2017

3. INVESTMENTS

At September 30, 2017, the Company held investments as follows:

	Quantity of Common Shares	Cost Less Accumulated Impairments	Accumulated Unrealized Gains	Fair Value
Available-for-sale				
Pershing Gold Corporation (i)	1,954,366	\$ 7,075,944	\$ 119,250	\$ 7,195,194
Great Thunder Gold Corp.	3,011,632	150,174	(14,651)	135,523
Balance at September 30, 2017		\$ 7,226,118	\$ 104,599	\$ 7,330,717

- (i) As the Company previously recorded an impairment charge as of March 31, 2017 on its investment in Pershing Gold Corporation, the subsequent decline in fair value of \$318,298 was recognized immediately as an impairment charge in the consolidated statements of operations and comprehensive income for the three month period ended June 30, 2017. The increase in fair value of \$119,250 during the three month period ended September 30, 2017 was recorded in other comprehensive income.

At March 31, 2017, the Company held investments as follows:

	Quantity of Common Shares	Cost Less Accumulated Impairments	Accumulated Unrealized Gains	Fair Value
Available-for-sale				
Pershing Gold Corporation (i)	1,954,366	\$ 7,394,242	-	\$ 7,394,242
Great Thunder Gold Corp.	3,011,632	150,174	105,815	255,989
Balance at March 31, 2017		\$ 7,544,416	\$ 105,815	\$ 7,650,231

- (ii) At March 31, 2017, the Company determined that the significant decline in the fair value of its investment in Pershing Gold Corporation below its cost is objective evidence of impairment. The Company transferred the unrealized loss from other comprehensive loss and recorded an impairment charge of \$2,619,041 in the consolidated statements of operations and comprehensive loss for the year ended March 31, 2017.

4. RECLAMATION DEPOSITS

The Company has pledged specified term deposits as security for reclamation permits, as required by certain government agencies. The Company has a varying number of deposits on hand ranging from \$1,000 to \$6,000 with maturity dates ranging from October 31, 2017 to September 19, 2018, with interest rates from 0.45% to 0.50%. These deposits are renewed annually.

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(Expressed in Canadian Dollars)
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5. VALUE ADDED TAX RECEIVABLE

VAT or “Impuesto al Valor Agregado” (“IVA”) receivables are generated on the purchase of supplies and services by the Company’s Mexican subsidiaries and are refundable from the Mexican government. As at September 30, 2017, the amount of VAT due from the Mexican tax authorities is \$1,739,956 (March 31, 2017 - \$1,751,783).

In July 2017, the Company recovered approximately \$96,000 of value added tax. In addition the Company was paid interest of approximately \$30,000 in connection with its VAT refund. Subsequent to the period, the Company recovered further value added tax of approximately \$26,000 and was paid interest of approximately \$3,000.

At September 30, 2017, there are no indications to suggest that the Company’s Mexican value added tax is not recoverable.

6. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition expenditures:

	Cordero
Balance, September 30, 2017 and March 31, 2017	\$ 50,000,000

The Company incurred the following exploration expenditures, which were expensed in the consolidated statements of operations and comprehensive income for the three and six month periods ended September 30, 2017 and 2016:

	Three months ended September 30, 2017	Three months ended September 30, 2016	Six months ended September 30, 2017	Six months ended September 30, 2016
Cordero (Note 6(a))				
Drilling and exploration	\$ 613,930	\$ 19,390	\$ 900,340	\$ 37,000
Geological and management services	89,898	56,510	246,598	118,271
Mining rights	166,332	128,757	166,332	128,757
Payroll and general supplies	25,742	17,584	56,172	41,130
	\$ 895,902	\$ 222,241	\$ 1,369,442	\$ 325,158

(a) Cordero Sanson

The Cordero property is located near Hidalgo Del Parral, Chihuahua, Mexico. The Cordero mining claims are comprised of claims wholly owned by VHV by agreement with long-standing ranch families and small local mining companies, and certain other claims that were staked by the Company.

(b) Congress claims

The Company owns a 50% leasehold interest in certain claims in the Lillooet Mining Division, British Columbia.

6. EXPLORATION AND EVALUATION ASSETS (continued)

(c) Wayside claims

The Company owns certain mineral claims in the Lillooet Mining Division, British Columbia.

(d) Gold Bridge claims (BRX Project)

On April 20, 2016, the Company divested its 50% undivided interest in and to nine mineral claims known as the BRX claims located in the Gold Bridge area, Lillooet Mining Division, British Columbia, to Great Thunder, the holder of the remaining 50% undivided interest, in exchange for 3,000,000 common shares in Great Thunder and a net smelter return royalty ("NSR") equal to 2.5% with respect to the claims. The Company recorded a gain on the disposal of the Gold Bridge claims of \$150,000 in the consolidated statements of operations and comprehensive income in the three month period ended June 30, 2016.

- (e)** During the three and six month periods ended September 30, 2017, the Company also incurred general exploration expenditures of \$6,585 (2016 - \$20,653) and \$14,981 (2016 - \$48,414, respectively, in connection with its exploration properties, and due diligence and exploration on mining projects.

Realization of 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.

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, 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.

Title to exploration and evaluation assets

Although the Company has taken steps to verify 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 an undetected defect.

Environmental

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.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Environmental (continued)

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.

7. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued

There were no common shares issued during the six month period ended September 30, 2017.

During the six month period ended September 30, 2016, the Company issued 1,941,500 shares pursuant to exercises of stock options raising cash proceeds for the Company of \$310,640. In connection with the exercise of stock options the Company allocated \$229,435 from contributed surplus to share capital.

Stock options

The Company has a stock option plan implemented in 2015 (the "Plan") authorizing the grant of stock options. Pursuant to the Plan, the Company may grant stock options totaling in aggregate up to 10% of the Company's total number of shares issued and outstanding on a non-diluted basis. The Plan provides for the granting of stock options to Eligible Persons (as defined by the policies of the TSX) up to a limit of 5% of the Company's total number of issued and outstanding shares per year.

The Plan provides for the vesting of stock options over a period of one year or as otherwise determined by the Company's Board of Directors at the time of the grant. The option price must be greater than or equal to the discounted market price on the grant date and the option expiry date cannot exceed five years from the grant date.

There was no stock option activity during the six month period ended September 30, 2017. During the six month period ended September 30, 2016, 500,000 stock options were granted at a weighted average price of \$0.64 per share, and 1,941,500 stock options were exercised at a weighted average price of \$0.16 per share.

LEVON RESOURCES LTD.
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Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)
Six months ended September 30, 2017

7. SHARE CAPITAL (continued)

Stock options (continued)

A summary of stock options outstanding and exercisable as at September 30, 2017 and March 31, 2017 is as follows:

Expiry Date	Exercise Price	Stock Options Outstanding		Stock Options Exercisable	
		September 30, 2017	March 31, 2017	September 30, 2017	March 31, 2017
November 3, 2020	\$ 0.16	9,721,000	9,721,000	9,721,000	9,721,000
August 17, 2021	\$ 0.39	500,000	500,000	500,000	250,000
		10,221,000	10,221,000	10,221,000	9,971,000

Share-based payment expense is measured at fair value and recognized over the vesting period from the date of the grant. For the three and six month periods ended September 30, 2017, share-based payment expense of \$8,658 (2016 - \$195,459) and \$30,214 (2016 - \$464,833), respectively, was recognized in the consolidated statements of operations and comprehensive income.

8. 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 three and six month periods ended September 30, 2017 and 2016 are as follows:

	Three months ended September 30, 2017	Three months ended September 30, 2016	Six months ended September 30, 2017	Six months ended September 30, 2016
Consulting and management fees (i)(ii)	\$ 173,810	\$ 181,134	\$ 357,055	\$ 346,295
Share-based compensation	-	112,100	-	339,634
	\$ 173,810	\$ 293,234	\$ 357,055	\$ 685,929

- (i) For the six month period ended September 30, 2017, \$46,618 (2016 – \$24,274) was included as exploration expenses and \$11,655 (2016 – \$24,274 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 September 30, 2017, the due to related parties balance includes \$5,698 owing to key management personnel (March 31, 2017 - \$34,779).

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)
Six months ended September 30, 2017

8. RELATED PARTY TRANSACTIONS (continued)

Commitments with related parties

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

	September 30, 2017
Not later than one year	\$ 486,720
Later than one year and no later than five years	102,960
	\$ 589,680

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 ending September 30, 2017. Subsequent to the quarter end, the Company extended the consulting agreement for a further one-year term effective on October 1, 2017. The Company is committed to pay a success fee of 4% on any amount raised for the Company.

9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration and development of mineral properties.

10. COMMITMENTS

The Company's commitments for future minimum payments in respect of operating lease agreements as at September 30, 2017 and March 31, 2017 are as follows:

	September 30, 2017	March 31, 2017
Not later than one year	\$ 30,057	\$ 41,307
Later than one year and no later than five years	7,836	17,240
	\$ 37,893	\$ 58,547

11. 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.

LEVON RESOURCES LTD.
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(Expressed in Canadian Dollars)
Six months ended September 30, 2017

11. FAIR VALUE MEASUREMENTS (continued)

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 September 30, 2017.

	Level 1		Level 2		Level 3	
Cash and cash equivalents	\$	936,765	\$	-	\$	-
Investments	\$	7,330,717	\$	-	\$	-
Reclamation deposits	\$	-	\$	32,629	\$	-

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as at March 31, 2017.

	Level 1		Level 2		Level 3	
Cash and cash equivalents	\$	3,096,105	\$	-	\$	-
Investments	\$	7,650,231	\$	-	\$	-
Reclamation deposits	\$	-	\$	32,629	\$	-