Financial Statements

(Expressed in Canadian Dollars)

LEVON RESOURCES LTD.

(An Exploration Stage Company)

For the three months ended June 30, 2007

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

LEVON RESOURCES LTD.

(An Exploration Stage Company)
Balance Sheets
(Prepared by Management)

		June 30, 2007		March 31, 2007
		(Unaudited)		(Audited)
ASSETS				
Current				
Cash	$	797,175	$	628,599
Accounts receivable and prepaid expenses		47,625		26,562
Investments (note 4)		45,613		29,473
Due from related parties		12,391		12,391
		902,804		697,025
Security Deposits		34,117		34,117
Investment in Resource Properties (note 5)		1,093,361		1,012,187
Office Equipment		4,087		4,302
	$	2,034,369	$	1,747,631
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	89,499	$	59,465
Due to related parties (Note 7)		85,512		103,964
		175,011		163,429
SHAREHOLDERS' EQUITY				
Capital Stock (note 6)		22,496,503		22,160,953
Contributed Surplus		323,505		319,015
Accumulated Other Comprehensive Income (note 2)		16,140		-
Deficit		(20,976,790)		(20,895,766)
		1,859,358		1,584,202
	$	2,034,369	$	1,747,631

Approved on behalf of the Board:

s/ "Louis Wolfin"
Louis Wolfin, Director

s/ "Ron Tremblay"
Ron Tremblay, Director

LEVON RESOURCES LTD.

(An Exploration Stage Company)
Statements of Operations, Comprehensive Income (Loss) and Deficit
(Unaudited – Prepared by Management)

	Three Months Ended June 30, 2007	2006 (Restated) (Note 9)
Expenses		
Consulting and management fees	$ 18,520	$ 15,000
Compliance listings and transfer agent fees	4,923	7,166
Corporate and administrative services	-	7,500
Office occupancy and miscellaneous	8,003	8,576
Professional fees	6,798	18,267
Salaries and benefits	15,596	3,528
Shareholder relations and promotion	15,983	9,999
Stock based compensation	-	-
Travel and automotive	13,820	8,212
Loss Before Other Items	(83,643)	(78,248)
Other Item		
Interest income	2,619	4,673
Loss for the Period	(81,024)	(73,575)
Other Comprehensive Income		
Unrealized gain on investment securities	8,286	-
Total Comprehensive Loss	(72,738)	(73,575)
Deficit, Beginning of Period	(20,895,766)	(20,658,947)
Deficit, End of Period	$ (20,976,790)	$ (20,732,522)
Loss Per Share	$(0.00)	$(0.00)
Weighted Average Number of Common Shares Outstanding	42,744,433	35,404,411

LEVON RESOURCES LTD.

(An Exploration Stage Company)

Statements of Cash Flows

(Unaudited – Prepared by Management)

	Three Months Ended June 30, 2007	2006
Operating Activities		
Net Loss	$ (81,024)	$ (73,575)
Items not involving cash		
Amortization	215	147
Stock based compensation	22,040	-
Changes in non-cash working capital items:		
Accounts receivable and prepaid expenses	(21,063)	2,207
Accounts payable and accrued liabilities	30,034	8,771
Due to (from) related parties	(18,452)	10,825
Cash Used in Operating Activities	(68,250)	(51,625)
Investing Activities		
Investment in and expenditures on resource properties	(81,174)	(19,869)
Cash Used in Investing Activities	(81,174)	(19,869)
Financing Activities		
Issue of capital stock for cash, net of issue costs	318,000	933,200
Share subscriptions received	-	(805,253)
Cash Provided by Financing Activities	318,000	127,947
Inflow of Cash	168,576	56,453
Cash, Beginning of Period	628,599	734,523
Cash, End of Period	$ 797,175	$ 790,976

1. NATURE OF OPERATIONS

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

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

2. BASIS OF PRESENTATION AND RECENT ACCOUNTING PRONOUNCEMENTS

These unaudited interim financial statements have been prepared in accordance with the accounting principles generally accepted in Canada for interim financial information and follow the same accounting policies and methods of their application as the Company's most recent annual financial statements. These interim financial statements do not include all of the disclosure included in the annual financial statements, and accordingly, they should be read in conjunction with the annual financial statements for the year ended March 31, 2007.

In the opinion of the Company's management, all adjustments considered necessary for a fair presentation of these unaudited financial statements have been included and all such adjustments are of a normal recurring nature. Operating results for the three month period ended June 30, 2007 are not necessarily indicative of the results that can be expected for the year ended March 31, 2008.

In early 2005, the CICA issued new standards for Comprehensive Income (CICA 1530), Financial Instruments (CICA 3855) and Hedges (CICA 3865), which are effective for fiscal years beginning on or after October 1, 2006. The new standards bring Canadian rules more into line with current rules in the United States. These new standards do affect the Company at present and consequently a statement of comprehensive income is included in the Statements of Operations, Comprehensive Income (Loss) and Deficit.

Section 1530 introduces the concept of comprehensive income, which includes net income and other comprehensive income. Other comprehensive income represents changes in shareholders' equity during a period arising from such items as unrealized foreign currency translation gains or losses arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale investments, and changes in the fair value of the effective portion of cash flow hedging instruments. The application of this new standard affected investments on the balance sheet. The result was an increase of $16,140 to investments and to accumulated other comprehensive income in shareholders' equity.

2. BASIS OF PRESENTATION AND RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It also specifies how financial instrument gains and losses are to be presented. All financial instruments must be classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities. Initial and subsequent recognition and measurement of changes in the value of financial instruments depends on their initial classification. The application of Section 3855 did have an impact on the Company's interim financial statements as the Company's investment securities have been designated as available-for-sale shares.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes, and specifies how hedge accounting is applied and what disclosures are necessary when it is applied. The application of Section 3865 did not have an impact on the Company's interim financial statements as there are no transactions which have been designated as hedges for accounting purposes.

3. COMPARATIVE FIGURES

Certain comparative balances have been reclassified to conform to current year accounting policies and financial statement presentation.

4. INVESTMENTS

At June 30, 2007, the Company held shares as follows:

	Number of shares	Cost	Accumulated Unrealized Gains (losses)	Fair Value
Available-for-sale shares:				
Mill Bay Ventures Inc.	348,978	$ 27,918	$ 10,470	$ 38,388
Avino Silver & Gold Mines Ltd.	4,200	1,554	5,670	7,224
Omega Equities Corp., at nomial value	57,000	1	-	1
	410,178	$ 29,473	$ 16,140	$ 45,613

During the period ended June 30, 2007, the Company recognized a $8,286 unrealized gain on investment securities designated as available-for-sale in other comprehensive income.

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

5. INVESTMENT IN RESOURCE PROPERTIES

The following is a summary of mineral property expenditures for the three months ended June 30, 2007:

	Congress	Gold Bridge	Eagle	Ruf	Norma Sass	Wayside	Total
	(note 5(a))	(note 5(b))	(note 5(c))	(note 5(d))	(note 5(d))	(note 5(e))	
Balance, March 31, 2007	$ 754,276	$ 248,819	$ 1	$ 1	$ 1	$ 9,089	$ 1,012,187
Deferred exploration costs							
Assays	621	-	-	-	-	-	621
Assessment, permits and filing fees	2,110	-	-	-	-	-	2,110
Drafting and mapping	376	-	-	-	-	-	376
Geological and management services	42,122	-	-	-	-	-	42,122
Geophysical	40,144	-	-	-	-	-	40,144
Trenching	3,900	-	-	-	-	-	3,900
Cost recoveries	-	(8,099)	-	-	-	-	(8,099)
Balance, June 30, 2007	$ 843,549	$ 240,720	$ 1	$ 1	$ 1	$ 9,089	$ 1,093,361

(a) Congress Claims

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

The Congress claims are subject to a Joint Venture Agreement dated February 25, 1983 between the Company and Veronex Resources Ltd. ("Veronex"). Veronex has earned a 50% net interest in the claims, net of a 5% net smelter royalty held by the Company, by expending $1,000,000 in a prior year. All subsequent expenditures are to be contributed equally by the Company and Veronex. No contribution has been made by Veronex in recent years to the cost of exploration.

(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. In 2002, the Company wrote-down the expenditures related to the claims resulting in a charge of $118,179 to operations. The claims remain in good standing until December 2008.

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

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

5. INVESTMENT IN RESOURCE PROPERTIES (Continued)

(b) Gold Bridge Claims (BRX Project) (Continued)

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

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

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

(c) 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.

(d) Ruf and Norma Sass properties

In 2003, the Company acquired from Coral Resource Inc. (“Coral”) 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 to Coral of $350,292 (paid) and 300,000 common shares (issued) of the Company. The property is subject to a 3% net smelter royalty with Coral to a maximum of $1,250,000.

During fiscal 2005, Coral and the Company (collectively, the “Companies”) entered into an Agreement with Agnico-Eagle Mines Ltd. (“AGE”) wherein the Companies granted AGE an option to purchase 100% interest in the property subject to a 2.5% royalty to the Companies in consideration of the following minimum advance royalty payments (in US dollars) and minimum work commitments:

Execution of the Agreement (October 12, 2004)	$ 25,000	13,000 feet of drilling
First anniversary	$ 30,000	15,000 feet of drilling
Second anniversary	$ 50,000	17,000 feet of drilling
Third anniversary	$ 75,000	
Fourth anniversary	$ 75,000	
Fifth anniversary	$ 150,000	

Under the terms of the Agreement, 13,000 feet of exploration drilling was completed. The initial and first anniversary advance royalty payments have been received. During fiscal 2007 and prior to the second anniversary of the agreement, AGE decided not to commit to a further 15,000 feet of drilling or pay the $50,000 royalty payment, thereby terminating the agreement.

5. INVESTMENT IN RESOURCE PROPERTIES (Continued)

(e) Wayside claims

The Company owns 24 mineral claims in the Lillooet Mining Division, British Columbia. In 2002, the Company wrote-down the expenditures related to the claims resulting in a charge to operations of $42,119. During fiscal 2006, with equity funding available, the Company recommenced exploration on the property.

6. CAPITAL STOCK

(a) Authorized: Unlimited common shares without par value

(b) Issued:

	Shares	Amount
Balance March 31, 2007	40,784,483	$ 22,160,953
Exercise of warrants	2,485,000	298,500
Exercise of options	195,000	19,500
Transfer from contributed surplus on exercise of stock options		17,550
Balance, December 31, 2006	43,464,483	$ 22,496,503

(c) Stock Options

During the period ended June 30, 2007 the Company granted 200,000 stock options at an exercise price of $0.35 per share expiring on June 14, 2012. The Company charged $11,020 to consulting fees and $11,020 to mineral properties to recognize the estimated fair value of the options granted to consultants providing financial and geological services. The fair value was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.0%, dividend yield of 0%, expected life of 3 years and a volatility factor of 92%.

A summary of the stock options activity for the three month period ended June 30, 2007 is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2007	3,435,000	$0.10
Granted	200,000	$0.35
Exercised	(195,000)	$0.10
Cancelled	(150,000)	$0.10
Balance, June 30, 2007	3,290,000	$0.15

6. CAPITAL STOCK (Continued)

(c) Stock Options (Continued)

A summary of the stock options outstanding and exercisable for the three month period ended June 30, 2007 is as follows:

Expiry Date	Exercise Price	Number of Shares
April 5, 2010	$0.10	1,640,000
April 25, 2011	$0.21	925,000
October 2, 2011	$0.10	275,000
January 26, 2012	$0.18	250,000
June 14, 2012	$0.35	200,000
		3,290,000

(d) Share Purchase Warrants

A summary of share purchase warrants transactions for the three month period ended June 30, 2007 is as follows:

	Number of Shares	Weighted Average Exercise Price
Warrants outstanding and exercisable, March 31, 2007	12,617,572	$0.13
Exercised	(2,485,000)	$0.12
Warrants outstanding and exercisable, June 30, 2007	10,132,572	$0.16

As at June 30, 2007, the following share purchase warrants were outstanding:

Expiry Date	Exercise Price	Number of Shares
November 17, 2007/2008	$0.12/$0.15	2,750,000
March 30, 2008	$0.40	487,572
April 12, 2008	$0.15	6,895,000
		10,132,572

7. RELATED PARTY TRANSACTIONS

During the three month period ended June 30, 2007:

(a) $Nil (2006 - $7,500) was paid for accounting and corporate services to a private company owned by a former director and former secretary of the Company;

(b) $35,284 (2006 - $14,023) 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;

(c) $Nil (2006 - $7,500) was paid for consulting services to a private company controlled by a director of a related company;

(d) $7,500 (2006 - $Nil) was paid for management fees to a private company controlled by a director and officer of the Company; and

(e) $Nil (2006 - $7,500) was paid for management fees to a private company controlled by a director and officer of the Company.

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

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 $12,391 (2006 - $94,153) owing from ABC Drilling, which is the balance of an advance towards drilling services to be provided. Amounts due are without stated terms of interest or repayment.

Amounts due to related parties include $23,483 (2006 - $115,719) owed to Oniva, $61,377 (2006 - $58,920) owed to two public companies related by way of common directors, and $652 (2006 - $77,377) owed to private companies controlled by directors of the Company. Amounts due are without stated terms of interest or repayment.

8. COMMITMENT

On November 9, 2006, the Company entered into a corporate communications services agreement with Investor Relations Group Inc., a European communications firm to provide investor communication services in Europe. The Company has agreed to pay $2,000 per month plus expenses for an initial term of 12 months, which may be extended for further period.

9. PRIOR PERIOD ADJUSTMENT

During the year ended March 31, 2007, the Company discovered that there were general and administrative expenses totalling $29,559 that were not recorded in prior periods. The financial statements have been retroactively adjusted to reflect this error whereby for the period ended June 30, 2006 the beginning deficit was increased from $20,629,388 to $20,658,947.

10. SUBSEQUENT EVENT

Subsequent to the period end, the Company has had 100,000 stock options exercised for total proceeds of $10,000.

Management's Discussion & Analysis

The following discussion and analysis of the results of operations, and financial position of Levon Resources Ltd. (the "Company" or "Levon") for the period ended June 30, 2007 should be read in conjunction with the June 30, 2007 financial statements and the related notes thereto. The effective date of this Discussion and Analysis ("MD&A") is August 28, 2007. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Forward looking statements

Except for historical information, the MD&A may contain forward looking statements. 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.

Business Overview

The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on the TSX Ventures Exchange under the symbol LVN and on the Frankfurt Stock Exchange under the symbol "L09". The Company's international ISIN number is CA 5279011020.

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.

Congress Property

A comprehensive exploration program is currently underway on the Company's Congress Property near Goldbridge and Bralorne, British Columbia. This program is designed to increase the Property's present resource. New zones discovered last year are being followed up and permits for drill sites are being applied for. The new drill programs will concentrate on the extension of the Lou and Howard Zones.

The Congress Property covers 2,433 hectares (6,012 acres) located on the north side of Carpenter Lake in British Columbia's historic gold producing Bridge River region, 90 kilometres west of the town of Lillooet and can be easily accessed by year round government maintained BC Highway 40.

The property consists of 45 claims including 8 crown grants, 13 mineral leases and 24 mineral claims. The Company is reviewing the joint venture partner's participation in the Congress project.

The first phase of the exploration program included two pits, 27 trenches totalling approximately 300 metres, six NQ diamond drill holes totalling 1,060 metres and 102 MMI geological samples in seven lines. This work tested a potential open pit resource. Cyanide leach tests indicated encouraging gold recoveries. The work also extended the indicated strike length of the Lou Zone by 500 metres. The trenching on the Golden Ledge exposed a 1 to 1.5-metre wide silicified fault zone over a strike length of 60 metres with gold values up to 26.4 grams Au per tonne (0.848 oz Au/ton) over 1.2 metres.

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Both surface and underground exploration at Congress have developed the following resources:*

Zone	Tonnes	oz/ton	g/tonne	Mineral Resource Category
Howard	273,402.5	0.264	8.20	inferred
Howard	25,909	0.367	11.40	indicated
Howard	40,192	0.280	9.68	measured
Lou (underground)	189,548	0.350	10.90	inferred
Lou (open pit)	124,300	0.077	2.40	inferred
Congress	106,678	0.238	7.40	indicated

**From "Trenching, Drilling and Metallurgical Testing on the Congress Property"- David St. Clair Dunn, P.Geo.NI 43-1-1 Compliant. Nov 2005*

The second phase of the drilling on the Congress property in British Columbia was completed in December 2006. During the December 2006 quarter, a total of 16 holes totaling 2,257 metres were completed. Five holes targeting the Golden Ledge Zone, nine holes targeting the Lou Zone and two on the Howard Zone, were completed in December. All holes reached the targeted zones and the drill results are:

LEVON CONGRESS 2006 DRILL RESULTS

Hole	Location UTM		Bearing	Dip	Length Metres	Intersection Metres	Gold g/tonne
	Northings	Eastings					
GOLDEN LEDGE ZONE							
GL-06-01	5639328	514291 E	350	45	166.37	68.0 - 69.0 (1) 72.0 - 75.0 (3) 91.0 - 92.0 (2) 122.0 -124.0 (2)	3.08 6.41 4.17 4.71
GL-06-02	5639411	514285	190	50	81.40	51.0 – 53.0 (2)	5.66
GL-06-03	5639411	514285	190	60	72.24	45.0 – 46.0 (1)	5.48
GL-06-04	5639338	514267	010	45	102.72	88.0 – 89.0 (1)	3.38
GL-06-05	5639338	514267	010	60	121.01	66.44 – 67.50 (1.06) 71.0 – 71-75 (0.75)	3.80 2.38
LOU ZONE							
LZ-06-01	5638871	514799	88	50	99.67	52.50 – 53.0 (0.5)	4.21
LZ-06-02	5639045	514861	90	45	117.96	**NO SIGNIFICANT VALUES (NSV)**	
LZ-06-03	5638291	514764	90	45	203.30	150.0–152.50 (2.0) 178.0 -180.0 (2.0)	4.40 1.71
LZ-06-04	5638227	514760	90	45	157.02	**(NSV)**	
LZ-06-05	5638124	514759	90	55	185.01	132.0 – 134.0 (2.0) 139.86-142.0 (2.14)	2.55 1.03
LZ-06-06	5638076	514753	96	45	194.16	151.5 - 153.5 (2.0)	2.94
LZ-06-07	5638076	514753	106	45	178.92	155.0 - 158.0 (3.0)	7.28
LZ-06-08	5638076	514750	106	60	203.30	162.0 - 163.0 (1.0)	1.59
LZ-06-09	5637426	514671	060	45	163.68	**(NSV)**	

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HOWARD ZONE							
C-06-01	5637430	514321	100	45	151.51	**(NSV)**	
C-06-02	5637433	514321	90	55	159.39	115.0 – 116.0 (1.0) 153.0 – 154.0 (1.0)	0.67 10.70

In each of the zones, the holes intersected the target mineralized structures. Drilling on the Golden Ledge Zone extended the gold bearing structure approximately 25 metres to the west and to depth. The most significant intercept was Hole GL-06-01, 3 metres of 6.41 grams of gold per tonne.

Drilling on the Lou Zone successfully extended the structure by 500 metres to the north and to depth. The most significant intercept was Hole LZ-06-07, 3 metres of 7.28 grams of gold per tonne.

Two holes were drilled on the southern end of the Howard Zone on the shore of Carpenter Lake. The most significant intercept was Hole C-06-02, 1 metre of 10.70 grams of gold per tonne.

Since May 15, 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 will be conducted to determine where diamond drill holes should be placed to test the gold bearing structures found in this area of Gun Creek.

During the later part of June 2007, Geotronics of Vancouver was contracted to place three MMI soil grids on areas of the Congress Property, where surface exploration is made difficult due to overburden depths. A total of 14,000 meters of line was cut, using 100m line spacing with samples being collected every 20m. Results of the MMI are currently pending.

An application was made to the Ministry of Mines for mechanical trenching on the Congress Property, and the permit has now been received by Levon. A total of 10 trenches were dug in portions of the Congress Property where overburden obscured rock classification in the past. Assay results are pending. Three new mineralized zones were discovered during the course of the recent trenching with widths ranging from 1.3m to 2.5m.

The assay results for samples from the hand trenching to date are as follows:

Zone	**No of Trenches**	**Assay Range Grams per Tonne**
Ogee Zone	2	0.52 to 9.98
Relocated Zone End of Road	5	2.12 to 23.27
Relocated Zone 100 Metres Southeast of End of Road	4	0.18 to 5.92
Boo Coo Zone	9	0.19 to 27.68

This drilling on the Congress Property is being supervised by Chris J. Sampson, P. Eng., a qualified person under NI 43-101.

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Norman Sass and Ruf Claims

Agnico-Eagle mobilized a reverse circulation drill supplied by Lang Exploratory Drilling of Elko, Nevada to the Norma Sass property on May 15, 2006. Agnico-Eagle drilled approximately 15,000 ft. in 12 to 15 holes on the Norma Sass and related properties. In February 2007, Agnico-Eagle Mines Ltd. notified the Company that it would not be continuing its option on the Company's Norma Sass property because of other corporate priorities. The Company has been pleased with the work done by Agnico-Eagle during the past two years. They successfully showed depths to the lower plate sequence across the Norma Sass ground.

An exploration drill program is being planned for the Company's Norma Sass and Ruf Claims in Nevada. The claims are jointly held with Coral Gold Resources Ltd. and the properties are strategically located adjoining Barrick's Pipeline Deposit.

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.

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

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Prior Period Adjustment

During the year ended March 31, 2007, the Company discovered that there were general and administrative expenses totalling $29,559 that were not recorded in prior periods. The financial statements have been retroactively adjusted to reflect this error whereby for the period ended June 30, 2006 the beginning deficit was increased from $20,629,388 to $20,658,947.

Results of Operations

Three months ended June 30, 2007 compared with the three months ended June 30, 2006

General and administrative expenses

General and administrative expenses totaled $83,643 for the quarter ended June 30, 2007 with a comparative expense of $78,248 for the quarter ended June 30, 2006, an increase of $5,395. There were cost increases of $3,520 in consulting and management fees, $12,068 in salaries and benefits, $5,984 in shareholder relations and promotion, and $5,608 in travel and automotive. Cost decreases in the current quarter included $2,243 in compliance listings and transfer agent fees, $7,500 in corporate and administrative services, $573 in office occupancy and miscellaneous, and $11,469 in professional fees. Impacting corporate and administrative services and office occupancy and miscellaneous costs was that the company had previously outsourced its' accounting and corporate secretary requirements but as of January 1, 2007, these services are provided under the cost sharing agreement that the Company has with a related private company. Shareholder relations and promotion and travel and automotive are higher due to more property exploration on the Congress property and an increase in promotion activities during this period. Professional fees in the comparative quarter ended June 30, 2006 were higher due to more private placements in that period and additional legal services required with flow-through share filings.

Loss for the period

Loss for the period ended June 30, 2007 was $81,024 compared to the loss of $73,575 for the period ended June 30, 2006, an increase of $7,449. The primary reasons for the difference between the comparative quarters are the same as those referred to above for the general and administrative expenses. Increasing the loss further was lower interest income of $2,619 for the recent quarter compared to $4,673 for the quarter ended June 30, 2006, a decrease of $2,054.

Summary of Quarterly Results

Expressed in Cdn $

Period ended	June 30 2007 Q1	Mar. 31 2007 Q4	Dec. 31 2006 Q3	Sept.30 2006 Q2	June 30 2006 Q1	Mar.31 2006 Q4	Dec.31 2005 Q3	Sept.30 2005 Q2
Loss before other items	(83,643)	(173,540)	(72,753)	(103,816)	(78,421)	(302,225)	(42,582)	(53,249)
Net Income (Loss)	(81,024)	4,057	(69,405)	(99,043)	(72,428)	(284,670)	(40,375)	(53,079)
Basic Loss per Share	(0.00)	0.00	(0.00)	(0.01)	(0.00)	(0.02)	(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 June 30, 2007 the Company had working capital of $727,793.

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In November 2006 the Company completed a tax flow-through private placement for proceeds of $300,000 by issuing 3,000,000 units at a price of $0.10 per unit. $297,000 was restricted in use for ("CEE") under Canadian income tax legislation and as of June 30, 2007 the balance remaining to be expended is approximately $15,000.

The Company also completed two other non-flow-through private placements during the 2007 fiscal year. The first one issued 9,550,000 units at a price of $0.10 per unit for proceeds of $955,000 less share issuance costs of $21,800. The second private placement issued 487,572 units at price of $0.35 per unit for proceeds of $170,650.

The Company believes it has sufficient working capital to meet its current obligations and operating expenses to the end of the fiscal year.

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 extensive, and in order to maintain its interest the Company will be required to raise new equity capital in the future. 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 three months period ended June 30, 2007:

(a) $Nil (2006 - $7,500) was paid for accounting and corporate services to a private company owned by a former director and former secretary of the Company;

(b) $35,284 (2006 - $14,023) 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;

(c) $Nil (2006 - $7,500) was paid for consulting services to a private company controlled by a director of a related company;

(d) $7,500 (2006 - $Nil) was paid for management fees to a private company controlled by a director and officer of the Company; and

(e) $Nil (2006 - $7,500) was paid for management fees to a private company controlled by a director and officer of the Company.

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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 notice by either party.

The amount due from a related party consists of $12,391 (2006 - $94,153) owing from ABC Drilling which is the balance of an advance towards drilling services. Amounts due are without stated terms of interest or repayment.

Amounts due to related parties include $23,483 (2006 - $115,719) owed to Oniva, $61,377 (2006 - $58,920) owed to two public companies related by way of common Directors, and $652 (2006 - $77,377) 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 three months period, $7,500 was paid to the President for services as director and officer of the Company and $2,493 was paid to the Secretary for services as an officer of the Company.

Changes in accounting policies

In early 2005, the CICA issued new standards for Comprehensive Income (CICA 1530), Financial Instruments (CICA 3855) and Hedges (CICA 3865), which are effective for fiscal years beginning on or after October 1, 2006. The new standards bring Canadian rules more into line with current rules in the United States. These new standards do affect the Company at present and consequently a statement of comprehensive income is included in the Consolidated Statements of Loss, Comprehensive Income (Loss) and Deficit.

Section 1530 introduces the concept of comprehensive income, which includes net income and other comprehensive income. Other comprehensive income represents changes in shareholders' equity during a period arising from such items as unrealized foreign currency translation gains or losses arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale investments, and changes in the fair value of the effective portion of cash flow hedging instruments. The application of this new standard affected investment securities on the consolidated balance sheet. The result was an increase of $16,140 to investments in current assets and to accumulated other comprehensive income in shareholders' equity.

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It also specifies how financial instrument gains and losses are to be presented. All financial instruments must be classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities. Initial and subsequent recognition and measurement of changes in the value of financial instruments depends on their initial classification. The application of Section 3855 did have an impact on the Company's interim consolidated financial statements as the Company's investment securities have been designated as available-for-sale shares.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes, and specifies how hedge accounting is applied and what disclosures are necessary when it is applied. The application of Section 3865 did not have an impact on the Company's interim financial statements as there are no transactions which have been designated as hedges for accounting purposes.

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Outstanding Share Data as of July 25, 2007

There were 43,464,483 common shares outstanding.

Summary of stock options outstanding is as follows:

Expiry Date	Exercise Price	Number of Shares
April 05, 2010	$ 0.10	1,640,000
April 25, 2011	$ 0.21	925,000
October 2, 2011	$ 0.10	275,000
January 26, 2012	$0.18	250,000
June 14, 2012	$0.35	200,000
		3,290,000

Summary of share purchase warrants outstanding is as follows:

Expiry Date	Exercise Price	Number of Shares
April 12, 2008	$0.15	6,895,000
Nov. 17, 2007/08	$0.12/$0.15	2,750,000
March 30, 2008	$0.40	487,572
		10,132,572

Commitment

On November 9, 2006, the Company entered into a corporate communications services agreement with Investor Relations Group Inc., a European communications firm to provide investor communication services in Europe. The Company has agreed to pay $2,000 per month plus expenses for an initial term of 12 months, which may be extended for further period.

Disclosure Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for evaluating the effectiveness of the Company's disclosure controls and procedures and have concluded, based on our evaluation, that they are effective as at June 30, 2007 to ensure that information required to be disclosed in reports filed or submitted under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified in those rules and regulations.

Internal Controls over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The Company assessed the design of the internal controls over financial reporting as at June 30, 2007 and concluded that there are material weaknesses in internal controls over financial reporting, which are as follows:

a) Due to the limited number of staff resources, the Company believes there are instances where a

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lack of segregation of duties exist to provide effective controls; and

b) Due to the limited number of staff resources, the Company may not have the necessary in-house knowledge to address complex accounting and tax issues that may arise.

The weaknesses and their related risks are not uncommon in a company the size of the Company because of limitations in size and number of staff. The Company believes it has taken initial steps to mitigate these risks by consulting outside advisors and involving the Audit Committee and Board of Directors in reviews and consultations where necessary. However, these weaknesses in internal controls over financial reporting could result in a more than remote likelihood that a material misstatement would not be prevented or detected. The Company believes that it must take additional steps to further mitigate these risks by consulting outside advisors on a more regular and timely basis.

There have been no changes in the Company's internal controls over financial reporting that occurred during the quarter ended June 30, 2007 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Subsequent event

Subsequent to the period end, the Company has had 100,000 stock options exercised for total proceeds of $10,000.

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