LEVON RESOURCES LTD.
(An Exploration Stage Company)

Interim Financial Statements

Nine months ended December 31, 2010
(Unaudited)

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Notice to Readers

Under National Instrument 51-102, Part 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 interim financial statements of the Company have been prepared by and are the responsibility of the Company's management and approved by the Board of Directors of the Company and have not been reviewed by the Company's independent auditor.

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Interim Balance Sheet
In Canadian Dollars
(Unaudited)

	December 31, 2010	March 31, 2010 *(Audited)*
ASSETS		
Current		
Cash	$ 14,083,289	$ 2,020,948
Interest receivable	16,856	-
Accounts receivable and prepaid expenses	78,859	22,823
Sales tax recoverable	367,957	5,289
Investments (Note 5)	20,360	23,880
Total Current Assets	14,567,321	2,072,940
Due from related party (Note 11)	5,564	48,511
Reclamation deposits (Note 6)	32,629	32,629
Mineral properties (Note 7)	5,624,618	3,059,841
Equipment (Note 9)	23,603	4,524
Total Assets	$ 20,253,735	$ 5,218,445
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 101,472	$ 69,802
Due to related parties (Note 11)	187,409	138,912
Due to joint venture partner (Note 7)	3,033,983	-
Total Current Liabilities	3,322,864	208,714
SHAREHOLDERS' EQUITY		
Capital stock (Note 10)	37,159,287	26,187,285
Contributed surplus	6,620,858	1,360,276
Accumulated other comprehensive loss	(9,113)	(5,593)
Deficit	(26,840,161)	(22,532,237)
Total Shareholders' Equity	16,930,871	5,009,731
Total Liabilities and Shareholders' Equity	$ 20,253,735	$ 5,218,445

Nature of Operations (Note 1)
Subsequent Events (Note 14)

Approved on behalf of the Board:

"Gary Robertson"
….. Director
Gary Robertson

"Ron Tremblay"
….. Director
Ron Tremblay

The accompanying notes are an integral part of these interim financial statements

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Interim Statements of Operations and Comprehensive Loss
In Canadian Dollars
(Unaudited)

	Three months ended December 31, 2010	Three months ended December 31, 2009	Nine months ended December 31, 2010	Nine months ended December 31, 2009
Expenses				
Consulting and management fees	$ 349,000	$ 13,500	$ 513,000	$ 36,500
Listing and filing fees	4,232	5,995	24,311	14,135
General exploration	3,413	-	17,603	1,078
Office, occupancy & miscellaneous	32,493	23,675	117,145	38,649
Professional fees	18,190	6,748	102,860	8,696
Salaries and benefits	26,480	10,857	69,345	33,233
Shareholder relations and promotion	28,480	61,326	72,334	98,993
Stock-based compensation (Note 10(d))	165,074	7,348	3,307,435	48,983
Travel	25,088	36,486	79,900	69,803
Loss Before Other Items	(652,450)	(165,935)	(4,303,933)	(350,070)
Other Items				
Interest income	14,611	365	17,179	544
Foreign exchange gain	(17,640)	(8,577)	(21,170)	804
Net Loss for Period	(655,479)	(174,147)	(4,307,924)	(348,722)
Other Comprehensive Income (Loss)				
Unrealized gain (loss) on investments (Note 5)	7,489	(3,070)	(3,520)	2,459
Total Comprehensive Loss for Period	$ (647,990)	$ (177,217)	$ (4,311,444)	$ (346,263)
Loss Per Share, Basic and Diluted	$ (0.01)	$ (0.00)	$ (0.06)	$ (0.01)
Weighted Average Number of Common Shares Outstanding	83,300,638	56,197,635	74,202,676	53,478,028

The accompanying notes are an integral part of these interim financial statements

LEVON RESOURCES LTD.
(an Exploration Stage Company)
Interim Statement of Shareholders' Equity
in Canadian Dollars
(Unaudited)

	Number of Common Shares	Capital Stock	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, March 31, 2009	5,000,000	$22,941,591	$453,509	$(21,801,345)	$ (16,776)	$1,576,979
Common shares issued for cash:						
Private placement	11,651,000	2,357,589	770,261	-	-	3,127,850
Share issuance costs		(213,682)	-	-	-	(213,682)
Exercise of stock options	1,375,000	180,000	-	-	-	180,000
Exercise of warrants	2,944,135	820,447	-	-	-	820,447
Non-cash share issuance costs	187,898	(153,687)	153,687	-	-	-
Fair value of warrants and stock options exercised	-	255,027	(255,027)	-	-	-
Stock-based compensation	-	-	237,846	-	-	237,846
Net loss for year	-	-	-	(730,892)	-	(730,892)
Unrealized gain on available for sale securities	-	-	-	-	11,183	11,183
Balance, March 31, 2010	66,547,516	$26,187,285	$1,360,276	$(22,532,237)	$ (5,593)	$5,009,731
Common shares issued for cash:						
Private placement	14,805,353	8,502,949	2,601,066	-	-	11,104,015
Share issuance costs		(636,939)	-	-	-	(636,939)
Exercise of stock options	105,000	39,750	-	-	-	39,750
Exercise of warrants	4,693,484	2,418,323	-	-	-	2,418,323
Non-cash share issuance costs	-	(414,736)	414,736	-	-	-
Stock-based compensation	-	-	3,307,435	-	-	3,307,435
Fair value of warrants and stock options exercised	-	1,062,655	(1,062,655)	-	-	-
Net loss for period	-	-	-	(4,307,924)	-	(4,307,924)
Unrealized loss on available for sale securities	-	-	-	-	(3,520)	(3,520)
Balance, December 31, 2010	86,151,353	$37,159,289	$6,620,858	$(26,840,161)	$ (9,113)	$16,930,871

The accompanying notes are an integral part of these interim financial statements

LEVON RESOURCES LTD.
(an Exploration Stage Company)
Interim Statements of Cash Flows
In Canadian Dollars
(Unaudited)

	Three months ended December 31, 2010	Three months ended December 31, 2009	Nine months ended December 31, 2010	Nine months ended December 31, 2009
Operating Activities				
Net loss	$ (655,479)	$(174,147)	$ (4,307,924)	$ (348,725)
Items not involving cash:				
Amortization	1,329	332	3,577	658
Stock-based compensation	165,074	7,348	3,307,435	48,983
Changes in non-cash working capital items:				
Accounts receivable and prepaid expenses	(46,841)	(4,697)	(72,892)	99,049
Sales tax recoverable	(362,668)	-	(362,668)	-
Accounts payable and accrued liabilities	(44,433)	18,624	31,670	(15,975)
Due from (to) related parties	104,994	31,562	91,444	16,699
Cash Used in Operating Activities	(838,024)	(120,978)	(1,309,358)	(199,311)
Investing Activities				
Mineral properties exploration expenditures incurred	(1,156,399)	(277,135)	(2,564,777)	(913,711)
Purchase of equipment	-	(2,256)	(22,656)	(2,256)
Due to Joint Venture Partner	1,033,983	-	3,033,983	-
Cash Used in Investing Activities	(122,416)	(279,391)	446,550	(915,967)
Financing Activity				
Issue of capital stock for cash, net of issuance costs	1,846,222	2,789,688	12,925,149	3,542,002
Share subscription receivable	5,500	-	-	-
Cash Provided by Financing Activity	1,851,722	2,789,688	12,925,149	3,542,002
Inflow of Cash	891,282	2,389,319	12,062,341	2,426,724
Cash, Beginning of Period	13,192,007	333,141	2,020,948	295,736
Cash, End of Period	$ 14,083,289	$ 2,722,460	$ 14,083,289	$ 2,722,460

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

1. NATURE OF OPERATIONS

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

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 mineral properties and related deferred costs 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.

At December 31, 2010, the Company had working capital of $11,244,457 (March 31, 2010 - $1,864,226) and a deficit of $26,840,161 (March 31, 2010 - $22,532,237). Management of the Company believes that it has sufficient funds to meet its liabilities for the ensuing year as they fall due, and to fund cash payments for administration, ongoing commitments and current planned exploration programs.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") with respect to the preparation of interim financial statements. Accordingly, they do not include all of the information and disclosures required by GAAP for annual financial statements. The accounting policies are the same for the interim financial statements as those described in the audited annual financial statements and the notes thereto for the year ended March 31, 2010, except as described in Note 2 (b).

(b) Future accounting changes

(i) International Financial Reporting Standards ("IFRS")

In February 2008, the CICA announced that Canadian GAAP for publicly accountable enterprises will be replaced by *International Financial Reporting Standards* ("IFRS") for interim and annual financial statements for fiscal years beginning on or after April 1, 2011. The standard also requires that comparative figures for 2010 be based on IFRS. The Company is currently in the process of developing and implementing its transition plan and continues to monitor updates issued by the IASB to identify their impact on the financial statements. The Company will continue to invest in training and the necessary resources to complete the transition. The transition will require the restatement for comparative purposes of amounts reported by the Company for reporting periods beginning after April 1, 2010.

In Canadian Dollars

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Future accounting changes (Continued)

(ii) Business Combinations (Section 1582); Consolidated Financial Statements (Section 1601); Non-Controlling Interests (Section 1602)

These new standards are based on IFRS 3, "Business Combinations", and replace the existing guidance on business combinations and consolidated financial statements. These new standards require most assets acquired and liabilities assumed, including contingent liabilities, to be measured at fair value and all acquisition costs to be expensed, and also require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests. The objective of these new standards is to harmonize Canadian accounting for business combinations with the International and United States accounting standards. The new standards are to be applied prospectively to business combinations on or after April 1, 2011, with earlier application permitted.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, investments, accounts payable and accrued liabilities, and amounts due to/from related parties. Cash is classified as held-for-trading; investments are classified as available-for-sale; accounts receivable and due from related party are classified as loans and receivable; and accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

The carrying value of financial assets by category at December 31, 2010 is as follows:

	December 31, 2010		
Financial Assets	Available-for-sale	Held-for-trading	Loans and receivables
Cash	$ -	$ 14,083,289	$ -
Interest receivable			16,856
Investments	20,360	-	-
Due from related party	-	-	5,564
	$ 20,360	$ 14,083,289	$ 22,420

The carrying value of financial assets by category at March 31, 2010 is as follows:

	March 31, 2010		
Financial Assets	Available-for-sale	Held-for-trading	Loans and receivables
Cash	$ -	$ 2,020,948	$ -
Investments	23,880	-	-
Due from related party	-	-	48,511
	$ 23,880	$ 2,020,948	$ 48,511

In Canadian Dollars

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

The carrying value of financial liabilities by category at December 31, 2010 and March 31, 2010 are as follows:

		December 31, 2010		**March 31, 2010**
Financial Liabilities		Other Financial Liabilities		Other Financial Liabilities
Accounts payable and accrued liabilities	$	101,472	$	69,802
Due to related parties		187,409		138,912
Due to joint venture partner		3,033,983		-
	$	3,322,864	$	208,714

The carrying amounts of cash and accounts payable and accrued liabilities are a reasonable estimate of their fair values because of their short term to maturity.

The fair value of amounts due from and to related parties have not been disclosed as their fair values cannot be reliably measured since there is no active market for such instruments. The Company's investment securities are measured at fair value using level 1 within the fair value hierarchy.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. Management considers credit risk on cash to be minimal because the counterparties are highly rated Canadian banks.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company has cash at December 31, 2010 in the amount of $14,083,289 (March 31, 2010 - $2,020,948) in order to meet short-term business requirements. At December 31, 2010, the Company had current liabilities of $3,322,864 (March 31, 2010 - $208,714). Accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms. Advances payable to related parties are without interest or stated terms of repayment. Amounts due to joint venture partner are used for current exploration costs and considered short term in nature.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(c) Market risk

Market risk consists of interest rate risk, foreign exchange risk and other price risk. The Company is exposed to the following market risks:

Foreign exchange risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange fluctuation related to its mineral properties and expenditures thereon, and accounts payable in US dollar balances. A significant change in the exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's financial position, results of operations and cash flows. As at December 31, 2010, the Company held US cash balances totaling US$190,256 (March 31, 2010 - US$181,160) and amounts in accounts payable and accrued liabilities and due to related parties of US$154,304 (March 31, 2010 - US$114,937). Based on the above net exposures as at December 31, 2010, a 6% change in the Canadian/US exchange rate will impact the Company's earnings by approximately $2,150.

Interest rate risk

The Company's cash and cash equivalents consist of cash held in bank accounts and guaranteed investment certificates that earn interest at variable interest rates. Due to their short-term nature, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2010.

4. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or reduce expenditures. Management reviews the capital structure on a regular basis to ensure that objectives are met.

There have been no changes to the Company's approach to capital management during the period. The Company is not subject to external restrictions on its capital.

In Canadian Dollars

5. INVESTMENTS

At December 31, 2010, the Company held shares as follows:

	Number of Shares	Cost	Accumulated Unrealized Gains (Losses)	Fair Value
Mill Bay Ventures Inc.	34,898*	$ 27,918	$ (19,193)	$ 8,725
Avino Silver & Gold Mines Ltd.	4,200	1,554	10,080	11,634
Omega Equities Corp. (at nominal value)	57,000	1	-	1
		$ 29,473	$ (9,113)	$ 20,360

At March 31, 2010, the Company held shares as follows:

	Number of Shares	Cost	Accumulated Unrealized Gains (Losses)	Fair Value
Mill Bay Ventures Inc.	348,978*	$ 27,918	$ (6,979)	$ 20,939
Avino Silver & Gold Mines Ltd.	4,200	1,554	1,386	2,940
Omega Equities Corp. (at nominal value)	57,000	1	-	1
		$ 29,473	$ (5,593)	$ 23,880

*In June 2010, Mill Bay Ventures Inc. consolidated its shares on a ten for one basis. Therefore, the number of these shares in the Company's holding was adjusted from 348,978 to 34,898.

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

6. RECLAMATION DEPOSITS

The Company has pledged specified term deposits as security for reclamation permits as required by government agencies. The Company has a varying number of deposits on hand ranging from $1,000 to $6,000. Their maturity dates range from July 28, 2011 to January 12, 2012 with interest rates ranging from 0.20% to 0.50%.

In Canadian Dollars

7. MINERAL PROPERTIES

	Congress	Gold Bridge	Cordero Sanson	Other	Total
	(Note 7(a))	(Note 7(b))	(Note 7(c))	(Note 7(d))	
Balance, March 31, 2009	985,980	247,780	61,546	9,092	1,304,398
Deferred exploration costs					
Acquisition	-	-	72,867	-	72,867
Assays	-	-	104,085	-	104,085
Assessment, permits and filing fees	2,283	-	44,761	-	47,044
Consulting	-	153	-	-	153
Drilling	-	-	677,610	-	677,610
General supplies and services	88	-	357,442	-	357,530
Geological and management services	-	-	496,154	-	496,154
Balance, March 31, 2010	988,351	247,933	1,814,465	9,092	3,059,841
Deferred exploration costs					
Acquisition	-	-		-	-
Administration	-	-	122,422	-	122,422
Assays	-	-	146,240	-	146,240
Assessment, permits and filing fees	1,191	-		-	1,191
Drilling and exploration	-	-	3,053,846	-	3,053,846
General supplies and services	-	-	247,382	-	247,382
Geological and management services	-	-	238,129	-	238,129
Reimbursed costs (note 7c)	-	-	(1,122,010)	-	(1,122,010)
Balance, December 31, 2010	$ 989,542	$ 247,933	$4,378,051	$ 9,092	$ 5,624,618

(a) Congress claims

The Company owns a 50% leasehold interest in 45 claims in the Lillooet Mining Division, British Columbia.

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. The Company is looking to reacquire Veronex's interest in the claims as Veronex had transferred its interest to another company against the terms of the original agreement and had not complied with other terms of the agreement.

(b) Gold Bridge claims (BRX Project)

The Company owns a 50% interest in 74 mineral claims in the Gold Bridge area, Lillooet Mining Division, British Columbia. The claims remain in good standing until December 2014.

7. MINERAL PROPERTIES (Continued)

(c) Cordero Sanson

The Cordero Sanson Property (“Cordero”) is located near Hidalgo Del Parral, Chihuahua, Mexico. The Cordero mining claims are comprised of claims wholly owned by Valley High Ventures (“Valley High”) by agreement with long-standing ranch families and small local mining companies, and certain other claims which were staked by the Company.

In February 2009, the Company signed a Letter of Intent with Valley High, whereby the Company will earn a 51% interest from Valley High by making a cash payment of US$10,000 (Cdn$12,513) (paid) and by spending $1,250,000 (incurred) by the end of February 2013 with a first year commitment of $250,000 to explore and develop the Cordero property. Within the joint venture, Valley High will be the operator until the Company vests its interests. During the vesting period, the Company will provide technical input and geologic services to complete the data synthesis, integration, targeting and drill testing. As of March 31, 2010, the Company had completed the required $1,250,000 exploration expenditures towards its earn-in commitment, with the following option payments to be completed:

(a) US$57,500 on or before March 21, 2010 (paid);

(b) US$10,000 on or before May 21, 2010 (paid);

(c) US$5,000 on or before July 21, 2010 (paid);

(d) US$5,000 on or before August 21, 2010 (paid);

(e) US$5,000 on or before October 21, 2010 (paid);

(f) US$150,000 on or before February 21, 2011(paid subsequent to the period end);

(g) US$300,000 on or before February 21, 2012; and

(h) US$1,050,000 on or before February 21, 2013.

During the period, the Company and Valley High signed a Joint Venture Agreement which is effective April 1, 2010. As part of the Joint Venture Agreement, the Company has become the operator of the property.

(d) Other claims include the Eagle ($1), Ruf and Norma Sass ($2), and Wayside ($9,089) as described below:

(i) Eagle claims

The Company holds a 50% interest in 26 lode mining claims located in Lander County, Nevada. The claims are subject to a 3% net smelter return royalty. The Company has no current plan to further explore or incur additional expenditures on this property beyond the minimum requirement to maintain the claims in good standing.

7. MINERAL PROPERTIES (Continued)

(d) (Continued)

(ii) Ruf and Norma Sass properties

In 2003, the Company acquired from Coral Resource Inc. ("Coral"), a public company with common directors and management, an undivided one-third interest in 54 mineral claims known as the Ruf and Norma Sass properties located in Lander County, Nevada (the "Property"), in consideration of cash payments of $350,292 (paid) and 300,000 common shares (issued) of the Company.

A third party holds a 3% net smelter returns royalty on the production from certain of the claims, up to a limit of US$1,250,000.

By way of an agreement dated September 25, 2008, the Company and Coral granted Barrick Gold ("Barrick") an option to acquire a 60% interest in the claims by incurring total exploration expenditures of at least US$3,000,000 in annual installments by December 31, 2014 as follows:

(a) Incur $250,000 on or before December 31, 2009; (completed)

(b) Incur $250,000 on or before December 31, 2010;

(c) Incur $500,000 on or before December 31, 2011;

(d) Incur $500,000 on or before December 31, 2012;

(e) Incur $600,000 on or before December 31, 2013; and

(f) Incur $900,000 on or before December 31, 2014.

Barrick may earn an additional 10% (for an aggregate interest of 70%) by incurring an additional US$1,500,000 by December 31, 2015. Barrick may earn an additional 5% (for an aggregate interest of 75%) by carrying Coral and the Company through to commercial production.

Alternatively, at the time of earning either its 60% or 70% interest, Barrick may be given the option to buy-out Coral's and the Company's joint interest by paying US$6,000,000 and granting them a 2% net smelter returns royalty.

During the period, Barrick elected to terminate the agreement.

(iii) Wayside claims

The Company owns 24 mineral claims in the Lillooet Mining Division, British Columbia.

7. MINERAL PROPERTIES (Continued)

Realization of assets

The investment in and expenditures on mineral properties 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 mineral properties

Although the Company has taken steps to verify title to mineral properties 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.

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.

8. ASSET RETIREMENT OBLIGATION

The Company is subject to various regulatory and statutory requirements relating to the protection of the environment. At December 31, 2010, the Company estimates that costs relating to future site restoration and abandonment based on work done to date is immaterial. The Company has currently made no provision for site restoration costs or potential environmental liabilities as all properties are still in the exploration stage. Factors such as further exploration, inflation and changes in technology may materially change the cost estimate.

In Canadian Dollars

9. EQUIPMENT

	December 31, 2010			March 31, 2010		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Computer equipment	$ 2,256	$ 975	$ 1,281	$ 2,256	$ 338	$ 1,918
Furniture and equipment	8,443	6,226	2,217	8,443	5,837	2,606
Vehicle	22,656	2,550	20,106	-	-	-
	$33,355	$ 9,751	$23,603	$10,699	$ 6,175	$ 4,524

10. CAPITAL STOCK

(a) Authorized: Unlimited number of common shares without par value

(b) Issued

During the period ended December 31, 2010:

On August 31, 2010, the Company completed a brokered private placement of 13,334,000 units at a price of $0.75 per unit for gross proceeds of $10,000,500 and a non-brokered private placement of 1,471,353 units at a price of $0.75 per unit for gross proceeds of $1,103,514. Each unit consists of one common share and one-half of one common share purchase warrant. One whole warrant is exercisable into one additional common share at a price of $1.20 until February 29, 2012. The proceeds of the private placement have been allocated using the relative fair value method resulting in $8,502,949 recorded as capital stock and $2,601,066 as contributed surplus. The Company paid a cash commission of $525,026 and issued 1,066,720 broker warrants. In addition, the Company issued 1,066,720 broker warrants, exercisable at a price of $1.00 until August 31, 2011. The broker warrants were valued at $414,736. The fair value of the warrants were valued using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.23%, dividend yield of nil, volatility of 106.80% and an expected life of 18 months. The fair value of the broker warrants were also valued using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.23%, dividend yield of nil, volatility of 96.65% and an expected life of one year. The fair value of the broker warrants is recognized as share issuance costs. Total share issue costs of $1,051,675 were incurred as part of the private placement.

The 4,693,484 warrants were exercised for gross proceeds of $2,418,323. The Company reallocated the fair value of these warrants previously recorded in the amount of $1,040,291 from contributed surplus to capital stock.

The 105,000 stock options were exercised for gross proceeds of $39,750. The Company reallocated the fair value of these options previously recorded in the amount of $22,364 from contributed surplus to capital stock

10. CAPITAL STOCK (Continued)

(b) Issued (Continued)

During the year ended March 31, 2010:

On January 7, 2010, the Company closed the final tranche of the brokered private placement initially closed on December 31, 2009. The Company issued 100,000 units for gross proceeds of $35,000. Each unit consists of one common share and one-half of one non-transferrable common share purchase warrant. One whole purchase warrant is exercisable into one additional common share at a price of $0.55 until December 31, 2010. The proceeds of the private placement have been allocated using the relative fair value method resulting $25,671 attributed to capital stock and $9,329 to contributed surplus.

On December 31, 2009, the Company completed a brokered private placement of 6,551,000 units at a price of $0.35 per unit for gross proceeds of $2,292,850. Each unit consists of one common share and one-half of one non-transferrable common share purchase warrant. One whole purchase warrant is exercisable into one additional common share at a price of $0.55 until December 31, 2010. The proceeds of the private placement have been allocated using the relative fair value method resulting in $1,681,715 recorded as capital stock and $611,135 as contributed surplus. The Company paid commission equal to 7% of the gross proceeds, which consisted of $94,735 cash and 187,898 units having the same terms as the placement units. The units were valued as $48,235 attributed to capital stock and $17,529 to contributed surplus. In addition, the Company issued 458,570 broker warrants, exercisable at a price of $0.55 until December 31, 2010. The broker warrants were valued at $116,651. The fair value of the warrants, units paid as commission and the broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.43%, dividend yield of nil, volatility of 181.11% and an expected life of one year. The fair value of the broker warrants is recognized as share issuance costs. Total share issue costs of $348,411 were incurred as part of the private placement.

On July 29, 2009, the Company completed a non-brokered private placement of 5,000,000 units at a price of $0.16 per unit for gross proceeds of $800,000. Each unit consists of one common share and one-half of one non-transferrable common share purchase warrant. One whole purchase warrant is exercisable into one additional common share at a price of $0.35 until July 29, 2010. The proceeds of the private placement have been allocated using the relative fair value method resulting in $650,203 recorded as capital stock and $149,797 as contributed surplus. The Company paid a cash finders' fee of $42,336 and issued 264,600 broker warrants, exercisable at a price of $0.35 per share until July 29, 2010. The broker warrants were valued at $19,507. The fair value of the warrants and the broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.45%, dividend yield of nil, volatility of 179.71% and an expected life of one year. The fair value of the broker warrants is recognized as share issuance costs. Total share issue costs of $67,193 were incurred as part of the private placement.

In Canadian Dollars

10. CAPITAL STOCK (Continued)

(b) Issued (Continued)

The 2,944,135 warrants were exercised for gross proceeds of $820,447. The Company reallocated the fair value of these warrants previously recorded in the amount of $135,471 from contributed surplus to capital stock.

The 1,375,000 stock options were exercised for gross proceeds of $180,000. The Company reallocated the fair value of these options previously recorded in the amount of $119,556 from contributed surplus to capital stock.

(c) Stock options

The Company established a stock option plan in 2004 under which it 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 stock option plan provides for the granting of stock options to employees and persons providing investor relations or consulting services up to a limit of 5% and 2%, respectively, of the Company's total number of issued and outstanding shares per year. The stock options are fully vested on the date of grant, except those issued to persons providing investor relation services, which vest over a period of one year. The option price must be greater than or equal to the discounted market price on the grant date and the option expiry date cannot exceed five years from the grant date.

Details of the status of the Company's stock options as at December 31, 2010 and March 31, 2010 and changes during the period then ended are as follows:

	December 31, 2010		March 31, 2010	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Options outstanding, beginning of year	1,900,000	$ 0.38	2,325,000	$ 0.17
Granted	5,200,000	$ 1.00	1,100,000	$ 0.50
Exercised	(105,000)	$ 0.38	(1,375,000)	$ 0.13
Expired/forfeited	(175,000)	$ 0.10	(150,000)	$ 0.29
Options outstanding, end of period	6,820,000	$ 0.86	1,900,000	$ 0.38
Options exercisable, end of period	6,070,417	$ 0.81	1,537,500	$ 0.32

In Canadian Dollars

10. CAPITAL STOCK (Continued)

(c) Stock options (Continued)

As at December 31, 2010, the following stock options were outstanding and exercisable:

Number Outstanding	Exercise Price	Fair Value	Weighted Average Remaining Contractual Life (years)	Intrinsic Value	Expiry Date
350,000	$ 0.21	$ 0.10	0.32	$ 1.83	April 25, 2011
150,000	$ 0.10	$ 0.06	0.75	$ 1.94	October 2, 2011
50,000	$ 1.35	$ 0.53	0.87	$ 0.69	November 15, 2011
50,000	$ 1.50	$ 0.48	0.87	$ 0.54	November 15, 2011
50,000	$ 2.00	$ 0.36	0.87	$ 0.04	November 15, 2011
25,000	$ 0.18	$ 0.11	1.07	$ 1.86	January 26, 2012
270,000	$ 0.70	$ 0.45	1.21	$ 1.34	March 15, 2012
100,000	$ 0.85	$ 0.84	1.33	$ 1.19	May 1, 2012
100,000	$ 1.25	$ 0.84	1.33	$ 0.79	May 1, 2012
100,000	$ 0.85	$ 0.63	1.45	$ 1.19	June 14, 2012
100,000	$ 1.25	$ 0.63	1.45	$ 0.79	June 14, 2012
150,000	$ 0.35	$ 0.21	1.71	$ 1.69	September 14, 2012
50,000	$ 0.50	$ 0.12	1.71	$ 1.54	September 14, 2012
500,000	$ 1.25	$ 1.07	2.88	$ 0.79	November 15, 2013
325,000	$ 0.25	$ 0.12	3.33	$ 1.79	April 28, 2014
300,000	$ 0.70	$ 0.64	4.08	$ 1.34	January 28, 2015
700,000	$ 0.65	$ 0.48	4.55	$ 1.39	July 20, 2015
3,450,000	$ 1.00	$ 0.77	4.68	$ 1.04	September 3, 2015
6,820,000			3.62		

In Canadian Dollars

10. CAPITAL STOCK (Continued)

(c) Stock options (Continued)

As at December 31, 2010, the following stock options were outstanding and exercisable: (Continued)

Exercisable

Number Outstanding	Exercise Price	Fair Value	Weighted Average Remaining Contractual Life (years)	Intrinsic Value	Expiry Date
350,000	$ 0.21	$ 0.10	0.32	$ 1.83	April 25, 2011
150,000	$ 0.10	$ 0.06	0.75	$ 1.94	October 2, 2011
6,250	$ 1.35	$ 0.53	0.87	$ 0.69	November 15, 2011
6,250	$ 1.50	$ 0.48	0.87	$ 0.54	November 15, 2011
6,250	$ 2.00	$ 0.36	0.87	$ 0.04	November 15, 2011
25,000	$ 0.18	$ 0.11	1.07	$ 1.86	January 26, 2012
247,500	$ 0.70	$ 0.45	1.21	$ 1.34	March 15, 2012
66,667	$ 0.85	$ 0.84	1.33	$ 1.19	May 1, 2012
66,667	$ 1.25	$ 0.84	1.33	$ 0.79	May 1, 2012
54,167	$ 0.85	$ 0.63	1.45	$ 1.19	June 14, 2012
54,167	$ 1.25	$ 0.63	1.45	$ 0.79	June 14, 2012
150,000	$ 0.35	$ 0.21	1.71	$ 1.69	September 14, 2012
50,000	$ 0.50	$ 0.12	1.71	$ 1.54	September 14, 2012
62,500	$ 1.25	$ 1.07	2.88	$ 0.79	November 15, 2013
325,000	$ 0.25	$ 0.12	3.33	$ 1.79	April 28, 2014
300,000	$0.70	$0.64	4.08	$ 1.34	January 28, 2015
700,000	$0.65	$0.48	4.55	$ 1.39	July 20, 2015
3,450,000	$1.00	$0.77	4.68	$ 1.04	September 3, 2015
6,070,417			3.62		

In Canadian Dollars

10. CAPITAL STOCK (Continued)

(c) Stock options (Continued)

As at March 31, 2010, the following stock options were outstanding and exercisable:

Number Outstanding	Exercise Price	Fair Value	Weighted Average Remaining Contractual Life (years)	Intrinsic Value	Expiry Date
75,000	$ 0.10	$ 0.08	0.01	$ 0.79	April 5, 2010
400,000	$ 0.21	$ 0.10	1.07	$ 0.68	April 25, 2011
200,000	$ 0.10	$ 0.06	1.51	$ 0.79	October 2, 2011
25,000	$ 0.18	$ 0.11	1.82	$ 0.71	January 26, 2012
300,000	$ 0.70	$ 0.45	1.96	$ 0.19	March 15, 2012
150,000	$ 0.35	$ 0.21	2.46	$ 0.54	September 14, 2012
50,000	$ 0.50	$ 0.12	2.46	$ 0.39	September 14, 2012
400,000	$ 0.25	$ 0.12	4.08	$ 0.64	April 28, 2014
300,000	$ 0.70	$ 0.53	4.83	$ 0.19	January 28, 2015
1,900,000			2.60		
Exercisable					
75,000	$ 0.10	$ 0.08	0.01	$ 0.79	April 5, 2010
400,000	$ 0.21	$ 0.10	1.07	$ 0.68	April 25, 2011
200,000	$ 0.10	$ 0.06	1.51	$ 0.79	October 2, 2011
25,000	$ 0.18	$ 0.11	1.82	$ 0.71	January 26, 2012
150,000	$ 0.35	$ 0.21	2.46	$ 0.54	September 14, 2012
50,000	$ 0.50	$ 0.12	2.46	$ 0.39	September 14, 2012
337,500	$ 0.25	$ 0.12	4.08	$ 0.64	April 28, 2014
300,000	$ 0.70	$ 0.53	4.83	$ 0.19	January 28, 2015
1,537,500			2.66		

(d) Stock-based compensation

Stock-based compensation expense is determined using Black-Scholes option pricing model with the following weighted average assumptions:

	December 31, 2010	March 31, 2010
Risk-free interest rate	2.01%	1.92%
Expected dividend yield	0	0
Expected stock price volatility	119.24%	127.90%
Expected option life in years	4.46	4.18
Forfeiture rate	0%	0%

In Canadian Dollars

10. CAPITAL STOCK (Continued)

During the period ended December 31, 2010, the Company granted 5,200,000 stock options exercisable at prices ranging from $0.65 and $2.00 for two years to five years to directors, officers, employees and consultants. The Company recorded stock-based compensation expense of $3,307,435 (2009 - $48,983) on the portion of stock options that vested during the period. The value of unrecorded stock-based compensation related to non-vested options is $626,934, which will be recognized over the remaining vesting period of twelve months. The amounts recorded as stock-based compensation are allocated as follows:

	December 31, 2010	**December 31, 2009**
Directors, officers and employees	$ 2,145,580	$ 29,390
Consultants	1,161,855	12,245
	$ 3,307,435	$ 41,635

(e) Share purchase warrants

A summary of the status of share purchase warrants as of December 31, 2010 and March 31, 2010 and changes during the periods ended on those dates is presented below:

	December 31, 2010		**March 31, 2010**	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Warrants outstanding, beginning of year	8,698,484	$ 0.39	5,000,000	$ 0.15
Issued	8,469,393	$ 1.17	6,642,619	$ 0.47
Exercised	(4,693,484)	$ 0.52	(2,944,135)	$ 0.28
Expired	(55,000)	$ 0.35	-	$ -
Warrants outstanding, end of period	12,419,393	$ 0.88	8,698,484	$ 0.39

As at December 31, 2010 and March 31, 2010, the following share purchase warrants were outstanding:

		Number of Warrants	
Expiry Date	Exercise Price	**December 31, 2010**	**March 31, 2010**
March 27, 2010/March 27, 2011	$ 0.15/$ 0.25	3,950,000	3,950,000
July 29, 2010	$ 0.35	-	870,465
December 31, 2010	$0.55	-	3,878,019
August 31, 2011	$1.00	1,066,720	-
February 29, 2012	$ 1.20	7,402,673	-
		12,419,393	8,698,484

11. RELATED PARTY TRANSACTIONS

During the period ended December 31, 2010:

(a) $103,711 (2009 - $54,153) was charged to the Company for office, occupancy and miscellaneous costs; shareholder relations and promotion; travel; salaries and benefits; and administrative services paid on behalf of the Company by Oniva International Services Corp. ("Oniva"), a private company owned by the Company and five other reporting issuers having common directors. Of this amount, $866 has been capitalized under mineral properties;

(b) $370,000 (2009 - $22,500) was paid for management fees to a private company controlled by a director and officer of the Company;

(c) $154,149 (2009 - $80,596) was charged for geological management fees to a private company controlled by a director and officer of the Company. Of this amount, $154,149 (2009 - $41,625) has been capitalized under mineral properties and $Nil (2009 - $Nil) has been expensed under general exploration;

The above transactions are conducted in the normal course of business and were measured at the exchange amount, which is the amount agreed upon by the transacting parties.

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

The amount due from a related party consists of $5,564 (March 31, 2010 - $5,564) owing from ABC Drilling, which is the balance of an advance towards drilling services to be provided and $Nil (March 31, 2010 - $42,947) due from a private company controlled by a director and officer. Amounts due are without interest or stated terms of repayment.

Amounts due to related parties include $27,041 (March 31, 2010 - $24,426) owed to Oniva, $59,045 (March 31, 2010 - $56,788) owed to a public company related by way of common directors and $101,323 (March 31, 2010 - $57,698) owed to private companies controlled by directors of the Company. Amounts due are without interest or stated terms of repayment.

12. SEGMENTED INFORMATION

The Company is involved in mineral exploration and development activities principally in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues for the current period or the 2010 fiscal year. The majority of losses for the current period and the 2010 fiscal year are as a result of Canadian head office costs. Acquisition costs are capitalized to mineral properties. The assets of the Company are segmented as follows:

In Canadian Dollars

12. SEGMENTED INFORMATION (Continued)

December 31, 2010	Canada	US	Mexico	Total
Current assets	$ 13,541,889	$ -	$ 1,025,432	$ 14,567,321
Due from related party	5,564	-	-	5,564
Reclamation deposits	32,629	-	-	32,629
Mineral properties	1,246,566	3	4,378,049	5,624,618
Equipment	23,603	-	-	23,603
	$ 14,850,251	$ 3	$ 5,403,481	$ 20,253,735

March 31, 2010	Canada	US	Mexico	Total
Current assets	$ 2,064,486	$ -	$ 8,454	$ 2,072,940
Due from related party	48,511	-	-	48,511
Reclamation deposits	32,629	-	-	32,629
Mineral properties	1,245,373	3	1,814,465	3,059,841
Equipment	4,524	-	-	4,524
	$ 3,395,523	$ 3	$ 1,822,919	$ 5,218,445

13. COMMITMENTS

During the year ended March 31, 2008, the Company entered into two vehicle lease agreements and is committed to vehicle lease payments of approximately $3,469. During the period, the Company purchased one of the vehicles as the lease had expired. The remaining lease expires in 2012 and the commitment for the next two years is as follows:

2011	$2,602
2012	$ 867

14. SUBSEQUENT EVENTS

The following occurred subsequent to December 31, 2010:

(a) The Company granted incentive stock options for the purchase of up to 50,000 common shares exercisable at $1.85 for one to a consultant of the Company.

(b) 300,000 warrants were exercised for gross proceeds of $300,000.

(c) 65,000 stock options were exercised for gross proceeds of $45,500.

14. SUBSEQUENT EVENTS (Continued)

(d) On January 17, 2011, the Company announced that it had entered into a definitive agreement to acquire 100% of the outstanding common shares of Valley High by way of a plan of arrangement. Under the plan of arrangement, Valley High shareholders will receive 1.0 share of Levon and 0.125 of a share in a new exploration company ("SpinCo") for each Valley High share.

On completion of the transaction, Valley High shareholders will hold approximately 43% and Levon shareholders will hold approximately 57% of the pro forma outstanding shares of Levon on a fully-diluted basis. Valley High shareholders will own 100% of the SpinCo shares and SpinCo will own all of Valley High's exploration assets outside of the Cordero Project and will have $1.8 million in cash.

The transaction will be carried out by way of a court-approved plan of arrangement and will require the approval of at least 2/3 of the votes cast by the shareholders and option holders voting as a single class at Valley High's special meeting of shareholders to take place on March 22, 2011.

The following discussion and analysis of the results of operations and financial position of Levon Resources Ltd. (the "Company" or "Levon") should be read in conjunction with the Company's unaudited interim financial statements for the nine months ended December 31, 2010 and the audited financial statements for the year ended March 31, 2010 and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated February 23, 2011 and discloses specified information up to that date. Levon is classified as a "venture issuer" for the purposes of National Instrument 51-102. The Company's financial statements are prepared in accordance with generally accepted accounting principles in Canada. Unless otherwise cited, references to dollar amounts are Canadian dollars.

Throughout this report we refer to "Levon", the "Company", "we", "us", "our" or "its". All these terms are used in respect of Levon Resources Ltd. ***We recommend that readers consult the "Cautionary Statement" on the last page of this report.*** Additional information relating to the Company is available on SEDAR at www.sedar.com.

Business Description

Levon is an exploration stage public company listed on the TSX Venture Exchange under the symbol LVN and on the Frankfurt Stock Exchange under the symbol L09. The Company is a reporting issuer in British Columbia, Alberta and Ontario and its international ISIN number is CA 5279011020. The Company's principal business activities are the exploration and development of natural resource properties.

At this time, the Company has no operating revenues, and does not anticipate any operating revenues until the Company is able to find, acquire, place in production and operate a mine. Historically, the Company has raised funds through equity financing and the exercise of options and warrants to fund its operations.

Overall Performance

As at December 31, 2010, the Company had working capital of $11,244,457 as compared to working capital of $1,864,226 at March 31, 2010. The Company recorded a net loss of $4,307,924 for the nine months ended December 31, 2010 as compared to $348,722 for the nine months ended December 31, 2009. The Company had higher general and administrative expenses for the nine months ended December 31, 2010, primarily attributable to the issuance of stock options granted during the nine months, an increase in consulting and management fees, professional fees, office and shareholder relations activity.

Exploration

Cordero Silver, Gold, Zinc, Lead Project, Mexico

In February 2009, the Company signed a Letter of Intent with Valley High Ventures Ltd. ("Valley High"), whereby Levon would earn a 51% interest and operatorship from Valley High by making a cash payment of US$10,000 (CDN$12,513) and by spending CDN$1,250,000 by the end of February 2013 with a first year commitment of CDN$250,000 to explore and develop their wholly owned Cordero-Sanson Property ("Cordero") 35 km northeast of the town of Hidalgo Del Parral, in 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 north central Mexico (Penasquito, Pitarrilla, Comino Rojo and others). The Cordero property consists of contiguous staked and optioned mining claims that now total about 20,000 hectares. The land parcel covers a north porphyry belt and the Cordero Porphyry Belt to the south. Levon exploration to date has focused in the south. The Cordero Porphyry Belt has a 15 km strike length and is 3 to 5 km wide. The belt consists of six mineralized intrusive (porphyry) centers including three newly discovered diatreme breccia complexes that have not been explored for large scale, bulk tonnage Ag, Au, Zn, Pb deposits in the past. The Cordero Felsic Dome and La Ceniza Stock have been explored and developed for high grade Ag, Au, Zn and Pb veins, mined to the water table by shallow underground shaft workings. The only past bulk tonnage deposit exploration has apparently been by Penoles and confined to the northeastern most Sanson Stock intrusive center for Mo and Cu deposits (data not available).

Levon has designed and led the Cordero Joint Venture exploration. By October 2009 three discovery core holes (economic grades over mineable widths) were drilled in Phase 1 drilling (a total of 8 core holes, 3,185 m). The Phase 1 discovery holes are located within two intrusive centers of the newly defined, northeast trending Cordero Porphyry Belt. The discoveries were made in the newly recognized Pozo de Plata Diatreme complex and the Cordero Porphyry target 1.3 km to the NE.

By January 2010 Levon had completed the required earn-in commitment. We then expanded the exploration program to Phase 2 drilling in order to offset Phase 1 discovery holes and continue outlying exploration. In January, a second untested mineralized diatreme complex, Dos Mil Diez, was discovered by geologic mapping southwest of the Pozo de Plata diatreme discovery drill grid. Follow up trenching and initial drilling established a zoned Ag, Au, Zn, Pb showing, cored by Au, As anomalies that warranted drill follow up. Dos Mil Diez trench results included 60 m grading 0.953 g/T Au. Follow up drilling of 6 holes in a fence across the gold zone indicates enriched surface Au values and some narrow bedrock gold values that still warrant exploration follow up.

In March a third diatreme complex within a volcanic caldera was found 7 km to the southwest of Dos Mil Diez. The new Molina de Viento complex expands the Cordero Porphyry Belt from the original three known in early 2009 to the six aligned intrusive centers presently known.

By early June Phase 2 drilling was completed (52 core holes totaling 19,338 m, combined Phase 1 & 2 totals 22,523 m) and established both the Pozo de Plata and Cordero Porphyry discovery zones, which are open in all directions and require continued expansion and definition drilling. Drill results confirm an important geologic feature of the discoveries in that silver, zinc and lead assays are generally associated directly with galena and sphalerite that is readily visible and logged in mineralized drill core. The logged galena and sphalerite in the drill core, provides a real time, pre assay exploration success guide, and helps move the drills on the grid into areas of mineralized rocks. The presence and grade of gold in the core is quantified only by the assays.

In June an airborne, magnetic, electromagnetic ("EM") and radiometric survey was flown by Aeroquest of Ontario, Canada (1020 line km) over the entire Cordero Porphyry Belt. The airborne survey was followed up by a ground gravity survey (McGee Geophysics, Reno, Nevada) to cover the Pozo de Plata and Dos Mil Diez diatreme complexes. Integrated survey results with geologic mapping, soils and rock chip sampling results defined possible extensions of the Pozo de Plata discovery zone to the southwest of the drill grid, and six outlying targets for Phase 3 exploration drilling. The geophysical data was inverted in 3D, and the results integrated into the 3D Exploration Model. The data integration and targeting was processed in Gocad 3D pattern recognition software, which is state of the art, high end exploration software to optimize drill targeting.

In August, the Company signed a Joint Venture Agreement with Valley High which is effective April 1, 2010. As part of the Joint Venture Agreement, the Company has become the operator of the property.

In October, a Phase 3 follow up exploration and drilling program began, with the intention of expanding the discoveries, and providing initial tests of the six outlying mine-scale targets identified in Phase 2. Expanded mapping, sampling and geophysics, are aimed at identifying additional outlying mine-scale targets within the Cordero Porphyry Belt. Phase 3 is a $14M planned program, which includes 59,000 metres of core drilling.

Phase 3 core drilling began with two drills and now has three drilling 24 hours per day, seven days per week. By February 1, Phase 3 drill holes had been completed (20,000 m of the planned 59,000 m in Phase 3), devoted to offset and delineation drilling in the Pozo de Plata Diatreme discovery, and the Cordero Porphyry discovery drill grids 1.3 km to the northeast. Several initial exploration holes have been completed in outlying target zones. Currently ALS Chemex assay results are being returned from their Vancouver labs, and the results are being compiled and interpreted as Phase 3 drilling continues with five core drills turning 24 hours per day, 7 days per week.

Geology and Targeting

Silver, gold, zinc, lead and locally moly mineralization at Cordero is controlled by a series of volcanic and subvolcanic, Tertiary felsic igneous rhyolite, dacite porphyry, and granodiorite porphyry, intrusive complexes, emplaced into a Cretaceous sequence of interbedded limestone, calcareous mudstone, siltstone and sandstone. We have found barren and well mineralized micro diorite clasts within the Pozo de Plata Diatreme and as xenoliths in granodiorite porphyry in the Cordero Porphyry Zone, and the clasts are evidence of a mineralized diorite in the system, probably at depth since diorite is unknown at the surface.

The project is located in rolling cattle country on private ranch lands, and accessed by a state highway and a network of well maintained ranch roads.

Cordero is within an emerging Chihuahua-Zactatecas regional trend of deposits, which includes Penasquito (GoldCorp), Camino Rojo (GoldCorp), Pitarilla (Silver Standard) and San Agustin (Silver Standard) and others.

Cordero lands include contiguous mining claims that cover 20,000 hectares (20 square kilometers). There are two northeast trending porphyry belts on the Cordero property. Exploration of the Company is centered on high priority targets in the Cordero Porphyry Belt in the southern part of the property.

Geologic mapping, soils and rock chip sampling, and geophysical surveys have expanded the strike length of the mineralized Cordero Porphyry Belt about 60% since 2009. It now appears that all six intrusives in this area are mineralized and encompass significant targets for bulk tonnage Ag, Au, Zn, Pb type deposits. Recognition of three mineralized diatreme complexes to the southwest of the active and past mines in the Cordero district significantly expands the untested exploration potential of the area. The depth of exposure of the six porphyry centers within the Cordero Porphyry Belt vary systematically, from a shallow exposed porphyry stock in the northeast to progressively deeper intrusive centers toward the southwest. This district scale pattern accounts for the three high level, poorly exposed diatreme complexes added to the southwest, and the more typical porphyry style mineralization exposed to the northeast. Recognition of this geologically controlled geometry is guiding the district scale exploration.

Small scale active Ag mines are centered on bonanza vein zones within the margins of the Cordero felsic volcanic dome complex. Miners produced from the surface down 49 to 100 m to the water table in shallow shafts, down the dip of the high grade vein zones. Mineralization associated with outcropping vein zones hosted in rhyolite, dacite and granodiorite porphyry within the margins of the Cordero Volcanic Rhyolite Dome Complex. Some silver ore also includes high grade contact replacement deposits in vein zones along contacts between the porphyries and their clastic carbonate country rocks. Veins are typically narrow (1-2 m widths) and consist of swarms of discontinuous stringer vein zones, rather than through going tabular veins. The vein zones generally have N50E strikes, vertical dips and can be traced through 200-500m strike lengths in open stopes, which are parallel to the strike of the Cordero Porphyry Belt. Though a small 8 cell flotation mill was built in the past at the inactive La Luz mine, the lack of tailings indicates virtually no mill production. All production is from high grade, direct shipping ore, which is shipped to a community mill in Parral with mill concentrates shipped to the Torreon smelter. There are about 6 shaft mines active, the largest produces 10 tonnes/day. The mines are manned by contract artesian miners working for two claim owners under option to the joint venture. District and mine production figures are unknown. The largest past mine in the District was the La Ceniza mine developed by ASARCO on direct shipping ore in the 1950's. The La Ceniza Mine also appears to have been a small scale open stope and shallow shaft mine on high grade Ag veins (production unknown).

Phase 1 and 2 drill results reveal four types of silver, gold, zinc and lead vein mineralization:

- Type 1 – Narrow, high grade vein zone mineralization described in the small scale mining section above.
- Type 2 – Diatreme breccia mineralization: clasts, matrix and through going veins hosted by diatreme breccia and mineralized rhyolite and dacite breccia dikes; sphalerite, argentiferous galena, minor silver sulfosalt minerals and pyrite, with rusty weathering carbonate gangue minerals and occasionally rhodocrosite. Diatreme mineralization crops out in the Pozo de Plata Diatreme discovery and is exposed to 500 m depths in the discovery drill grid.
- Type 3 - High grade, massive sulfide replacement type mineralization within the contact zones of porphyry intrusives; coarse grained argentiferous galena, spalerite and lessor pyrite. Type 3 mineralization is exposed only in drill holes in the Pozo de Plata Diatreme and was discovered in hole C10-31. It represents a prime high grade mineralization target type.
- Type 4 – Disseminated and stockwork vein mineralization typical of bulk tonnage porphyry deposits; shalerite, marmotite, argentiferous galena, minor, very fine grained silver sulfosalt minerals (species not known), pyrite and locally molybdenite, with associated rusty weathering carbonate and minor rhodocrosite gangue and alteration minerals; porphyry style pervasive and stockwork controlled and zoned alteration assembledges, from green argillic, argillic, propyllitic, phyllic and potassic alteration toward the centers of the mineralized system, but with pervasive and vein, intergrown alteration minerals that include rusty

weathering carbonate and rhodacrosite and calcite, often substituting for silica within the alteration assembledges. The carbonate, rich alteration is displayed within the porphyry and diatreme mineralization (Types 2 and 4). Best exposed in drill core of the Cordero Porphyry Zone and in weathered rocks at the surface in the Zone.

The Pozo de Plata Diatreme Complex was recognized, mapped, trenched and initially drilled in 2009. Hole C09-5 was a discovery hole and cut 152 m grading 80.64 g/T Ag, 0.61 g/T Au, 1.41% Zn and 1.22% Pb within the mineralized diatreme. The current Pozo de Plata offset drill grid (50 m offsets) has partially tested the down dip projection of Ag, Au, Zn and Pb anomalies in soils, rock chip and trench sampling results, as well as soils, altered diatreme exposures, trench geology and a 3D IP chargeability anomaly identified in a 2009 survey. Results from trenches 1 through 4 illustrate the wide intervals of surface mineralization.

Phase 2 Pozo de Plata close spaced offset drilling was completed in an area that measures about 350 m NS by 300 m EW, with significant mineralization generally to depths of 300-500 m depths. Scattered mineralized intercepts down to vertical depths of 500 m at the ends of some holes, indicate portions of the mineralized zone are open at depth. The mineralized zone is entirely open on strike to the north, south, west and perhaps east, and Phase 3 drilling is in progress to delineate the mineralization. Phase 3 holes continue to expand the deposit, which remains open toward and beyond the Josefina Mine Zone to the southeast. Initial exploration holes in the Josefina Mine zone 450 m east of Pozo de Plata, also encountered ore grade mineralization within diatreme rocks and Phase 3 holes continue to offset the Phase 2 holes in the area.

Proposed Exploration

Levon's 2010-2011 Phase 3 Cordero exploration and drilling is underway and includes planned 59,000 m of core drilling and exploration to define and initially test additional mine scale bulk tonnage Ag, Au, Zn, Pb targets. Phase 3 is funded at CDN$14M.

Phase 3 goals are:

1. Continued expansion, definition and delineation drilling of the Pozo de Plata Diatreme and the Cordero Porphyry discoveries;
2. Completion 43-101 resource estimates by Q2-2011 utilizing contract services of IMC Engineering, Tucson, Arizona;
3. Completion of a 43-101 qualified Preliminary Economic Assessment (PEA), which includes metallurgical studies, engineering project infrastructure, environmental inventories, scooping studies and preliminary project and process design by the Q3-2011 utilizing the contract services of M3 Engineering, Tucson working in cooperation with IMC for resource updates as Phase 3 drilling continues;
4. Define and initially test outlying mine scale targets in the Cordero Porphyry Belt for additional discoveries requiring follow up grid drilling.

Core drilling began on October 1, 2010 with two drills. Three additional drills were added January 5, 2011. Phase 3 drills are running 24 hours per day, seven days per week. HD Drilling, of Mazatlan, Mexico is the drill contractor. Phase 3 drilling is focused on resource definition and delineation of the Pozo de Plata and Cordero Porphyry Zone grid drilling discovery areas. Step out and outlying exploration drill holes are aimed at drilling additional discovery holes that require offset grid drilling with additional drills.

SJ Geophysics, Vancouver has recently completed an expanded 3D induced polarization (IP) survey over the Molina de Viento, Dos Mil Diez, Pozo de Plata and La Ceniza stock intrusive centers. The IP data is currently being inverted in 3D and interpreted for discovery expansion and delineation and to consider proximal, mine scale exploration targets for testing.

The project is under the direct supervision of Mr. Victor Chevillon, M.A., C.P.G., Levon's Vice President of Exploration and Director. Mr. Chevillon is a qualified person within the context of National Instrument 43-101.

All Phase 1, 2 and 3 drill holes are HC core holes utilizing best industry practices. The core is sawed (except in highly broken zones, where it is split) and sampled continuously through 2 m intervals on the Cordero site at a secure core storage facility. ALS Chemex, Chihuahua takes custody of the samples at the core shed and delivers the samples to their Chihuahua labs for preparation. ALS Chemex has the prepared sample pulps flown to Vancouver for assay analysis in the lab. Levon employs a rigorous quality assurance and quality control ("QAQC") program in the core drilling and sampling program comprised of control samples that include standardized material, blanks and sample duplicates. AMEC Americas Ltd. ("AMEC") has designed the QAQC protocol from a study they prepared. Independent Mining Consultants, (IMC) Tucson, Arizona has provided an initial QAQC report for Phase 1 and 2 drill results and confirms the validity of the sample results. M3 Engineering and Technology, Tucson, Arizona is currently designing the engineering studies, including power, water availability analysis and a metallurgical testing program, for the PEA.

Phase 1 and 2 Drill Results

Table 1 , Table 2 & Table 3. Phase 1 and Phase 2 and first 30 holes of Phase 3 Cordero core drilling reported drill hole composite assays.

Table 1

Hole	Zone	from (m)	to (m)	length (m)	Ag (g/T)	Au (g/T)	Zn%	Pb%	AgEq. (g/T)	Net Value ($US)	AuEq. (g/T)
C09-1	Pozo de Plata	0	70	70	29.14	0.08	0.25	0.15	46	$15	0.69
C09-2	Pozo de Plata	6	88	82	31.74	0.27	0.15	0.23	61	$21	0.92
C09-3	zordero Dome	72	92	20	88.34	0.14	1.90	1.69	202	$69	3.03
C09-5	Pozo de Plata	92	244	152	80.64	0.61	1.41	1.22	198	$67	2.98
C09-8	zordero Dome	190	256	66	17.33	0.02	1.45	0.08	64	$22	0.95
C10-9	Pozo de Plata	22	224	202	24.27	0.31	0.34	0.35	65	$22	0.97
C10-11	Pozo de Plata	4	264	260	45.77	0.34	0.44	0.61	98	$33	1.48
C10-11	Pozo de Plata	52	146	94	49.17	0.31	0.85	0.75	117	$39	1.75
C10-11	Pozo de Plata	204	230	26	18.17	0.63	0.08	0.23	69	$24	1.04
C10-12	Pozo de Plata	12	48	36	103.22	0.11	0.46	1.22	158	$54	2.39
C10-12	Pozo de Plata	62	76	14	26.00	0.15	0.30	0.40	51	$19	0.85
C10-12	Pozo de Plata	104	118	14	114.79	0.74	1.71	1.62	262	$89	3.92
C10-12	Pozo de Plata	152	184	32	39.31	0.22	0.92	0.65	100	$34	1.50
C10-14	Pozo de Plata	38	140	102	49.31	0.25	0.84	0.78	113	$38	1.70
C10-18	Pozo de Plata	8	250	242	47.05	0.26	0.73	0.69	106	$36	1.59
C10-22	Pozo de Plata	12	50	38	31.34	0.22	0.81	0.42	82	$28	1.23
C10-22	Pozo de Plata	104	138	34	28.37	0.14	0.47	0.46	65	$22	0.98
C10-23	Josephina	0	16	16	112.00	0.07	0.07	0.07	121	$41	1.81
C10-23	Josephina	118	128	10	416.50	0.13	4.80	1.76	617	$209	9.26
C10-23	Josephina	148	200	52	41.10	0.06	0.92	0.59	89	$30	1.34
C10-23	Josephina	214	261	46	16.10	0.02	0.90	0.44	57	$19	0.85
C10-23	Josephina	300	416	116	49.70	0.10	1.28	0.94	122	$41	1.82
C10-24	Pozo de Plata	no high intervals									
C10-25	Josephina	8	16	8	68.30	0.02	0.30	0.10	81	$28	1.22
C10-25	Josephina	72	80	8	47.60	0.06	1.30	0.64	109	$37	1.63
C10-26	Pozo de Plata	0	18	18	16.30	0.25	0.09	0.46	49	$17	0.74
C10-26	Pozo de Plata	130	158	28	67.70	0.51	0.84	0.94	154	$52	2.31

C10-26	Pozo de Plata	224	270	46	148.90	0.45	2.04	1.99	297	$101	4.45
C10-26	Pozo de Plata	284	328	44	14.60	0.24	0.36	0.33	51	$17	0.76
C10-28	Pozo de Plata	28	46	18	37.80	0.11	0.66	0.57	81	$27	1.22
C10-28	Pozo de Plata	122	192	70	70.90	0.51	1.13	1.06	168	$57	2.53
C10-28	Pozo de Plata	278	300	22	14.00	0.20	0.30	0.28	44	$15	0.66
C10-30	Pozo de Plata	6	20	14	16.00	0.15	0.09	0.38	40	$13	0.60
C10-30	Pozo de Plata	136	322	186	28.10	0.22	0.51	0.43	70	$24	1.05
C10-30	Pozo de Plata	340	356	16	68.70	0.23	3.03	1.55	218	$74	3.27
C10-31	Pozo de Plata	14	32	18	29.40	0.18	0.21	0.38	58	$20	0.88
C10-31	Pozo de Plata	46	128	82	27.90	0.14	0.36	0.38	58	$20	0.88
C10-31	Pozo de Plata	158	272	114	126.00	0.49	0.93	2.18	249	$85	3.75
C10-31Incl	Pozo de Plata	186	212	26	410.10	1.06	2.92	7.06	772	$262	11.59
C10-32	Josephina	230	288	58	91.80	0.10	1.99	1.09	188	$64	2.83
C10-33	Pozo de Plata	12	58	46	21.00	0.09	0.20	0.28	40	$14	0.62
C10-33	Pozo de Plata	94	110	16	28.20	0.11	0.31	0.39	56	$19	0.84
C10-33	Pozo de Plata	124	198	74	65.90	1.04	0.80	1.28	196	$66	2.94
C10-33	Pozo de Plata	224	246	22	47.80	1.08	0.19	0.87	151	$51	2.26
C10-33	Pozo de Plata	284	328	44	21.10	0.13	0.18	0.33	44	$75	0.67
C10-34	Pozo de Plata	16	62	46	17.20	0.07	0.35	0.21	38	$13	0.57
C10-35	Pozo de Plata	Assays pending									
C10-39	Pozo de Plata	32	168	136	69.60	0.52	0.91	0.97	159	$54	2.39
C10-39	Pozo de Plata	232	274	42	22.90	0.26	0.10	0.38	55	$18	0.81
C10-40	Pozo de Plata	Assays pending									

Table 2

Hole	Zone	from (m)	to (m)	length (m)	Ag (g/T)	Au (g/T)	Zn %	Pb %	Ag Eq.(g/T)*
C10-21		Composites below cut off							
C10-27	Porphyry	88	96	8	21.3	0.042	0.52	0.22	46
		208	248	40	22.7	0.070	0.38	0.41	50
		276	292	16	20.5	0.005	2.77	0.40	113
		310	334	24	17.9	0.022	0.26	0.31	36
C10-29	Porphyry	70	82	12	60.6	0.490	0.61	0.35	121
		116	148	32	149.7	0.030	1.48	1.72	245
		164	182	18	10.9	0.000	1.11	0.05	44
		214	272	58	16.3	0.027	0.82	0.17	47
		288	318	30	21.7	0.028	0.33	0.13	37
		384	406	22	22.0	0.062	0.89	0.07	54
C10-35	Pozo de Plata	48	148	100	72.8	0.425	0.97	1.11	162
		168	202	34	33.7	0.158	0.40	0.49	70
		232	244	12	14.5	0.082	0.57	0.34	46
		324	336	12	17.4	-0.001	1.61	0.29	73
C10-36	Pozo de Plata	0	40	40	19.6	0.122	0.14	0.23	39
		88	106	18	26.4	0.146	0.41	0.32	57
C10-37	Pozo de Plata	22	30	8	47.5	0.167	0.38	0.43	82
		52	68	16	50.1	0.175	0.50	0.27	84
		94	128	34	96.7	0.370	0.91	1.40	189

C10-38	Porphyry	Composites below cutoff							
C10-40	Pozo de Plata	30	68	38	31.4	0.160	0.33	0.31	61
		92	120	28	19.5	0.166	0.38	0.24	49
		144	162	18	40.6	0.139	0.10	0.61	71
		182	236	54	111.2	0.578	0.74	1.65	220
C10-42	Pozo de Plata	6	132	126	30.4	0.184	0.50	0.39	69
C10-43	Pozo de Plata	312	348	36	25.8	0.022	1.16	0.40	73
C10-44	Pozo de Plata	28	66	38	55.6	0.208	0.43	0.28	90
		96	110	14	15.0	0.078	0.21	0.14	30
C10-45	Pozo de Plata	0	38	38	82.4	0.036	0.10	0.06	90
		108	118	10	148.2	0.042	2.37	0.79	243
C10-46	Pozo de Plata	0	16	16	26.4	0.144	0.05	0.45	51
		96	140	44	18.9	0.055	0.20	0.25	36
		158	276	118	51.0	0.397	0.41	0.96	117
C10-47	Pozo de Plata	30	68	38	31.0	0.053	0.47	0.41	60
C10-48	Pozo de Plata	84	96	12	64.4	0.226	1.04	0.82	134
		110	122	12	58.4	0.268	0.37	0.92	114
		280	322	42	10.5	0.004	0.67	0.17	35
		334	358	24	7.6	0.004	0.77	0.22	37
		412	436	24	10.3	0.004	1.93	0.45	80
C10-49	Pozo de Plata	290	314	24	12.5	0.183	0.45	0.36	48
		356	370	14	61.3	0.062	0.41	0.28	86
C10-50	Pozo de Plata	148	208	60	14.9	0.108	0.24	0.21	35
		306	322	16	11.0	0.003	0.83	0.14	40
C10-51	Pozo de Plata	66	182	116	31.2	0.191	0.51	0.40	70
		250	284	34	11.1	0.010	2.23	0.31	86
C10-52	Pozo de Plata	0	10	10	36.5	0.039	0.18	0.28	53
		38	120	82	30.9	0.177	0.37	0.35	64
		166	218	52	18.0	0.028	1.28	0.39	69
C10-53	Pozo de Plata	38	64	26	107.3	0.467	1.46	1.28	218
		78	108	30	18.8	0.096	0.29	0.25	41
		292	302	10	22.6	0.001	2.83	1.06	136
C10-54	Pozo de Plata	46	58	12	102.6	0.180	0.56	1.33	170
		82	96	14	14.2	0.147	0.31	0.18	38
		118	166	48	39.1	0.141	0.65	0.63	86
		182	222	40	21.8	0.596	0.45	0.39	86
C10-55	Pozo de Plata	74	104	30	57.7	0.335	0.76	0.81	126
		142	202	60	49.3	0.497	0.54	0.78	121
		218	240	22	11.9	0.129	0.39	0.24	39
		254	266	12	31.8	0.080	0.70	0.56	74
C10-56	Pozo de Plata	2	18	16	12.7	0.101	0.16	0.23	31
		142	160	18	21.9	0.136	0.56	0.17	52
C10-57	Pozo de Plata	90	196	106	35.2	0.195	0.72	0.56	86
		242	276	34	18.0	0.125	0.73	0.30	56
C10-58	Pozo de Plata	2	150	148	26.0	0.094	0.24	0.31	48
		240	250	10	16.2	0.084	0.56	0.36	49
		318	336	18	13.3	0.003	1.29	0.41	63
		350	364	14	59.5	0.011	5.41	0.75	240
C10-59	Porphyry	14	28	14	1.7	0.040	2.40	0.01	75
		324	342	18	60.7	0.105	3.71	1.41	217
C10-60	Pozo de Plata	4	104	100	31.7	0.083	0.34	0.38	58
		228	290	62	22.3	0.012	2.05	0.43	96

Table 3

Hole	Zone	from (m)	to (m)	length (m)	Ag (g/T)	Au (g/T)	Zn %	Pb %	Ag Eq.(g/T)
C10-61	Pozo de Plata Diatreme	12	88	76	35.8	0.121	0.6	0.4	24.5
C10-61		112	124	12	21.1	0.038	0.2	0.2	33.9
C10-61		190	206	16	14	0.001	1.49	0.32	67.6
C10-62	Pozo de Plata Diatreme	228	254	26	130.7	0.026	0.39	0.21	149.9
C10-62		270	276	6	20.8	0.021	1.57	0.59	85.3
C10-62		286	310	24	23	0.025	0.79	0.73	68.9
C10-62		346	382	36	10.8	0.014	1.1	0.19	49.3
C10-63	Pozo de Plata Diatreme	No significant intervals							
C10-64	Pozo de Plata Diatreme	226	272	47	21.8	0.018	1.72	0.45	86.6
C10-65	Pozo de Plata Diatreme	No significant intervals							
C10-66	Cordero Porphyry	78	88	10	24	0.012	1.35	0.14	68.2
C10-66		254	260	6	732.9	0.042	6.44	1.08	955.3
C10-66		456	474	18	4.2	0.013	1.13	0.05	39.4
C10-67	Pozo de Plata Diatreme	4	12	8	42.6	0.04	0.12	0.31	57.9
C10-67		58	100	42	21.6	0.191	0.34	0.28	52.3
C10-67		138	150	12	26.4	0.081	0.98	0.43	73.1
C10-67		168	178	10	8	0.017	0.59	0.26	33.9
C10-68	Pozo de Plata Diatreme	218	232	14	9.6	0.011	1.13	0.31	52.6
C10-68		244	256	12	27.6	0.026	0.68	0.56	65.3
C10-68		314	332	18	39.9	0.026	2.4	0.41	123.9
C10-68		352	366	14	27.7	0.01	1.67	0.23	83.9
C10-69	Pozo de Plata Diatreme	No significant intervals							
C10-70	Pozo de Plata Diatreme	56	86	30	23.3	0.107	0.28	0.22	45
C10-70		168	174	6	7.1	0.005	0.8	0.15	34.5
C10-70		182	194	12	8.1	-0.005	2.14	0.35	80.5
C10-71	Pozo de Plata Diatreme	2	6	4	367	0.254	0.03	1.07	416
C10-71		40	74	34	19.1	0.259	0.26	0.19	49.4
C10-72	Cordero Porphyry	166	216	50	25.1	0.014	0.68	0.61	63.6
C10-72		252	286	34	26.8	0.026	0.79	0.77	74
C10-72		380	394	14	19.3	0.028	0.63	0.43	52.2
C10-73	Cordero Porphyry	No significant intervals							
C10-74	Pozo de Plata Diatreme	314	320	6	11.4	0.013	1.01	0.24	48.9
C10-75	Dos Mil Diez Diatreme	No significant intervals							

C10-76	Dos Mil Diez Diatreme	No significant intervals							
C10-77	Pozo de Plata Diatreme	4	14	10	25.5	0.035	0.24	0.15	39.4
C10-77		116	126	10	8.7	0.341	0.19	0.12	40.6
C10-77		436	450	14	21.1	0.008	2.46	0.59	110.6
C10-78	Pozo de Plata Diatreme	14	22	8	14.4	0.099	0.33	0.18	35.9
C10-78		30	40	10	16.3	0.062	0.11	0.1	26.6
C10-78		120	140	20	13.3	0.039	0.38	0.16	31.6
C10-78		322	330	8	2.1	0.009	1.15	0.05	37.9
C10-79	Pozo de Plata Diatreme	140	156	16	62.3	0.216	0.18	0.35	92.2
C10-79		172	198	26	63.3	0.271	0.52	0.9	123.1
C10-79		208	288	80	41.4	0.499	0.29	0.62	101.2
C10-79		300	310	10	25.2	0.138	0.43	0.4	58.6
C10-79		346	366	20	13.67	0.01	1.12	0.2	53.41
C10-80	Pozo de Plata Diatreme	176	198	22	10.7	0.048	0.55	0.21	36.2
C10-80		224	238	14	21.4	0.044	0.77	0.36	57.2
C10-80		284	324	40	12.3	0.009	1.62	0.26	67.8
C10-81	Pozo de Plata Diatreme	No significant intervals							
C10-82	Pozo de Plata Diatreme	278	328	50	43.1	0.052	1.65	1.32	133.4
C10-83		180	224	44	40.1	0.57	0.22	0.54	100.2
C10-83		250	270	20	9.1	0.031	0.48	0.19	30.8
C10-84	Pozo de Plata Diatreme	178	224	46	34.7	0.01	2.23	0.57	117
C10-85	Pozo de Plata Diatreme	252	290	38	23.5	0.018	1.52	0.52	84.2
C10-86	Oesta Pozo de Plata	No significant intervals							
C10-87	Cordero Porphyry	12	18	6	20.2	0.025	0.19	0.33	42.8
C10-87		44	60	16	26.3	0.012	0.8	0.45	63.6
C10-87		66	114	48	27.1	0.019	0.84	0.48	66.8
C10-87		128	252	124	26.4	0.019	0.77	0.6	67.8
C10-87		306	364	58	23.1	0.029	0.45	0.33	47.7
C10-87		524	536	12	14.8	0.018	0.26	0.23	30.2
C10-88	Josefina Zone	190	204	14	6.6	0.055	0.52	0.11	28.9
C10-89	Cordero Porphyry	No assays reported, hole lost at 23 m							
C10-90	Porphyry Zone	Assays Pending							
C10-91	Porphyry Zone	No significant intervals							
C10-92-97	Porphyry Zone	Assays Pending							

Table 4. Key intervals of the trenches that exceed an approximately 10 ppm Ag cutoff are tabulated below. The highest grade results from the Pozo de Plata trench are included for comparison.

Trench	From(m)	To (m)	Length (m)	Ag (g/T)	Au (g/T)	Zn (ppm)	Pb (ppm)
1	0	50	50	22.7	0.105	1999	4748
1	90	150	60	110.5	0.071	7045	18231
1	95	150	55	14.1	0.059	1707	722
2	0	75	75	18.2	0.022	1042	1123
2	205	255	50	32.0	0.022	805	1414
2	285	345	60	34.9	0.036	1753	3286
2	385	520	135	18.5	0.070	917	2174
3	70	115	45	20.7	0.067	1631	4081
4	20	60	40	11.1	0.063	162	557
Pozo	0	175	175	21.8	0.200	1555	1967

Early stage reconnaissance has partially defined the Molina de Viento Caldera Diatreme Complex 7 km further southwest that requires complete ground follow up and additional mapping, sampling and perhaps geophysics to define drill targets.

Northeast of the Pozo de Plata discovery disseminated and stockwork vein type porphyry mineralization (Type 4) has been discovered in the Cordero Porphyry Target 1.3 km NE of the Pozo de Plata drill grid (first in hole C09-8). Hole C10-41 also intersected mineralized intrusion breccias, disseminated and stockwork vein, porphyry-type mineralization, in a northern part of the Cordero Porphyry Zone through the entire length of the hole (503.45 m total hole length where the –60 degree angle core hole was lost in highly broken and mineralized fault zone). Long assay intervals in C10-41 confirm the bulk tonnage nature of the mineralization. A highlight in C10-41 drill hole is 170 m grading 17.33 g/T Ag, 0.03 g/T Au, 0.638 % Zn, 0.438 % Pb (62.9 g/T Ag equivalent), which includes a higher grade interval of 64 m grading 28.4 g/T Ag, 0.033 g/T Au, 1.01 % Zn, 0.816 % Pb (105.3 g/T Ag equivalent). The mineralization is hosted within a series of intrusives in the vicinity of active bonanza silver underground workings. The Cordero Porphyry target is open on strike and at depth and will require Phase 3 offset drilling and delineation, which is underway.

Exploration Potential

Cordero geology, metal assembledges, metal grades and scale of the properties mineralized centers appear to be most analogous with the Penasquito mine of GoldCorp. We believe Cordero exploration results to date support this analogy and point to this scale of upside discovery potential. Cordero is in the early discovery stage of exploration. The current Phase 3 drilling program is aimed at verifying the Penasquito analogy.

For further details and maps of the Cordero project, please see our website: www.levon.com

Congress Property, British Columbia

The Company was engaged in the exploration of its Congress Property located on the north side of Carpenter Lake in British Columbia's historic gold producing Bridge River region. The Congress Property is a historic mining property that supported past high-grade gold vein production from three portal entry underground workings. The property covers 2,433 hectares (6,012 acres) and consists of 45 claims including 8 crown grants, 13 mineral leases and 24 mineral claims.

Since May 2007, Levon has undertaken three phases of surface exploration to locate new gold bearing structures on its Congress property situated in the Bridge River Gold Camp. The three phases include prospecting, MMI soil grids, trenching by hand and with an excavator. Prospecting has been successful with the relocation of three previously known showings that have received little exploration work in the past and has also led to several other new discoveries. Most of the relocated zones and new discoveries are found along the south side of the Gun Creek canyon, on the north central portion of the Congress Property, and are contained in an area 100m wide by 600m long. The zones found in this area have a general east west trend as opposed to the Congress, Lou and the Howard Zones, that have a north-south trend. Detailed geological mapping to determine where diamond drill holes should be placed to test the gold bearing structures found in this area of Gun Creek is warranted.

In November 2007, the Company announced the approval of a 16-hole (5,000 metres) diamond drill program by the BC Ministry of Mines. The drill program has been designed to offset high grade surface gold showings discovered in September 2007, test the size potential of newly recognized porphyry gold controls on high grade stockwork vein zones, discovered in Gun Creek canyon in a northern part of the property and test the northern strike projection of the high grade Lou Gold Zone toward Gun Creek.

During 2008, the Company reopened the portal to the Goldbridge Tungsten mine and has been sampling the adit to determine future exploration.

In September 2008, the Company released the Congress Property, B.C. Drilling Summary Report including the 3 m wide intercept grading of 0.395 ounces per ton. The drill holes tested part of the newly recognized Gun Creek dacite stock mapped in a northern part of the property for bulk tonnage gold deposits. Three angle core holes (1,048 m total) confirm the presence of Au beneath gold showings prospected at the surface, which are associated with veins and veined zones. Such vein zones have been explored and mined at the Congress and Howard mines in the past. The holes confirm that the surface stockwork vein mineralized zones discovered by prospecting dacite porphyry dikes and sills, narrow down dip and along strike in the vicinity of the holes.

Industry standard core sampling procedures and quality control measures were applied to the core and the core samples. The samples were boxed and shipped via UPS to Acme Analytical Laboratory Ltd. in Vancouver for analysis. Acme Labs completed the 42 element mass spectrometry ICP analysis and Au on all the samples, any samples which returned >1ppm Au were fire assayed from a 30-gram pulp with a gravimetric finish.

The highest quality gold intercept cut in the holes is associated with veined zones 3 m wide grading 0.395 ounces per ton Au, (from 41 to 44 m hole depths*).* This intercept is associated with vein quartz and disseminated Pyrite, Arseno Pyrite, Stibnite, Serecite, Carbonate altered Greenstone pillow basalt of the metamorphosed host rock sequence.

High grade vein potential and stockwork bulk tonnage gold potential remain to be tested in the vicinity of the best intercept and within the Gun Creek stock and its contact zone to the east of the 2007 drill holes.

Norma Sass Property, Nevada

In October 2008, the Company and Coral Gold Resources Ltd.'s wholly-owned U.S. subsidiary, Coral Resources, Inc. ("CRI") entered into an exploration, development and mine operating agreement (the "Agreement") with Barrick Gold Exploration Inc. ("Barrick"), wherein Barrick is granted the option to acquire up to a 75% interest in CRI's and the Company's interests in the Norma Sass Property, Nevada consisting of 36 unpatented mining claims.

Barrick may earn a 60% interest by incurring total exploration expenditures of at least US $3 million in annual installments by December 31, 2014. Barrick may earn an additional 10% (for an aggregate interest of 70%) by incurring an additional US $1.5 million by December 31, 2015. Barrick may earn an additional 5% (for an aggregate interest of 75%) by carrying CRI and the Company through to commercial production.

Alternatively, at the time of earning either its 60% or 70% interest, Barrick may be given the option to buy-out CRI's and the Company's joint interest by paying US $6 million and granting them a 2% net smelter returns royalty.

During 2009, Barrick commenced the target delineation work followed by a drilling program. Barrick did extensive geological mapping and geochemical soil and rock sampling across the property in order to define locations for drilling. The drilling program consisted of two mud rotary holes with target depths on the order of approximately 1,800 to 2,000 feet to test structural and geochemical targets in the Lower Plate carbonate sequence, with the potential to go deeper as the rock dictates. The Company's technical team visited with Barrick's Cortez Gold Mines in Crescent Valley, Nevada, USA. The group examined the chips and core from Barrick's recently completed hole, NS 09-01 at the Norma/Sass property. The group also visited the NS 09-01 drill site.

Hole NS 09-01 was started in early October and drilled North West at 70 degree dip across a SW-NE striking fault which trends into Barrick's Gold Acres pit one mile to the northeast and is thought to be related to mineralization at

Gold Acres. Hole NS 09-01 started as a reverse circulation hole but encountered recovery problems at 1,680 foot depth. Barrick brought in a core rig, wedged the RC hole and drilled HQ diameter core to a final depth of 2,586 ft.
In September 2010, Barrick elected to terminate the agreement.

Risks

Exploration and development involve 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.

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.

Competition

The mining industry in which the Company is engaged is in general, highly competitive. Competitors include well-capitalized mining companies, independent mining companies and other companies having financial and other resources far greater than those of the Company. The Company competes with other mining companies in connection with the acquisition of mineral properties. In general, properties with a higher grade of recoverable mineral that is more readily mineable, afford the owners a competitive advantage in that the cost of production of the final mineral product is lower. Thus, a degree of competition exists between those engaged in the mining industry to acquire the most valuable properties. As a result, the Company may eventually be unable to acquire attractive mining properties.

Results of Operations

Nine months ended December 31, 2010 compared with the nine months ended December 31, 2009

General and administrative expenses

General and administrative expenses totaled $4,303,933 for the nine months ended December 31, 2010 as compared to $350,070 for the nine months ended December 31, 2009, an increase of $3,953,863. The Company experienced a general increase in all activities with material increases of $3,258,452 in stock-based compensation, $476,500 in consulting and management fees, $78,496 in office occupancy, and $94,164 in professional fees. Other increases included $10,176 in listing and filing fees, $16,525 in general exploration, $36,112 in salaries and $10,097 in travel expenses.

During the period, the Company has experienced a higher level of activity which results in an increase of administration costs. Stock based compensation expense was higher in the current period as a result of the issuance of stock options to directors, employees and consultants. Consulting fees was higher due to the addition of consultants assisting with the business development of the Company and the Compensation Committee approved a bonus for the Chief Executive Officer resulting in an increase in management fees. The Company has leased premises in Mexico which has resulted in an increase to the office occupancy expense. During the period, the Company wrote down prepaid amounts for general exploration in Las Mesas, Mexico. Professional fees were higher due to the increase in legal fees associated with this increase in activity.

Loss for the period

Loss for the nine months ended December 31, 2010 was $4,307,924 compared to a loss of $348,722 for the nine months ended December 31, 2009, an increase of $3,959,202. The main reason for this increase was the higher general and administrative expenses, as discussed above. This was offset by a change in the foreign exchange. In the prior year, there was a foreign exchange gain of $804 and in the current year, there was a loss of $21,170. Interest income was higher by $16,635.

Three months ended December 31, 2010 compared with the three months ended December 31, 2009

General and administrative expenses

General and administrative expenses totaled $652,450 for the three months ended December 31, 2010 as compared to $165,935 for the three months ended December 31, 2009, an increase of $486,515. The increase is a result of increases of $335,500 in consulting and management fees, $3,413 in general exploration, $8,818 in office occupancy, $11,442 in professional fees, $15,623 in salaries, and $157,726 in stock based compensation. These increases were offset by decreases of $32,846 in shareholder relations and $11,398 in travel expenses.

Loss for the period

Loss for the three months ended December 31, 2010 was $655,479 compared to a loss of $174,147 for the three months ended December 31, 2009, an increase of $481,332. The main reason for this increase was the higher general and administrative expenses, as discussed above, as well as a decrease in foreign exchange loss of $9,063 and these were offset by an increase in interest income of $14,246.

Summary of Quarterly Results

Period ended	Dec 31 2010 Q3	Sept 30 2010 Q2	Jun 30 2010 Q1	Mar. 31 2010 Q4	Dec. 31 2009 Q3	Sept. 30 2009 Q2	Jun. 30 2009 Q1	Mar. 31 2009 Q4
Loss before other items	(652,450)	(3,376,724)	(274,759)	(395,712)	(165,935)	(87,380)	(96,758)	(92,042)
Net Income (Loss)	(655,479)	(3,380,783)	(271,662)	(382,167)	(174,147)	(82,354)	(92,224)	(103,512)
Basic Loss per Share	(0.01)	(0.05)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)

Liquidity and Capital Resources

At this time the Company has no operating revenues. Historically, the Company has funded its operations through equity financing and the exercise of stock options and warrants.

As at December 31, 2010 the Company had working capital $11,244,457 compared to working capital of $1,864,226 at March 31, 2010.

On August 31, 2010, the Company completed a brokered private placement of 13,334,000 units at a price of $0.75 per unit for gross proceeds of $10,000,500 and a non-brokered private placement of 1,471,353 units at a price of $0.75 per unit for gross proceeds of $1,103,514. Each unit consists of one common share and one-half of one common share purchase warrant. One whole warrant is exercisable into one additional common share at a price of $1.20 until February 29, 2012. The Company paid a cash commission of $525,026, equal to 5% of the gross proceeds of the brokered private placement and issued 1,066,720 broker warrants. In addition, the Company issued 1,066,720 broker warrants, exercisable at a price of $1.00 until August 31, 2011.

During the nine months ended December 31, 2010, $2,418,323 was raised through the exercising of 4,693,484 warrants and $39,750 was raised through the exercising of 105,000 stock options.

During the year ended March 31, 2010, $820,447 was raised through the exercising of 2,944,135 warrants and $180,000 through the exercising of 1,375,000 stock options.

On January 7, 2010, the Company closed the final tranche of the non-brokered private initially closed on December 31, 2009. The Company issued 100,000 units for gross proceeds of $35,000. Each unit consists of one common share and one-half non-transferrable common share purchase warrant. One whole purchase warrant is exercisable into one additional common share at a price of $0.55 per share until December 31, 2010.

On December 31, 2009, the Company completed a brokered private placement of 6,551,000 units at a price of $0.35 per unit for gross proceeds of $2,292,850. Each unit consists of one common share and one-half non-transferrable share purchase warrant. Two share purchase warrants will entitle the investor to purchase one additional common share with a term of one year at an exercise price of $0.55 expiring December 31, 2010. The Company paid commissions to the agents equal to 7% of the gross proceeds from the offering raised by the agents, paid by way of an aggregate of $94,735 in cash and an aggregate of 187,898 units. The 187,898 units have the same terms as the units issued under the private placement. The Company also issued to the agents an aggregate of 458,570 agent's warrants equal to 7% of the aggregate number of units sold by the agents pursuant to the offering. The agent's warrants are exercisable to purchase one common share of the Company at $0.55 per share for a period of one year expiring on December 31, 2010.

On July 29, 2009, the Company completed a non-brokered private placement of 5,000,000 units at a price of $0.16 per unit for gross proceeds of $800,000. Each unit consists of one common share and one-half non-transferrable share purchase warrant. Two share purchase warrants will entitle the investor to purchase one additional common share with a term of one year at an exercise price of $0.35 expiring July 29, 2010. The Company paid to certain arm's length finders a finder's fee equal to 7% of the funds raised ($42,336), plus Broker's Warrants to acquire common shares of the Company equal to 7% of the number of units sold (264,600 broker warrants) at an exercise price of $0.35 per share for a period of one year expiring on July 29, 2010.

The Company is in the exploration stage. The investment in and expenditures on the mineral property comprise substantially all of the Company's assets. The recoverability of amounts shown for its mineral property interest and related deferred costs and the Company's ability to continue as a going concern is dependent upon the continued support from its directors, the discovery of economically recoverable reserves, and the ability of the Company to obtain the financing necessary to complete development and achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time.

Mineral exploration and development is capital intensive and in order to maintain its interest the Company will be required to raise new equity capital in the future. Based on the Company's current financial position, its plans for equity financing and its exploration plans for the upcoming fiscal year, the Company will be able to meet its financial obligations through the year. There is no assurance that the Company will be successful in raising additional new equity capital.

Off-Balance Sheet Arrangements

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

Related Party Transactions

During the nine months ended December 31, 2010, the Company paid, or made provision for the future payment of the following amounts to related parties:

- $103,711 (2009 - $54,153) was charged for office, occupancy and miscellaneous costs and salaries, and administrative services paid on behalf of the Company by Oniva International Services Corp. ("Oniva"), a private company owned by the Company and five other reporting issuers having common directors;

- $370,000 (2009 - $22,500) was paid for management fees to a private company controlled by a director and officer of the Company;

- $154,149 (2009 - $80,596) was paid for geological management fees to a private company controlled by a director and officer of the Company. Of this amount, $154,149 (2009 - $41,625) has been capitalized under resource properties and $Nil (2009 - $Nil) has been expensed under general exploration;

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.

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

The amount due from a related party consists of $5,564 (March 31, 2010 - $5,564) owing from ABC Drilling, which is the balance of an advance towards drilling services to be provided and $Nil (March 31, 2010 - $42,947) due from a private company controlled by a director and officer.

Amounts due to related parties as at December 31, 2010 include:

- $27,041 (March 31, 2010 - $24,426) owed to Oniva;
- $59,045 (March 31, 2010 - $56,788) owed to a public company related by way of common directors;
- $101,323 (March 31, 2010 - $57,698) owed to private companies controlled by directors of the Company.

Amounts due are without stated terms of interest or repayment.

Disclosure of Management Compensation

During the nine months ended December 31, 2010 $370,000 was paid to a Company controlled by the Chief Executive Officer for services as director and officer of the Company; $14,175 was paid to the Secretary for services as an officer of the Company; and $15,675 was paid to the Chief Financial Officer for services as an officer of the Company.

Critical Accounting 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 disclosures 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.

Financial Instruments

The Company's financial instruments consist of cash, security deposits, accounts receivable, investments, accounts payable and accrued liabilities, and due to related parties. The carrying values of these financial instruments approximate their fair values because of the short maturity of these financial instruments.

Future Accounting Changes

Recent Canadian accounting pronouncements that have been issued but are not yet effective, and which may affect the Company's financial reporting are summarized below. For details of the specific accounting changes, refer to Note 2 (b) of the Company's Consolidated Financial Statements:

i) Section 1582 Business Combinations
ii) Section 1601 Consolidated Financial Statements
iii) Section 1602 Non-controlling Interests

International Financial Reporting Standards ("IFRS") transition project

The Canadian Accounting Standards Board ("AcSB") has announced its decision to replace Canadian generally accepted accounting principles ("GAAP") with International Financial Reporting Standards ("IFRS") for all Canadian Publicly Accountable Enterprises ("PAEs"). The effective changeover date is April 1, 2011, at which time Canadian GAAP will cease to apply for Levon and will be replaced by IFRS. Following this timeline, the Company will issue its first set of interim financial statements prepared under IFRS in the first quarter of 2011 including comparative IFRS financial results and an opening balance sheet as at April 1, 2010. The first annual IFRS consolidated financial statements will be prepared for the year ended March 31, 2012 with restated comparatives for the year ended March 31, 2011.

Management in currently developing a project plan for the conversion to IFRS based in the nature of current operations. The conversion plan is comprised of three phases: 1) Scoping phase which will assess the overall impact and effort required by the Company in order to transition to IFRS; 2) Planning phase which will include a detailed analysis of the conversion process and implementation plan required for disclosure for the Company's first quarter; 3) Transition phase which will include the preparation an of IFRS compliant opening balance sheet as at April 1, 2011, any necessary conversion adjustments and reconciliation's, preparation of quarterly financial statements including all note disclosures and disclosures required for the MD&A.

Management has completed phase one, the IFRS Scoping phase, and is now advancing through phase two, the Planning stage. Management prepared an evaluation of its existing financial statement line items, comparing Canadian GAAP to the corresponding IFRS guidelines, and has identified a number of differences. Many of the differences identified are not expected to have a material impact on the reported results and financial position.

Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as of the date of the first comparative balance sheet presented based on standards applicable at that time.

IFRS 1, "First-Time Adoption of International Financial Reporting Standards", provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS. During the first quarter of 2011, management intends to conduct an IFRS discussion session with the Audit Committee and the Board of Directors which will focus on the key issues and transitional choices under IFRS 1 applicable to the Company.

Set out below are the most significant areas, identified to date by management, where changes in accounting policies may have the highest potential impact on the Company's consolidated financial statements based on the accounting policy choices approved by the Audit Committee and Board of Directors. In the period leading up to the changeover in 2011, the AcSB has ongoing projects, particularly with respect to the mining industry, and intends to issue new accounting standards during the conversion period. As a result, the final impact of IFRS on the Company's consolidated financial statements can only be measured once all the IFRS accounting standards at the conversion date are known. Management will continue to monitor new standards, as well as the impact of the new accounting standards, between now and the conversion date to ensure all relevant changes are addressed.

Property, Plant and Equipment

Under IFRS, Property, Plant and Equipment ("PP&E") can be measured at fair value or at cost while under Canadian GAAP, the Company has to carry PP&E on a cost basis and the revaluation is prohibited.

Upon adoption of IFRS, the Company has to determine whether to elect a cost model or revaluation model. Management has yet to decide on which model to adopt. Currently, the Company does not have significant property, plant or equipment and as a result there will not likely be a significant impact on the adoption of IFRS. The Company will apply IAS 16 and will likely adopt the cost model for PP&E.

In accordance with IAS 16 "Property, Plant and Equipment", the Company will need to allocate an amount initially recognized in respect of an asset to its significant component parts and account for each component separately when the components have different useful lives or the components provide benefits to the entity in a different pattern.

Asset Impairment

Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows. International Accounting Standard (IAS) 36, “Impairment of Assets” uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may potentially result in write downs where the carrying value of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis.

The Company will perform an impairment analysis on significant assets at the transition date however management does not anticipate that significant impairments will be recognized. The Company will adopt IAS 36 and continue to monitor its operations for any changes that may give rise to asset impairment.

Exploration and Evaluation Assets

Under the Company’s current accounting policy, acquisition costs of mineral properties, together with direct exploration and development expenses are capitalized.

Upon adoption of IFRS, the Company has to determine the accounting policy for exploration and evaluation assets. The Company can decide to apply the International Accounting Standards Board (“IASB”) Framework which requires exploration expenditures to be expensed and capitalization of expenditures only after the completion of a feasibility study or choose to and keep the existing Company’s policy, if relevant and reliable.

Management has yet to decide on whether or not to fully adopt IFRS 6, “Exploration and Evaluation of Mineral Properties”, and apply the IASB framework. If management elects to fully adopt IFRS 6, any adjustments will be reflected in accumulated deficit by the same amount reflecting the de-recognized mineral properties.

Share Based Compensation

IFRS and Canadian GAAP largely converge on the accounting treatment for share–based compensation with only a few differences.

Canadian GAAP allows either accelerated or straight-line method of amortization for the fair value of stock options under graded vesting. Currently, the Company is using the graded-vesting method and is compliant with IFRS 2 for all grants and therefore the change to IFRS standards will not have a material impact when transitioning to IFRS.

Under IFRS, the estimate for forfeitures must be made when determining the number of equity instruments expected to vest, while under Canadian GAAP forfeitures can be recognized as they occur. The Company is currently recognizing forfeitures as they occur therefore management will have to estimate forfeiture rates each reporting period and record any necessary adjustments. The Company typically has very low forfeiture rates therefore recording an estimate of forfeitures in advance on their occurrence will not likely have a significant impact on the financial statements.

Upon adoption of IFRS 2, the Company will be fully compliant with the new standard and the adoption is not expected to have an impact on the financial statements.

Future Income Taxes

Like Canadian GAAP, deferred income taxes under IFRS are determined using the liability method for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and by generally applying tax rates applicable to the Company to such temporary differences. Deferred income taxes relating to temporary differences that are in equity are recognized in equity and under IFRS subsequent adjustments thereto are backward traced to equity.

IFRS prohibits recognition where deferred income taxes arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable net earnings. The Company expects the impact of implementing IAS 12, Income Taxes will not have a significant impact on the financial statements. However, as events and circumstances of the Company's operations change that give rise to future income taxes, IAS 12 will be applied.

Outstanding Share Data

The following is the Company's outstanding share data as of December 31, 2010 and February 23, 2011:

Common Shares: 86,151,353 as of December 31, 2010 and 86,516,353 as of February 23, 2011

Stock Options:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (Dec 31/10)	Number of Shares Remaining Subject to Options (Feb 23/11)
April 25, 2011	$0.21	350,000	350,000
October 2, 2011	$0.10	150,000	150,000
January 26, 2012	$0.18	25,000	25,000
September 14, 2012	$0.35	150,000	150,000
September 14, 2012	$0.50	50,000	50,000
April 28, 2014	$0.25	325,000	325,000
March 15, 2012	$0.70	270,000	255,000
January 28, 2015	$0.70	300,000	250,000
May 1, 2012	$0.85	100,000	100,000
May 1, 2012	$1.25	100,000	100,000
June 14, 2012	$0.85	100,000	100,000
June 14, 2012	$1.25	100,000	100,000
July 20, 2015	$0.65	700,000	700,000
September 3, 2015	$1.00	3,450,000	3,450,000
November 15, 2013	$1.25	500,000	500,000
November 15, 2011	$1.35	50,000	50,000
November 15, 2011	$1.50	50,000	50,000
November 15, 2011	$2.00	50,000	50,000
January 10, 2012	$1.85	-	50,000
TOTAL:		**6,820,000**	**6,805,000**

Warrants:

Expiry Date	Exercise Price Per Share	Number of Underlying Shares (Dec 31/10)	Number of Underlying Shares (Feb 23/11)
March 27, 2010/2011	$0.15/$0.25	3,950,000	3,950,000
February 29, 2012	$1.20	7,402,673	7,402,673
TOTAL:		**11,352,673**	**11,352,673**

Broker's Warrants:

Expiry Date	Exercise Price Per Share	Number of Underlying Shares (Dec 31/10)	Number of Underlying Shares (Feb 23/11)
August 31, 2011	$1.00	1,066,720	766,720
TOTAL:		**1,066,720**	**766,720**

Commitment

The Company has entered into two vehicle lease agreements. During the period, the Company purchased one of the vehicles as the lease had expired. The remaining lease expires in 2012 and the commitment for the next two years is as follows:

	Amount
2011	$2,602
2012	$867

Internal Controls and Disclosure Controls over Financial Reporting

Since the Company is a Venture Issuer, it makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109. The Company has filed the Venture Issuer Basic Certificates for the nine months ended December 31, 2010.

Subsequent Events

On January 17, 2011, the Company entered into a definitive arrangement agreement with Valley High Ventures Ltd. ("Valley High") under which the Company will acquire 100% of the outstanding common shares of Valley High by way of a plan of arrangement.

Under the plan of arrangement, Valley High shareholders will receive 1.0 share of Levon and 0.125 of a share in a new exploration company ("SpinCo") for each Valley High share. Excluding the SpinCo consideration, the offer represents premiums of approximately 6% and 19% based on the volume-weighted average prices of Valley High and Levon shares on the TSX Venture Exchange ("TSX-V") for the 20 and 60 trading days ended on January 14, 2011.

On completion of the transaction, Valley High shareholders will hold approximately 43% and Levon shareholders will hold approximately 57% of the pro forma outstanding shares of Levon on a fully-diluted basis. Valley High shareholders will own 100% of the SpinCo shares and SpinCo will own all of Valley High's exploration assets outside of the Cordero Project and will have $1.8 million in cash.

The board of directors of Valley High unanimously approved the transaction and all directors and senior officers of Valley High, as well as Coro Mining Corp. ("Coro"), collectively holding approximately 10.5% of the number of Valley High shares anticipated to be entitled to vote at the meeting, have agreed to vote their securities in favour of the transaction.

Levon is currently the 51% owner and operator of the Cordero Project, an advanced stage exploration project in Mexico. With this transaction, Levon is acquiring the remaining 49% interest in Cordero as well as Valley High's cash other than the $1.8 million to SpinCo.

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 February 23, 2011. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.

Form 52-109FV2
Certification of interim filings - venture issuer basic certificate

I, **Ron Tremblay, Chief Executive Officer, of Levon Resources Ltd.**, certify the following:

1. ***Review:*** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of ***Levon Resources Ltd.*** (the "issuer") for the interim period ended ***December 31, 2010***.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: ***March 1, 2011***

"Ron Tremblay"
____
Ron Tremblay
Chief Executive Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Form 52-109FV2
Certification of interim filings - venture issuer basic certificate

I, **Lisa Sharp, Chief Financial Officer, of Levon Resources Ltd.**, certify the following:

1. ***Review:*** I have reviewed the interim financial statements and interim MD&A (together, the “interim filings”) of ***Levon Resources Ltd.*** (the “issuer”) for the interim period ended ***December 31, 2010***.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: ***March 1, 2011***

“Lisa Sharp”

____
Lisa Sharp
Chief Financial Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.