The following discussion and analysis of the results of operations and financial position of Levon Resources Ltd. (the "Company" or "Levon") for the year ended March 31, 2017 should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2017 ("the Financial Statements") and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated **June 28, 2017** and discloses specified information up to that date. Levon is classified as a "TSX issuer" for the purposes of National Instrument 51-102. The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The functional currency of the Company and each of its subsidiaries is the Canadian dollar. The Financial Statements are presented in Canadian dollars.

We recommend that readers consult the "Cautionary Statement" on the last page of this report. Additional information relating to the Company is available on SEDAR at www.sedar.com under the profile of Levon Resources Ltd. and the Company's website at www.levon.com. Further historical financial and other information relating to the mining exploration activities of the Company prior to completion of the SciVac Arrangement (see below) is available on SEDAR at www.sedar.com under the profile of VBI Vaccines Inc. (formerly SciVac Therapeutics Inc.)

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

NON-GAAP MEASURES

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

BUSINESS DESCRIPTION

Levon Resources Ltd. (formerly 1027949 BC Ltd.) (the "Company" or "Levon") was incorporated under the Business Corporations Act (British Columbia) on February 18, 2015. The Company's sole business was to acquire mineral properties and the operations of Old Levon (defined below in "The SciVac Arrangement") pursuant to the SciVac arrangement agreement described below.

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

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

The SciVac Arrangement

On March 20, 2015, 1027949 BC Ltd. entered into an arrangement agreement with SciVac Ltd. and the former Levon Resources Ltd. ("Old Levon"; now SciVac Therapeutics Inc.) pursuant to which on July 9, 2015 it completed the acquisition and assumption of all of the assets and liabilities of Old Levon (including the exploration mining business of Old Levon), other than $27 million in cash, which was retained by Old Levon (the "Arrangement"). As consideration for the acquisition and assumption of the net assets of Old Levon valued at $71,869,873, the Company issued to shareholders of Old Levon,119,542,692 ordinary shares of the Company. At completion of the Arrangement, 1027949 BC Ltd. was renamed Levon Resources Ltd. and Old Levon was renamed SciVac Therapeutics Inc. (renamed VBI Vaccines Inc. on May 9, 2016).

On July 14, 2015, the Company was listed on the Toronto Stock Exchange ("the TSX") and commenced trading under the symbol LVN. From September 14, 2015, the common shares of Levon are also quoted for trading in the United States on the OTCQX under the ticker "LVNF". The Company is a reporting issuer in each of the Provinces of Canada, except Quebec.

With the acquisition of the net assets of Old Levon, the Company's principal business activities are the exploration and development of exploration and evaluation assets. For the period from incorporation through until the completion of the Arrangement, the Company had no revenues or expenses. In the period following completion of the Arrangement, the Company incurred expenses to hold and maintain its Cordero-Sanson Project in Mexico ("the Cordero Project"), has generated no operating revenues, and, at March 31, 2017, does not anticipate any operating revenues from its mining exploration activities until the Company is able to find, acquire, place in production and operate a mine. Historically, Old Levon has raised funds to fund its operations through equity financing and the exercise of options and warrants.

Old Levon

In March 2011, Old Levon consolidated 100% ownership in the Cordero-Sanson Project ("the Cordero Project") acquiring all of the shares of Valley High Ventures Ltd. ("VHV"), which owned the remaining 49% of the Cordero Project. The Cordero Project is located 35 km northeast of the town of Hidalgo Del Parral, in the southern part of the state of Chihuahua in north central Mexico. In February of 2009, the Company commenced field work on the Cordero Project exploring for large scale, bulk tonnage, porphyry type Ag, Au, Zn, Pb deposits, a number of which have been recently discovered in similar geologic settings in central and north central Mexico (Penasquito, Pitarrilla, Camino Rojo and others). The Cordero Project is held through the Company's wholly-owned Mexico subsidiary company Minera Titan S.A. de C.V. ("Minera Titan"), acquired pursuant to the Arrangement.

Pursuant to the Arrangement, the Company acquired Old Levon's wholly-owned subsidiary VHV, which is incorporated under the laws of British Columbia, Canada. Old Levon had two other wholly-owned subsidiaries incorporated under the laws of Mexico that were also acquired pursuant to the Arrangement: i) Administración de Proyectos Levon en México, S.A. de C.V. ("Levon Mexico"); and ii) Minera El Camino, S.A. de C.V. Levon Mexico was set up as an operating company, which is under contract to Minera Titan to complete the Cordero Project exploration program.

Old Levon also had three wholly-owned subsidiaries incorporated under the laws of British Virgin Islands that were also acquired pursuant to the Arrangement: i) Aphrodite Asset Holdings Ltd.; ii) Turney Assets Limited and; iii) Citrine Investment Holdings Ltd.

CORPORATE DEVELOPMENTS – HIGHLIGHTS FOR THE QUARTER ENDED MARCH 31, 2017

As at March 31, 2017, the Company had working capital of $10,698,390, including cash of $3,096,105 and investments of $7,650,231.

During the quarter ended March 31, 2017, the Company reported a net loss of $2,957,948, which included an impairment charge of $2,619,041on investments that was partly offset by a related income tax recovery of $201,871 and a foreign exchange gain of $178,736.

The Company reported expenditures during the quarter relating to the Cordero Project amounting to $273,461, which included the payment of the first semester concession taxes of $155,674 during the quarter and cost related to the preparation of an infill drill program.

During the quarter, the Company prepared to initiate a drill program and, on May 13, 2017, commenced a 5,000 m core infill drilling campaign at the Cordero Project on a central part of the 2014 resource to explore for improved near surface resource grades. The holes are being drilled in the Cordero Felsic Dome Complex (central) portion of the resource that spans four host igneous intrusive centers and, if the drilling is successful, results can improve the projected economics of a starter open pit being evaluated by the Company's mining engineering consultants.

In addition, during the quarter, management and directors continued to identify and assess strategic opportunities outside Cordero to strengthen Levon, grow the Company, and prepare for the market rebound. General exploration expenses for the quarter amounting to $46,650 reflects the cost of an external consultant who assisted in the investigation of prospective project opportunities identified by management for evaluation.

During the quarter, 187,500 options were exercised raising $30,000 for the Company.

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

Cordero Silver, Zinc, Lead, Gold Project, Mexico

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

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

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

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

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

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

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

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

The PEA was a collaboration between M3 and IMC. Herbert E. Welhener, MMSA-QPM, SME Registered Member #3434330RM, of IMC who is the independent Qualified Person calculated the resource. M3 Engineering & Technology completed the PEA. The PEA was announced January 30, 2012, published on March 12, 2012, amended on May 8, 2013. The PEA was derived by considering the uppermost 30% portion of the first resource outside a central claim that was not owned by the Company. The PEA considers mining through the Stage 4 open pits of the 8 stage modeled open pits of the 2011 resource (which excluded entirely the Aida claim geometry). The PEA projects a pre-tax Internal Rate of Return (IRR) of 19.5 % and an after-tax IRR of 14.8% (at a silver price of

$25.15/oz., gold price of $1,384.77/oz., zinc price of $0.91 per pound, and lead price of $0.96 per pound) over a projected 15 years to complete the first four stages of open pit mining. The potential metal production over the 15 years of mining is 131,156,000 ounces of silver, 190,000 ounces of gold, 1,373,359,000 pounds of zinc, and 1,033,407,000 pounds of lead. Mill feed production rates are estimated at 40.0 thousand tonnes per day (Tpd) or 14.6 million tonnes per year. The capital cost of the project is estimated to be $646,800,000, with operating costs (mine, mill, process plant, operating, general administration, treatment, and transportation charges) estimated at $13.82 per tonne. The PEA and market down turn in 2012-2013 was used as leverage to negotiate and purchase the Aida claim outright for a cash payment in mid-2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

Exploration Potential

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

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

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

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

2017 Infill Drill Program

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

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

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

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

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

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

Expenditures

The Company incurred the following exploration expenditures, which were expensed in the consolidated statement of operations and comprehensive loss for the three months and years ended March 31, 2017 and 2016:

Cordero Project	**Three months ended March 31, 2017**	**Three months ended March 31, 2016**	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Drilling and exploration	$ 17,345	$ 16,079	$ 70,342	$ 58,093
Geological and management services	82,972	63,598	339,361	142,747
Mining rights	155,674	143,241	284,431	239,044
Payroll and general supplies	17,470	23,230	76,268	78,697
	$ 273,461	**$ 246,148**	**$ 770,402**	**$ 518,581**

Expenditures during the comparative year ended March 31, 2016 reflect activity for only the period subsequent to the Transaction. Prior to the completion of the Arrangement on July 9, 2015 and the acquisition and assumption of the assets and liabilities of Old Levon, the Company had no operating income or expenses and therefore the year ended March 31, 2016, reflects expenditures only for nine months and is not directly comparable to the year ended March 31, 2017. The current 2017 infill drill program expenditures are not reflected the table above, which reflects expenditures incurred up to March 31, 2017.

Prior to the 2017 infill drill program, due to the current soft global metals market, the Cordero Project is being operated under a well-funded, safe and secure care and maintenance program, with minimized expenditures. Management's objective is to seamlessly continue exploration and development in the future as market conditions warrant. Operational expenditures relating to the Cordero Project amounted to $273,461 in the three month period ended March 31, 2017, as compared to $246,148 in the comparative year period.

The increase in the current quarter expenditures over the prior year period is attributable to geological consulting and management services for a drill targeting field work program and preparations in connection with the infill drill program that commenced in May 2017, and the annual increase in the mining concession taxes paid in respect of the first semester 2017.

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

Impairment

Against a background of continued challenging equity and debt capital markets facing mining companies, in particular mineral exploration and development companies, as well as other potential impairment indicators present, at March 31, 2015, Old Levon determined that the recoverable value of its Cordero Project based on fair value less costs to sell was approximately $50,000,000 and recorded an impairment of $78,763,649.

The fair value of the exploration and evaluation assets was supported by a valuation report prepared in connection with the Arrangement by an independent company specializing in valuations of mining companies and mineral resource projects. The Company the valuation report and determined that the fair value of the exploration and evaluation assets acquired was unchanged at $50,000,000. There was no indication of any further impairment in management's assessment at March 31, 2017.

Other exploration and evaluation assets

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

On April 20, 2016, the Company divested its 50% undivided interest in its nine mineral claims located in the Gold Bridge area, Lillooet Mining Division, British Columbia, known as the BRX claims, to Great Thunder Gold Corp., the holder of the remaining 50% undivided interest, in exchange for 3,000,000 common shares in Great Thunder and a net smelter return royalty equal to 2.5% with respect to the claims. The Company recorded a gain on the divestment of the Gold Bridge/BRX claims of $150,000 in the consolidated statement of operations in the quarter ended June 30, 2016.

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

Because of the Cordero Project successes, Levon has launched a reconnaissance program to identify additional key Levon assets in other areas for properties with large scale, near term discovery potential. Property identifications and exams are proceeding in favorable mining jurisdictions.

Exploration and development risk

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

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

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

RESULTS OF OPERATIONS – THREE MONTHS ENDED MARCH 31, 2017

During the three month period ended March 31, 2017, the Company recorded a net loss of $2,957,948 (2016 - $5,009,120). The net loss for the period includes a charge for an impairment of investments of $2,619,041 (2016 - $4,144,425), operating expenses of $721,316 (2016 - $1,136,487) and a foreign exchange gain of $178,736 (2016 - loss of $480,913).

Adjusting for share-based payments of $58,824 (2016 – $512,680), operating expenses for the period amounted to $662,492 compared with $623,807 in the prior year period. The increase is substantially attributable to an increase exploration expenses at the Cordero Project and general exploration expenses in the current period.

	Three months ended March 31, 2017	Three months ended March 31, 2016
Expenses		
Consulting and management fees	$ 223,092	$ 219,090
Exploration	273,461	246,148
General exploration	45,650	17,976
Listing and filing fees	18,722	16,088
Office, occupancy and miscellaneous	41,397	44,185
Professional fees	13,208	10,365
Share-based payments	58,824	512,680
Shareholder relations and promotion	13,074	14,375
Travel	33,888	55,580
	(721,316)	(1,136,487)
Finance income	1,802	77,571
Gain on disposal of mineral properties	-	72,882
Impairment of investments	(2,619,041)	(4,144,425)
Loss on disposal of investments	-	(5,901)
Foreign exchange gain (loss)	178,736	(480,913)
Loss before income taxes	(3,159,819)	(5,617,273)
Deferred income tax recovery (expense)	201,871	608,153
Net loss for the period	**(2,957,948)**	**(5,009,120)**

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

Exploration expenditures

Exploration expenditures for the three-month period ended March 31, 2017, amounted to $273,461, which is $27,313 greater than in the prior year period. The increase in the current quarter expenditures is substantially attributable to increased geological consulting and management services relating to the preparations for the infill drill program that commenced in May 2017 and an increase in the mining concession taxes paid for the first semester 2017. Further detail for the Cordero expenditures is provided in "*Overview of the Cordero Silver, Zinc, Lead, Gold Project, Mexico*".

General exploration expenses

General exploration expenses for three-month period ended December 31, 2016, amounted to $45,650, which is $27,674 higher than the prior year period. The current year period reflects the cost of an external consultant who assisted in the investigation of prospective project opportunities identified by management for evaluation. General exploration expenses includes an allocation of cost for the Company's VP of Exploration.

Share-based payments

During the three-month period ended March 31, 2017, the Company recorded share-based payments of $58,824, related to 500,000 options granted to a consultant of the Company in August 2016 and 11,850,000 stock options granted to directors, officers and consultants of the Company in November 2015. The share-based payments expense is determined using the Black-Scholes option pricing model and the expense reflects graded recognition over the one-year vesting period of the options. Share-based payments in the prior year period amounted to $512,680.

Travel

Travel expenses for three-month period ended March 31, 2017, amounted to $33,888, which is $21,692 less than the prior year period. Travel expenses include airfare, lodging and related expenses incurred by senior management and directors of the Company in connection with investment due diligence, investor relations and other corporate duties. The lower travel expense in the current period simply reflects the variation in activity requiring travel from quarter to quarter.

Impairment

At March 31, 2017, the Company determined that the significant decline in the fair value of its investment in Pershing Gold Corporation below its carrying cost on March 31, 2016 (date of last recorded impairment) demonstrated objective evidence of impairment and, in accordance with IAS 39, recorded an impairment charge of $2,619,041 (2016 - $4,144,425) in the three-month period and year ended March 31, 2017. The recognized impairment on investments gives rise to deferred income tax recovery of $201,871 reported in net loss in the three-month period ended March 31, 2017, and a corresponding deferred income tax expense reported in other comprehensive income.

Foreign exchange

The Company recorded a foreign exchange gain during the three-month period ended March 31, 2017, of $178,736 (2016 – loss of $480,913) attributable to changes in C$ relative to the US$ and MXN Peso during the period and the effect of translating US$ and MXN Peso net monetary assets to C$ at the reporting date. The foreign exchange gain reflects a gain from the impact of the appreciation of the MXN Peso relative to C$ on the IVA receivable accounts which is partly offset by a foreign exchange loss from the impact of the appreciation of the C$ relative to the US$ during the period on the translation of US$ cash balances.

RESULTS OF OPERATIONS – YEAR ENDED MARCH 31, 2017

During the year ended March 31, 2017, the Company recorded a net loss of $5,413,452 (2016 - $6,030,462). The net loss for the year includes the impairment of investments of $2,619,041 (2016 - $4,144,425) which is partly offset by a gain on disposal of mineral properties of $150,000 (2016 - $72,882). Operating expenses for the year of $2,897,836 (2016 - $2,690,320) excluding share-based compensation of $668,243 (2016 – $976,864), amounted to $2,229,593 (2016 - $1,713,456).

Prior to the completion of the Arrangement on July 9, 2015, the Company had no operating income or expenses. Therefore, the results of operations reported for the year ended March 31, 2016 reflect operating income or expenses for nine month period ended March 31, 2016 only, and is not directly comparable to the year ended March 31, 2017.

	Year ended March 31, 2017	Year ended March 31, 2016
Expenses		
Consulting and management fees	$ 890,244	$ 714,366
Exploration	770,402	518,581
General exploration	133,575	74,094
Listing and filing fees	78,828	70,377
Office, occupancy and miscellaneous	140,866	122,597
Professional fees	77,081	60,729
Share-based payments	668,243	976,864
Shareholder relations and promotion	57,456	41,926
Travel	81,141	110,786
	(2,897,836)	(2,690,320)
Finance income	9,982	108,286
Gain on disposal of mineral properties	150,000	72,882
Gain on discharge of debenture	-	700,000
Impairment of investments	(2,619,041)	(4,144,425)
Loss on disposal of investments	-	(5,901)
Foreign exchange loss	(70,322)	(70,976)
Loss before income taxes	(5,427,217)	(6,030,454)
Deferred income tax recovery (expense)	13,765	(8)
Net loss for the period	**(5,413,452)**	**(6,030,462)**

Explanations of the more significant items impacting the financial performance in the year ended March 31, 2017 when compared against that of the prior year are discussed below:

Consultant and management fees

Consulting and management fees for the year ended March 31, 2017 of $890,244 as compared against $714,366 for the prior year, reflect cost savings from the termination of certain arrangements with investor relations consultants at the end of the quarter ended December 2015, which is partly offset by the incremental cost of the consulting agreement entered into with a company controlled by a director of the Company providing financial management and advisory services from October 1, 2015.

Exploration expenditures

Exploration expenditures for the year ended March 31, 2017 of $770,402, as compared against $518,581 for the prior year, reflect an increase in geological consulting and management services relating to the preparations for the infill drill program that commenced in May 2017 and an increase in the mining concession taxes paid for the first semester 2017. Exploration expenditures in the prior year reflect a $59,000 recovery for old accounts payable balances written-off. Further detail for the Cordero expenditures is provided in "*Overview of the Cordero Silver, Zinc, Lead, Gold Project, Mexico*".

General exploration expenses

General exploration expenses for year ended March 31, 2017, amounted to $133,575, as compared against $74,094 for the prior year. The current year reflects the cost of an external consultant who assisted in the investigation of prospective project opportunities identified by management for evaluation. General exploration expenses includes an allocation of cost for the Company's VP of Exploration.

Listing and filing fees

Listing and filing fees for the year ended March 31, 2017 of $78,828, as compared against $70,377 for the prior year. The increase in the current year reflects a higher annual fee paid to the OTC and fees paid to the TSXV in connection with the grant of stock options. Listing and filing fees in the prior year include non-recurring listing application fees incurred in connection with the completion of the Arrangement.

Office, occupancy and miscellaneous

Office, occupancy and miscellaneous expenditures for the year ended March 31, 2017 of $140,866 reflect expenditures for office rent, communications, insurance and other miscellaneous costs. The prior year expenses of $122,597 included certain non-recurring miscellaneous costs associated with the Arrangement. On April 1, 2017, the Company down-sized its office in Vancouver in an effort to reduce office costs.

Professional fees

Professional fees for year ended March 31, 2017 of $77,081 includes fees for audit and taxation services and legal fees for general corporate matters and in respect the OTC listing. The prior year fees of $60,729 excluded the cost of the audit which was incurred by Old Levon, but included increased legal fees in connection with the OTC listing application and listing.

Share-based payments

During the year ended March 31, 2017, the Company recorded share-based compensation expense of $668,243 related to 500,000 options granted to a consultant of the Company in August 2016, which the Company agreed to reprice on October 17, 2017, and 11,850,000 stock options granted to directors, officers and consultants of the Company in November 2015. The share-based payments expense, including the incremental fair value relating to the grant price modification, is determined using the Black-Scholes option pricing model and the expense reflects graded recognition over the one-year vesting period of the options. Share-based payments in the prior year amounted to $976,864.

Shareholder relations and promotion

Shareholder relations and promotion expenses for year ended March 31, 2017, amounted to $57,456, as compared against $41,926 for the prior year, and reflect costs of the annual general meeting held in September 2016. The costs of the Company's 2015 annual general meeting were incurred by Old Levon as a cost of the Arrangement.

Travel

Travel expenditures for the year ended March 31, 2017, amounted to $81,141 as compared to $110,786 in the prior year. Management and directors of the Company undertook less travel during the current year in connection with project due diligence as compared with the prior year, in which there was a greater need for management and director travel following the Arrangement.

Finance income

Finance income during the year ended March 31, 2017, amounted to $9,982 as compared against $108,286, in the prior year. The prior year balance included interest payments made by the SAT on Mexican value added tax (IVA) refunds received during the year.

Gain on disposal of mineral properties

On April 20, 2016, the Company divested its 50% undivided interest in its Gold Bridge / BRX claims and recorded a gain of $150,000. In the prior year, the Company recorded a gain of $72,882 on the divestment of its interests in its Nevada claims and properties.

Impairment

At March 31, 2017, the Company determined that the significant decline in the fair value of its investment in Pershing Gold Corporation below its carrying cost on March 31, 2016 (date of last recorded impairment) demonstrated objective evidence of impairment and, in accordance with IAS 39, recorded an impairment charge of $2,619,041. At March 31, 2016, the Company recorded an impairment charge of $4,144,425 relating to its investment in Pershing Gold Corporation.

Foreign exchange

During year ended March 31, 2017, The Company recorded a foreign exchange loss of $70,322 (2016 – loss of $70,976) attributable to changes in C$ relative to the US$ and MXN Peso during the respective periods and the effect of translating US$ and MXN Peso net monetary assets to C$ at the reporting date. The foreign exchange loss reflects a loss from the impact of the appreciation of the C$ relative to the MXN Peso on the IVA receivable accounts which is partly offset by a foreign exchange gain from the impact of the depreciation of the C$ relative to the US$ during the year on the translation of US$ cash balances.

SUMMARY OF QUARTERLY RESULTS

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

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

LIQUIDITY AND CAPITAL RESOURCES

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

The Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The recoverability of the carrying value of exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations or the ability of the Company to raise alternative financing. The outcome of these matters cannot be predicted at this time. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

As at March 31, 2017 the Company had cash of $3,096,105 and working capital $10,698,390.

Period ended	March 31, 2017	March 31, 2016
Cash	$ 3,096,105	$ 4,883,196
Working capital	$ 10,698,390	$ 14,869,175
Deficit	$ 11,443,914	$ 6,030,462

Working capital at March 31, 2017 represents the fair value of the cash, investments, amounts receivable and prepaid expenses less accounts payable and accrued liabilities and due to related parties. Working capital decreased during the year ended March 31, 2017 by $4,170,785 substantially due to the decrease in the fair value of the Company's investments and a decrease in cash to fund operating costs, which was partly offset by proceeds raised by the exercise of stock options.

CASH FLOW

	Year ended March 31, 2017	Year ended March 31, 2016
Cash used in operating activities	$ (2,214,436)	$ (1,066,973)
Cash provided by investing activities	-	5,857,760
Cash provided by financing activities	340,640	-
(Decrease) increase in cash and cash equivalents	$ (1,873,796)	$4,790,787
Foreign exchange effect on cash	86,705	92,408
Cash balance, beginning of the year	4,883,196	1
Cash balance, end of the year	$ 3,096,105	$4,883,196

Operating Activities:

Cash used in operating activities for the year ended March 31, 2017 was $2,214,436 as compared to $1,066,973 in the prior year. The cash used in operating activities is mainly attributed to general and administrative and exploration expenditures incurred during the year. The higher cash used in operating activities during the year ended March 31, 2017 is explained by the fact that the cash flows for the prior year reflect cash flows for only a nine-month period only, as prior to the completion of the Arrangement on July 9, 2015, the Company had no operating income, expenses or cash flows. In addition, in the year ended March 31, 2016, operating cash flow were impacted by cash inflow relating to the collection of account receivable attributable to the recovery of VAT in Mexico of approximately $654,000 and interest of $86,000.

Investing Activities:

There were no investing activities during the year ended March 31, 2017. During the year ended March 31, 2016, the Company acquired cash of $5,149,205 in connection with the Arrangement and recovered $700,000 paid as consideration for the assignment of a convertible senior secured debenture.

Financing Activities:

During the year ended March 31, 2017, the Company raised $340,640 in connection with the exercise of 2,129,000 stock options. There were no financing activities during the year ended March 31, 2016.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

Key management transactions

The Company has identified its directors and certain senior officers as its key management personnel. The total compensation paid or payable to the directors, CEO, CFO, VP Exploration and Corporate Secretary of the Company for years ended March 31, 2017 and 2016 are as follows:

	Year ended March 31, 2017	Year ended March 31, 2016
Consulting and management fees (i)(ii)	$ 722,510	$ 522,407
Share-based compensation	367,369	826,923
	$ 1,089,879	$ 1, 349,330

(i) For the year ended March 31, 2017, $64,414 (2016 – $45,360) was included as exploration expenses and $54,236 (2016 – $45,360) included as general exploration expenses.
(ii) Consulting and management fees were paid to private companies controlled by the CEO, CFO, VP Exploration and Corporate Secretary of the Company.

Due to related parties

Due to related parties as at March 31, 2017 and March 31, 2016 consists of the following:

	March 31, 2017	March 31, 2016
NK Financial Services Ltd. (i)	$ 20,160	$ 18,050
Stone's Throw (Barbados) Ltd. (ii)	7,958	-
Lakerock Investments , LLC (iii)	6,661	-
Chevillon Exploration Ltd. (iv)	-	2,380
	$ 34,779	$ 20,430

(i) NK Financial Services Ltd. is a private company controlled by the CFO of the Company.
(ii) Stone's Throw (Barbados) Ltd. is a private company controlled by the CEO of the Company.

(iii) Lakerock Investments, LLC is a private company controlled by a director of the Company.
(iv) Chevillon Exploration Ltd. is a private company controlled by the VP Exploration/Director of the Company.

Commitments with related parties

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

		March 31, 2017
Not later than one year	$	559,524
Later than one year and no later than five years		369,686
	$	929,210

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

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

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions.

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires management to make estimates and judgments and to form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities. Management's estimates and judgments are continually evaluated and are based on historical experience and other factors that management believes to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to estimates are accounted for prospectively.

The estimates and judgments that could result in a material effect in the next financial year on the carrying amounts of assets and liabilities are outlined below.

Critical accounting judgments

(a) ***Functional currency***

The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

(b) ***Impairment of available-for-sale financial assets***

Management assesses at the end of each reporting period whether there had been any significant or prolonged impairment on its available-for-sale financial assets, using objective evidence to determine if the marketable securities are impaired. Listed prices on public stock exchanges are used to determine if the fair value is at a significant or prolonged decline below the historical cost.

At March 31, 2017, there were indicators that suggest that certain of the Company's available-for-sale financial assets were impaired, and as such, the Company recognized an impairment (see Financial Statements Note 6).

(c) ***Impairment***

The investment in exploration and evaluation assets on the Cordero Sanson Property ("Cordero") comprise a significant portion of the Company's assets. Realization of the Company's investment in the exploration and evaluation assets is dependent upon the Company obtaining permits, the satisfaction of local governmental requirements, obtaining drill results that support an economically viable mining operation, the attainment of successful production from the properties or from the proceeds upon disposal of the Company's properties. Resource 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. Judgment is required in assessing the appropriate level of CGU to be tested for such impairment, if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

(d) ***Going concern assumption***

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. As at March 31, 2017, the Company is not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Critical accounting estimates

(e) ***Recoverability of amounts receivable***

Timing of collection on value added taxes ("VAT") to be recovered in Mexico is uncertain as VAT refund procedures require a significant amount of information and follow-up. The Company is corresponding with the Mexican government to expedite the recovery the Mexican value added tax and to conclude ongoing audits on certain returns. The Company assesses the recoverability of the amounts receivable at each reporting date. As at March 31, 2017, the Company determined the full balance to be recoverable. Changes in these estimates can materially affect the amount recognized as value added tax receivable and could result in an impairment being recognized in the Consolidated Statements of Operations and Comprehensive Loss.

(f) ***Realization of exploration and evaluation assets and impairment***

The assessment of any impairment of property and equipment and exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, and the useful lives of assets.

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the CGU to which the asset belongs.

Estimations include the determination of technical and commercial feasibility of these properties, which incorporates various assumptions for mineral reserves and/or resources, future mineral prices, and operating and capital expenditures for the properties.

(g) ***Environmental***

The Company assesses its provisions for environmental rehabilitation on an annual basis or when new material information becomes available. Provisions for environmental rehabilitation require management to make estimates of the future costs of the work required to comply with legal or constructive obligations. Actual costs incurred may differ from those amounts estimated. Future changes to environmental laws and regulations could increase the extent of work required to be performed, which could materially impact the amounts charged to operations for provisions for environmental rehabilitation.

At March 31, 2017, 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.

(h) ***Income taxes***

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

(i) ***Valuation of share-based payments***

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

BUSINESS RISK FACTORS

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

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

FINANCIAL ASSETS AND RISKS

Financial instruments comprise cash and cash equivalents, amounts receivable (including VAT), reclamation deposits, investments, due to related parties and accounts payable and accrued liabilities. At initial recognition management has classified financial assets and liabilities as follows.

The Company has classified its cash and cash equivalents as FVTPL. Investments are classified as available-for-sale with changes in fair value recorded through other comprehensive income. Amounts receivable, reclamation deposits are classified as loans and receivables. Accounts payable and accrued liabilities, and amounts due to related parties are classified as other liabilities.

The Company's financial instruments are exposed to certain financial risks: credit risk, liquidity risk and market risk.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligation. All of the Company's cash and cash equivalents and reclamation deposits are held with reputable financial institutions, and as such, the Company does not consider its credit risk to be significant as at March 31, 2017 and 2016.

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 sufficient current assets to meet short-term business requirements. At March 31, 2017, the Company had current liabilities of $85,319 (2015 - $56,263). Accounts payable and due to related parties have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. The Company is exposed to interest rate risk and foreign currency risk.

Interest rate risk

The Company deposits cash in fully liquid bank business accounts. As such, the Company does not consider its interest rate risk exposure to be significant as at March 31, 2017 with respect to its cash and cash equivalent positions. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company operates in Canada and Mexico and expects the majority of its exploration activities to be paid in Mexican pesos and U.S. dollars.

The Company is exposed to foreign currency fluctuation related to its cash and cash equivalents, amounts receivable (including VAT), accounts payable and accrued liabilities, and amounts due to related parties in US dollars and Mexican pesos. The Company is also exposed to foreign currency fluctuation on its investments, which are securities traded on the NASDAQ. A significant change in the exchange rate between the Canadian dollar relative to the US dollar or Mexican peso could have an effect on the Company's financial position, results of operations and cash flows.

NEW ACCOUNTING STANDARDS

New accounting standards and interpretations not yet adopted

New and revised IFRS pronouncements that have been issued but are not yet effective, and that may have an impact on the disclosures and financial position of the Company, are disclosed below. The Company will adopt these new or revised standards and interpretations when they become effective.

IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments, ("IFRS 9") to replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 introduces a single approach to determine whether a financial asset is measured at fair value through profit and loss, fair value through other comprehensive income, or at amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset.

For financial liabilities, IFRS 9 retains most of the IAS 39 requirements; however, where the fair value option is applied to financial liabilities, the change in fair value resulting from an entity's own credit risk is recorded in other comprehensive income rather than net earnings, unless this creates an accounting mismatch.

In addition, a new expected credit loss model for calculating impairment on financial assets replaces the incurred loss impairment model used in IAS 39. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure about expected credit losses and credit risk.

IFRS 9 is effective for years beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of adopting IFRS 9 on the consolidated financial statements.

IFRS 15 *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, ("IFRS 15") replacing IAS 11

Construction Contracts, IAS 18 Revenue, and the related revenue-related interpretations. IFRS 15 introduces a single, principle based, five-step model for the recognition of revenue when control of a good or service is transferred to the customer. IFRS 15 also requires expanded disclosures to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers and to improve the comparability of revenue from contacts with customers. IFRS will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of adopting IFRS 15 on the consolidated financial statements.

IFRS 16 – *Leases*

In January 2016, the IASB issued IFRS 16, Leases, (“IFRS 16”) replacing IAS 17, Leases, (“IAS 17”). For lessees applying IFRS 16, all leases are considered finance leases and will be recorded on the balance sheet. The only exemptions to this classification will be for leases that are twelve months or less in duration or for leases of low-value assets. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for years beginning on or after January 1, 2019, with early adoption permitted if the entity is also applying IFRS 15. The Company is currently evaluating the impact of adopting IFRS 16 on the consolidated financial statements.

OUTSTANDING SHARE DATA

The following is the Company’s outstanding share data:

Common Shares: 121,671,693 issued and outstanding as at March 31, 2017 and June 28, 2017.

Stock Options: 10,221,000 outstanding as at March 31, 2017 and June 28, 2017.

COMMITMENTS

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

	March 31, 2017	March 31, 2016
Not later than one year	$ 41,307	$ 47,235
Later than one year and no later than five years	17,240	37,615
	$ 58,547	$ 84,850

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

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

The Company's management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's internal controls over financial reporting as at March 31, 2017, and management has concluded that the Company's internal controls are effective as at March 31, 2017.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

Cautionary Statement

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of **June 28, 2017**. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements, except as required by law. These statements involve known and unknown risks, uncertainties, and other factor that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by forward-looking statements contained in this MD&A, include but are not limited to risks and uncertainties related to international operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of silver, gold and other resources; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those risk factors outlined in the Company's most recent Annual Information Form, which is available on SEDAR at www.sedar.com under the Company's profile.