



PORTOFINO
RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED MAY 31, 2022

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The Management Discussion and Analysis ("MD&A"), prepared on September 27, 2022 should be read in conjunction with the audited consolidated audited financial statements for the fiscal year ended May 31, 2022, together with the notes thereto of Portofino Resources Inc. ("Portofino") which were prepared in accordance with International Financial Reporting Standards.

This MD&A may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

Portofino Resources Inc. ("the Company") was incorporated on June 14, 2011, under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is Suite 520, 470 Granville Street, Vancouver, British Columbia, Canada. The Company's shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "POR". On October 10, 2018, the Company incorporated under the laws of Argentina, Portofino Argentina which has been non-active with no transactions occurring during the fiscal year ended May 31, 2022. The subsidiary is owned 95% by the Company and 5% by the Company's CEO.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at May 31, 2022, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from their disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The disclosure of technical information in this MD&A has been approved by Michael Kilbourne, P. Geo and a Qualified Person ("QP") for the purposes of National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101"). Readers are directed to the section entitled "Scientific and Technical Disclosure" included within this MD&A.

Corporate Summary

During the fiscal year ended May 31, 2022, and up to the date of the MDA, the Company's management accomplished a number of corporate objectives, which included:

1. Receiving gross proceeds of \$1,350,000 comprising a private placement financing of 15,902,781 Units (at \$0.08 to 0.09/Unit) as well as \$541,691 through the exercise of 10,833,819 warrants priced at \$0.05.
2. Implementing an initial exploration and channel sampling program on the Allison Lake North Lithium project in June 2021 and re-mobilizing the geological team to the project in September to follow-up on encouraging summer program results. The program returned grab and channel sampling values up to **412 ppm Lithium, 90.5 ppm Cesium, 143 ppm Tantalum and 1040 ppm Rubidium.**
3. Executing a drilling contract pursuant to the Yergo, Argentina lithium project. The geological team has traveled to site to evaluate conditions and commence preparation of site logistics for the upcoming drilling program. As at the date of this MD&A, the drill permit application submitted to the Government of Catamarca remains pending.
4. Executing an option agreement on December 3, 2021, to earn 100% in the Greenheart Lake ("GL Property") and McNamara Lake ("ML Property") Lithium Properties located in Northwestern, Ontario (together, the "Greenheart Property"). The GL Property comprises 3 claims totaling approximately 1,200 hectares and the ML Property comprises 3 claims totaling approximately 1,120 hectares. Both properties are strategically located in the Balmoral and McNamara Lake areas of northwestern Ontario within 15km of the town of Ignace and are accessible by well-established logging roads just off the Trans Canada highway. Each property occurs proximal to a triple boundary junction of three Archean-age terranes: the Wabigoon, East Wabigoon and Winnipeg River. Terrane boundaries are recognized as important geological settings for lithium ("Li") and rare metal pegmatites (Breaks et al., 2003 in the 2003 Ontario Geological Survey ("OGS") report. -).

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DESCRIPTION OF BUSINESS (CONTINUED)

Corporate Summary (Continued)

The GL Property lies 10km southeast of International Lithium's Raleigh Lake lithium project and 15km northwest of Grid Metals Campus Creek lithium project. Grid Metals recently announced a new Li-bearing pegmatite discovery at Campus Creek where initial grab sample results assayed between 0.22 and 4.35% Li₂O (Grid NR - Oct 5, 2021).

The ML Property is contiguous with the southern claim boundary of Grid's Campus Creek property. The Company has the right to earn a 100% interest in each of the GL and ML claim groups. (NR -Dec. 14, 2021)

5. Executing a Memorandum of Understanding ("MOU") with the state-owned mining company of the Province of Salta, Argentina. The MOU provides Portofino with an option to earn a majority interest in multiple lithium concessions totaling more than 27,000 hectares. The initial mining properties with geological potential have been identified by Portofino and are focused on lithium brine targets. The concessions are located in the heart of the world-renown Argentine Lithium Triangle and in close proximity to multiple world-class lithium projects.
6. Executing a definitive collaboration agreement with Recursos Energeticos y Mineros De Salta S.A. ("REMSA"), the state-owned mining company of the Province of Salta, Argentina. The agreement provides Portofino with the opportunity to earn a majority interest in an 8,445-hectare concession within the Arizaro lithium salar which is also located in the heart of the world-renown Argentine Lithium Triangle.
7. An official Resolution from the Minister of Water, Energy and Environment of Catamarca province has been issued. The Resolution includes reference to an underlying report that details commercial activity guidelines within the southern part of the province and authorizes exploration and drilling at the Yergo Lithium Project. The Resolution issuance has been deemed to be the Mining Ministry's last requirement pursuant to approval of Portofino's planned exploration and drilling programs.

Exploration Summary

Yergo Lithium Project, Argentina:

In March 2021 Portofino completed a successful geophysical survey and surface geochemical sampling program at the Company's 100% controlled, Yergo Lithium Project, located in Catamarca Province, Argentina. The geophysical survey work followed up on encouraging Lithium ("Li") and Potassium ("K") analytical results generated by the Company's initial near-surface brine sampling program conducted in 2019.

The geophysical survey identified two large, anomalous sub-basins within the Aparejos Salar at the Project, which are characterized by very low resistivity (with low to very low resistivity values interpreted as corresponding to brine-bearing zones). The western sub-basin has approximate surface dimensions of 2,300 meters ("m") x 1,000m and a modeled depth of approximately 35m. The eastern sub-basin has an irregular surface expression measuring between 1,800m to 2,500m in length by approximately 700m in width with modeled depths of between 44m and 65m.

Coincident with the geophysical survey, the program included additional surface and near-surface brine sampling. Hand augers were utilized to open shallow holes to obtain the brine samples from surface to a maximum depth of 82 centimeters. Ten samples were collected and returned values of up to 336.97 mg/L Li and 7,159.78 mg/L K. Importantly, mineral impurities contained in the samples (such as magnesium) were very low.

Portofino's technical team has identified an initial 4 priority drill targets and a drilling contract has been finalized for a minimum 300 meters. In addition, Portofino has applied for a drill permit. Drill testing of the Project will enable initial evaluation of the volume and the lithium content of the brines and sediments within the sub-basin of previously identified zones.

On September 22, 2022, the Company announced that it had received a notice of termination (the "Notice") from the Yergo Optionor to terminate the underlying agreements with respect to the Yergo Lithium Brine Project. The Company has rejected the Notice and has engaged legal counsel in both Buenos Aires and Catamarca, filed an objection to the Notice with the Ministry of Mining in the Province of Catamarca, and is currently pursuing formal avenues of dispute resolution in the Province of Catamarca. A property payment due to be paid to Mr. Bertetto by October 13, 2022 (which includes a 60-day curative period from the original payment due date of August 14, 2022) will be set in reserve pending the resolution of the ongoing legal disputes.

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DESCRIPTION OF BUSINESS (CONTINUED)

Allison Lake North Lithium and Rare Elements Property, Ontario:

Reconnaissance mapping and sampling was completed on the Property (located 100 kilometers east of the town of Red Lake in northwestern Ontario) during the month of July 2021, the first such effort since 2003. Encouraging reconnaissance grab and channel sample results were received in early September 2021 and returned values up to **398 ppm Lithium ("Li")**, **90.5 ppm Cesium ("Cs")**, **1040 ppm Rubidium ("Rb")** and **135 ppm Tantalum ("Ta")**. This represents a two-fold increase in Li and Rb and a ten-fold increase in Ta over sampling results by the Ontario Geological Survey ("OGS") in 2003 which reported up to 190 ppm Li; 90 ppm Cs; 587 ppm Rb and 12.9 ppm Ta.

In September the geological team re-mobilized to the Property. In addition to expanding on the Company's initial exploration program where encouraging Lithium ("Li") and Tantalum ("Ta") values were discovered, the most recent sampling has also yielded elevated values for Niobium ("Nb") and Rubidium ("Rb").

In late September 2021, 35 channel samples (17 channel samples and 18 select channel samples) and 11 select grab samples were submitted to the lab for chemical and mineral analysis. The program returned values up to **412 ppm Li** and **857 ppm Rb** from select channel samples. Maximum values from both the June and September sampling programs of **143 ppm Ta** correspond to the Ta values reported from the "SJ Pegmatite" located just south of the Claims. Values of Ta at the SJ Pegmatite were described as "economically interesting" by author Breaks et al. in the 2003 Ontario Geological Survey ("OGS") report.

EXPLORATION PROJECTS

The following Exploration and Evaluation expenditures were incurred by the Company:

	Allison	Bruce Lake	Gold Creek	Greenheart Lake	Melema	Sapawe	South of Otter	Salta	Yergo	Total
Assays	-	7,739	14,536	-	7,544	2,275	24,888	-	-	56,982
Drilling			110,289				650			110,939
Geological services	6,000	26,197	195,544	-	31,726	21,756	85,580	-	2,103	368,906
Property payment	64,000	82,750	89,725	-	32,500	29,000	8,400	-	17,395	323,770
Survey	-	-	50,700	-	-	-	86,508	-	52,079	189,287
During the year ended May 31, 2021	70,000	116,686	460,794	-	71,770	53,031	206,026	-	71,577	1,049,884
Assays	5,339	-	20,523	-	1,607	-	428	-	-	27,897
Consulting	488	-	842	-	487	488	1,400	-	-	3,705
Drilling	-	-	-	-	-	-	-	-	28,698	28,698
Geological services	52,610	-	7,700	75	15,344	-	1,334	159,375	-	236,438
Property payment	76,000	10,000	20,000	38,800	30,000	15,000	10,000	-	1,313	201,113
Survey	22,770					38,820				61,590
During the year ended May 31, 2022	157,207	10,000	49,065	38,875	47,438	54,308	13,162	159,375	30,011	559,441

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DESCRIPTION OF BUSINESS (CONTINUED)

Canada, Ontario

South of Otter, Red Lake

Pursuant to an option agreement dated September 6, 2019, with 1544230 Ontario Inc. (the "SO Vendor"), the Company was granted an option to acquire a 100% undivided interest in the South of Otter property in the Red Lake area of Northern Ontario, Canada.

To acquire a 100% interest in the property, the Company has issued 500,000 common shares and is to make payments over a 4-year period to the SO Vendor totaling \$70,000, as set out below:

- a) \$15,000 (paid) on signing,
- b) 500,000 shares (paid) following receipt of TSX-V approval of this transaction on October 7, 2019,
- c) \$8,000 (paid) due on the first anniversary of TSX-V approval,
- d) \$10,000 (paid) due on the second anniversary of TSX-V approval,
- e) \$12,000 due on the third anniversary TSX-V approval, and
- f) \$25,000 due on the fourth anniversary of TSX-V approval.

The vendor will retain a 1.5% Net Smelter Return ("NSR"), but Portofino has the right to purchase one half of the NSR (.75%) at any time up to commencement of production for a payment of \$400,000.

On July 07, 2020, the claims owned by 1544230 Ontario Inc. were acquired by EMX Royalty Corp.

Gold Creek Property, Shebandowan

On May 11, 2020, the Company signed an Option agreement with Gravel Ridge Resources Ltd., that allows Portofino to earn a 100% interest in mining exploration claims held by Gravel Ridge, and located primarily in Duckworth Township, Ontario (Gold Creek Property).

To acquire a 100% interest in the project, the Company has agreed to issue 800,000 common shares of the Company to Gravel Ridge Resources and make cash payments of \$70,600, as set out below:

- a) \$8,600 (paid) on signing,
- b) 400,000 shares (paid) following receipt of TSX-V approval of this transaction on May 21, 2020,
- c) \$12,000 (paid) and 400,000 shares due (paid) on the first anniversary of TSX-V approval,
- d) \$20,000 (paid) due on the second anniversary of TSX-V approval, and
- e) \$30,000 due on the third anniversary TSX-V approval.

On August 10, 2020, the Company entered into an Option Agreement Amendment with respect to the Gold Creek property whereby the Company and its partner each directly staked additional contiguous mining claims (3 mining claims/50 mining cells) and added these claims to the original Agreement.

On August 21, 2020, the Company entered into an agreement with two claim owners to purchase 100% interest in 2 Claims located in Duckworth Township, Ontario, contiguous to the Company's Gold Creek property. Consideration paid was \$10,000 and 125,000 shares as approved by the TSXV on September 4, 2020.

On September 15, 2021, the claims owned by 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. were acquired by Solstice Gold Corp.

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EXPLORATION PROJECTS (CONTINUED)

Canada, Ontario (Continued)

Sapawe West Property, Atikokan

The Company entered into an Option agreement with 1544230 Ontario Inc. ("Owner"), dated May 22, 2020, to acquire a 100% interest in the Sapawe West Property Claims located in Schwenger and McCaul Townships, Ontario.

To acquire a 100% interest in the property, Portofino has agreed to issue 700,000 common shares and make payments over a 3-year period to the Owner totaling \$62,000, as set out below:

- a) \$12,000 (paid) on signing,
- b) 500,000 shares (paid) following receipt of TSX-V approval of this transaction on May 28, 2020,
- c) \$10,000 (paid) and 200,000 (paid) shares due on the first anniversary of TSX-V approval,
- d) \$15,000 (paid) due on the second anniversary of TSX-V approval, and
- e) \$25,000 due on the third anniversary TSX-V approval.

1544230 Ontario Inc. retains 1.5% NSR on all mineral production, 0.75% of which can be purchased by Portofino for \$500,000.

Melema West Property, Atikokan

The Company entered into an agreement with 1544230 Ontario Inc., dated May 22, 2020, and was granted an option to acquire a 100% interest in Melema West Property located in Hutchinson, Bellmore Lake and Ramsay Wrights Townships, Ontario.

To acquire a 100% interest in the property, Portofino is to issue 700,000 common shares and make payments over a 3-year period to the Owner totaling \$62,000, as set out below:

- a) \$12,000 (paid) on signing,
- b) 500,000 shares (paid) following receipt of TSX-V approval of this transaction June 16, 2020,
- c) \$10,000 (paid) and 200,000 (issued) shares due on the first anniversary of TSX-V approval,
- d) \$15,000 due on the second anniversary of TSX-V approval, and
- e) \$25,000 due on the third anniversary TSX-V approval.

1544230 Ontario Inc. retains a 1.5% NSR on all mineral production, 0.75% of which can be purchased by Portofino for \$500,000.

Bruce Lake Property, Red Lake

On June 23, 2020, the Company entered into an Option Assignment Agreement with Falcon Gold Corp. ("Falcon") to acquire a 100% interest in the 1,428 hectare Bruce Lake Property in the Red lake, Ontario gold district. Portofino issued 650,000 shares to Falcon. In addition, Portofino assumed the underlying claim holder payments which total \$52,000 over a 4-year option period. The Claims are subject to a 1.5% Net Smelter Return ("NSR") royalty pursuant to the Underlying Agreement. In addition, Portofino has agreed to grant Falcon a 0.5% NSR.

- a) 650,000 shares (paid) following receipt of TSX-V approval of this transaction July 8, 2020,
- b) \$8,000 (paid) assuming the cash payment due by Falcon Gold to 1544230 Ontario Inc.* on or before September 6, 2020,
- c) \$10,000 (paid) assuming the cash payment due by Falcon Gold to 1544230 Ontario Inc. on or before September 6, 2021,
- d) \$14,000 assuming the cash payment due by Falcon Gold to 1544230 Ontario Inc. on or before September 6, 2022,
- e) \$20,000 assuming the cash payment due by Falcon Gold to 1544230 Ontario Inc. on or before September 6, 2023.

*On July 07, 2020 the claims owned by 1544230 Ontario Inc. were acquired by EMX Royalty Corp.

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EXPLORATION PROJECTS (CONTINUED)

Canada, Ontario (Continued)

Allison Lake North Lithium and Rare Elements Property

The Company entered into an agreement with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. (the "Allison Optionors"), dated March 06, 2021, and was granted an option to acquire a 100% interest in the 1,618 hectare Allison Lake North Lithium and Rare Elements Property located 100 kilometres east of the town of Red Lake, Ontario.

To acquire a 100% interest in the property, Portofino is to issue 800,000 common shares and make payments over a 3-year period to the Owner totaling \$78,000, as set out below:

- a) \$12,000 (paid) on signing,
- b) 400,000 (issued) shares following receipt of TSX-V approval of this transaction on April 21, 2021,
- c) \$16,000 (paid) and 400,000 (issued) shares due on the first anniversary of TSX-V approval,
- d) \$20,000 due on the second anniversary of TSX-V approval, and
- e) \$30,000 due on the third anniversary TSX-V approval.

The Allison Optionors retain a 1.5% NSR on all mineral production, 0.75% of which can be purchased by Portofino for \$400,000.

On September 15, 2021, the claims owned by 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. were acquired by Solstice Gold Corp.

Allison Lake North, Birkett and Costello Lake Townships, Northwestern Ontario

On April 28, 2022, the Company entered into a minerals claims acquisition agreement with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. (the "Optionors").

To acquire a 100% interest in the Allison Lake North Birkett and Costello Lake Property, the Company is to make payments and issue common shares over a three-year period, as follows:

- a) \$2,000 (paid) on signing of the Option Agreement,
- b) 200,000 shares (issued) following receipt of TSX-V approval of this transaction on May 11, 2022.

The claims are subject to 1.5% NSR.

Greenheart Property, Northwestern Ontario

On December 3, 2021, the Company entered into an option agreement with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. (the "Optionors") for the Greenheart Lake and McNamara Lithium Properties located in Northwestern, Ontario (the "Greenheart Property").

To acquire a 100% interest in the Greenheart Property, the Company is to make payments and issue common shares over a three-year period, as follows:

- a) \$5,800 (paid) on signing of the Option Agreement,
- b) 300,000 shares (issued) following receipt of TSX-V approval of this transaction on December 14, 2021,
- c) \$12,000 and 200,000 shares due on or before one-year anniversary of TSXV Exchange approval,
- d) \$20,000 due on or before two-year anniversary of TSXV Exchange approval, and
- e) \$30,000 due on or before three-year anniversary of TSXV Exchange approval.

The claims are subject to 1.5% NSR.

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EXPLORATION PROJECTS (CONTINUED)

Catamarca, Argentina

Yergo Lithium Brine Project

Pursuant to an option agreement dated February 15, 2019, with a private Argentine concession owner (the "Yergo Optionor"), the Company was granted an option to acquire a 100% undivided interest in the Yergo lithium brine project in Catamarca, Argentina. The concession area comprises approximately 2,932 hectares encompassing the full salar.

To acquire a 100% interest in the property, the Company had agreed to make annual escalating payments to the Yergo Optionor over a four-year period totaling US\$370,000 as follows:

- a) US\$10,000 on signing (paid),
- b) By the 1st anniversary of approval- US\$20,000,
- c) By the 2nd anniversary of approval- US\$70,000,
- d) By the 3rd anniversary of approval- US\$120,000, and
- e) By the 4th anniversary- US\$150,000.

On August 14, 2020, the Company reached an agreement with the Yergo lithium project claim owner to amend the terms of its option agreement that enables Portofino to earn 100% interest in the project. The original Agreement required Portofino to make escalating payments totaling US\$370,000 over a 48-month period with the next payment of US\$70,000 due by February 2021. The Claim owner has agreed to extend the payments such that the next payment is not required until August 14, 2022. The amended total payments to the Claim owner remain US\$370,000 and are detailed as follows:

- a) US\$10,000 on signing agreement-(paid February 2019)
- b) By August 30, 2020- US\$20,000 (paid)
- c) By August 14th, 2022- US\$70,000 ⁽¹⁾
- d) By August 14th, 2023- US\$120,000
- e) By August 14th, 2024- US\$150,000

- (1) On September 22, 2022, the Company announced that it had received a notice of termination (the "Notice") from the Yergo Optionor to terminate the underlying agreements with respect to the Yergo Lithium Brine Project. The Company has rejected the Notice and has engaged legal counsel in both Buenos Aires and Catamarca, filed an objection to the Notice with the Ministry of Mining in the Province of Catamarca, and is currently pursuing formal avenues of dispute resolution in the Province of Catamarca. A property payment due to be paid to the Optionor, -Mr. Bertetto, by October 13, 2022 (which includes a 60-day curative period from the original payment due date of August 14, 2022) will be set in reserve pending the resolution of the ongoing legal disputes.

Prior Property Agreements

Hombre Muerto West Lithium Brine Project, Catamarca, Argentina

On September 24, 2020, the Company completed the assignment of 100% of Portofino's rights and obligations related to the Hombre Muerto West Lithium Brine Project to Galan Lithium Limited ("Galan"). As consideration, Portofino received \$100,000 in cash and 650,000 fully paid common shares of Galan.

Historical agreement terms:

On September 6, 2018, the Company had entered into an option agreement with a private Argentine concession owner (the "Hombre Muerto Optionor") and was granted an option to acquire a 100% interest in the Hombre Muerto West lithium brine project in Catamarca, Argentina. The Hombre Muerto West project was comprised of two claim blocks totalling 1,804-hectares located within the Salar del Hombre Muerto.

To acquire a 100% interest in the properties, the Company had agreed to make annual escalating payments to the Hombre Muerto Optionor over a four-year period totaling US\$400,000 and 1,000,000 common shares as follows:

- a) An initial US\$15,000 deposit (paid)
- b) Within 30 days of execution of a definitive agreement-pay US\$7,000 (paid)
- c) Upon TSX-V Exchange approval – issue 100,000 shares
- d) By the first anniversary of TSX-V Exchange approval – issue 200,000 shares and pay US\$14,000,

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EXPLORATION PROJECTS (CONTINUED)

Prior Property Agreements

Hombre Muerto West Lithium Brine Project, Catamarca, Argentina

- e) By the 2nd anniversary of approval- issue 200,000 shares and pay US\$44,000,
- f) By the 3rd anniversary- issue 500,000 shares and pay US\$100,000, and
- g) By the 4th anniversary- pay US\$220,000.

SELECTED ANNUAL FINANCIAL INFORMATION

	May 31, 2022	May 31, 2021	May 31, 2020	May 31, 2019
Financial results				
Net loss for the year	\$ (2,391,812)	\$ (2,487,364)	\$ (950,337)	\$ (775,298)
Comprehensive loss for the year	(2,391,812)	(2,487,364)	(950,337)	(775,298)
Basic and diluted loss per share	(0.03)	(0.04)	(0.04)	(0.05)
Financial position data				
Cash	\$ 155,663	\$ 274,111	\$ 301,749	\$ 1,987
Exploration and evaluation assets				
Total assets	277,011	540,434	443,544	406,755
Shareholders' equity	127,931	480,390	253,713	291,558

RESULTS OF OPERATION

The following financial data has been derived from the audited financial statements for the fiscal year ended May 31, 2022 and 2021, respectively:

During the fiscal year ended May 31, 2022, the Company had a net loss and comprehensive loss of \$2,391,812 versus \$2,487,364 in the comparative year, being a decrease of \$95,552 or 4%. The expenses and related costs that reflect changes in the Company's operations during the fiscal year ended May 31, 2022, includes the following:

- Consulting fees (2022: \$519,878, 2021: \$649,018) refers to the Company's efforts to broaden awareness of it's exploration programs;
- Investor communications (2022: \$278,726, 2021: \$425,263) decreased during the period to directionally align with general exploration expenditures;
- General exploration expenditure (2022: \$559,441, 2021: \$913,189) decreased due to the Company's property exploration efforts in Northwestern Ontario, primarily on the South of Otter property, Red Lake; the Gold Creek property, Shebandowan; and the Yergo, Argentine lithium project;
- Management fees (2022: \$201,200, 2021: \$150,200) refers to advisory and services fee paid to two directors of the Company;
- Office expense (2022: \$153,739, 2021: \$143,580) increased due to an increase in overall corporate initiatives and included office related expenses like bank charges, Company's website hosting, computer and internet subscriptions and services, news release dissemination, social media management, courier, postage, telephone expenses, insurance, benefits, and supplies;
- Professional fees (2022: \$188,169, 2021: \$81,029) increased due to the addition of legal fees related to Argentine properties.
- Rent expense (2022: \$14,686, 2021: \$36,753) decreased due to a greater proportion of rent being shared with another company, of which several key management personnel are also key management personnel.
- Share-based compensation (2022: \$125,000, 2021: \$194,220) decreased due to fewer stock options granted during the period;
- Transfer agent and filing fees (2022: \$43,359, 2021: \$74,632) decreased as these are expenses related to transfer agent's shareholder services, and filing fee payments associated with private placements and share transactions which were also decreased;

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RESULTS OF OPERATION (CONTINUED)

- Travel and promotion (2022: \$39,352, 2021: \$5,509) increased and is related to face-to-face meetings with investors and stakeholders.
- Allowance for doubtful amounts receivable (2022: \$267,067, 2021: \$Nil) relates to administrative shared office expenses.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following information is derived from and should be read in conjunction with the audited financial statements for each of the past eight quarters which have been prepared in accordance with IFRS applicable to interim financial reporting including IAS 34.

Financial results	May 31, 2022	February 28, 2022	November 30, 2021	August 31, 2021
Net loss for the period	\$ (947,352)	\$ (640,806)	\$ (484,788)	\$ (318,866)
Comprehensive loss for the period	(947,352)	(640,806)	(484,788)	(318,866)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	-
Balance sheet data				
Cash	\$ 155,663	\$ 369,189	\$ 796,279	\$ 33,110
Total assets	277,011	675,566	1,069,270	276,388
Shareholders' equity	127,931	575,085	1,022,042	190,524

Financial results	May 31, 2021	February 28, 2021	November 30, 2020	August 31, 2020
Net loss for the period	\$ (757,337)	\$ (241,806)	\$ (709,343)	\$ (778,878)
Comprehensive loss of the period	(757,337)	(241,806)	(709,343)	(778,878)
Basic and diluted loss per share	(0.01)	-	(0.01)	(0.02)
Balance sheet data				
Cash	\$ 274,111	\$ 618,733	\$ 306,936	\$ 160,828
Total assets	540,434	850,309	613,184	424,937
Shareholders' equity	480,390	799,885	473,545	298,666

The Company has declared no dividends for any period presented.

LIQUIDITY AND CAPITAL RESOURCES

For the fiscal year ended May 31, 2022, Portofino had a working capital surplus of \$127,931, which included a cash balance of \$155,663.

The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. Historical exploration and administrative activities have been funded through equity financing and the Company expects that it will continue to be able to utilize this source of financing until the Company has cash flow from operations. There can be no assurance, however, that efforts will be successful. If such funds are not available or other sources of financing cannot be obtained, then we will be curtailed to a level for which funding is available or can be obtained.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As of the date of this MD&A, Portofino has 109,632,843 Common shares issued and outstanding; 24,802,515 share purchase warrants and 5,125,000 share options convertible into common shares.

**PORTOFINO RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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TRANSACTIONS WITH RELATED PARTIES

The following is a summary of the Company's related party transactions during the fiscal year ended May 31, 2022:

Name	Relationship	Purpose of Transaction	May 31, 2022	May 31, 2021
Pacific Capital Advisors Inc.	Company controlled by David Tafel, CEO and director of the Company	Advisory services related to CEO duties	\$200,000	\$135,000
Euro Sigma Mines Inc. and/or Stephen Wilkinson	Director of the Company, Stephen Wilkinson	Advisory services	\$ 1,200	\$ 15,200
Seatrend Strategy Group	Company controlled by Jeremy Wright, the CFO of the Company	CFO services	\$110,000	\$60,000

NEW ACCOUNTING STANDARDS ADOPTED EFFECTIVE JUNE 1, 2021

The Company was not required to and has not adopted any new accounting standards effective June 1, 2021, which would have had a significant impact on the financial statements of the Company.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the fiscal year ended May 31, 2022 and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

PORTOFINO RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Fair Value of Financial Instruments

The Company's financial assets include cash and amounts receivable which are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at May 31, 2022 are as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	\$	\$	\$	\$
Cash	155,663	-	-	155,663

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at May 31, 2022, because of the demand nature or short-term maturity of these instruments.

The following table summarizes the carrying value of the Company's financial instruments:

	May 31, 2022	May 31, 2021
	\$	\$
Cash(i)	155,663	274,111
Amounts receivable (i)	-	142,224
Accounts payable (ii)	107,080	40,044

- i. FVTPL
- ii. Amortized cost

Financial risk management objectives and policies

The Company's financial instruments include cash, amounts receivable, promissory notes and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Currency risk

The Company is exposed to foreign currency risk related to cash payments, exploration expenditures and its promissory notes that are denominated in US dollars and Argentine Pesos. The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada. Management does not hedge its exposure to foreign exchange risk and the Company's net exposure is limited.

The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution. The fair value interest rate risk on cash is insignificant due to their short-term nature.

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FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Financial risk management objectives and policies (Continued)

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist of cash and promissory notes. To minimize the credit risk the Company places these instruments with a high quality financial institution. The Company is exposed to credit risk relating to amounts receivable from another publicly listed company.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

Scientific and Technical Disclosure

The company's projects and those in which we have an interest are early stage and do not contain any mineral resource estimates as defined by NI 43-101. Technical Information is based on information contained in news releases (collectively the "Disclosure Documents") available under Portofino's company profile on SEDAR at www.sedar.com. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Our Disclosure Documents were in part prepared by or under the supervision of an independent Qualified Person ("QP"). Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. The disclosure in this MD&A has been made in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). The NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Michael Kilbourne, P.Geo. is the Company's QP for the purposes of NI 43-101 and has reviewed and validated the scientific or technical information contained in this MD&A related to the properties. Mr. Kilbourne has consented to the inclusion of the Technical Information in the form and context in which it appears in this MD&A.

Subsequent Events

Please refer to note 11 of the audited annual financial statements.