LEVON RESOURCES LTD.
(An Exploration Stage Company)

Financial Statements
June 30, 2006
(Canadian Dollars)

The accompanying Financial Statements for the three months ended June 30, 2006 have not been reviewed or audited by the Company's Auditors.

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Balance Sheets
June 30, 2006 and March 31, 2006
(Canadian Dollars)

		June 30, 2006 Unaudited		March 31, 2006 Audited
Assets				
Current				
Cash	$	790,771	$	732,829
Cash, exploration funds		205		1,694
Accounts receivable and prepaid expense		57,884		60,090
Investments		39,452		39,452
Due from related parties (note 8)		94,153		94,153
		982,465		928,218
Security Deposits		45,912		45,912
Investment in Resource Properties (note 5)		568,920		549,051
Property and Equipment (note 6)		2,791		2,938
	$	1,600,088	$	,1,526,119
Liabilities				
Current				
Accounts payable and accrued liabilities (note 8)	$	85,975	$	77,202
Due to related parties (note 8)		219,551		208,727
		305,526		285,929
Shareholders' Equity				
Capital Stock (note 7)		21,816,210		20,883,010
Subscription Receivable		(10,000)		(10,000)
Paid Share Subscriptions		-		805,253
Contributed Surplus		191,315		191,315
Deficit		(20,702,963)		(20,629,388)
		1,249,562		1,240,190
	$	1,600,088	$	1,526,119

Approved on behalf of the Board:

s/ *"Louis Wolfin"*
……………………………………………… Director
Louis Wolfin

s/ *"Andrea Regnier"*
……………………………………………… Director
Andrea Regnier

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Statements of Operations and Deficit
Three Months Ended June 30
(Canadian Dollars)
Unaudited – Prepared by Management

	2006	2005
Expenses		
Consulting and management fees	15,000	15,000
Professional fees	18,267	375
Salaries and benefits	3,528	10,323
Corporate and administrative services	7,500	6,300
Compliance, listings and transfer agent fees	7,166	5,452
Office occupancy and miscellaneous	8,576	10,323
Shareholder relations and promotion	9,999	3,965
Stock based compensation	-	32,400
Travel and automotive	8,212	932
Loss Before Other Expenses and Recoveries	(78,248)	(85,410)
Other		
Gain on sale of mineral property	-	33,542
Interest income	4,673	-
Net Loss for Period	(73,575)	(51,868)
Deficit, Beginning of Period	(20,629,388)	(20,228,955)
Deficit, End of Period	$ (20,702,963)	$ (20,280,823)
Loss Per Share	(0.00)	(0.00)

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Statements of Cash Flows
Three Months Ended June 30
(Canadian Dollars)
Unaudited – Prepared by Management

	2006	2005
Operating Activities		
Net loss	$ (73,575)	$ (51,868)
Items not involving cash		
Stock based compensation	-	32,400
Amortization	147	262
Operating Cash Outflow	(73,428)	(19,206)
Changes in Non-Cash Working Capital		
Accounts receivable and prepaid expenses	2,207	(10,037)
Accounts payable and accrued liabilities	8,771	(70,688)
Due to (from) related parties	10,825	124,115
	21,803	(43,390)
Cash Used in Operating Activities	(51,625)	24,184
Investing Activities		
Investment in and expenditures on resource properties	(19,869)	(87,828)
Purchase of office equipment	-	(1,124)
Security deposits	-	(96)
Cash Used in Investing Activities	(19,869)	(89,048)
Financing Activities		
Issuance of capital stock for cash, net of issue costs	933,200	-
Share subscriptions received	(805,253)	-
Cash Provided by Financing Activities	127,947	-
Inflow (Outflow) of Cash	56,453	(64,864)
Cash, Beginning of Period	734,523	251,735
Cash, End of Period	$ 790,976	$ 186,871

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Levon Resources Ltd. (the "Company") was incorporated under the laws of British Columbia on April 9, 1965. It is an exploration stage public company whose principal business activities are the exploration for and development of natural resource properties. There have been no significant revenues generated from these activities to date.

The Company is in the process of exploring and developing its resource properties and has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing to complete development, confirmation of the Company's interest in the underlying mineral claims and leases, and upon future profitable production or sufficient proceeds from the disposition of its mineral properties.

These financial statements have been prepared based on accounting principles applicable to a going-concern, which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. At June 30 2006, the Company had working capital of $676,627, which may not be sufficient to achieve its planned business objectives. The ability of the Company to fund its commitments and ongoing operations is dependent upon the ability of the Company to obtain additional equity financing to complete the exploration and development of its mineral properties and, ultimately, the attainment of profitable operations. Failure to continue as a going-concern would require restatement of assets and liabilities on a liquidation basis, which would differ materially from the going-concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Investments

Investments are recorded at the lower of their written down value and market on an individual investment basis.

(b) Investment in and expenditures on resource properties

The Company capitalizes the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Costs of producing properties will be amortized on a unit-of-production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Amortization

Amortization is calculated on a declining-balance basis at the following annual rate:

Furniture and equipment - 20%

(d) Loss per share

Loss per share computations are based on the weighted average number of common shares outstanding during the period. Diluted loss per share has not been presented separately as the outstanding stock options and warrants are anti-dilutive.

(e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the 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 revenues and expenses during the reporting period. Actual results could differ from those estimates and would impact future results of operations and cash flows.

3. FINANCIAL INSTRUMENTS

(a) Fair value

The carrying values of cash, accounts receivable, security deposits, accounts payable and accrued liabilities approximate their fair values because of the short-term maturity of these financial instruments.

The fair value of investments as determined by approximate quoted market values are disclosed in note 6.

It is not practicable to determine fair values of amounts due to or from related parties.

(b) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities.

(c) Credit risk

The Company's financial assets that are exposed to credit risk consist primarily of cash, security deposits and accounts receivable. Cash and security deposits are placed with well capitalized, high quality financial institutions.

(Canadian Dollars)

4. INVESTMENTS

	June 30, 2006			March 31, 2006		
	Number of Shares		Amount	Number of Shares		Amount
Mill Bay Ventures Inc. (market $31,408, March 31, 2006: - 48,857)	348,978	$	37,897	348,978	$	37,897
Avino Silver & Gold Mines Ltd. (market $13,398, March 31, 2006 - $8,484)	4,200		1,554	4,200		1,554
Omega Equities Corp., at nominal value	57,000		1	57,000		1
	410,178	$	39,452	410,178	$	39,452

Avino Silver & Gold Mines Ltd. and Mill Bay Ventures Inc. (“Mill Bay”) have common directors with the Company.

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Note to Financial Statements
Three Months ended June 30, 2006
(Canadian Dollars)
Unaudited – Prepared by Management

5. INVESTMENT IN AND EXPENDITURES ON RESOURCE PROPERTIES

	Congress	Gold Bridge	Eagle	Ruf	Norma Sass	Wayside	Total
	(note 6(a))	(note 6(b))	(note 6(c))	(note 6(d))	(note 6(d))	(note 6(e))	
Balance, March 31, 2005	$ 87,903	$ 209,516	$ 1	$ 1	$ 1	$ 1	$ 297,423
Deferred exploration costs							
Drilling	114,853	1,739	0	0	0	0	116,592
Equipment rental	24,701	10,142	0	0	0	0	34,843
Trenching	22,709	6,105	0	0	0	3,855	32,669
Geological and management services	20,022	2,822	0	0	0	2,257	25,101
Consulting	10,733	491	0	0	0	0	11,224
Assays	4,975	233	0	0	0	2,876	8,084
Wages and benefits	4,290	2,461	0	0	0	100	6,851
Drafting and mapping	4,936	0	0	0	0	0	4,936
Metallurgical testing	4,879	0	0	0	0	0	4,879
Mobilization and demobilization	4,087	0	0	0	0	0	4,087
Assessment and filing fees	1,525	577	0	0	0	0	2,102
Fuel	1,325	0	0	0	0	0	1,325
Permits	1,085	0	0	0	0	0	1,085
Meals and accommodation	550	0	0	0	0	0	550
Options payments	0	0	0	0	0	0	0
Administration	(2,700)	0	0	0	0	0	(2,700)
Balance, March 31, 2006	$ 305,873	$ 234,086	$ 1	$ 1	$ 1	$ 9,089	$ 549,051

5. INVESTMENT IN AND EXPENDITURES ON RESOURCE PROPERTIES, continued

	Congress (note 6(a))	Gold Bridge (note 6(b))	Eagle (note 6(c))	Ruf (note 6(d))	Norma Sass (note 6(d))	Wayside (note 6(e))	Total
Balance, March 31, 2006	$ 305,873	$ 234,086	$ 1	$ 1	$ 1	$ 9,089	$ 549,051
Assays	1,951						1,951
Drafting and mapping	763						763
Consulting	1,659	5,334					6,993
Metallurgical testing	3,168						3,168
Assessment and filing fees	748	90					838
Prospecting	6,156						6,156
	$ 14,445	$ 5,424	$ 1	$ 1	$ 1	$ 9,089	$ 568,920

5. INVESTMENT IN AND EXPENDITURES ON RESOURCE PROPERTIES (Continued)

(a) Congress claims

The Company owns a 50% leasehold interest in 45 claims in the Lillooet Mining Division, British Columbia. The mineral claims were purchased from a company with common directors.

The Congress claims are subject to a Joint Venture Agreement dated February 25, 1983 between the Company and Veronex Resources Ltd. ("Veronex"). Veronex has earned a 50% net interest in the claims, net of a 5% net smelter royalty held by the Company, by expending $1,000,000 in a prior year. All subsequent expenditures are to be contributed equally by the Company and Veronex.

During the year ended March 31, 2005, with funding made available through equity financing, exploration activities recommenced with the Company incurring 100% of expenditures incurred.

(b) Gold Bridge claims (BRX Project)

The Company owns 50% interest in 74 mineral claims in the Gold Bridge area, Lillooet Mining Division, British Columbia. During the year ended March 31, 2002, the Company wrote-down the expenditures related to the claims resulting in a charge of $118,179 to operations. The claims remain in good standing until December 2008.

During the year ended March 31, 2006, exploration activities recommenced.

On December 17, 2002, the Company entered into an option agreement whereby Mill Bay Ventures Ltd., a company related by common directors, could acquire an undivided 50% interest in the Gold Bridge claims as follows:

(i) Incur $100,000 of expenditures on the property, and issue 100,000 common shares of Mill Bay to the Company on or before December 17, 2003 (done);

(ii) Incur an additional $100,000 of expenditures on the property, and issue another 100,000 common shares of Mill Bay to the Company on or before December 17, 2004 (done); and

(iii) Incur an additional $100,000 of expenditures on the property, and issue another 100,000 common shares of Mill Bay to the Company on or before December 17, 2005 (done).

On September 1, 2003, the option agreement was amended such that the $100,000 in expenditures and the 100,000 common shares due on or before December 17, 2003 was deferred until December 17, 2004. The Company received the shares during the fiscal year ended March 31, 2006 and Mill Bay incurred the required exploration on the property to earn the 50% interest in the property.

(Canadian Dollars)

6. PROPERTY AND EQUIPMENT

	June 30, 2006			March 31, 2006		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Furniture and equipment	$ 29,168	$ 26,377	$ 2,791	$ 29,168	$ 26,230	$ 2,938

7. CAPITAL STOCK

(a) Authorized
100,000,000 common shares without par value

(b) Issued

	Shares		Amount
Balance, March 31, 2006	27,286,911	$	20,883,010
Share issuances			
For cash at $0.10	9,550,000		955,000
Share issues costs	-		(21,800)
Balance, March 31, 2005	36,836,911	$	21,816,210

(c) Private placement

During the period ended March 31, 2006, the Company issued 9,550,000 units at a price of $0.10 per unit. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase an additional common share at a price of $0.12 per share if purchased on or before April 12, 2007 and thereafter at price of $0.15 until April 12, 2008. The Company paid finders' fees of $21,800 in connection with this financing.

(f) Share purchase warrants

As at June 30, 2006 the following share purchase warrants were outstanding:

Expiry Date	Exercise Price Per Share	Number of Shares
December 31, 2006	$ 0.15	5,200,000
April 12, 2007/April 12, 2008	$ 0.12/0.15	9,550,000

8. RELATED PARTY TRANSACTIONS

During the period:

(a) $7,500 was paid for accounting and corporate services to a private company owned by a director and the secretary of the Company;

(b) $14,023 was charged for office, occupancy and miscellaneous costs and salaries, and administrative services paid on behalf of the Company by a private company owned by the Company and three other reporting issuers and controlled by two directors of the Company;

(c) $7,500 was paid for consulting services to a private company on behalf of an Officer of the Company;

(d) $7,500 was paid for management fees to a private company controlled by an Officer of the Company; and

(e) $1,876 was paid for investor relations and communications to a private company owned by the president of the Company.

These charges were measured at the exchange amount, which is the amount agreed upon by the transacting parties. With the exception of the disclosure above, there are no stated terms of interest or repayment on balances owing by related parties to the Company.

As at June 30, 2006, liabilities included $219,552 (March 31, 2006 - $208,727) owing to directors and Officers of the Company or to private companies with directors in common and $94,153 (March 31, 2006: $94,153) is due from a drilling company with common directors for services to be rendered.