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, 2018 should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2018 ("the Financial Statements") and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated **June 27, 2018** 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.

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.

CORPORATE DEVELOPMENTS – HIGHLIGHTS FOR THE QUARTER ENDED MARCH 31, 2018

- As at March 31, 2018, the Company had working capital of $5,872,826, including cash of $572,260 and investments of $5,204,366.

- During the quarter ended March 31, 2018, the Company reported a net loss of $1,370,158, which included an impairment charge of $749,787 on investments that was partly offset by a foreign exchange gain of $ 244,294.

- The Company reported expenditures during the quarter relating to the Cordero Project amounting to $419,582, which included related to the preparation of an infill drill program.

  In September 2017, the Company announced the completion of the core drilling campaign at the Cordero Project. A total of 5,655m of core in 18 infill core holes were drilled within the central part of the 2014 Cordero resource (the "Resource"). On March 5, 2018 the Company announced an updated NI 43-101 compliant resource update and preliminary economic assessment. The 43-101 technical report dated effective March 1, 2018 was filed on Sedar on April 18, 2018.

- In addition the Company reported general exploration expenses for the quarter of $25,219. Management and directors continued to identify and assess strategic opportunities outside Cordero to strengthen Levon, grow the Company, and prepare for the market rebound.

- On February 13, 2018, the Company announced it closed a non-brokered private placement ("the Placement") through the issuance of units ("Units") of the Company at a price of $0.35 per unit for total gross proceeds of $899,925. Each Unit consists of one common share and one common share purchase warrant entitling the holder to acquire one common share of the Company at a price of $0.50 per common share for a period of two years from the closing of the Placement. The Placement resulted in the issuance of 2,571,214 common shares of the Company and 2,571,214 warrants. Securities sold pursuant to the Placement were subject to a four month resale hold, which expired June 14, 2018, under applicable Canadian securities laws. Proceeds will be utilized for corporate costs and working capital.

- During the quarter, 1,125,000 options were exercised raising $180,000 for the Company.

BUSINESS DESCRIPTION

Levon Resources Ltd. (the "Company" or "Levon") was incorporated under the Business Corporations Act (British Columbia) on February 18, 2015.

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

The Company continues to take a technically oriented, conservative, exploration driven approach to advance the Cordero Project 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 Company is listed on the Toronto Stock Exchange ("the TSX") trading under the symbol LVN. 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.

The Company's principal business activities are the exploration and development of exploration and evaluation assets. The Company has generated no operating revenues, and, at March 31, 2018, 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, the Company (or its predecessor company, "Old Levon") has raised funds to fund its operations through equity financing and the exercise of options and warrants.

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"). 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).

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. 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.

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.

History

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.

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. In December 2017, the remainder of the claims that were staked were granted by the Mexican government bringing the total area covered by Levon claims to 37,000 hectares which cover the entire Cordero district in an entirely consolidated claim position 100% owned by Levon.

The Company's exploration has covered the property except for the 2014 staked claims. Exploration has focused mainly on discovery and resource definition and expansion drilling within the central part of the Cordero Project Porphyry Belt defined in a central 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 announced January 30, 2012, published on March 12, 2012, amended on May 8, 2013 (filed with SEDAR (see profile of VBI Vaccines Inc. on www.sedar.com). 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 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.

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).

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.

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 had 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).

In September 2017, the Company announced the completion of the core drilling campaign at the Cordero Project. A total of 5,655m of core in 18 infill core holes were drilled within the central part of the 2014 Cordero resource (the "Resource"). On March 5, 2018 the Company announced an updated NI 43-101 compliant resource update and PEA. The 43-101 technical report dated effective March 1, 2018 was filed on Sedar on April 18, 2018.

As announced in a press release dated April 18, 2018, the 43-101 Technical Report dated effective March 1, 2018, is prepared by M3 Engineering & Technology ("M3") in collaboration with Independent Mining Consultants ("IMC") of Tucson, Arizona and provides the 2018 resource update (IMC) and a Preliminary Economic Assessment Update ("PEA Update") (M3) for the Cordero Silver, Zinc, Lead, Gold Project in Chihuahua, Mexico; the results of which were announced in a March 5, 2018 news release.

Highlights of the PEA Update (United States dollars)

Category	Tonnes (000s)	AgEq, g/t	Ag, g/t	Zn, %	Pb, %	Au, g/t
Indicated	990,054	31.92	12.81	0.37	0.17	0.04
Inferred	282,217	56.43	20.66	0.75	0.30	0.04
	Contained Metal		Oz (000s)	Lbs (000s)	Lbs (000s)	Oz (000s)
Indicated	-	-	407,761	8,030,051	3,774,996	1,273
Inferred	-	-	187,461	4,665,047	1,859,799	363

- A sub-set of the indicated and inferred mineral resource was used to develop an open pit mining plan at a rate of 40,000 tonnes of mill feed per day, with flotation processing to create high-quality lead and zinc concentrates. This mining rate is identical to the mining rate in the 2013 PEA update (news release of May 15, 2013). Mineral concentrates will be sold to offshore smelters.
- Average annual production of 8 million ounces of silver, 44,788 tonnes of zinc (99 million lbs) in concentrate, 31,158 tonnes of lead (69 million lbs) in concentrate and 11,900 ounces of gold.
- Economic analysis for the updated study are based on $20/oz silver, $1.30/lb zinc, $1.00 lead, and $1,300/ oz gold.
- The updated mine plan for the updated 2018 PEA, which is scheduled over a 29 year mine life includes total mineralized material of 417.5 million tonnes at a 46.5 g/t silver equivalent, producing concentrates containing a total of 231 million ounces silver, 2,863 million pounds of zinc, 1,992 million pounds of lead, and 0.35 million ounces of gold.
- The waste to mill feed tonnage ratio is 0.98:1 since the resource crops out at the surface. The resource has not been drill delineated on its perimeter, and the modeled strip ratio includes undrilled areas in the modeled open pit as waste. The modeled open pit for the PEA measures --2000 m long x 1300 m wide x 380 maximum depth.
- Metallurgy is simple (side by side lead and zinc conventional floatation mills) with 88% overall recoveries after three rounds of bench-scale testing.
- Capital costs estimated at $570 million for initial project capital including mine, plant, TSF, and Owners Costs, and $271 million for sustaining capital over the mine life.
- Average annual after-tax cash flow of $77.4 million over 29 years.
- Average operating mining cost of $2.34 per tonne of mill feed, a plant operating cost of $5.08 per tonne of mill feed, and a G&A cost of $1.12 per tonne of mill feed. Average annual cash operating costs are $193 million including royalties.
- The base case economic estimate is an after tax net present value of $438 million, using a 7.5% discount rate, and an after-tax internal rate of return of 16.5% with a payback period of 4.8 years.
- An upside silver price of $25/oz yields an after tax net present value of $713 million, using a 7.5% discount rate, and an after-tax internal rate of return of 21.9% with a payback period of 3.9 years.
- Project infrastructure includes a good road network between Hidalgo del Parral and the mine site. Power transmission will require a 232 kV extension of 75 km to the mine site substation. Skilled mine labor is available from Hidalgo del Parral and other nearby communities in southern Chihuahua.
- Levon owns all claims that cover the Cordero district, which total 37,000 hectares.

The 2018 Cordero PEA supersedes the 2013 PEA update, which was written before Levon consolidated the current 100% ownership of all claims in the district to complete 2014 drilling and a 2014 resource update (news release of October 20, 2014). The 2018 PEA includes the 2018 resource and re-evaluates the Cordero Project in the context of a long-term silver, zinc, lead, gold project designed to world standards.

The 2018 PEA includes a refined geologic model, the updated 2018 Mineral Resource estimate, updated process recovery, and revised mining and processing costs. The tailings disposal facilities remain unchanged. While a portion of the data generated for the 2013 PEA Update study provided support for some of the assumptions incorporated into the 2018 PEA, the mining, processing, geotechnical, hydrological, social, and capital and operating cost parameters are revised and reported in the 2018 PEA report.

The 2018 PEA is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Qualified Persons

Levon's technical work on the Cordero Project is supervised by Vic Chevillon, Vice President -- Exploration for Levon and a Qualified Person as defined by NI 43-101.

The Technical Report was supervised by Daniel H. Neff, P.E., Chairman of M3, a Qualified Person as defined by NI 43-101. Mr. Neff has reviewed and approved the technical information contained in the news release dated April 18, 2018.

The updated Cordero resource estimate was prepared under the direction of Herb Welhener (SME registered member #3434330), a Qualified Person as defined by NI 43-101.

Technical Disclosure

Mineral Resource estimates reported herein have been classified as Indicated or Inferred based on the confidence of the input data, geological interpretation and grade estimation parameters. Mineral Resources used for estimating project economics reported herein are based on inputs that include metallurgical performance, geologic and geotechnical characterization, operational costs, and other economic parameters*. The company is not currently aware of any known factors that are reasonably likely to have a negative material impact on the Company's Mineral Resources. The Mineral Resource estimate was prepared in accordance with NI 43-101 and classifications adopted by the CIM Council.*

Exploration Potential

Levon expects to continue its evaluation of the Cordero flagship project with the intent of advancing it to the prefeasibility or feasibility stage, and to seek a strategic partner. The timeline and estimated capital required to advance the project to the next stage are under review.

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, 2018 and 2017:

Cordero Project	Three months ended March 31, 2018	Three months ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Drilling and exploration	$ 10,525	$ 17,345	$ 920,490	$ 70,342
Geological and management services	211,417	82,972	550,213	339,361
Mining rights	168,518	155,674	334,850	284,431
Payroll and general supplies	29,122	17,470	105,982	76,268
	$ 419,582	**$ 273,461**	**$ 1,911,535**	**$ 770,402**

Due to the current soft global metals market, the Cordero Project has been operated under a well-funded, safe and secure care and maintenance program, with minimized expenditures. Management's objective was to be able to seamlessly continue exploration and development in the future as market conditions warrant.

Operational expenditures relating to the Cordero Project amounted to $419,582 in the three month period ended March 31, 2018, as compared to $273,461 in the comparative period.

As described above, management completed in September 2017 the infill drill program, which commenced in May 2017. The Company then commenced analysis of the results with the Company announcing in March 2018 the results of an updated NI 43-101 compliant resource update and preliminary economic assessment. The 43-101 technical report dated effective March 1, 2018 was filed on Sedar on April 18, 2018.

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.

For further details and maps of the Cordero Project, please see Levon Resource's website www.levon.com.

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 for the year ended March 31, 2017.

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, 2018, 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, 2018

A summary of the results of operations for the three month periods ended March 31, 2018 ("3M 2018") and 2017 ("3M 2017") are as follows:

	Three months ended March 31, 2018	Three months ended March 31, 2017
Expenses		
Consulting and management fees	$ 207,783	$ 223,092
Exploration	419,582	273,461
General exploration	25,219	45,650
Listing and filing fees	28,996	18,722
Office, occupancy and miscellaneous	28,234	41,397
Professional fees	13,077	13,208
Share-based payments	-	58,824
Shareholder relations and promotion	101,049	13,074
Travel	40,562	33,888
	(864,502)	(721,316)
Finance income	(163)	1,802
Impairment of investments	(749,787)	(2,619,041)
Foreign exchange gain	244,294	178,736
Loss before income taxes	(1,370,158)	(3,159,819)
Deferred income tax recovery (expense)	-	201,871
Net loss for the period	**(1,370,158)**	**(2,957,948)**

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

Consulting and management fees

Consulting and management fees for 3M 2018 amounted to $207,783 (3M 2017 - $223,092), which decreased due to the impact of the US$ exchange rate on consulting and management fees incurred in $US, and due to the reduction of one consultant's fees during 3M 2018 compared to 3M 2017.

Exploration expenditures

Exploration expenditures for the 3M 2018 amounted to $419,582 (3M 2017 - $273,461), which reflected a substantial increase attributable to the infill drill program at the Cordero Project. Further detail for the Cordero expenditures is provided in "*Overview of the Cordero Silver, Gold, Zinc, Lead Project, Mexico*".

General exploration expenses

General exploration expenditures for 3M 2018 amounted to $25,219 (3M 2017 -$45,650), which decreased reflecting the continued focus of management on the drill program with the Cordero Project rather than general exploration activities.

Listing and filing fees

Listing and filing fees for 3M 2018 amounted to $28,996 (3M 2017 - $18,722), which includes annual TSX fees. 3M 2018 also includes $9,523 in fees pertaining to the private placement completed in February 2018.

Office, occupancy and miscellaneous

Office, occupancy and miscellaneous for 3M 2018 amounted to $28,234 (3M 2017 - $ 41,397), which decreased due in part to a reduction in office rent and other one-time office expenditures.

Share-based payments

There was no share-based payment expense for 3M 2018 as all options were fully vested at the beginning of the quarter.

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.

Shareholder relations and promotion

Shareholder relations and promotion for 3M 2018 amounted to $101,049 (3M 2017 - $13,074), which increased due to additional marketing activities undertaken in 3M 2018 to promote the Company's activities and the results of the NI 43-101 compliant resource update announced in March 2018.

Travel

Travel expenses for 3M 2018 amounted to $40,562 (3M 2017 - $33,888). 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 higher travel expense in the current period reflects the attendance of an overseas mining conference in March 2018.

Impairment

The Company recorded an impairment of investments of $749,787 for 3M 2018 (3M 2017 - $2,619,041) to reflect the decline of in the fair value of its available-for-sale investments below cost.

3M 2018 includes the further decline in fair value on the Company's investments in Pershing Gold Corporation and Great Thunder Gold Corp.

At March 31, 2017, the Company determined that the significant decline in the fair value of its investment in Pershing Gold Corporation below its cost is objective evidence of impairment and recorded an impairment charge of $2,619,041 in the consolidated statements of operations and comprehensive loss for the quarter and year ended March 31, 2017.

Foreign exchange

The Company recorded a foreign exchange gain during 3M 2018 of $244,294 (3M 2017 - $178,736) attributable to changes in C$ 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 gain in both 3M 2018 and 3M 2017 reflects the impact of the weakening of the C$ relative to MXN on the IVA receivable accounts.

RESULTS OF OPERATIONS – YEAR ENDED MARCH 31, 2018

A summary of the results of operations for the year ended March 31, 2018 ("12M 2018") and 2017 ("12M 2017") are as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Expenses		
Consulting and management fees	$ 854,294	$ 890,244
Exploration	1,911,535	770,402
General exploration	66,061	133,575
Listing and filing fees	81,621	78,828
Office, occupancy and miscellaneous	116,553	140,866
Professional fees	52,265	77,081
Share-based payments	30,214	668,243
Shareholder relations and promotion	182,376	57,456
Travel	101,084	81,141
	(3,396,003)	(2,897,836)
Finance income	33,399	9,982
Gain on disposal of mineral properties	-	150,000
Impairment of investments	(2,289,533)	(2,619,041)
Foreign exchange loss	(139,942)	(70,322)
Loss before income taxes	(5,792,079)	(5,427,217)
Deferred income tax recovery (expense)	(13,757)	13,765
Net loss for the period	**(5,805,836)**	**(5,413,452)**

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

Consultant and management fees

Consulting and management fees for 12M 2018 amounted to $854,294 (12M 2017 - $890,244), which decreased due to the impact of the US$ exchange rate on consulting and management fees incurred in $US, and due to the reduction of one consultant during the third quarter of the current fiscal year.

Exploration expenditures

Exploration expenditures for 12M 2018 amounted to $1,911,535 (12M 2017 - $770,402), which reflected a substantial increase attributable to the infill drill program at the Cordero Project that commenced in May 2017. Further detail for the Cordero expenditures is provided in "*Overview of the Cordero Silver, Gold, Zinc, Lead Project, Mexico*". There was also an increase of $50,419 in the Cordero mineral concession taxes paid in 12M 2018 over that paid in 12M 2017.

General exploration expenses

General exploration expenditures for 12M 2018 amounted to $66,061 (12M 2017 - $133,575), which decreased reflecting the focus during the period on the drill program at the Cordero Project and therefore a greater allocation of consulting fees paid to the Company's VP of Exploration to exploration expenditures.

Office, occupancy and miscellaneous

Office, occupancy and miscellaneous for 12M 2018 amounted to $116,553 (12M 2017 - $140,866), which decreased due in part to a reduction in office rent and one-time expenses.

Professional fees

Professional fees for 12M 2018 amounted to $52,265 (12M 2017 - $77,081). 12M 2017 includes higher tax preparation fees for those returns impacted by the SciVac transaction, and higher fees from the timing of payments of corporate fees pertaining to the Company's subsidiaries.

Share-based payments

During 12M 2018, the Company recorded share-based compensation expense of $30,214 (12M 2017 - $668,243). The share-based compensation expense is determined using the Black-Scholes option pricing model and the expense is recognized over the one-year vesting period of the options. The expense in 12M 2018 relates to 500,000 options granted in August 2016 while the expense in 12M 2017 also relates to 11,850,000 stock options granted to directors, officers and consultants of the Company in November 2015.

Shareholder relations and promotion

Shareholder relations and promotion for 12M 2018 amounted to $182,376 (12M 2017 - $57,456), which increased due to additional marketing activities undertaken in 12M 2018 to promote the Company's activities and the results of the NI 43-101 compliant resource update announced in March 2018.

Travel

Travel expenses for 12M 2018 amounted to $101,084 (12M 2017 - $81,141). 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 higher travel expense in the current fiscal year reflects the attendance of an overseas mining conference in March 2018.

Finance income

Finance income for 12M 2018 amounted to $33,399 (12M 2017 - $9,982), reflecting the receipt of interest paid to the Company in connection with VAT refunds received during the current fiscal 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.

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 cost is objective evidence of impairment and recorded an impairment charge of $2,619,041 in the consolidated statements of operations and comprehensive loss for the quarter and year ended March 31, 2017.

The Company recorded an impairment of investments of $2,289,533 for 12M 2018 to reflect the further decline of $2,229,708 in the fair value of its investment in Pershing Gold Corporation below its carrying cost, and the initial recognition of an impairment of $59,825 in the fair value of its investment in Great Thunder Gold below its carrying cost.

Foreign exchange

The Company recorded a foreign exchange loss for 12M 2018 of $139,942 (12M 2017 – $70,322) attributable to changes in C$ 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 main driver of the foreign exchange loss for 12M 2018 reflects the impact of the appreciation of the C$ relative to USD. The change in the CAD versus the Peso was relatively flat for the fiscal year ended March 31, 2018.

SELECTED ANNUAL INFORMATION

The following financial data in Canadian dollars is derived from the Company's consolidated IFRS financial statements for the three most recently completed financial years:

	March 31, 2018	March 31, 2017	March 31, 2016
Total revenues	$ -	$ -	$ -
Net loss for the year	(**5,805,836**)	(**5,413,452**)	(6,030,462)
Loss per share	(0.05)	(0.04)	(0.07)
Total assets	57,935,626	62,589,084	66,872,488
Total non-current liabilities	-	-	-
Dividends	-	-	-

Total assets for the years ended March 31, 2018, March 31, 2017 and March 31, 2016 include $50 million in exploration and evaluation assets pertaining to the acquisition of the Cordero Project.

All subsequent exploration costs incurred on the Cordero Property have been expensed until such time the property is determined to contain economically viable reserves.

The net loss as of March 31, 2018 includes exploration costs of $1,911,535, share-based payments of $30,214, impairment on investments of $2,289,533 and foreign exchange loss of $139,942.

The net loss as of March 31, 2017 includes exploration costs of $770,402, share-based payments of $668,243, gain on disposal of mineral properties of $150,000, impairment on investments of $2,619,041 and foreign exchange loss of $70,322.

The net loss as of March 31, 2016 includes exploration costs of $518,581, share-based payments of $976,864, gain on discharge of debenture of $700,000, gain on disposal of mineral properties of $72,882, impairment on investments of $4,144,425 and foreign exchange loss of $70,976.

SUMMARY OF QUARTERLY RESULTS

The following financial data in Canadian dollars is derived from the Company's consolidated IFRS financial statements for the eight most recently completed financial quarters.

Period ended	Mar 31 2018 Q4	Dec 31 2017 Q3	Sep 30 2017 Q2	Jun 30 2017 Q1	Mar 31 2017 Q4	Dec 31 2016 Q3	Sep 30 2016 Q2	Jun 30 2016 Q1
Total revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net loss	$(1,370,158)	$(1,890,184)	$(1,344,748)	$(1,200,746)	$ (2,957,948)	$ (1,100,378)	$(758,998)	$(596,128)
Basic and diluted loss per share	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.00)

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 losses in the quarters ended March 31, 2017 and June 30, 2017, reflect charges for an impairment of investments of $2,619,041 and $318,298, respectively. The loss in the quarter ended September 30, 2017 includes $895,902 in exploration costs, which reflected a substantial increase attributable to the infill drill program at the Cordero Project. The loss in the quarter ended December 31, 2017, includes a charge for an impairment of investments of $1,221,448. The loss in the quarter ended March 31, 2018, includes a charge for an impairment of investments of $749,787.

LIQUIDITY AND CAPITAL RESOURCES

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

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

Currently, the Company has sufficient working capital to cover its operating overheads and other commitments for the next twelve months. However, the Company will be required to divest investments to realize funds to fully cover its funding requirements over that period. The Company also expects to continue its evaluation of the Cordero flagship project with the intent of advancing it to the prefeasibility or feasibility stage, and to seek a strategic partner. The timeline and estimated capital required to advance the project to the next stage are under review. The Company may need to raise additional financing to advance the project. Although the Company has been successful in raising funds to date, there is no assurance that future equity capital or debt will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

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.

The Company's cash and working capital are as follows:

Period ended	**March 31, 2018**	**March 31, 2017**
Cash	$ 572,260	$ 3,096,105
Working capital	$ 5,872,826	$ 10,698,390
Deficit	$ 17,249,750	$ 11,443,914

Working capital at March 31, 2018 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 three months ended March 31, 2018 by $575,296 due to costs to fund operations for the quarter partially offset from net cash provided by the disposal of investments, proceeds from the private placement, and stock option exercises.

As of March 31, 2018, the Company had the following undiscounted contractual obligations:

	Payments Due by Period				
Contractual Obligations	**Total**	**Less than 1 year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Operating Leases	**$ 41,876**	$ 41,876	-	-	-
Commitments with related parties (i)	**$ 383,597**	$ 238,539	$ 145,058	-	-
Total current liabilities	**$ 179,616**	$ 179,616	-	-	-
Total Contractual Obligations	**$ 605,089**	$ 460,031	$ 145,058	-	-

(i) Further details set out in "*Related Party Transactions*".

CASH FLOW

	Year ended March 31, 2018	Year ended March 31, 2017
Cash used in operating activities	$ (3,561,869)	$ (2,214,436)
Cash provided by investing activities	50,517	-
Cash provided by financing activities	1,119,925	340,640
Decrease in cash and cash equivalents	$ (2,391,427)	$ (1,873,796)
Foreign exchange effect on cash	(132,418)	86,705
Cash balance, beginning of the year	3,096,105	4,883,196
Cash balance, end of the year	$ 572,260	$ 3,096,105

Operating Activities:

Cash used in operating activities for the year ended March 31, 2018 was $3,561,869 as compared to $2,214,436 in the prior year. The cash used in operating activities is mainly attributed to general and administrative and exploration expenditures incurred during the period. The higher cash used in operating activities during the year ended March 31, 2018 is substantially attributable to increased exploration expenditures associated with the infill drill program that commenced in May 2017.

In July 2017, the Company recovered approximately $122,000 of value added tax. In addition the Company was paid interest of approximately $33,000 in connection with its VAT refund. The Company received no recoveries for the year ended March 31, 2017.

As of March 31, 2018, the Company had total prepaid expenses of $294,592, of which $263,342 is current and $31,250 in non-current. $282,750 of the total prepaid balance at March 31, 2018 relates consulting contracts that were entered into the quarter ended March 31, 2018, requiring up-front cash commitments of $330,000 for services covering up to a 16 month period. The expense is being recognized over the term of the underlying service periods and is included in shareholder relations and promotions in the consolidated statements of operations and comprehensive loss.

Investing Activities:

During the year ended March 31, 2018, the company received $50,517 from the sale of shares in its equity investments. There were no investing activities in the prior fiscal year.

Financing Activities:

During the year ended March 31, 2018, the Company raised $220,000 (2017 - $340,640) in connection with the exercise of 1,375,000 (2017- 2,129,000) stock options.

On February 13, 2018, the Company announced it closed a non-brokered private placement ("the Placement") through the issuance of units ("Units") of the Company at a price of $0.35 per unit for total gross proceeds of $899,925. Each Unit will consist of one common share and one common share purchase warrant entitling the holder to acquire one common share of the Company at a price of $0.50 per common share for a period of two years from the closing of the Placement. The Placement resulted in the issuance of 2,571,214 common shares of the Company and 2,571,214 warrants. Securities sold pursuant to the Placement will be subject to a four month resale hold, expiring June 14, 2018, under applicable Canadian securities laws. Proceeds will be utilized for corporate costs and working capital.

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, 2018 and 2017 are as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Consulting and management fees (i)(ii)	$ 712,256	$ 722,510
Share-based compensation	-	367,369
	$ 712,256	$ 1,089,879

(i) For the year ended March 31, 2018, $75,193 (2017 - $64,414) was included as exploration expenses and $40,230 (2017 - $54,263) included as general exploration expenses.
(ii) Consulting and management fees were paid to private companies controlled by the CEO, CFO, VP Exploration and Corporate Secretary of the Company.

Due to related parties

As at March 31, 2018, the due to related parties balance includes $29,707 owing to key management personnel (2017 - $34,779).

The amounts due to related parties represent monthly fees and expense reports that are to be settled subsequent to the reporting date.

Commitments with related parties

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

		March 31, 2018
Not later than one year	$	238,539
Later than one year and no later than five years		145,058
	$	383,597

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

(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, 2018, 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 of the Mexican VAT 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, 2018 and 2017, the Company determined the full balance to be recoverable. Changes in these estimates can materially affect the amount recognized as VAT 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.

(h) **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, 2018 and 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.

(i) **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.

(j) **Valuation of share-based payments and warrants**

The fair value of share-based payments and warrants are 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, 2018, 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, 2018, and elsewhere in this MD&A.

FINANCIAL ASSETS AND RISKS

Financial instruments comprise cash and cash equivalents, reclamation deposits, investments, due to related parties, and accounts payable and accrued liabilities. At initial recognition, management has classified financial assets and liabilities as described below.

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. 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.

(a) **Credit risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. 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, 2018 and 2017.

(b) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due.

The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company has sufficient current assets to meet short-term business requirements.

At March 31, 2018, the Company has current liabilities of $179,616 (2017 - $85,319). Accounts payable and accrued liabilities and due to related parties have contractual maturities of less than one year and are subject to normal trade terms.

(c) **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, 2018 with respect to its cash and cash equivalent positions.

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 US dollars.

The Company is exposed to foreign currency fluctuation related to its cash and cash equivalents, 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.

Based on the net US dollar denominated asset and liability exposures as at March 31, 2018, a 5% fluctuation in the Canadian/US exchange rates would result in an additional foreign exchange gain or loss of approximately $10,000 in the consolidated statement of operations and comprehensive loss, and a $256,000 change in unrealized gain or loss on investments in other comprehensive loss.

Based on the net Mexican peso denominated asset and liability exposures as at March 31, 2018, a 5% fluctuation in the Canadian/Mexican exchange rates would result in an additional foreign exchange gain or loss of approximately $121,000 in the consolidated statement of operations and comprehensive loss.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is exposed to other price risk with respect to its investment securities as they are carried at fair value based on quoted market prices. A 5% fluctuation in market prices would result in additional change of approximately $256,000 in unrealized gain or loss on investments in other comprehensive loss.

The Company’s ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(d) **Fair value of financial instruments**

The carrying amounts of accounts payable and accrued liabilities and due to related parties are a reasonable estimate of their fair values due to their short term to maturity. Cash and cash equivalents are comprised of cashable GICs with interest rates of 0.20% and are carried at fair value in accordance with Level 1 of the fair value hierarchy. Investment securities are accounted for at fair value based on quoted market prices in accordance with Level 1 of the fair value hierarchy. The carrying amount of reclamation deposits approximate their fair value in accordance with Level 2 of the fair value hierarchy as the stated rates approximate market rates of interest, and the underlying value is based on the fair value of cash.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as at March 31, 2018.

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 572,260	$ -	$ -
Investments	$ 5,204,366	$ -	$ -
Reclamation deposits	$ -	$ 32,629	$ -

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 to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a single approach to determine whether a financial asset is measured at fair value through profit or loss, fair value through other comprehensive income, or at amortized cost. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income. 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 (loss) 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.

The Company conducted an analysis of the new standard and the potential effects that its implementation will have on the Company's financial reporting and concluded that the implementation of the new standard will not have a material impact on the Company's reported financial results.

We did not make the irrevocable classification choice to record fair value changes on our portfolio of marketable equity securities through other comprehensive income which differs from our accounting policy prior to adoption. Upon adoption of IFRS 9 on April 1, 2018, the Company reclassified $Nil related to unrealized gains on the change in fair value of marketable equity securities from accumulated other comprehensive income to deficit as at March 31, 2018 (March 31, 2017 - $92,058). Subsequent changes in the fair value of marketable securities will be recorded in net income (loss).

IFRS 15 ***Revenue from Contracts with Customers***

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers 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. The Company has determined the adoption of IFRS 15 will not have a material impact on the Company's 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: 125,617,907 issued and outstanding as at March 31, 2018 and June 27, 2018.

Share Purchase Warrants: 2,571,214 outstanding as at March 31, 2018 and June 27, 2018

Stock Options: 8,846,000 outstanding as at March 31, 2018 and June 27, 2018.

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, 2018, and management has concluded that the Company's internal controls are effective as at March 31, 2018.

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 27, 2018**. 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.