PORTOFINO
RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED
FEBRUARY 28, 2017

The Management Discussion and Analysis ("MD&A"), prepared on April 28, 2017 should be read in conjunction with the audited financial statements and notes thereto for the year ended May 31, 2016, included in the company's prospectus, and 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 520 – 470 Granville Street, Vancouver, British Columbia, Canada. The Company's shares are listed for trading on the TSX Venture Exchange under the symbol "POR".

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at February 28, 2017, 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.

EXPLORATION PROJECT

Iron Horse-Bolivar Mineral Property

	Acquisition Costs	Exploration Costs	Total
	$	$	$
Balance, May 31, 2014	**10,000**	**115,320**	**125,320**
Acquisition costs	32,000	–	32,000
Exploration costs	–	125,947	125,947
Balance, May 31, 2015	**42,000**	**241,267**	**283,267**
Mining exploration tax credit	-	(32,233)	(32,233)
Balance, May 31, 2016	**42,000**	**209,034**	**251,034**
Acquisition costs	9,000	–	9,000
Balance, February 28, 2017	**51,000**	**209,034**	**260,034**

Pursuant to an option agreement dated February 28, 2012, the Company was granted an option to acquire a 100% interest in the Iron Horse-Bolivar Mineral Property (the "Property") comprised of seven mineral claims (2,251 hectares) located in the Peachland region of British Columbia.

To earn the 100% interest, the Company agreed to issue 175,000 common shares of the Company, make cash payments totaling $100,000, and incur a total of $1,000,000 in exploration expenditures as follows:

EXPLORATION PROJECT

Iron Horse-Bolivar Mineral Property (Continued)

	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, 2016	-	15,000	200,000
On or before the December 5, 2017	-	25,000	300,000
On or before the December 5, 2018	-	35,000	400,000
Total	175,000	100,000	1,000,000

The Optionors will retain a 3% Net Smelter Returns royalty on the Property. The first 2% of the royalty may be purchased by the Company at $500,000 for each 1%. The purchase of the remaining 1% is negotiable after commercial production commences.

Historical Mine Workings
The first recorded work on the Property was in the late 1890's when three adits were driven to a maximum length of 66 metres. Limited production from the (Silver King) workings was recorded for the period 1939 to 1941, when a reported total of 244 tonnes of ore was mined that yielded approximately 1,618 grams of gold and 15,116 grams of silver. Exploration activities including mapping, soil sampling, trenching, test-pitting and drilling were undertaken between 1936 and 2005 by various mining entities that included- Noranda Exploration Co., Brenda Mines, Esso Minerals, Fairfield Minerals, Placer Dome Inc.

To date, Portofino has funded a geochemical sampling program and an airborne radiometric/magnetic survey over the property. The sampling program identified anomalous metal concentrations in soils. Additional sampling is required to determine the significance of these anomalies. The results of an airborne survey suggest a porphyry system may be present in the western half of the property.

SELECTED QUARTERLY FINANCIAL INFORMATION

Financial results	February 28, 2017	November 30, 2016	August 31, 2016	May 31, 2016
Net loss	$ (210,432)	$ (124,538)	$ (82,480)	$ (35,934)
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ -

Financial results	February 29, 2016	November 30, 2015	August 31, 2015	May 31, 2015
Net loss	$ (41,953)	$ (61,070)	$ (53,343)	$ (48,928)
Basic and diluted loss per share	$ -	$ (0.01)	$ (0.01)	$ (0.02)

RESULTS OF OPERATION

Three-month period ended February 28, 2017 compared to the three-month period ended February 29, 2016

During the three-month period ended February 28, 2017 the Company reported a net loss of $210,432 (2016 - $41,953) being an increase of $168,479, or 401%. Included in the determination of operating loss was $7,290 (2016 - $2,250) spent on rent, $28,000 (2015 - $17,250) on administration, $36,500 (2016 - $17,250) on professional fees, $Nil (2016 - $2,500) on investor communication, $126 (2016 - $Nil) on depreciation, $8,107 (2015 - $Nil) on due diligence, $19,200 (2016 - $Nil) on consulting, $6,870 (2016 - $3,521) on transfer agent and filing fees, and $6,649 (2016 – $7,419) on office and miscellaneous.

Nine-month period ended February 28, 2017 compared to the nine-month period ended February 29, 2016.

The Company had a loss and comprehensive loss of $417,450 during the nine-month ended February 28, 2017 versus $156,366 in the comparative period, being an increase of $261,084, or 167%.

The increase is largely due to the share-based compensation expense of $119,211 (2016 - $Nil) for the grant of 1,500,000 options exercisable for up to 5 years at $0.10 to certain directors, officers and consultants of the Company made on January 13, 2017. The options vested immediately.

LIQUIDITY AND CAPITAL RESOURCES

As at February 28, 2017, Portofino had a working capital surplus of $50,541, which included a cash balance of $13,332.

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 20,740,000 Common shares issued and outstanding; 8,787,000 share purchase warrants and 1,500,000 share options convertible into common shares. In addition, there were 1,677,000 shares held in escrow.

TRANSACTIONS WITH RELATED PARTIES

The following is a summary of the Company's related party transactions for the nine-month period ended February 28, 2017:

Name	Relationship	Purpose of Transaction	February 28, 2017	February 29, 2016
Pacific Capital Advisors Inc.	Company controlled by David Tafel, CEO and director of the Company	Advisory services related to CEO duties	$29,500	$Nil
Kamas Advisors Ltd.	Director of the Company, Stephen Wilkinson	Advisory services	$25,000	$Nil
Matalia Investments Ltd.	Company controlled by Robert Coltura, a former director of the Company	Management services	$19,750	$29,250
J.A. Minni & Associates	Company controlled by Jerry Mini, a former CFO and director of the Company	Management services Accounting services	$7,500 $13,050	$22,500 $17,150
Seatrend Strategy Group	Company controlled by Jeremy Wright, the CFO of the Company	CFO services	$10,000	$Nil

(a) (i) Management Services Agreements

Total fees of $84,250 (February 29, 2016: $51,750) were paid or accrued to directors of the Company for administration services outside their capacity as a director.

(ii) Accounting fees

The Company paid or accrued accounting fees of $23,050 (February 29, 2016: $17,150) to a company owned by an officer of the Company.

(b) Due to/from Directors and Officers

A total of $16,275 (July 31, 2016: $37,482) is due to directors and officers.

Balances payable are non-interest bearing and have no specific terms of repayment. Further details of these transactions are disclosed in note 9 to the financial statements.

COMMITMENTS

The Company is committed to certain cash payments, share issuances and exploration expenditures in connection with the acquisition of its mineral property claims.

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The mandatory adoption of the following new and revised accounting standards and interpretations on June 1, 2016 had no significant impact on the Company's financial statements for the years presented:

IAS 1 – *Presentation of Financial Statements*

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

In December 2014, the IASB issued an amendment to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

New accounting standards effective for annual periods on or after June 1, 2018:

IFRS 9 - *Financial Instruments*

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in May 2010 to include requirements regarding classification and measurement of financial liabilities. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

IFRS 15 - *Revenue from Contracts with Customers*
In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

CRITICAL ACCOUNTING POLICIES

<u>Stock-based Compensation</u>

The Company has a stock option plan, which is described in to the financial statements. The Company applies the fair value method to all stock-based payments and to all grants that are direct awards of stock that call for settlement in cash or other assets. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, share capital is credited for the consideration received and the related contributed surplus is decreased. The Company uses the Black Scholes option-pricing model to estimate the fair value of stock based compensation.

<u>Financial Instruments</u>

Financial assets are classified into one of four categories:

- Fair value through profit or loss;
- Held-to-maturity;
- Available for sale and;
- Loans and receivables

CRITICAL ACCOUNTING POLICIES (CONTINUED)

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if

- It has been acquired principally for the purpose of selling in the near future;
- It is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or;
- It is a derivative that is not designated and effective as a hedging instrument.

The Company's cash and cash equivalents are classified as FVTPL assets.

Held-to-maturity ("HTM")

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM investments.

Available-for-sale financial assets ("AFS")

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (i) loans and receivables, (ii) held-to-maturity investments or (iii) financial assets as at FVTPL. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss. The Company does not have any assets classified as AFS.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less and impairment losses. The Company does not have any assets classified as loans and receivables.

Derecognition of financial assets

A financial asset is derecognized when:

- The contractual right to the asset's cash flows expire; or
- If the Company transfer the financial assets and substantially all risks and rewards of ownership to another entity.

CRITICAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the inancial asset's original effective interest rate.

The carrying amount of all financial assets is directly reduced by the impairment loss. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

SUBSEQUENT EVENTS

On March 29, 2017, the Company announced that it had executed a letter of intent agreement with a private Argentine concession owner to acquire up to an 85% interest in two lithium brine salar projects in Catamarca, Argentina. Each project is approximately 3,000 hectares in size. Additional details are noted below:

> Project 1 is located directly southwest of the Salar del Hombre Muerto where FMC Lithium is producing lithium carbonate and Galaxy Resources is developing its Sal de Vida project, and is southeast of Albemarle's Antofalla project.
>
> Project 2 is located approximately 10 kilometres ("km") from the Chile border and north of Neo Lithium Corp's 3Q project.

Historical (2012) exploration work commissioned by the vendor of both projects included geological mapping, sampling of surface waters, auger sampling of brines, and compilation of the distribution of Lithium and Potassium grades within the basins. Eight surface water and 51 auger brine samples were analyzed and results averaged: 257 mg/l of Lithium and 8,710 mg/l of Potassium for Project 1; 274 mg/l of Lithium and 7,521 mg/l Potassium for Project 2.

The Company and its Qualified Professionals have been unable to verify the historical sample collection methodology or analytical results, but believe the historical results are relevant. Future work by Portofino, including a surface water and auger brine sampling program is required to verify the historical results.

SUBSEQUENT EVENTS (CONTINUED)

Portofino has been introduced to the project owner (the "Vendor") by Centurion Minerals Ltd. (CTN: TSX-V, "Centurion"). Centurion has established a mining and exploration presence in Argentina by way of its interest in the Ana Sofia agri-gypsum fertilizer operation in Santiago del Estero province. Centurion will act as the operator of the Catamarca lithium-brine projects. In exchange, Centurion is to be initially compensated up to $75,000 by Portofino, issued 500,000 shares of Portofino and be granted 10% of Portofino's interest (carried to PEA) in both projects.

Portofino has agreed to pay the Vendor a combination of cash, shares and expenditures over a 4-year period as follows:

a) An initial US$10,000 deposit,
b) By the 1st anniversary of TSX-V Exchange approval (the "Approval"), issue 500,000 shares and pay US$50,000,
c) By the 2nd anniversary of Approval, issue 500,000 shares, pay US$100,000 and complete a cumulative $500,000 of property expenditures,
d) By the 3rd anniversary of Approval, issue 500,000 shares, pay US$200,000, complete a cumulative minimum of $2million expenditures,
e) By the 4th anniversary of Approval, issue 500,000 shares, pay US$400,000, complete a cumulative minimum of $4million or a Preliminary Economic Assessment (PEA)

Subject to completion of the 4th year requirements, Portofino has the right to convert the Vendor's remaining 15% interest to a 2% NSR with an option to buy out 1% for $1 million.

The transaction is subject to completion of due diligence, execution of definitive agreements and TSX-V exchange approval.

On March 29, 2017, the Company also announced that it had arranged a non-brokered private placement for up to $600,000 priced at $.05/Unit. Each Unit consists of one common share and one 2-year common share purchase warrant exercisable at $.08.

On April 18, 2017, Portofino announced a first tranche closing of the placement for gross proceeds of $461,000 and issued 9,220,000 shares and the equivalent number of warrants.