



PORTOFINO  
RESOURCES INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2023**

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**FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2023**

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The Management Discussion and Analysis ("MD&A"), prepared on April 26, 2023 should be read in conjunction with the unaudited consolidated financial statements for nine-month period ended February 28, 2023, 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, 2023. 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, 2023, 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 three and nine-month period ended February 28, 2023, and up to the date of the MDA, the Company's management undertook and accomplished a number of corporate objectives, as follows:

1. As part of the Company's ongoing incentive plan for Directors, Management and Consultants, the Company announced on March 2, 2023, that: (a) in accordance with the Company's Share Option Plan it has granted options to purchase an aggregate of 3,817,000 common shares of the Company, whereby each Option is exercisable into one Common Share at an exercise price of \$0.065. The Options are subject to certain vesting conditions and expire five years from the grant date; and (2) in accordance with the terms of the Company's Equity Incentive Plan, the Company has also granted restricted share units ("RSUs") representing the right to receive up to an aggregate of 2,250,000 Common Shares, subject to the satisfaction of certain vesting conditions.
2. Portofino management and the state-owned mining company of the Province of Salta ("REMSA"), continue to work together within the framework of the previously executed MOU agreement. The Arizaro Project is in close proximity to multiple world-class salar lithium projects including near-term production projects operated by Ganfeng Lithium, Rio Tinto and French mining conglomerate, Eramet. In addition, junior explorer, Lithium Chile Inc. has reported a high-grade resource on an adjacent property.

In 2022, Portofino's due diligence expenditures financed REMSA to undertake a reconnaissance mapping, surface sampling, and surface trenching sampling program as well as a geophysical survey as part of its geological due diligence and commitment to REMSA pursuant to its MOU agreement. Initial sampling and geophysical surveying feedback indicate the property hosts a deep lithium bearing aquifer, similar in nature to other operators within the Arizaro salar region. The Company will report results when available.

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**DESCRIPTION OF BUSINESS (CONTINUED)**

3. In October/November 2022, Portofino closed a non-brokered private placement financing for total gross proceeds of \$940,000. Proceeds are to be used primarily for exploration activities on Portofino's Argentine lithium and Canadian projects, as well as working capital and general corporate activities.
4. In late September 2022, the geological team re-mobilized to the Allison Lake Property. The objective of the fall 2022 reconnaissance program was to initiate sampling on Portofino's newly acquired claims near the southwestern contact of the Allison Lake Batholith, as well as additional sampling on the main claim group. The new claims are located just west and proximal to the SJ Pegmatite which is described in a 2003 Ontario Geological report as 'economically interesting' rare elements levels. In total, 28 grab samples and 23 select channel samples were collected, many of those in undocumented pegmatites within metasediments. Values of up to 230 ppm Lithium ("Li") were reported within metasediments adjacent to these undocumented dykes, and up to 622 ppm Rubidium ("Rb") within pegmatite. Of significance were a few Magnesium/Lithium ("Mg/Li") ratios in between 1 and 5 which signify highly evolved pegmatites and are good indications that these pegmatites are likely to be lithium bearing.

Initial grab and channel samples by Portofino on the Allison Lake Property in 2021 returned up to 398 ppm Li, 90.5 ppm Cesium ("Cs"), 1040 ppm Rb and 135 ppm Tantalum ("Ta") (NR Sept 7, 2021). Follow-up sampling in the fall of 2021 returned values up to 412 ppm Li and 857 ppm Rb (NR Jan 14, 2022).

In January 2023, Portofino filed an independent National Instrument 43 - 101 ("**43-101**") technical report regarding its Allison Lake North Lithium Project. The 43-101 report has an effective date of December 10, 2022.

5. In Mid-September 2022 the Company received results of a high-resolution helicopter-borne magnetometer ("mag") geophysical survey completed by Prospectair Geosurveys, on the Allison Lake Property. The objective of the survey was to identify structural weaknesses, geological contacts and possible fractionation directions in the "Allison Batholith" that could potentially contain lithium bearing pegmatites. Results of the airborne survey will be instrumental in guiding upcoming channel and grab sampling programs. The Allison Lake area has attracted a significant number of exploration groups due to its excellent prospects. Portofino is well positioned in the heart of this fully staked, multi-company, critical mineral exploration region.
6. In September 2022, the Company received a Notice of Termination (the "**Notice**") from the claim owner and Optionor of the Yergo Project in Catamarca, Argentina. The Notice purports to terminate the Portofino Option Agreements. The Company rejected the purported termination as baseless and having no merit whatsoever. Portofino has not breached the Agreements and indeed has spent over 18 months working closely with the Catamarca Ministry of Environment and Mining related to the development of an environmentally and socially responsible exploration plan for inclusion in its drill permit application. Portofino completed all required work to advance the Yergo property from a greenfield project to one that has the potential to deliver significant value to the Province of Catamarca, the claim-owner and Portofino. The Company filed an objection to the Notice with the Ministry of Mining in the Province of Catamarca and was granted an injunction prohibiting the Optionor from entering into any alternative transactions. Formal and informal avenues of dispute resolution are currently being pursued.

**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 (the "Yergo 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 Yergo 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.

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**Exploration Summary (Continued)**

***Yergo Lithium Project, Argentina (Continued):***

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 Yergo 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 received a Notice of Termination (the "**Notice**") from Mr. Fabian Bertetto, the claim owner and Optionor of the Yergo Project in Catamarca, Argentina, regarding the April 2019 Binding Letter Option Agreement and the May 2021 Binding Letter Agreement Addendum (collectively the "**Agreements**").

The Notice purports to terminate the Agreements. The Company has immediately and forcefully responded to Mr. Fabian Bertetto that claims made in the Notice are completely unsubstantiated, inaccurate, false, and malicious, and the Company rejects the purported termination as baseless and having no merit whatsoever.

Portofino has not breached the Agreements and will defend its legal rights vigorously. Portofino has spent over 18 months working closely with the Catamarca Ministry of Environment and Mining related to the development of an environmentally and socially responsible exploration plan for inclusion in the drill permit application. Portofino has not breached the Agreements with respect to payments required to keep the Agreements in good standing and has further completed all required work on the property to advance the Yergo property from a greenfield project to one that has the potential to deliver significant value to the Province of Catamarca, Mr. Bertetto and Portofino.

The Company has filed an objection to the Notice with the Ministry of Mining in the Province of Catamarca, was granted an injunction prohibiting the Optionor from entering into an alternative transaction and is currently pursuing formal avenues of dispute resolution.

***Allison Lake North Lithium and Rare Elements Property, Ontario:***

Reconnaissance mapping and sampling was completed on the Allison Lake North Lithium and Rare Earth Property (the "Allison Lake 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 2022 the geological team re-mobilized to the Allison Lake 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 east of the southern claim group. 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.

On January 3, 2023, the Company announced that it has filed an independent Technical Report (the "Technical Report") pursuant to National Instrument 43-101 ("NI 43-101") regarding its Allison Lake Property. The Technical Report has an effective date of December 10, 2022 and can be viewed either on [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.portofinoresources.com](http://www.portofinoresources.com)

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**EXPLORATION PROJECTS (CONTINUED)**

The following Exploration and Evaluation expenditures have been incurred by the Company:

LITHIUM PROPERTIES	Canada		Argentina			Total
	Allison	Greenheart	McNamara	Salta		
		Lake	Lake	(Due Diligence)	Yergo	
Balance, May 31, 2021	70,000	-	-	-	164,496	234,496
Assays	5,339	-	-	-	-	5,339
Drilling	-	-	-	-	28,698	28,698
Geological services	52,090	75	-	6,387	-	58,552
Property payment	-	19,400	19,400	-	1,313	40,113
<b>Balance, February 28, 2022</b>	<b>127,429</b>	<b>19,475</b>	<b>19,400</b>	<b>6,387</b>	<b>194,507</b>	<b>367,198</b>
Balance, May 31, 2022	227,206	19,475	19,400	159,375	194,507	619,963
Assays	3,042	-	-	-	-	3,042
Geological services	24,343	12,711	12,717	487,915	-	537,686
Property payment*	-	20,000	-	-	91,000	111,000
<b>Balance, February 28, 2023</b>	<b>254,591</b>	<b>52,186</b>	<b>32,117</b>	<b>647,290</b>	<b>285,507</b>	<b>1,271,691</b>

\* Yergo property payment has been accrued and will be paid pending resolution of the contractual dispute denoted below in the subsection titled *Yergo Lithium Brine Project, Catamarca, Argentina*

GOLD PROPERTIES	Canada					Total
	Bruce Lake	Gold Creek	Melema	Sapawe	South of	
					Otter	
Balance, May 31, 2021	116,685	497,394	84,783	48,898	272,509	1,020,269
Assays	-	20,523	1,607	-	428	22,558
Consulting	-	-	-	-	1,400	1,400
Geological services	-	-	15,344	-	1,334	16,678
Property payment	10,000	-	30,000	-	10,000	50,000
<b>Balance, February 28, 2022</b>	<b>126,685</b>	<b>517,917</b>	<b>131,734</b>	<b>48,898</b>	<b>285,671</b>	<b>1,110,905</b>
Balance, May 31, 2022	126,685	546,460	132,221	103,206	285,671	1,194,243
Consulting	-	1,000	-	-	-	1,000
Field administration	-	600	-	-	-	600
Geological services	2,800	-	-	770	-	3,570
Property payment	14,000	-	15,000	-	12,000	41,000
<b>Balance, February 28, 2023</b>	<b>143,485</b>	<b>548,060</b>	<b>147,221</b>	<b>103,976</b>	<b>297,671</b>	<b>1,240,413</b>

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**EXPLORATION PROJECTS (CONTINUED)**

**Lithium & Critical Metal Properties**

***Allison Lake North, Birkett and Costello Lake Townships, Northern Ontario, Canada***

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 Allison Lake 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 of 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.

On April 28, 2022, the Company extended the Allison Lake Property by 670 hectares by entering into an additional mineral claims acquisition agreement with the Allison Optionors for the Allison Lake North Birkett and Costello Lake Property (the "Allison Lake Extension").

To acquire a 100% interest in the Allison Lake Extension, the Company has made the following payments:

- 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, Northern Ontario, Canada***

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 Lake 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 (paid) and 200,000 (issued) 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)**

**Lithium & Critical Metal Properties (Continued)**

***Yergo Lithium Brine Project, Catamarca, Argentina***

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 (paid),
- 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 had agreed to extend the payments such that the next payment was 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 14<sup>th</sup>, 2022- US\$70,000 <sup>(1)</sup>
- d) By August 14<sup>th</sup>, 2023- US\$120,000
- e) By August 14<sup>th</sup>, 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, has filed an objection to the Notice with the Ministry of Mining in the Province of Catamarca, was granted a formal injunction by the Mining Court of the Province of Catamarca prohibiting the Yergo Optionor from undertaking any form of alternate transaction, and is currently pursuing formal avenues of dispute resolution in the Province of Catamarca. A property payment due to be paid to the Optionor by October 13, 2022 (which includes a 60-day curative period from the original payment due date of August 14, 2022) has been accrued pending resolution of the ongoing legal dispute.

**Gold Properties**

***South of Otter, Red Lake, Northern Ontario, Canada***

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 (paid) due on the third anniversary of 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 Properties (Continued)**

***Gold Creek Property, Shebandowan, Northern Ontario, Canada***

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 of 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 Gravel Ridge Resources Ltd. were acquired by Solstice Gold Corp.

***Sapawe West Property, Atikokan, Northern Ontario, Canada***

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 of 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, Northern Ontario, Canada***

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 (paid) on the second anniversary of TSX-V approval, and
- e) \$25,000 due on the third anniversary of 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.



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***Bruce Lake Property, Red Lake, Northern Ontario, Canada***

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 (paid) 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.

**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,
- 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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**RESULTS OF OPERATION**

The following financial data has been derived from the unaudited financial statements for the nine-month period ended February 28, 2023, and 2022, respectively:

During the three-month period ended February 28, 2023, the Company had a net loss and comprehensive loss of \$275,286 versus \$640,806 in the comparative period, being an decrease of \$365,520 or 57%.

During the nine-month period ended February 28, 2023, the Company had a net loss and comprehensive loss of \$1,229,672 versus \$1,444,460 in the comparative period, being an increase of \$214,788 or 15%. The expenses and related costs that reflect changes in the Company's operations during the nine-month period ended February 28, 2023, includes the following:

- Consulting fees (2023: \$188,400, 2022: \$479,003) refers to the Company's efforts to broaden awareness of its exploration programs and have been curtailed pending further developments related to our efforts in Argentina;
- Investor communications (2023: \$67,742, 2022: \$216,372) decreased during the period to directionally align with reduced activity in the global equity market;
- General exploration expenditures (2023: \$697,898, 2022: \$222,588) were incurred primarily for the Company's property exploration efforts in Northwestern Ontario, the Yergo Project in Catamarca (Argentina), and project evaluation in Salta (Argentina);
- Management fees (2023: \$112,500, 2022: \$113,700) refers to advisory and services fee paid to two directors of the Company;
- Office expense (2023: \$82,601, 2022: \$123,661) decreased due to ongoing cost containment efforts, where costs incurred included: bank charges, website hosting, computer and internet subscriptions and services, news release dissemination, social media management, courier, postage, telephone expenses, insurance, benefits, and supplies;
- Professional fees (2023: \$134,733, 2022: \$104,507) increased due to the audit fee and legal fees;
- Rent expense (2023: \$10,357, 2022: \$14,866) decreased due to a greater proportion of rent being shared with another company, of which several key management personnel are also key management personnel;
- Transfer agent and filing fees (2023: \$32,002, 2022: \$32,967) decreases are related to reduced costs associated with shareholder services and regulatory filing fee payments;
- Travel and promotion (2023: \$65,218, 2022: \$11,796) increased and is related to face-to-face meetings with project optionors, government officials in Argentina, investors, other stakeholders; and
- Allowance for doubtful amounts (2023: \$161,779, 2022: \$Nil) due to a payment made to the Company from a separate publicly traded company and is related to a cost-sharing arrangement whereby the Company is reimbursed for shared administrative and office expenses. During the year ended May 31, 2022, the Company has recorded an allowance against the receivable of \$267,067 which represents 100% of the amount receivable. During the nine-month ended February 28, 2023, the Company received a payment in the amount of \$161,779 consisting of \$10,000 in cash, \$1,779 filing fee payment and issuance of 3,000,000 Common shares worth \$150,000.

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**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.

<b>Financial results</b>	February 28, 2023	November 30, 2022	August 31, 2022	May 31, 2022
Net loss for the period	\$ (275,286)	\$ (652,759)	\$ (301,627)	\$ (947,352)
Comprehensive loss for the period	(275,286)	(652,759)	(301,627)	(947,352)
Basic and diluted loss per share	-	-	-	(0.01)
Balance sheet data				
Cash	\$ 125,246	\$ 188,071	\$ 41,490	\$ 155,663
Total assets	590,885	313,776	117,518	277,011
Shareholders' equity	389,107	59,442	173,696	127,931

<b>Financial results</b>	February 28, 2022	November 30, 2021	August 31, 2021	May 31, 2021
Net loss for the period	\$ (640,806)	\$ (484,788)	\$ (318,866)	\$ (757,337)
Comprehensive loss of the period	(640,806)	(484,788)	(318,866)	(757,337)
Basic and diluted loss per share	(0.01)	(0.01)	-	(0.01)
Balance sheet data				
Cash	\$ 369,189	\$ 796,279	\$ 33,110	\$ 274,111
Total assets	675,566	1,069,270	276,388	540,434
Shareholders' equity	575,085	1,022,042	190,524	480,390

The Company has declared no dividends for any period presented.

**LIQUIDITY AND CAPITAL RESOURCES**

During the nine-month period ended February 28, 2023, Portofino had a working capital surplus of \$389,107, which included a cash balance of \$125,246.

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 148,042,843 Common shares issued and outstanding; 62,442,215 share purchase warrants; 8,567,000 share options convertible into common shares; and 2,250,000 restricted stock units 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, 2023:

Name	Relationship	Purpose of Transaction	November 30, 2022	November 30, 2021
Pacific Capital Advisors Inc.	Company controlled by David Tafel, CEO and Director of the Company	Advisory services related to CEO duties	\$112,500	\$112,500
Euro Sigma Mines Inc. and/or Stephen Wilkinson	Company controlled by Stephen Wilkinson, and Director of the Company	Advisory services	-	\$ 1,200
Seatrend Strategy Inc.*	Company controlled by Jeremy Wright, the CFO of the Company	CFO services	\$45,000	\$45,000

\* The CFO Services Agreement was originally entered into between Mr. Wright's sole proprietorship, Seatrend Strategy Group, and the Company, however, the agreement was assumed by Seatrend Strategy Inc. August 1, 2022.

The following related parties' amounts have been included in amounts receivable and accounts payable and accrued liabilities:

	February 28, 2023	February 28, 2022
	\$	\$
Amounts receivable	38,027	225,428
Accounts payable and accrued liabilities	910	-

The amounts are due to or advanced to companies controlled by directors of the Company. The amounts receivable, accounts payable and accrued liabilities are non-interest bearing, unsecured and are due upon demand.

Allowance for doubtful amounts receivable relate to amounts due from a public company having common directors with the Company relating to a cost-sharing arrangement whereby the Company is reimbursed for shared administrative and office expenses. During the year ended May 31, 2022, the Company has recorded an allowance against the receivable of \$267,067 which represents 100% of the amounts receivable. During the nine-months ended February 28, 2023, the Company received a payment in the amount of \$161,779 consisting of \$10,000 in cash, \$1,779 filing fee payment and 3,000,000 Common shares worth \$150,000. Amounts receivable balance at February 28, 2023 is \$38,027 (February 28, 2022: \$225,428).

**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 during the nine-month period ended February 28, 2023 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.

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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 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 February 28, 2023 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	\$ 125,246	\$ -	\$ -	\$ 125,246

***Fair value***

The fair value of the Company's financial instruments approximates their carrying value as at February 28, 2023, 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, 2023	February 28, 2022
Cash (i)	\$ 125,246	\$ 369,189
Amounts receivable (i)	38,027	225,428
Accounts payable (ii)	181,778	77,981
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.

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**FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)**

***Financial risk management objectives and policies (Continued)***

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. 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](http://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 10 of the unaudited condensed interim consolidated financial statements.