



PORTOFINO
RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2021

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The Management Discussion and Analysis ("MD&A"), prepared on April 29, 2021 should be read in conjunction with the condensed interim consolidated unaudited financial statements for the nine-month period ended February 28, 2021, 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 nine-month period ended February 28, 2021. 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 February 28, 2021, 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 nine-month period ended February 28, 2021 and up to the date of the MDA, the Company's management accomplished a number of corporate objectives, which include:

1. Completing 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.
2. Reaching an agreement with the Yergo, Argentina 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.
3. Closing two over-subscribed private placements (on November 10, 2020 and March 24, 2021) for a total of C\$770,500.
4. Receiving proceeds exceeding \$571,000 during the latest quarter ended February 28 through the exercise of approximately 8.7 million warrants priced between \$0.05- \$0.08 per share.
5. Receiving approval for Portofino's shares to be quoted on the OTCQB Venture Market ("OTCQB"). The Company now trades in the United States under the stock symbol "PFFOF".
6. Expanding its Lithium mineral focus by executing an agreement to acquire 100% control of the Allison Lake North Lithium and Rare Elements Property. The Property comprises 1,618 hectares and is located 100 kilometers east of the town of Red Lake in northwestern Ontario.
7. Broadening awareness of the Company and its active exploration programs.
8. Receiving an Exploration Permit for its Gold Creek Project from the Ontario Ministry of Energy, Northern Development, and Mines and implementing an inaugural drill program on the property.

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DESCRIPTION OF BUSINESS (CONTINUED)

Corporate Summary (Continued)

The Company's ground exploration activities were expanded during the quarter and through the 9 month period and included, its South of Otter property, Red Lake, the Gold Creek property, Shebandowan and its Yergo Lithium property in Catamarca, Argentina .

Exploration Summary

South of Otter Project:

Significant highlights of the 2020 and early 2021 exploration programs on the South of Otter property include:

- Grab sample discovery at the Cliffs Zone which assayed 16 g/t Au
- Trenching at the Cliffs Zone returned 1.09 g/t Au over 0.58m
- Two phases of SGH soil sampling outlines a prominent gold-in-soil anomaly
- Select grab sample from trenching efforts at the Yellow Jacket Zone returns 0.373 g/t Au
- Two phases of SGH soil sampling outlines a prominent gold-in-soil anomaly

A January Phase 2 soil sampling program expanded initial coverage to an area totalling approximately 776,000 square metres. The SGH soil sampling was particularly successful in expanding the strength and size of the SGH gold-in-soil anomalies proximal to both (Cliffs and Yellow Jacket) trenching locations. The Yellow Jacket anomaly has expanded to almost 375m in a north-south direction. The Cliffs Zone gold-in-soil anomaly has expanded to over 500m in length east-west. The samples were taken from 100m spaced grid lines with sample stations every 25m along the lines.

The gold values found in the Cliff Zone and a gold mineralized showing in the Yellow Jacket trench, combined with Portofino's soil sampling programs, 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 has identified potential drill targets for 2021.

Gold Creek Property:

In 2020 Portofino completed a high resolution heliborne magnetic survey, desktop compilation of all public data, a structural and lithological interpretation of the magnetics and two successful prospecting and sampling programs. These efforts have culminated in the first diamond drill program on the Gold Creek Property since 2008.

Due to unseasonably warm temperatures and resulting early spring breakup, the March program was limited to 4 holes totaling 798 meters. The Phase 1 drill program tested targets at the 'New Road Zone' and 'S1 Zone' where 2020 fall sampling programs confirmed the presence of anomalous to high grade gold in grab samples. Two holes were completed at each zone. As at the date of this MD&A, drill core assay results are pending.

Hole GC-2021-01 was drilled at the 'New Road Zone'. It was designed to target the 2020 surface grab sample of 4.07 grams/tonne ("g/t") Au, investigate the Crayfish Creek Fault zone with an historical grab sample of 6.51 g/t Au, target the anomaly outlined in a 2007 IP survey and investigate the nature and significance of a high magnetic feature. The New Road Zone was intersected from 27.53m to 47.14m (19.61m), consisting of gabbro to diorite bleached with potassic alteration and silicification, containing 0.5-3% blebby pyrite overall with minor quartz stringers. Schistose mafic volcanics were intersected at the Crayfish Creek Fault Zone. The hole ended in iron formation explaining the high magnetic signature.

Hole GC-2021-02 was also drilled at the 'New Road Zone'. This hole was field fitted and redesigned to intersect altered felsic intrusive uncovered while making the drill road, investigate the Crayfish Creek Fault zone with an historical grab sample of 6.51 g/t Au, target the 2020 surface grab sample of 4.07 g/t Au and investigate the anomaly from the 2007 IP survey. A wide hematized feldspar porphyry dyke was intersected from 26.65m to 37.74m (11.09m), with minor pyrite and quartz stringers. Locally strongly bleached gabbro was intersected from 55.2m to 62.7m (7.5m), with 0.5-1% pyrite overall, locally up to 3-4%. The Road Zone gabbro/diorite was intersected from 131.64 to 153m (21.36m), with 0.5-3% blebby pyrite and locally strong bleaching. From 190.77 to 217.79m (27.02m) a broad zone of moderately to strongly silicified metasediments (including conglomerate from 208.51m onwards) was intersected, containing locally up to 2-3% pyrite with ~0.5-1% overall, as well as minor quartz veining with pyrite.

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DESCRIPTION OF BUSINESS (CONTINUED)

Exploration Summary, Gold Creek Property (Continued)

Hole GC-2021-03 was drilled at the S1 Zone. It was designed to target an historical grab sample of 55 g/t Au and a grab sample from the 2020 fall sampling program which assayed 5.12 g/t Au collected from a quartz monzonite with quartz veining and disseminated pyrite. This hole intersected a series of mineralized, bleached and silicified intermediate dykes with variable quartz veining up to 60cm wide and 0.5-1% pyrite overall with 2-3% locally. The dykes were intersected from 30.65m to 33.41m (2.76m), 37.4m to 39.3m (1.9m), and 44.05m to 49.6m (5.55m). Trace galena was noted in the quartz veining.

Hole GC-2021-04 was also drilled at the S1 Zone. It was designed to target an historical grab sample of 175 g/t Au and a grab sample from the 2020 fall sampling program which assayed 1.13 g/t Au collected from a quartz monzonite with quartz veining and disseminated pyrite. A strongly bleached (potassic alteration and silicification) intermediate dyke with moderate quartz veining and 0.5 to 2% blebby to disseminated pyrite with trace galena and chalcopyrite was intersected from 74.47m to 80.43m (5.96m) within a mafic tuff unit. A few fine grains of visible **gold** were noted in the quartz veining.

Yergo Lithium project, Argentina:

In March 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 recently completed 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. Identifying drill targets and planning an initial drill program is well underway as the next exploration step.

EXPLORATION PROJECTS

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

	Gold Creek	Melema	Sapawe	Bruce Lake	South of Otter	Yergo	Total
Property payment	-	-	-	-	30,000	-	30,000
During the nine-month period ended February 29, 2020	-	-	-	-	30,000	-	30,000
Assays	13,511	7,544	2,275	7,739	11,333	-	42,402
Geological services	124,117	31,726	21,756	26,197	77,479	14,056	295,331
Property payment	42,100	27,500	-	63,250	8,400	8,620	149,870
Survey	50,700	-	-	-	86,508	41,656	178,864
During the nine-month period ended February 28, 2021	230,428	66,770	24,031	97,186	183,720	64,332	666,467

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EXPLORATION PROJECTS (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 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.

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 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.

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.

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EXPLORATION PROJECTS (CONTINUED)

Sapawe West Property, Atikokan (Continued)

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 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 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 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.

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 shares following receipt of TSX-V approval of this transaction,
- c) \$16,000 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.

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

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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

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.

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EXPLORATION PROJECTS (CONTINUED)

Prior Property Agreements (Continued)

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

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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RESULTS OF OPERATION

The following financial data has been derived from the unaudited interim condensed financial statements for the period ended February 28, 2021 and 2020, respectively:

	Three-month ended		Nine-month ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
Other income	\$ 118,473	\$ 20,000	\$ 118,473	\$ 20,000
General exploration expenditure	140,844	30,000	515,717	33,574
Net loss and comprehensive loss	(241,806)	(709,343)	(778,878)	(676,810)
Basic and diluted loss per share	-	(0.01)	(0.02)	(0.03)

During the three-month period ended February 28, 2021, the Company had a net loss and comprehensive loss of \$241,806 versus \$96,915 in the comparative period, being an increase of \$144,891, or 149%.

During the nine-month period ended February 28, 2021, the Company had a net loss and comprehensive loss of \$1,730,028 versus \$273,527 in the comparative period, being an increase of \$1,456,501, or 532%.

The expenses and related costs that reflect changes in the Company's operations during the period ended February 28, 2021 includes the following:

- Consulting fees (2021: \$481,167, 2020: \$66,21) increased as the Company initiated efforts to broaden awareness of the Company and accelerate its exploration programs;
- Investor communications (2021: \$361,200, 2020: \$44,180) in an effort to increase the availability and quality of information available to the investing community;
- General exploration expenditure (2021: \$515,717, 2020: \$33,574) significantly increased 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 Argentine lithium project, Yergo;
- Management fees (2021: \$108,300, 2020: \$67,500) refers to advisory and services fee paid to 2 directors of the Company;
- Office expense (2021: \$60,461, 2020: \$12,900) increased due to 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;
- Rent expense (2021: \$36,767, 2020: \$5,534) were shared with another company of which several key management personnel are also key management personnel.
- Share-based compensation (2021: \$160,000, 2020: \$Nil) increased due to the grant of stock options to certain officers, directors and consultants of the Company;
- Transfer agent and filing fees (2021: \$56,740, 2020: \$6,950) increased due to transfer agent's shareholder services, OTC listing and filing fee payments;
- Travel and promotion (2021: \$4,636, 2020: \$2,755) increased due to attendance of meetings made to various investors and shareholders.
- Other income (2021: \$118,473, 2020: \$20,000) increased due to net proceeds from the sale of shares of Galan Lithium Limited.

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SELECTED QUARTERLY FINANCIAL INFORMATION

The following information is derived from and should be read in conjunction with the unaudited interim condensed 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	February 28, 2021	November 30, 2020	August 31, 2020	May 31, 2020
Net loss for the period	\$ (241,806)	\$ (709,343)	\$ (778,878)	\$ (676,810)
Comprehensive loss for the period	(241,806)	(709,343)	(778,878)	(676,810)
Basic and diluted loss per share	-	(0.01)	(0.02)	(0.03)
Balance sheet data				
Cash	\$ 618,733	\$ 306,936	\$ 160,828	\$ 301,749
Total assets	850,309	613,184	424,937	443,544
Shareholders' equity	799,885	473,545	298,666	253,713

Financial results	February 29, 2020	November 30, 2019	August 31, 2019	May 31, 2019
Net loss for the period	\$ (96,915)	\$ (96,738)	\$ (79,874)	\$ (224,864)
Comprehensive loss of the period	(96,915)	(96,738)	(79,874)	(224,864)
Basic and diluted loss per share	-	-	-	(0.01)
Balance sheet data				
Cash	\$ 6,638	\$ 8,114	\$ 25,527	\$ 1,987
Total assets	311,252	315,342	356,875	406,377
Shareholders' equity	33,031	114,946	211,684	291,558

The Company has declared no dividends for any period presented.

LIQUIDITY AND CAPITAL RESOURCES

During the nine-month period ended February 28, 2021, Portofino had a working capital surplus of \$799,885, which included a cash balance of \$618,733.

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 79,466,243 Common shares issued and outstanding; 20,963,219 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 nine-month period-ended February 28, 2021:

Name	Relationship	Purpose of Transaction	February 28, 2021	February 29, 2020
Pacific Capital Advisors Inc.	Company controlled by David Tafel, CEO and director of the Company	Advisory services related to CEO duties	\$97,500	\$67,500
Kamas Advisors Ltd. and/or Stephen Wilkinson	Director of the Company, Stephen Wilkinson	Advisory services	\$ 10,800	-
Seatrend Strategy Group	Company controlled by Jeremy Wright, the CFO of the Company	CFO services	\$45,000	\$45,000

- i. Management Services Agreements: Total fees of \$108,300 (2019: \$67,500) 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 \$45,000 (2019: \$45,000) 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 February 28, 2021 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*

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.

PORTOFINO RESOURCES INC.
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FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at February 28, 2021 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	618,733	-	-	618,733

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at February 28, 2021 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:

	February 28, 2021	February 29, 2020
	\$	\$
Cash(i)	618,733	6,638
Amounts receivable (ii)	99,277	38,988
Promissory notes (ii)	-	257,758
Accounts payable (ii)	29,424	251,221

- 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 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.

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FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Financial risk management objectives and policies (Continued)

(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 nine-month period ended February 28, 2021.

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.Geol. 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.