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 six months ended September 30, 2016 should be read in conjunction with the Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended September 30, 2016 ("the Financial Statements") and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated **November 10, 2016** and discloses specified information up to that date. Levon is classified as a "TSX issuer" for the purposes of National Instrument 51-102. The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The functional currency of the Company and each of its subsidiaries is the Canadian dollar. The Financial Statements are presented in Canadian dollars.

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

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

NON-GAAP MEASURES

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

BUSINESS DESCRIPTION

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

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

The SciVac Arrangement

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

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

With the acquisition of the net assets of Old Levon, the Company's principal business activities are the exploration and development of exploration and evaluation assets. For the period from incorporation through until the completion of the Arrangement, the Company had no revenues or expenses. In the period following completion of the Arrangement, the Company incurred expenses to hold and maintain its Cordero-Sanson Project in Mexico ("the Cordero Project"), has generated no operating revenues, and, at September 30, 2016, does not anticipate any operating revenues from its mining exploration activities until the Company is able to find, acquire, place in production and operate a mine. Historically, Old Levon has raised funds to fund its operations through equity financing and the exercise of options and warrants.

Old Levon

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

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

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

CORPORATE DEVELOPMENTS – HIGHLIGHTS FOR THE QUARTER ENDED SEPTEMBER 30, 2016

As at September 30, 2016, the Company had working capital of $15,996,930, including cash of $4,216,853 and investments of $11,838,717.

During the quarter ended September 30, 2016, the Company reported a net loss of $758,998, which included a foreign exchange loss of $59,766 and share-based compensation of $195,459 in respect of options granted in November 2015 and a grant of 500,000 options during the quarter.

During the quarter the Company reported in other comprehensive income an unrealized gain on its investments of $645,567 and a related deferred income tax expense of $83,924, which gives rise to a deferred income tax recovery recorded in the net loss for the quarter.

The Company reported expenditures during the quarter relating to the Cordero Project amounting to $222,241, which included concession taxes paid during the quarter of $128,757.

During the quarter, 1,941,500 stock options were exercised raising cash proceeds for the Company of $310,640.

Following completion of the Arrangement, the focus of the management and directors of the Company has been to identify and evaluate potential value-creating investment and/or acquisition opportunities for the Company. During the quarter, management and directors continued to identify and evaluate a number of prospective opportunities.

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

Cordero Silver, Zinc, Lead, Gold Project, Mexico

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

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

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

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

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

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

The Company's exploration has covered the property and focused mainly on discovery and resource definition and expansion drilling within the central part of the Cordero Project Porphyry Belt defined in a southern tier of the main claim block. The Cordero Porphyry Belt is defined through 15 km of strike with widths from 3-5 km, by six mineralized porphyry and diatreme intrusive centers. Three of eight Phase1 exploration holes in 2009 were discovery holes in the central part of the Belt. The discovery holes intersected economic metal grades over mineable, bulk tonnage widths (news release November 3, 2009). Over the next six years, Levon followed up the discovery holes with offset and grid drilling to define mineral resources, which have been updated as the discovery has expanded through four Phases of accelerated exploration and grid 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).

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

The PEA was a collaboration between M3 and IMC. Herbert E. Welhener, MMSA-QPM, SME Registered Member #3434330RM, of IMC who is the independent Qualified Person calculated the resource. M3 Engineering & Technology completed the PEA. The PEA was announced January 30, 2012, published on March 12, 2012, amended on May 8, 2013. The PEA was derived by considering the uppermost 30% portion of the first resource outside a central claim that was not owned by the Company. The PEA considers mining through the Stage 4 open pits of the 8 stage modeled open pits of the 2011 resource (which excluded entirely the Aida claim geometry). The PEA projects a pre-tax Internal Rate of Return (IRR) of 19.5 % and an after-tax IRR of 14.8% (at a silver price of $25.15/oz., gold price of $1,384.77/oz., zinc price of $0.91 per pound, and lead price of $0.96 per pound) over a projected 15 years to complete the first four stages of open pit mining. The potential metal production over the 15 years of mining is 131,156,000 ounces of silver, 190,000 ounces of gold, 1,373,359,000 pounds of zinc, and 1,033,407,000 pounds of lead. Mill feed production rates are estimated at 40.0 thousand tonnes per day (Tpd) or

14.6 million tonnes per year. The capital cost of the project is estimated to be $646,800,000, with operating costs (mine, mill, process plant, operating, general administration, treatment, and transportation charges) estimated at $13.82 per tonne. The PEA and market down turn in 2012-2013 was used as leverage to negotiate and purchase the Aida claim outright for a cash payment in mid-2013.

A PEA should not be considered to be a prefeasibility or feasibility study, as the economics and technical viability of the Project have not been demonstrated at this time. For example the Cordero resource has not been completely delineated by drilling and the resource was open to expansion on strike and at depth and within the newly acquired claim in the center of the resource. Also modeled waste (non-mineralized rock) in the PEA open pits was mostly surrounding the resources in areas that had not been drilled at the time. The undrilled areas within the modeled open pits of the PEA were considered proximal resource targets with potential of adding to the resource once they are drilled. The preliminary economic assessment is preliminary in nature and 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. Closer spaced drilling was required to try and convert the posted resource (all categories) to mineral reserves. Furthermore, 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.

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

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

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

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

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

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

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

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

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

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

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

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

Future Exploration

At Cordero, the latest 2014 mineral resource remains open to expansion since it has not yet been fully delineated with step out drill holes and holes to depth. The Company expects to follow the recommendation of the 2014 updated Cordero resource report for additional metallurgical testing and economic modeling in the future. The resource also presents internal exploration potential to improve resource grades by infill, closer spaced drilling.

Exploration Potential

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

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

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

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

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

Expenditures

The Company incurred the following exploration expenditures, which were expensed in the consolidated statement of operations and comprehensive loss for the three and six months ended September 30, 2016 and 2015:

Cordero Project	Three months ended September 30, 2016	Six months ended September 30, 2016	Three and Six months ended September 30, 2015
Drilling and exploration	$ 19,390	$ 37,000	$ 23,530
Geological and management services	56,510	118,271	65,579
Mining rights	128,757	128,757	95,899
Payroll and general supplies	17,584	41,130	24,509
	$ 222,241	**$ 325,158**	**$ 209,517**

Expenditures during the comparative year periods ended September 30, 2015 reflect activity for only the period subsequent to the Transaction. Prior to the completion of the Arrangement on July 9, 2015 and the acquisition and assumption of the assets and liabilities of Old Levon, the Company had no operating income or expenses and therefore the three and six month expenditures are the same.

Due to the current soft global metals market, the Cordero Project is being operated under a well-funded, safe and secure care and maintenance program, with minimized expenditures. Management's objective is to seamlessly continue exploration and development in the future as market conditions warrant. Excluding the mining rights expenditures (mining concession taxes), operational expenditures relating to the Cordero Project amounted to $93,484 in the three month period ended September 30, 2016, as compared to $113,618 in the comparative year period.

The Company is making plans to enhance the value of the project through a combination of some closer spaced drilling to enhance the grade, and work toward a Preliminary Economic Assessment (PEA) of the entire resource now that the Company owns the Aida claim, which is in the centre of the proposed pit design, and had limited the Company's previous PEA to 30% of the current resource estimation. The Company looks forward to advancing the Cordero Project as the metal prices and global economy improves.

The Company has two drills on standby at the site ready to advance the Project at the appropriate time.

Impairment

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

The fair value of the exploration and evaluation assets was supported by a valuation report prepared in connection with the Arrangement by an independent company specializing in valuations of mining companies and mineral resource projects. The Company the valuation report and determined that the fair value of the exploration and evaluation assets acquired was unchanged at $50,000,000. There was no indication of any further impairment in management's assessment at September 30, 2016.

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.

In January 2016, the Company entered into a settlement and property transfer agreement with Coral Gold Resources Ltd. ("Coral Gold") pursuant to which the Company transferred its interests in the Eagle Claims and Ruf and Norma Sass properties in exchange for the extinguishment of $72,882 owing to Coral Gold.

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

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

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

Exploration and development risk

Exploration and development involves a high degree of risk and few properties are ultimately developed into producing mines. There is no assurance that the Company's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable. See "Business Risk Factors" herein, which refers the reader to the risk factors as set out in the Levon Resource's AIF for the year ended March 31, 2016, 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 SEPTEMBER 30, 2016

During the three month period ended September 30, 2016, the Company recorded a net loss of $758,998 (2015 - $952,884). The net loss for the period includes a foreign exchange loss of $59,766 (2015 – gain of $221,720), which is partly offset by a gain on disposal of mineral properties of $150,000. Operating expenses for the period of $785,723 (2015 - $648,672) excluding share-based compensation of $195,459 (2015 – $Nil) amounted to $590,264 (2015 - $648,672).

	Three months ended September 30, 2016	Three months ended September 30, 2015
Expenses		
Consulting and management fees	$ 221,184	$ 264,319
Exploration	222,241	209,517
General exploration	20,653	22,497
Listing and filing fees	10,320	26,120
Office, occupancy and miscellaneous	37,561	44,177
Professional fees	29,368	28,511
Share-based payments	195,459	-
Shareholder relations and promotion	23,828	22,491
Travel	25,109	31,040
Loss before other items	(785,723)	(648,672)
Finance income	2,567	13,107
Gain on disposal of mineral properties	-	-
Foreign exchange (loss) gain	(59,766)	221,720
Loss for before income taxes for the period	(842,922)	(413,845)
Deferred income tax recovery	83,924	(539,039)
Net loss for the period	**$ (758,998)**	**$ (952,884)**

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

Consultant and management fees

Consulting and management fees for the three-month period ended September 30, 2016, amounted to $221,184, which is $43,135 lower than $264,319 in the prior year period. The lower fees in the current period reflect cost savings from the termination of certain arrangements with investor relations consultants at the end of the quarter ended December 2015, which is partly offset by the incremental cost of the consulting agreement entered into with a company controlled by a director of the Company providing financial management and advisory services from October 1, 2015 (See *"Related Party Transactions, Commitments with related parties")*.

Exploration expenditures

Exploration expenditures for the three-month period ended September 30, 2016, amounted to $222,241, which is $12,724 greater than in the prior year period. The increase reflects an higher taxes paid for the Cordero mineral concessions in the current period than in the prior year period, which is partly offset by initiatives by the Company in October and December 2015 to reduce operating costs at the Project. Further detail for the Cordero expenditures is provided in "*Overview of the Cordero Silver, Zinc, Lead, Gold Project, Mexico*".

Listing and filing fees

Listing and filing fees for three-month period ended September 30, 2016, amounted to $10,320, which is $15,800 lower than the prior year period. The current year period includes TSX fees in connection with the administration of the Company's stock option plan. The prior year period fees included the costs related to obtaining the OTCQX listing application following completion of the Arrangement.

Share-based payments

During the three-month period ended September 30, 2016, the Company recorded share-based compensation expense of $195,459, related to 500,000 options granted to a consultant of the Company during the current period and 11,850,000 stock options granted to directors, officers and consultants of the Company in November 2015. 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.

Foreign exchange

The Company recorded a foreign exchange loss during the three-month period ended September 30, 2016, of $59,766 (2015 – gain of $221,720) attributable to changes in C$ relative to the US$ and MXN Peso during the period and the effect of translating US$ and MXN Peso net monetary assets to C$ at the reporting date. The impact of the appreciation of the C$ relative to the MXN Peso on the IVA receivable accounts substantially for the foreign exchange loss during the period, being partly offset by the depreciation of the C$ relative to the US$ during the period and the impact on the translation of US$ cash balances.

Other comprehensive income

In addition, during the three-month period ended September 30, 2016, the Company recorded in other comprehensive income an unrealized gain on its available-for-sale investments of $645,567, attributable to an increase in the fair value of the Company's shareholding in Pershing Gold and the Great Thunder Gold shareholding received as consideration in connection with the divestment of the Gold Bridge / BRX claims. The unrealized gain on investments gives rise to deferred income tax expense of $83,924 reported in other comprehensive income in the three-month period ended September 30, 2016, and a corresponding deferred income tax recovery reported in net loss.

RESULTS OF OPERATIONS – SIX MONTHS ENDED SEPTEMBER 30, 2016

During the six months ended September 30, 2016, the Company recorded a net loss of $1,355,126 (2015 - $952,884). The net loss for the six months ended September 30, 2016 includes a foreign exchange loss of $244,210 (2015 – gain of $221,720), which is partly offset by a gain on disposal of mineral properties of $150,000. Operating expenses for the period of $1,484,690 (2015 - $648,672) excluding share-based compensation of $464,833 (2015 – $Nil) amounted to $1,019,857 (2015 - $648,672).

Prior to the completion of the Arrangement on July 9, 2015, the Company had no operating income or expenses. Therefore, the results of operations reported for the six months ended September 30, 2015 reflect operating income or expenses for three month period ended September 30, 2015 only, and is not directly comparable to the six month period ended September 30, 2016.

	Six months ended September 30, 2016	Three and six months ended September 30, 2015
Expenses		
Consulting and management fees	$ 442,878	$ 264,319
Exploration	325,158	209,517
General exploration	48,414	22,497
Listing and filing fees	24,356	26,120
Office, occupancy and miscellaneous	63,460	44,177
Professional fees	57,139	28,511
Share-based payments	464,833	-
Shareholder relations and promotion	27,966	22,491
Travel	30,486	31,040
Loss before other items	(1,484,690)	(648,672)
Finance income	5,982	13,107
Gain on disposal of mineral properties	150,000	-
Foreign exchange (loss) gain	(244,210)	221,720
Loss for before income taxes for the period	(1,572,918)	(413,845)
Deferred income tax recovery	217,792	(539,039)
Net loss for the period	**$ (1,355,126)**	**$ (952,884)**

Explanations of the more significant items impacting the financial performance in the six months ended September 30, 2016 when compared against that of the prior year period are discussed below:

Consultant and management fees

Consulting and management fees for the six months ended September 30, 2016 of $442,878, as compared against $264,319 for the prior year period, reflect cost savings from the termination of certain arrangements with investor relations consultants at the end of the quarter ended December 2015 which is partly offset by the incremental cost of the consulting agreement entered into with a company controlled by a director of the Company providing financial management and advisory services from October 1, 2015.

Exploration expenditures

Exploration expenditures for the six months ended September 30, 2016 of $325,158, as compared against $209,517 for the prior year period, reflect an increase in the Cordero mineral concession taxes paid in the current period over that paid the prior year period, which is partly offset by initiatives implemented by the Company in October and December 2015 to reduce operating costs at the Project.

Listing and filing fees

Listing and filing fees for six months ended September 30, 2016 of $24,356 reflect annual SEDAR and security commission filing fees, TSX annual listing and other fees in connection with the administration of the Company's stock option plan. The prior year period fees of $26,120 included costs of approximately $13,000 related to the OTCQX listing application following completion of the Arrangement.

Office, occupancy and miscellaneous

Office, occupancy and miscellaneous expenditures for the six months ended September 30, 2016 of $63,460 reflect expenditures for office rent, communications, insurance and other miscellaneous costs. The prior year period expenses of $44,177 included costs of the Company in respect of non-recurring miscellaneous costs associated with the Arrangement.

Share-based payments

During the six months ended September 30, 2016, the Company recorded share-based compensation expense of $464,833 (2015 – $Nil) related to 500,000 options granted to a consultant of the Company during the current period and 11,850,000 stock options granted to directors, officers and consultants of the Company in November 2015. 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.

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.

Foreign exchange

The Company recorded a foreign exchange loss during the six months ended September 30, 2016, of $244,210 (2015 – gain of $221,720) attributable to changes in C$ 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 impact of the appreciation of the C$ relative to the MXN Peso on the IVA receivable accounts for substantially for the foreign exchange loss during the six month period ended September 30, 2016. The effect of the modest depreciation of the C$ relative to the US$ was negligible during the period.

Other comprehensive income

In addition, the Company recorded during the six months ended September 30, 2016, in other comprehensive income an unrealized gain on its available-for-sale investments of $1,675,319 attributable to an increase in the fair value of the Company's shareholding in Pershing Gold and the Great Thunder Gold shareholding received as consideration in connection with the divestment of the Gold Bridge / BRX claims. The unrealized gain on investments gives rise to deferred income tax expense of $217,792 reported in reported in other comprehensive income in the six month period ended September 30, 2016, and a corresponding deferred income tax recovery reported in net loss.

SUMMARY OF QUARTERLY RESULTS

Period ended	Sep 30 2016 Q2	Jun 30 2016 Q1	Mar 31 2016 Q4	Dec 31 2015 Q3	Sep 30 2015 Q2	Jun 30 2015 Q1	42 days from incorporation to Mar 31 2015
Loss before other items	$ (785,723)	$ (698,967)	$ (1,136,487)	$ (905,161)	$ (648,672)	$ -	$ -
Net loss	$ (758,998)	$ (596,128)	$ (5,009,120)	$ (68,458)	$ (952,884)	$ -	$ -
Basic and diluted loss per share	$ (0.01)	$ (0.00)	$ (0.04)	$ (0.00)	$ (0.01)	$ -	$ -

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

LIQUIDITY AND CAPITAL RESOURCES

The Company acquired from Old Levon pursuant to the Arrangement cash of $5,149,205 and investments with a fair value at the time of $14,172,338. The Company has no other history of raising capital other through the exercise of stock options during the current quarter. Historically, Old Levon has financed its operations to date through the issuance of common shares. Currently, the Company has sufficient capital to conduct further exploration on its existing properties.

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

As at September 30, 2016 the Company had cash of $4,216,853 and working capital $15,996,930.

Period ended	September 30, 2016	March 31, 2016
Cash	$ 4,216,853	$ 4,883,196
Working capital	$ 15,996,930	$ 14,869,175
Deficit	$ 7,385,588	$ 6,030,462

Working capital at September 30, 2016 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 increased during the six-month period ended September 30, 2016 by $1,127,755 substantially due to the increase in the fair value of the Company's investments and proceeds raised by the exercise of stock options.

CASH FLOW

	Six months ended September 30, 2016	Six months ended September 30, 2015
Cash used in operating activities	$ (987,734)	$ (714,408)
Cash provided by investing activities	-	5,149,205
Cash provided by financing activities	310,640	-
Increase in cash and cash equivalents	$ (677,094)	$ 4,434,797
Foreign exchange effect on cash	10,751	238,556
Cash balance, beginning of the period	4,883,196	1
Cash balance, end of the period	$ 4,216,853	$ 4,673,354

Operating Activities:

Cash used in operating activities for the six-month period ended September 30, 2016 was $987,734 as compared to $714,408 in the prior year 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 six months ended September 30, 2016 is explained by the fact that the cash flows for the prior year period reflect cash flows for the three month period September 30, 2015 only as prior to the completion of the Arrangement on July 9, 2015, the Company had no operating income, expenses or cash flows.

Investing Activities:

There were no investing activities during the six months ended September 30, 2016. During the six months ended September 30, 2016, the Company acquired cash of $5,149,205 in connection with the Arrangement.

Financing Activities:

During the six months ended September 30, 2016, the Company raised $310,640 in connection with the exercise of 1,941,500 stock options. There were no financing activities during the six months ended September 30, 2015.

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 three and six months ended September 30, 2016 and 2015 are as follows:

	Three months ended September 30, 2016	Three months ended September 30, 2015	Six months ended September 30, 2016	Six months ended September 30, 2015
Consulting and management fees (i)(ii)	$ 181,134	$ 158,999	$ 346,295	$ 158,999
Share-based compensation	112,100	-	339,634	-
	$ 293,234	$ 158,999	$ 685,929	$ 158,999

(i) For the six months ended September 30, 2016, $24,274 (2015 – $14,882) was included as exploration expenses and $24,274 (2015 – $14,882) 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 September 30, 2016 and March 31, 2016 consists of the following:

	September 30, 2016	March 31, 2016
Chevillon Exploration Ltd. (i)	$ 3,834	$ 2,380
NK Financial Services Ltd. (ii)	19,350	18,050
CEO	10,000	-
	$ 33,184	$ 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.

Commitments with related parties

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

	September 30, 2016
Not later than one year	$ 511,563
Later than one year and no later than five years	619,778
	$ 1,131,341

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 expired on September 30, 2016. Subsequent to the quarter end, the Company extended the consulting agreement for a further one-year term effective on October 1, 2016. The Company is committed to pay USD $60,000 and a success fee of 4% on any amount raised for the Company.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions.

ACCOUNTING POLICIES AND ESTIMATES

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, 2016.

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, 2016.

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, 2016, 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, 2016, and elsewhere in this MD&A.

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.

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 September 30, 2016.

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 4,216,853	$ -	$ -
Investments	$ 11,838,717	$ -	$ -
Reclamation deposits	$ -	$ 32,629	$ -

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

OUTSTANDING SHARE DATA

The following is the Company's outstanding share data:

Common Shares: 121,484,193 issued and outstanding as at September 30, 2016 and as at November 10, 2016.

Stock Options: 10,408,500 outstanding as at September 30, 2016 and as at November 10, 2016.

COMMITMENTS

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

	June 30, 2016	March 31, 2016
Not later than one year	$ 35,151	$ 47,235
Later than one year and no later than five years	26,644	37,615
	$ 61,795	$ 84,850

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

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

The Company's management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's internal controls over financial reporting as at March 31, 2016. There has been no change in the Company's internal controls over financial reporting that occurred during the six months ended September 30, 2016 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 September 30, 2016.

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 **November 10, 2016**. 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.