

The following discussion and analysis of the results of operations and financial position of Levon Resources Ltd. (the "Company" or "Levon") for the three and nine months ended December 31, 2018 should be read in conjunction with the Unaudited Condensed Interim Consolidated Financial Statements for the three and nine months ended December 31, 2018 ("the Financial Statements") and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated **February 13, 2019** 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 DECEMBER 31, 2018

- As at December 31, 2018, the Company had working capital of \$1,732,703, including cash of \$1,639,062 and investments of \$30,117.
- During the quarter ended December 31, 2018, the Company reported a net loss of \$367,085, which included a loss of \$30,116 from the change in fair value of investments and a foreign exchange gain of \$95,381.
- The Company reported expenditures during the quarter relating to the Cordero Project amounting to \$93,672.

An updated 43-101 technical report dated effective March 1, 2018 was filed on Sedar on April 18, 2018. The Company continues to evaluate various options moving the Cordero Project forward. However due to the prolonged downturn of the metals market, the Company is being cautious in its approach. The Company continues its efforts to identify and implement cost savings measures in the ongoing maintenance of the Cordero Project.

- In addition the Company reported general exploration expenses for the quarter of \$23,360. Management and directors continued to identify and assess strategic opportunities outside Cordero to strengthen Levon, grow the Company, and prepare for the market rebound.
- Tyrell Sutherland was appointed as a director effective December 30, 2018.

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 December 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 and nine months ended December, 2018 and 2017:

Cordero Project	Three months ended December 31, 2018	Three months ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017
Drilling and exploration	\$ 13,124	\$ 9,625	\$ 49,313	\$ 909,965
Geological and management services	45,965	92,198	254,460	338,796
Mining rights	-	-	172,568	166,332
Payroll and general supplies	34,583	20,688	79,045	76,860
	\$ 93,672	\$ 122,511	\$ 555,386	\$ 1,491,953

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.

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 incurred approximately \$34,000 in survey work undertaken for the Company's mineral titles held in the Lillooet Mining Division, British Columbia.

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 AND NINE MONTHS ENDED DECEMBER 31, 2018

A summary of the results of operations for the three and nine month periods ended December 31, 2018 (“3M 2018” and “9M 2018”) and 2017 (“3M 2017” and “9M 2017”) are as follows:

	Three months ended December 31, 2018	Three months ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017
Expenses				
Consulting and management fees	\$ 191,963	\$ 207,748	\$ 599,937	\$ 646,511
Exploration	93,672	122,511	555,386	1,491,953
General exploration	23,360	25,861	100,614	40,842
Listing and filing fees	33,920	31,314	55,015	52,625
Office, occupancy and miscellaneous	22,516	22,743	75,996	88,319
Professional fees	(1,617)	-	64,924	39,188
Share-based payments	-	-	-	30,214
Shareholder relations and promotion	64,142	27,131	244,297	81,327
Travel	7,410	36,028	34,691	60,522
	\$ (435,366)	\$ (473,336)	\$ (1,730,860)	\$ (2,531,501)
Finance income	3,016	2,486	3,571	33,562
Change in fair value of investments	(30,116)	(1,326,047)	(163,087)	(1,645,561)
Foreign exchange income (loss)	95,381	(184,286)	32,356	(384,236)
Net loss for the period	\$ (367,085)	\$ (1,981,183)	\$ (1,858,020)	\$ (4,527,736)

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

Consulting and management fees

The decrease in consulting and management fees in both 3M and 9M 2018 reflects a decrease in the number of consultants compared to 3M and 9M 2017, respectively.

Exploration expenditures

3M and 9M 2017 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

9M 2018 include approximately \$34,000 in survey work undertaken for the Company’s mineral titles held in the Lillooet Mining Division, British Columbia. In addition, 9M 2017 reflected a decrease in the allocation to general exploration of consulting fees paid to the Company’s VP of Exploration. A higher allocation of the VP of Exploration time was allocated to exploration expenditures reflecting an increased focus during 9M 2017 on the drill program at the Cordero Project.

Office, occupancy and miscellaneous

The decrease in office, occupancy and miscellaneous expenses in 9M 2018 reflects various cost savings measures such as securing a lower premium on insurance renewals.

Professional fees

The increase in professional fees in 9M 2018 reflects additional legal fees incurred for general corporate matters.

Share-based payments

There were no share-based payment expenses for 3M and 9M 2018 as all options were fully vested at the beginning of the fiscal period. Share-based payment expense 9M 2017 (3M 2017 - \$Nil) pertains to options issued in August 2016. 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 and 9M 2018 reflects the additional marketing activities undertaken to promote the Company's activities and the results of the NI 43-101 compliant resource update announced in March 2018. During the quarter ended March 31, 2018, the Company entered into contracts requiring up-front cash payments of \$330,000 for services covering up to a 16 month period. 3M and 9M 2018 reflects the amortization of these prepaid expenses over the service periods.

Travel

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 for 3M and 9M 2017 reflects the purchase of airfare to attend an upcoming overseas conference.

Finance income

9M 2017 reflects the receipt of approximately \$33,000 interest paid to the Company in connection with VAT refunds.

Change in fair value of investments

The Company adopted IFRS 9 "Financial Instruments" effective April 1, 2018. Changes in the fair value of the Company's investment in marketable equity securities are now included in net income (loss) in the statements of operations in the period in which they arise.

During the quarter ended September 30, 2018, the Company sold its remaining shares in Pershing Gold Corporation ("Pershing"), which represented approximately 98% of the Company's investment in marketable equity securities held at the time.

The 2017 comparative periods have been restated to reflect the retrospective adoption of IFRS 9.

- The loss of \$1,326,047 in 3M 2017 from the change in fair value of investments was originally reported as an impairment of investments of \$1,221,448 in net loss; and an unrealized loss on investments of \$134,308 in other comprehensive income less a \$29,709 transfer of impairment to net loss in other comprehensive loss.
- The loss of \$1,645,561 in 9M 2017 from the change in fair value of investments was originally reported as an impairment of investments of \$1,539,746 in net loss; and an unrealized loss on investments of \$135,524 in other comprehensive income less a \$29,709 transfer of impairment to net loss in other comprehensive loss.

Foreign exchange

Foreign exchange is attributable to changes in the 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 income in 3M 2018 is consistent with weakening of the C\$ relative to the USD and MXN during the current quarter.

The foreign exchange income in 9M 2018 reflects the impact of (1) a net gain consistent with weakening of the C\$ relative to USD during the nine month period on US\$ cash balance; partially offset by (2) a net loss consistent the strengthening of the C\$ relative to MXN during the nine month period on the IVA receivable accounts.

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	Dec 31 2018 Q3	Sep 30 2018 Q2	Jun 30 2018 Q1	Mar 31 2018 Q4 ¹	Dec 31 2017 Q3 ¹	Sep 30 2017 Q2 ¹	Jun 30 2017 Q1 ¹	Mar 31 2017 Q4
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss	\$ (367,085)	\$ (290,988)	\$ (1,199,947)	\$ (1,370,158)	\$ (1,981,183)	\$ (1,293,404)	\$ (1,253,149)	\$ (2,957,948)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.02)

¹The Company adopted IFRS 9 “Financial Instruments” effective April 1, 2018. The quarters for the fiscal year ended March 31, 2018 in the table above have been adjusted to reclassify changes in fair value of marketable securities in other comprehensive loss to net loss as a result of adoption of IFRS 9. The quarters displayed for the fiscal year ended March 31, 2017 have not been restated.

The loss in the quarter ended March 31, 2017 includes charges for an impairment of investments of \$2,619,041. The loss in the quarter ended June 30, 2017, includes changes in fair value of investments of \$378,531 plus the start of the infill drill program at the Cordero Project. 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 changes in fair value of investments of \$1,326,047. The loss in the quarter ended March 31, 2018, includes changes in fair value of investments of investments of \$749,787. The loss in the quarter ended June 30, 2018, includes changes in fair value of investments of investments of \$475,958. The loss in the quarter ended September 30, 2018, includes a gain from changes in fair value of investments of investments of \$342,987. The loss in the quarter ended December 31, 2018, includes a loss from changes in fair value of investments of investments of \$30,116.

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.

The Company 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. 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	December 31 2018	March 31, 2018
Cash	\$ 1,639,062	\$ 572,260
Working capital	\$ 1,732,703	\$ 5,872,826
Deficit	\$ 19,107,770	\$ 17,249,750

Working capital at December 31, 2018 represents the fair value of the cash, investments, amounts receivable and prepaid expenses less accounts payable and accrued liabilities.

Working capital decreased during the nine months ended December 31, 2018 by \$4,140,123. \$2,328,475 of this decrease is due to a non-cash transaction for the sale of 900,346 Pershing shares in exchange for 9,003,467 Levon shares. The remaining decrease in working capital is from costs to fund operations.

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

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Operating Leases	\$ 37,374	\$ 37,374	-	-	-
Commitments with related parties (i)	\$ 1,275,527	\$ 532,038	\$ 743,489	-	-
Total current liabilities	\$ 41,240	\$ 41,240	-	-	-
Total Contractual Obligations	\$ 1,354,141	\$ 610,652	\$ 743,489	-	-

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

CASH FLOW

	Nine months ended December 31, 2018	Nine months ended December 31, 2017
Cash used in operating activities	\$ (1,696,245)	\$ (2,553,803)
Cash provided by investing activities	2,682,687	-
Cash provided by financing activities	-	220,000
Foreign exchange effect on cash	80,360	(137,611)
Increase (decrease) in cash and cash equivalents	1,066,802	(2,471,414)
Cash balance, beginning of the year	572,260	3,096,105
Cash balance, end of the period	\$ 1,639,062	\$ 624,691

Operating Activities:

Cash used in operating activities for the nine months ended December 31, 2018 was \$1,696,245 as compared to \$2,553,803 in the prior year comparative period. 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 nine ended December 31, 2017 reflects the increased exploration expenditures associated with the infill drill program that commenced in May 2017.

As of December 31 2018, the Company had total prepaid expenses of \$94,081, of which \$78,125 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.

Investing Activities:

During the nine months ended December 31, 2018, the company received \$2,682,687 from the sale of shares in its investment in marketable equity securities. There were no investing activities in the prior year's comparable period.

Financing Activities:

There were no financing activities during the nine months ended December 31, 2018.

During the nine months ended December 31, 2017, the Company raised \$40,000 in connection with the exercise of 250,000 stock options. Subsequent to the period ended December 31, 2017, the Company issued 1,125,000 shares pursuant to exercises of stock options raising cash proceeds for the Company of \$180,000. At December 31, 2017, the Company recorded the cash of \$180,000 received in advance of the completion of the stock option exercise in deposit liabilities in the consolidated statements of financial position.

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 the three and nine month periods ended December 31, 2018 and 2017 are as follows:

	Three months ended December 31, 2018	Three months ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017
Consulting and management fees (i)(ii)	\$ 163,178	\$ 177,593	\$ 512,136	\$ 534,648
	\$ 163,178	\$ 177,593	\$ 512,136	\$ 534,648

- (i) For the nine month period ended December 31, 2018, \$44,210 (2017 – \$60,910) was included as exploration expenses and \$44,210 (2017 – \$25,948) 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 December 31, 2018, the due to related parties balance includes \$15,303 owing to key management personnel (March 31, 2018 - \$29,707).

The amounts due to related parties represent monthly fees and expense reports that were 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:

	December 31, 2018
Not later than one year	\$ 532,038
Later than one year and no later than five years	743,489
	\$ 1,275,527

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 August 31, 2021, which may be terminated by the Company at any time by paying USD \$700,000.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions.

ACCOUNTING POLICIES AND ADOPTION OF NEW ACCOUNTING STANDARDS**Accounting policies**

The Financial Statements have been prepared in accordance with IAS 34, "Interim financial reporting". The accounting policies adopted in the Financial Statements are consistent with those adopted in and set out in Note 3 to the Company's audited financial statements as at and for the year ended March 31, 2018.

Effective April 1, 2018, we adopted new IFRS pronouncements – IFRS 9, Financial Instruments (IFRS 9) and IFRS 15, Revenue from Contracts with Customers (IFRS 15). The effect of adoption of these new pronouncements is outlined below and in more detail in Note 3 to our interim consolidated financial statements as at December 31, 2018.

We have also provided an overview below of IFRS 16, Leases (IFRS 16), a new IFRS pronouncement that has been issued but is not yet effective. We are required to apply IFRS 16 effective for our fiscal year starting April 1, 2019.

IFRS 9 – Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39").

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: (i) those measured at fair value through profit and loss ("FVTPL"); (ii) those measured at fair value through other comprehensive income ("FVOCI"); and (iii) those measured at amortized cost. The previous IAS 39 categories of held to maturity, loans and receivables and available for sale are eliminated. 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 the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. 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 assets 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 assets. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

There has been no change in the carrying value of the Company's financial instruments resulting from the changes to the measurement categories in the table noted above.

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).

For the three and nine months ended December 31, 2017, we reclassified \$(90,999) and \$(92,058), respectively, from other comprehensive loss to net loss.

- For the three months ended December 31, 2017, impairment of investments of \$(1,221,448) in net loss, and \$(134,308) in unrealized losses less \$29,709 transfer of impairment to net loss in other comprehensive loss as originally reported as of December 31, 2017 were restated as a loss from the change in fair value of investments of \$(1,326,047) in net loss.

Also, deferred income expense of \$13,600 in net loss and \$13,600 deferred income tax recovery in other comprehensive loss as originally reported as of December 31, 2017 resulted in a restated \$Nil balance in net loss.

- For the nine months ended December 31, 2017, impairment of investments of \$(1,539,746) in net loss, and \$(135,524) in unrealized losses less \$29,709 transfer of impairment to net loss in other comprehensive loss as originally reported as of December 31, 2017 were restated as a loss from the change in fair value of investments of \$(1,645,561) in net loss.

Also, deferred income expense of \$13,757 in net loss and \$13,757 deferred income tax recovery in other comprehensive loss as originally reported as of December 31, 2017 resulted in a restated \$Nil balance in net loss.

IFRS 15 – Revenue Recognition

The Company has adopted all the requirements of IFRS 15 as of April 1, 2018. IFRS 15 replaced IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue, which had no impact on the Company's consolidated financial statements.

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 Leases, replacing IAS 17 Leases. For lessees applying IFRS 16, all leases are considered finance leases and will be recorded on the statements of financial position. 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.

ACCOUNTING ESTIMATES

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. Actual results may differ from those estimates.

In preparing the Financial Statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those in the Company's audited financial statements as at and for the year ended March 31, 2018.

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.

FAIR VALUE MEASUREMENTS

Cash and cash equivalents 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.

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

	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,639,062	\$ -	\$ -
Investments	\$ 30,117	\$ -	\$ -
Reclamation deposits	\$ -	\$ 32,629	\$ -

OUTSTANDING SHARE DATA

The following is the Company's outstanding share data:

Common Shares: 116,614,440 issued and outstanding as at December 31, 2018 and February 13, 2019.

Share Purchase Warrants: 2,571,214 outstanding as at December 31, 2018 and February 13, 2019.

Stock Options: 8,846,000 outstanding as at December 31, 2018 and February 13, 2019.

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. There has been no change in the Company's internal controls over financial reporting that occurred during the nine months ended December 31, 2018 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting, and management has concluded that the Company's internal controls are effective as at December 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 **February 13, 2019**. 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.