LEVON RESOURCES LTD.

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements - Unaudited

For the three months ended June 30, 2016
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at June 30, 2016, and March 31, 2016

		June 30, 2016		March 31, 2016
				(Note 3)
ASSETS				
Current				
Cash and cash equivalents	$	4,471,526	$	4,883,196
Amounts receivable		10,692		9,836
Prepaid expenses and deposits		9,962		19,007
Investments (Note 4)		11,193,150		10,013,399
		15,685,330		14,925,438
Non-current assets				
Reclamation deposits (Note 5)		32,629		32,629
Amounts receivable (Note 6)		1,711,760		1,875,927
Exploration and evaluation assets (Note 7)		50,000,000		50,000,000
Property and equipment		34,646		38,494
Total Assets	$	67,464,365	$	66,872,488
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	60,273	$	35,833
Due to related parties (Note 9)		18,737		20,430
Total Liabilities		79,010		56,263
SHAREHOLDERS' EQUITY				
Share capital (Note 8)		71,869,874		71,869,874
Contributed surplus		1,246,238		976,864
Accumulated other comprehensive income (loss)		895,833		(51)
Deficit		(6,626,590)		(6,030,462)
Total Equity		67,385,355		66,816,225
Total Liabilities and Shareholders' Equity	$	67,464,365	$	66,872,488

Approved on behalf of the Board:

"Edward Karr" — **Edward Karr, Director**

"Ron Tremblay" — **Ron Tremblay, Director**

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

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Operations and Comprehensive Income
(Expressed in Canadian Dollars)

	Three months ended June 30, 2016	Three months ended June 30, 2015
Expenses		
Consulting and management fees (Note 9)	$ 221,694	$ -
Exploration (Notes 7 and 9)	102,917	-
General exploration (Notes 7(e) and 9)	27,761	-
Listing and filing fees	14,036	-
Office, occupancy and miscellaneous	25,899	-
Professional fees	27,771	-
Share-based payments (Notes 8 and 9)	269,374	-
Shareholder relations and promotion	4,138	-
Travel	5,377	-
	(698,967)	-
Finance income	3,415	-
Gain on disposal of mineral properties (Note 7(d))	150,000	-
Foreign exchange loss	(184,444)	-
Loss before income taxes	(729,996)	-
Deferred income tax recovery	133,868	-
Net loss for the period	(596,128)	-
Other comprehensive income		
Items that will be reclassified to net loss		
Unrealized gain on investments (Note 4)	1,029,752	-
Deferred income tax	(133,868)	-
Other comprehensive income, net of tax	895,884	-
Total comprehensive income for the period	$ 299,756	$ -
Loss per share, basic and diluted	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding	119,542,693	1

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

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
At March 31, 2015	1	$ 1	$ -	**$ -**	$ -	$ 1
Net loss for the period	-	-	-	**-**	-	-
At June 30, 2015	1	1	-	**-**	-	1
Issuance of common shares pursuant to plan of arrangement (Note 3)	119,542,692	71,869,873	-	**-**	-	71,869,873
Share-based payments	-	-	976,864	**-**	-	976,864
Net loss for the period	-	-	-	**-**	(6,030,462)	(6,030,462)
Total other comprehensive loss for the period	-	-	-	(51)	-	(51)
At March 31, 2016	119,542,693	71,869,874	976,864	(51)	(6,030,462)	66,816,225
Share-based payments	-	-	269,374	-	-	269,374
Net loss for the period	-	-	-	-	(596,128)	(596,128)
Total other comprehensive income for the period	-	-	-	895,884	-	895,884
At June 30, 2016	119,542,693	$ 71,869,874	$ 1,246,238	$ 895,833	$ (6,626,590)	$ 67,385,355

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

LEVON RESOURCES LTD.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Three months ended June 30, 2016	Three months ended June 30, 2015
Operating activities		
Net loss for the period	$ (596,128)	$ -
Items not involving cash:		
Depreciation	3,848	-
Share-based payments (Note 8)	269,374	-
Gain on disposal of mineral properties (Note 7(d))	(150,000)	-
Unrealized foreign exchange	187,642	-
Deferred income tax	(133,868)	-
Changes in non-cash working capital items:		
Amounts receivable	(8,671)	-
Prepaid expenses and deposits	9,000	-
Accounts payable and accrued liabilities	24,440	-
Due to related parties	(709)	-
Cash used in operating activities	(395,072)	-
Foreign exchange effect on cash	(16,598)	-
Decrease in cash and cash equivalents	(411,670)	-
Cash and cash equivalents, beginning of the period	4,883,196	1
Cash and cash equivalents, end of the period	$ 4,471,526	$ 1
Cash and cash equivalents consists of:		
Cash	$ 386,912	$ 1
Cash equivalents	4,084,614	-
	$ 4,471,526	$ 1
Supplemental cash flow information		
Interest received	$ 1,476	$ -

Non-cash transactions (Note 7(d))

1. NATURE AND CONTINUANCE OF OPERATIONS

Levon Resources Ltd. (formerly 1027949 B.C. 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.

On July 9, 2015, pursuant to an arrangement agreement, the Company acquired or assumed all of the assets and liabilities of the former Levon Resources Ltd. ("Old Levon") other than $27 million of cash that remained with Old Levon, and concurrently changed its name to Levon Resources Ltd. (Note 3).

These condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of 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.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 Interim Financial Reporting.

Basis of presentation

These condensed interim consolidated financial statements are expressed in Canadian dollars, the Company's functional currency, and have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The accounting policies set out in Note 3 of the Company's audited financial statements as at and for the year ended March 31, 2016, have been applied in preparing these condensed interim consolidated financial statements.

Approval of the condensed interim consolidated financial statements

These condensed interim consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 11, 2016.

3. ACQUISITION AND ASSUMPTION OF ASSETS AND LIABILITIES

On March 20, 2015, the Company entered into an arrangement agreement with SciVac Ltd. and Old Levon pursuant to which on July 9, 2015 it completed the acquisition and assumption of all of the assets and liabilities of Old Levon, other than $27 million in cash, which was retained by Old Levon (the "Arrangement"). As consideration for the Arrangement, the Company issued to shareholders of record, prior to the Arrangement, of Old Levon, 119,542,692 common shares. At closing of the Arrangement, 1027949 B.C. Ltd. changed its name to Levon Resources Ltd. and Old Levon changed its name to SciVac Therapeutics Inc. (renamed VBI Vaccines Inc. on May 9, 2016).

The Arrangement was accounted for as an asset acquisition and not a business combination under IFRS 3 *Business Combinations* due to the stage of development of the acquired mineral property projects.

The following wholly owned direct and indirect subsidiaries were included in the transfer of assets to the Company: Valley High Ventures Ltd., Citrine Investment Holdings Limited, Minera Titan S.A. de C.V., Aphrodite Asset Holdings Ltd., Turney Assets Limited, Minera El Camino S.A. de C.V. and Administracion de Projectos Levon en Mexico S.A. de C.V.

The aggregate fair values of assets acquired and liabilities assumed were as follows on the acquisition date, July 9, 2015:

Purchase consideration		
Issuance of 119,542,692 common shares	$	71,869,873
Assets		
Cash and cash equivalents	$	5,149,205
Amounts receivable - current		99,845
Prepaid expenses		37,690
Investments		14,172,338
Reclamation deposits		32,629
Amounts receivable		2,689,851
Exploration and evaluation assets		50,000,000
Property, plant and equipment		51,192
Convertible debenture		-
Total assets assumed		72,232,750
Accounts payable and accrued liabilities		(362,877)
Net assets assumed	$	71,869,873

The fair value of cash and cash equivalents and investments were determined using level 1 inputs.

The amounts receivable are primarily comprised of recoverable value added taxes from the Canadian and Mexican governments for which the fair value approximates the carrying value.

3. ACQUISITION AND ASSUMPTION OF ASSETS AND LIABILITIES (continued)

The Company utilized an external opinion of value dated April 2, 2015, to determine the fair value of the exploration and evaluation assets assumed. It was determined that the recoverable value of the project based on fair value less costs to sell was approximately $50,000,000 using a median of three valuation methods, including adjusted appraised value based on historical costs, comparables approach based on resource value and attributed share of market capitalization as secondary corroboration. Key assumptions in the adjusted appraised value include the amount that historical expenditures have added to the project value and the market to book value ratio estimate. Key assumptions in the comparables approach include the percentage taken of published median metal prices of deposits with contained metal reflecting Cordero's resource estimates and grades. The fair value estimated is in accordance with Level 3 of the fair value hierarchy.

4. INVESTMENTS

At June 30, 2016, the Company held investments as follows:

	Quantity of Common Shares	Cost	Accumulated Unrealized Gains	Fair Value
Available-for-sale				
Pershing Gold Corporation	1,954,366	$ 10,013,283	$ 893,762	$ 10,907,045
Great Thunder Gold Corp.	3,011,632	150,174	135,931	286,105
Balance at June 30, 2016		$ 10,163,457	$ 1,029,693	$ 11,193,150

On April 20, 2016, the Company was issued 3,000,000 shares in Great Thunder Gold Corp. ("Great Thunder") as consideration for the disposal of certain mining claims (Note 7(d)). These shares are subject to a four-month hold period from trading.

At March 31, 2016, the Company held investments as follows:

	Quantity of Common Shares	Cost	Accumulated Unrealized Losses	Fair Value
Available-for-sale				
Pershing Gold Corporation (i)	1,954,366	$ 10,013,283	$ -	$ 10,013,283
Great Thunder Gold Corp.	11,632	175	(59)	116
Balance at March 31, 2016		$ 10,013,458	$ (59)	$ 10,013,399

(i) At March 31, 2016, the Company determined that the significant decline in the fair value of its investment in Pershing Gold Corporation below its cost was objective evidence of impairment and recorded an impairment charge of $4,144,425 in the consolidated statements of operations and comprehensive loss for the year ended March 31, 2016. The cost of $10,013,283 for the shares in the above table is shown net of the $4,144,425 impairment.

5. RECLAMATION DEPOSITS

The Company has pledged specified term deposits as security for reclamation permits, as required by certain government agencies. The Company has a varying number of deposits on hand ranging from $1,000 to $6,000 with maturity dates ranging from July 28, 2016 to January 12, 2017, and interest rates from 0.50% to 0.60%. These deposits are renewed annually.

6. AMOUNTS RECEIVABLE

The Company has filed claims to recover Mexican value added tax, and is corresponding with the Mexican government to attempt to expedite the recovery of the Mexican value added tax. At June 30, 2016, there are no indications to suggest that the Company's Mexican value added tax is not recoverable.

7. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition expenditures:

		Cordero
Balance, June 30, 2016 and March 31, 2016	**$**	**50,000,000**

The Company incurred the following exploration expenditures, which were expensed in the consolidated statements of operations and comprehensive income for the three month periods ended June 30, 2016 and 2015:

		Three months ended June 30, 2016		Three months ended June 30, 2015
Cordero (Note 7(a))				
Drilling and exploration	$	17,610	$	-
Geological and management services		61,761		-
Mining rights		-		-
Payroll and general supplies		23,546		-
Balance, end of period	$	102,917	$	-

(a) Cordero Sanson

The Cordero property is located near Hidalgo Del Parral, Chihuahua, Mexico. The Cordero mining claims are comprised of claims wholly owned by VHV by agreement with long-standing ranch families and small local mining companies, and certain other claims that were staked by the Company.

(b) Congress claims

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

(c) Wayside claims

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

7. EXPLORATION AND EVALUATION ASSETS (continued)

(d) Gold Bridge claims (BRX Project)

On April 20, 2016, the Company divested its 50% undivided interest in and to nine mineral claims known as the BRX claims located in the Gold Bridge area, Lillooet Mining Division, British Columbia, to Great Thunder, 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 ("NSR") equal to 2.5% with respect to the claims. The Company recorded a gain on the disposal of the Gold Bridge claims of $150,000 in the consolidated statements of operations and comprehensive income in the three month period ended June 30, 2016.

(e) During the three month period ended June 30, 2016, the Company also incurred general exploration expenditures of $27,761 (2015 - $Nil) in connection with its exploration properties, and due diligence and exploration on mining projects.

Realization of assets

The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

Title to exploration and evaluation assets

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by an undetected defect.

Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

8. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued

On February 18, 2015, the date of incorporation, the Company issued one common share at a price of $1.

On July 9, 2015, pursuant to the Arrangement, the Company issued 119,542,692 common shares (Note 3).

Stock options

The Company has a stock option plan implemented in 2015 (the "Plan") authorizing the grant of stock options. Pursuant to the Plan, the Company may grant stock options totaling in aggregate up to 10% of the Company's total number of shares issued and outstanding on a non-diluted basis. The Plan provides for the granting of stock options to Eligible Persons (as defined by the policies of the TSX) up to a limit of 5% of the Company's total number of issued and outstanding shares per year.

The Plan provides for the vesting of stock options over a period of one year or as otherwise determined by the Company's Board of Directors at the time of the grant. The option price must be greater than or equal to the discounted market price on the grant date and the option expiry date cannot exceed five years from the grant date.

There was no stock option activity during the three month periods ended June 30, 2016 and 2015.

	Underlying Shares	Weighted Average Exercised Price
Stock options outstanding, June 30, 2015 and March 31, 2015	**-**	**-**

	Underlying Shares	Weighted Average Exercised Price
Stock options outstanding, June 30, 2016 and March 31, 2016	**11,850,000**	**$0.16**

A summary of stock options outstanding and exercisable as at June 30, 2016 and March 31, 2016 is as follows:

		Stock Options Outstanding		Stock Options Exercisable	
Expiry Date	Exercise Price	June 30, 2016	March 31, 2016	June 30, 2016	March 31, 2016
November 3, 2020	$ 0.16	11,600,000	11,600,000	5,800,000	2,900,000
November 13, 2020	$ 0.16	250,000	250,000	125,000	62,500
		11,850,000	**11,850,000**	**5,925,000**	**2,962,500**

8. SHARE CAPITAL (continued)

Stock options (continued)

Share-based payment expense is measured at fair value and recognized over the vesting period from the date of the grant. For the three month period ended June 30, 2016, share-based payment expense of $269,374 (2015 - $Nil) was recognized in the consolidated statements of operations and comprehensive income.

Subsequent to June 30, 2016, 1,550,000 stock options were exercised raising cash proceeds for the Company of $248,000.

9. 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 three month periods ended June 30, 2016 and 2015 are as follows:

	Three months ended June 30, 2016	Three months ended June 30, 2015
Consulting and management fees (i)(ii)	$ 165,161	$ -
Share-based compensation	227,534	-
	$ 392,695	$ -

(i) For the three month period ended June 30, 2016, $9,604 (2015 – $Nil) was included as exploration expenses and $9,604 (2015 - $Nil) included as general exploration expenses.
(ii) Consulting and management fees were paid to private companies controlled by the CEO, CFO, VP Exploration and Corporate Secretary of the Company.

Due to related parties

Due to related parties as at June 30, 2016 and March 31, 2016 consists of the following:

	June 30, 2016	March 31, 2016
Chevillon Exploration Ltd. (i)	$ 3,737	$ 2,380
NK Financial Services Ltd. (ii)	15,000	18,050
	$ 18,737	$ 20,430

(i) Chevillon Exploration Ltd. is a private company controlled by the VP Exploration/Director of the Company.
(ii) NK Financial Services Ltd. is a private company controlled by the CFO of the Company.

9. RELATED PARTY TRANSACTIONS (continued)

Commitments with related parties

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

		2016
Not later than one year	$	526,865
Later than one year and no later than five years		741,513
	$	1,268,378

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, 2016. The Company is committed to pay a success fee of 4% on any amount raised for the Company.

10. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration and development of mineral properties.

11. COMMITMENTS

The Company's commitments for future minimum payments in respect of operating lease agreements as at June 30, 2016 and March 31, 2016 are as follows:

		June 30, 2016		March 31, 2016
Not later than one year	$	43,323	$	47,235
Later than one year and no later than five years		31,346		37,615
	$	74,669	$	84,850

12. FAIR VALUE MEASUREMENTS

The Company measures certain of its financial assets at fair value on a recurring basis and these are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis. There are three levels of the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 inputs having the highest priority.

12. FAIR VALUE MEASUREMENTS (continued)

The levels of the fair hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Cash equivalents are comprised of cashable GICs 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.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as at June 30, 2016.

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 4,471,526	$ -	$ -
Investments	$ 11,193,150	$ -	$ -
Reclamation deposits	$ -	$ 32,629	$ -

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, 2016.

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 4,883,196	$ -	$ -
Investments	$ 10,013,399	$ -	$ -
Reclamation deposits	$ -	$ 32,629	$ -

There were no fair value measurements made as at June 30, 2016 or March 31, 2016 for non-financial assets and liabilities measured at fair value on a non-recurring basis.