



PORTOFINO
RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX-MONTH PERIOD ENDED NOVEMBER 30, 2020

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The Management Discussion and Analysis ("MD&A"), prepared on January 29, 2021 should be read in conjunction with the condensed interim consolidated unaudited financial statements for the six-month period ended November 30, 2020, 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 six-month period ended November 30, 2020. 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 November 30, 2020, 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 period ended November 30, 2020 the Company completed an assignment of its interest in the HMW Lithium Project claims to Galan Lithium Limited (ASX) wherein consideration received was C\$100,000 and 650,000 Galan shares.

Portofino reached an agreement with the Yergo lithium project Claim owner to amend the payment terms of its Option Agreement which 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 agreed to extend the payments such that the next payment is not required until August 14, 2022.

The Company completed a successful (over-subscribed) private placement for C\$630,500.

The Company focused its property exploration efforts in Northwestern Ontario, primarily on the South of Otter property, Red Lake; and the Gold Creek property, Shebandowan.. Also, an increased emphasis to broaden awareness of the Company and its active exploration programs was implemented.

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DESCRIPTION OF BUSINESS (CONTINUED)

Exploration Summary

South of Otter Project:

Due to limited outcropping, a small trenching program was completed on three prospective sites during the period. Twenty-two samples were submitted to Activation Laboratories for fire assay and 5 chip and channel samples returned anomalous values for gold. Gold-bearing channel samples from the Cliff zone ranged from 137 ppb gold to 1,090 ppb gold (the Cliff zone is located approx. 200 meters southeast of a (2002) Goldcorp drill hole and was the site of the Company's initial high-grade gold discovery of 16 grams per tonne reported during in 2020.)

The Yellow Jacket trench work exposed mineralized bedrock associated with a (2001 Goldcorp) gold soil anomaly, located 650m to the south. Reported chip samples returned highly anomalous gold grades.

The gold values found in the Cliff Zone and new gold mineralized showing in the Yellow Jacket trench, combined with Portofino's initial soil sampling program completed during the fall, indicates the potential existence of wide-spread gold mineralization within the South of Otter property. Interpretation of an airborne magnetic survey also completed during the period has greatly enhanced the geologic knowledge of the property and the Company intends to expand the success of its initial Soil Gas Hydrocarbons (SGH) sampling to pinpoint potential drill targets for 2021.

Gold Creek Property:

During the quarter, Portofino acquired an additional block of 5 mining claims contiguous to its current eastern Gold Creek Property boundary. The acquisition expands the Gold Creek Property to 4,023 hectares.

The New Claims cover several gold showings with historical drill intercepts of 4.32 grams/tonne ("g/t") gold over 41 metres("m") and 4.36 g/t gold over 20.42m (completed by Landore Resources Inc. in 1995). Additionally, Mengold Resources Inc. completed a 1 tonne bulk sample on the I-Zone in 2008 returning an average grade of 9.9 g/t gold.

During the quarter, field work tested both known gold showings as well as new gold targets defined by the Company's recently completed airborne geophysical survey. The geological team examined at least 6 target areas of magnetic anomalies located throughout the Gold Creek property. Approximately 160 grab samples were taken, representing mineralized showings, altered host rocks and various lithologies found in the target areas to supplement the earlier findings of the summer 2020 prospecting and mapping program. The highest gold grade grab sample returned 45.6 grams/tonne. In addition, a discovery of a potentially significant new gold zone, the "New Road Zone" was made during the summer sampling program. Samples of the New Road Zone were taken along a 100m strike length and 14 analyses showed gold content ranging up to 4,070 ppb gold.

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EXPLORATION PROJECTS

During the six-month period ended November 30, 2020 the following Exploration and Evaluation expenditures were incurred by the Company:

	2020	2019
Assays	23,175	-
Consulting	-	27,000
Field Administration	-	3,602
Geological services	217,333	3,574
Property payments	147,907	15,000
Survey	137,208	-
Total	525,623	49,176

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 due on the first anniversary of TSX-V approval,
- d) \$10,000 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.

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EXPLORATION PROJECTS (CONTINUED)

Gold Creek Property, Atikokan

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 and 400,000 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.

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 Mr. Philip Escher and Mr. Michael Tremblay ("Owner") 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.

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 and 200,000 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 1.5% NSR on all mineral production, 0.75% of which can be purchased by Portofino for \$500,000.

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EXPLORATION PROJECTS (CONTINUED)

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 and 200,000 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 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 hectares 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 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)

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
- d) By August 14th, 2023- US\$120,000
- e) By August 14th, 2024- US\$150,000

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EXPLORATION PROJECTS (CONTINUED)

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.

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,
- 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.

Rio Grande Sur Lithium Brine Project, Catamarca, Argentina

On December 27, 2018 the option agreement between the Company and the Rio Grande Sur Optionor was terminated.

On September 6, 2018 the Company had entered into an option agreement with a private Argentine concession owner (the "Rio Grande Sur Optionor"), the Company was granted an option to acquire a 100% undivided interest in the Rio Grande Sur lithium brine project in Catamarca, Argentina. The Rio Grande Sur project was comprised of 3 claim blocks totaling 8,500 hectares located within the province of Catamarca.

To acquire a 100% interest in the properties, the Company had agreed to make annual escalating payments to the Rio Grande Sur Optionor over a four-year period totaling US\$780,000 and 210,000 common shares as follows:

- a) An initial US\$14,000 (paid)
- b) Within 14 days of execution of the agreement – US\$26,000
- c) Upon TSX-V Exchange approval – issue 30,000 shares
- d) By the first anniversary of TSX-V Exchange approval – issue 40,000 shares and pay US\$80,000
- e) By the second anniversary of TSX-V Exchange approval – issue 40,000 shares and pay US\$120,000
- f) By the third anniversary of TSX-V Exchange approval – issue 100,000 shares and pay US\$240,000
- g) By the fourth anniversary of TSX-V Exchange approval – pay US\$300,000

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EXPLORATION PROJECTS (CONTINUED)

Iron Horse-Bolivar Mineral Property, British Columbia, Canada

On April 26, 2019 Rich River and the Company agreed to terminate the Iron Horse-Bolivar mineral property option agreement, as a result the previously capitalized acquisition costs have been written off to \$NIL.

On February 28, 2012; amended September 15, 2017; the Company had entered into an option agreement with Rich River Exploration Ltd. ("Rich River") and Craig Alvin Lynes, collectively, the "Optionors", the Company was granted an option to acquire a 100% undivided interest in the Iron Horse-Bolivar Mineral Property (the "Property") originally comprised of seven mineral claims located in the Peachland region of British Columbia. During the year three claim blocks were allowed to lapse, reducing the Property from 2,247 Ha to 1,812 Ha, as the 435 Ha had previously returned limited results and would not be subject to further exploration activity by the Company.

To earn the 100% interest, the Company had agreed to issue 275,000 common shares (pre-consolidation) of the Company to the Optionor, make cash payments totaling \$100,000, and incur a total of \$1,000,000 in exploration expenditures as follows:

	Number of Common Shares	Cash \$	Exploration Expenditures \$
Upon execution of the agreement (paid)	-	10,000	-
On or before February 28, 2013 (incurred)	-	-	100,000
Upon listing of the Company's common shares on the TSX Venture Exchange (issued and paid)	85,000	15,000	-
On or before the December 5, 2015 (issued)	90,000	-	-
On or before the December 5, 2017 (paid and issued)	100,000	5,000	125,000
On or before the December 5, 2018	-	25,000	300,000
On or before December 5, 2019	-	45,000	475,000
Total	275,000	100,000	1,000,000

The Optionors were to retain a 3% Net Smelter Returns royalty on the Property. The first 2% of the royalty could have been purchased by the Company at \$500,000 for each 1%. The purchase of the remaining 1% would have been negotiable after commercial production commences.

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SELECTED QUARTERLY FINANCIAL INFORMATION

Financial results	November 30, 2020	August 31, 2020	May 31, 2020	February 29, 2020
Net loss for the period	\$ (709,343)	\$ (778,878)	\$ (676,810)	\$ (96,915)
Comprehensive loss for the period	(709,343)	(778,878)	(676,810)	(96,915)
Basic and diluted loss per share	(0.01)	(0.02)	(0.03)	-
Balance sheet data				
Cash	\$ 306,936	\$ 160,828	\$ 301,749	\$ 6,638
Exploration and evaluation assets	-	-	-	-
Total assets	613,184	424,937	443,544	311,252
Shareholders' equity	473,545	298,666	253,713	33,031

Financial results	November 30, 2019	August 31, 2019	May 31 2019	February 28, 2019
Net loss for the period	\$ (96,738)	\$ (79,874)	\$ (224,864)	\$ (224,554)
Comprehensive loss of the period	(96,738)	(79,874)	(224,864)	(224,554)
Basic and diluted loss per share	-	-	(0.01)	(0.01)
Balance sheet data				
Cash	\$ 8,114	\$ 25,527	\$ 1,987	\$ 147,503
Exploration and evaluation assets	-	-	-	-
Total assets	315,342	356,875	406,377	526,126
Shareholders' equity	114,946	211,684	291,558	721,620

RESULTS OF OPERATION

Three-month period ended November 30, 2020 compared to November 30, 2019

The Company had a net loss and comprehensive loss of \$709,343 during the three-month period ended November 30, 2020 versus \$96,738 in the comparative period, being an increase of \$612,605, or 633%.

Included in the determination of operating loss is an increase of \$341,167 (2019: \$1,500) on consulting fees as the Company initiated efforts to broaden awareness of the Company and accelerate its exploration programs; \$185,134 (2019: \$NIL) on general exploration expenditures as the Company significantly increased exploration activity at the South of Otter and Gold Creek properties; \$77,000 (2019: \$18,357) on investor communications in an effort to increase the availability and quality of information available to the investing community; and other expenses increased in proportion to the project level activity including \$43,900 (2019: \$22,500) on management fees, \$21,188 (2019: \$2,957) on office expenses, \$9,943 (2019: \$NIL) on rent, \$5,781 (2019: \$3,693) on transfer agent and filing fees, and \$1,730 (2019: \$NIL) on travel and promotion.

Also included are decreases to \$NIL (2019: \$84) on amortization, \$NIL (2019: \$31,629) on due diligence costs, and \$23,500 (2019: \$23,979) on professional fees.

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RESULTS OF OPERATION (CONTINUED)

Six-month period ended November 30, 2020 compared to November 30, 2019

The Company had a net loss and comprehensive loss of \$1,488,221 during the six-month period ended November 30, 2020 versus \$176,612 in the comparative period, being an increase of \$1,311,609, or 742%.

Included in the determination of operating loss is an increase of \$432,667 (2019: \$8,000) on consulting fees as the Company initiated efforts to broaden awareness of the Company and its accelerated exploration programs; \$374,873 (2019: \$NIL) on general exploration expenditures as the Company significantly increased exploration activity at the South of Otter, Melema West, Sapawe West and Gold Creek properties; \$298,200 (2019: \$33,357) on investor communications in an effort to increase the availability and quality of information available to the investing community; and other expenses increased in proportion to the project level activity including \$67,300 (2019: \$45,000) on management fees, \$36,968 (2019: \$3,608) on office expenses, \$27,129 (2019: \$NIL) on rent, \$160,000 (2019: \$NIL) on share-based payments, \$42,403 (2019: \$4,240) on transfer agent and filing fees, and \$3,035 (2019: \$NIL) on travel and promotion.

Also included are decreases to \$NIL (2019: \$210) on amortization, \$NIL (2019: \$49,176) on due diligence costs, and \$45,646 (2019: \$48,943) on professional fees.

LIQUIDITY AND CAPITAL RESOURCES

During the six-month period ended November 30, 2020, Portofino had a working capital surplus of \$473,545, which included a cash balance of \$306,936.

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

On January 4, 2019, the Company consolidated its share on a 4 for 1 basis. The Company had 51,963,500 common shares issued and outstanding and subsequently resulted in post consolidation shares outstanding of 12,990,875. All share information was updated to reflect this consolidation. The exercise price and number of common shares issuable pursuant to all outstanding stock options and warrants have been adjusted in accordance with the consolidation ratio.

As of the date of this MD&A, Portofino has 73,762,934 Common shares issued and outstanding; 23,466,528 share purchase warrants and 4,233,750 share options convertible into common shares.

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TRANSACTIONS WITH RELATED PARTIES

The following is a summary of the Company's related party transactions during the six-month period-ended November 30, 2020:

Name	Relationship	Purpose of Transaction	November 30, 2020	November 30, 2019
Pacific Capital Advisors Inc.	Company controlled by David Tafel, CEO and director of the Company	Advisory services related to CEO duties	\$60,000	\$45,000
Kamas Advisors Ltd. and/or Stephen Wilkinson	Director of the Company, Stephen Wilkinson	Advisory services	\$ 7,300	-
Seatrend Strategy Group	Company controlled by Jeremy Wright, the CFO of the Company	CFO services	\$30,000	\$30,000

- (a) (i) Management Services Agreements: Total fees of \$67,300 (2019: \$45,000) were paid or accrued to companies owned by David Tafel and Stephen Wilkinson, directors of the Company for administration services outside their capacity as a director.
- (ii) Accounting fees: The Company paid or accrued accounting fees of \$30,000 (2019: \$30,000) to a company owned by Jeremy Wright, an officer of the Company.

COMMITMENT

Pursuant to the initial and amended letters of intent with Centurion Minerals Ltd. ("Centurion"), a public company having common directors with the Company (collectively the "Parties"), Centurion will assist the Company with due diligence, structuring and negotiating a mining transaction on behalf of the Company. As consideration, the Company committed to pay a total of \$75,000 (paid), and issue up to 125,000 common shares of the Company upon the approval of the mining transaction by TSX-V.

During the period-ended November 30, 2020 the Parties mutually agreed to terminate the agreement and the remaining consideration agreed to by the Parties shall not be due from the Company to Centurion.

NEW ACCOUNTING STANDARDS ADOPTED EFFECTIVE JUNE 1, 2019

The Company has adopted the following accounting standards effective June 1, 2019, which had no significant impact on the financial statements of the Company:

- IFRS 16 *Leases*
- IFRIC 23 *Uncertainty Over Income Tax Treatments*

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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).

Fair Value of Financial Instruments

The Company's financial assets include cash, which is 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 November 30, 2020 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	306,936	-	-	306,936

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at November 30, 2020 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:

	November 30, 2020	November 30, 2019
	\$	\$
Cash(i)	306,936	8,114
Amounts receivable (ii)	69,517	38,988
Promissory notes (ii)	-	249,797
Accounts payable (ii)	112,240	200,396

(i) FVTPL

(ii) Amortized cost

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FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

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 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.

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.

(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.

SUBSEQUENT EVENTS

Please refer to Note 13 of the audited financial statements for the six-month period ended November 30, 2020.

PORTOFINO RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX-MONTH PERIOD ENDED NOVEMBER 30, 2020

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.