



PORTOFINO
RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THE NINE-MONTH PERIOD ENDED
FEBRUARY 28, 2019**

PORTOFINO RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2019

The Management Discussion and Analysis ("MD&A"), prepared on April 29, 2019 should be read in conjunction with the audited financial statements and notes thereto for the year ended May 31, 2018, 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, 2019, 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 PROJECTS

	Acquisition Costs	Exploration Costs	Total
	\$	\$	\$
Balance, May 31, 2016	42,000	209,034	251,034
Mining exploration tax credit	9,000	-	9,000
Balance, May 31, 2017	51,000	209,034	260,034
Acquisition costs	18,000	-	18,000
Balance, May 31, 2018	69,000	209,034	278,034
Balance, February 28, 2019	69,000	209,034	278,034

Iron Horse-Bolivar Mineral Property

Due to the Company's continued focus on activities with its lithium salar properties located within the world-renowned "Lithium Triangle" in Catamarca, Argentina, discussed below, the Company announced on April 26, 2019 that it had terminated the Iron Horse-Bolivar Property option agreement. See Subsequent Event Note 13 of the Condensed Interim Financial Statements for the period ended February 28, 2019 regarding the Iron Horse-Bolivar option termination.

PORTOFINO RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2019

EXPLORATION PROJECT (CONTINUED)

Argentina Mineral Properties

Project II, Catamarca Province, Argentina

On October 17, 2017, the Company announced its intent to amend a Letter Agreement previously disclosed on March 29, 2017 to acquire an 85% interest in two lithium brine salar projects in Catamarca, Argentina. Further to discussions with the concession owner and its due diligence, the Company is finalizing details to an amended agreement and intends to advance to a definitive agreement with one of the two projects originally announced. The Company will proceed with Project (#2), which is approximately 3,900 hectares in size. It is located 10 kilometres ("km") from the Chile border and situated between Neo Lithium Corp's 3Q project to the southwest and the Antofalla salar currently being developed by Albermarle Corporation to the northeast.

The transaction is subject to execution of a definitive agreement and TSX-V exchange approval.

Salar Del Hombre Muerto, Catamarca Province, Argentina

On September 20, 2018, the Company announced the execution of a definitive agreement to acquire a 100% interest in the Del Condor and Pucara lithium brine salar projects from a private Argentine concession owner.

The claims encompass a combined 1,804 hectare claim block and are located within the world-class, Salar del Hombre Muerto, where FMC Lithium is currently producing lithium carbonate and Galaxy Resources is developing its Sal de Vida project. As part of the Company's due diligence, Portofino's geological team completed a surface sampling program that tested 18 sites within the claim blocks and returned Portofino's highest-grade brine assay to date of 1,031mg/L lithium, and an average of 384.4 mg/L. See news releases dated July 10, 2018.

To maintain its option, and subject to TSX Venture Exchange approval, Portofino has agreed to pay the vendor US\$400,000 and issue 1,000,000 shares over a four-year period 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,
- g) By the 4th anniversary- pay US\$220,000.

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, Portofino has agreed to make annual escalating payments to the Yergo Optionor over a four-year period totalling 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.

PORTOFINO RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2019

SELECTED QUARTERLY FINANCIAL INFORMATION

	February 28 2019	November 30, 2018	August 31, 2018	May 31, 2018
Financial results				
Net loss for the period	\$ (224,554)	\$ (146,099)	\$ (179,781)	\$ (272,322)
Comprehensive loss for the period	(224,554)	(146,099)	(179,781)	(272,322)
Basic and diluted loss per share	(0.01)	(0.03)	(0.01)	(0.02)
Balance sheet data				
Cash	\$ 147,503	\$ 15,087	\$ 20,170	\$ 164,707
Exploration and evaluation assets	278,034	278,034	278,034	278,034
Total assets	525,622	632,561	701,541	833,449
Shareholders' equity	721,620	388,167	534,267	713,185

	February 28 2018	November 30, 2017	August 31, 2017	May 31, 2017
Financial results				
Net loss for the period	\$ (696,432)	\$ (399,977)	\$ (166,551)	\$ (210,432)
Comprehensive loss of the period	(696,432)	(399,977)	(166,551)	(210,432)
Basic and diluted loss per share	(0.01)	(0.05)	(0.02)	(0.03)
Balance sheet data				
Cash	-	\$ 1,027,001	\$ 19,754	\$ 13,332
Exploration and evaluation assets	270,034	260,034	260,034	260,034
Total assets	1,047,461	1,505,623	504,592	340,306
Shareholders' equity	1,003,046	1,460,243	447,098	312,087

RESULTS OF OPERATION

Three-month period ended February 28, 2019 compared to the three-month period ended February 28, 2018

The Company had a net loss of \$224,554 during the current year versus \$696,432 in the comparative year being a decrease of \$471,878, or 68%.

Included in the determination of operating loss is an increase of \$44,437 (2018: \$2,872) on investor communications, \$36,864 (2018: \$31,182) on professional fees, and \$13,823 (2018: \$11,540) on transfer agent and filing fees. A decrease of \$44,800 (2018: \$59,276) on consulting fees, \$48,000 (2018: \$50,250) on management fees, \$13,061 (2018: \$28,057) on office expenses, \$11,029 (2018: \$16,507) on rent, and \$7,712 (2018: \$20,407) on travel and promotion.

Nine-month period ended February 28, 2019 compared to the nine-month period ended February 28, 2018

The Company had a loss and comprehensive loss of \$549,335 during the nine-month ended February 28, 2019 versus \$1,277,292 in the comparative period, being a decrease of \$727,957, or 57%.

Included in the determination of operating loss is an increase of \$70,237 (2018: \$2,872) on investor communications. A decrease of \$117,500 (2018: \$282,850) on consulting fees, \$125,250 (2018: \$139,750) on management fees, \$25,766 (2018: \$86,983) on office expenses, \$91,531 (2018: \$93,332) on professional fees, \$21,730 (2018: \$39,330) on rent, \$17,759 (2018: \$18,546) on transfer agent and filing fees, and \$27,555 (2018: \$30,112) on travel and promotion.

PORTOFINO RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2019

LIQUIDITY AND CAPITAL RESOURCES

During the nine-month period ended February 28, 2019, Portofino had a working capital surplus of \$443,082, which included a cash balance of \$147,553.

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 the resulting post consolidation shares outstanding are 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. All references to shares, stock options and warrants are to post consolidation shares, stock options and warrants.

As of the date of this MD&A, Portofino has 24,001,684 Common shares issued and outstanding; 15,932,548 share purchase warrants and 2,233,750 share options convertible into common shares.

TRANSACTIONS WITH RELATED PARTIES

The following is a summary of the Company's related party transactions during the nine-month period ended February 28, 2019:

Name	Relationship	Purpose of Transaction	February 28, 2019	February 28, 2018
Pacific Capital Advisors Inc.	Company controlled by David Tafel, CEO and director of the Company	Advisory services related to CEO duties	\$112,500	\$119,500
Kamas Advisors Ltd.	Director of the Company, Stephen Wilkinson	Advisory services	\$12,750	20,250
Seatrend Strategy Group	Company controlled by Jeremy Wright, the CFO of the Company	CFO services	\$45,000	\$57,000

(a) (i) Management Services Agreements: Total fees of \$125,250 (2018: \$139,750) 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 (2018: \$57,000) to a company owned by Jeremy Wright, an officer of the Company.

PORTOFINO RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2019

COMMITMENTS

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

On November 25, 2016, the Company entered into a letter of intent with Centurion Minerals Ltd. ("Centurion"), a public company having common directors with the Company. Centurion assisted the Company with due diligence, structuring and negotiating a mining transaction on behalf of the Company. As consideration, the Company will pay \$75,000 (paid as of the date of this MD&A) on signing the letter of intent and will issue up to 500,000 common shares of the Company to Centurion upon the TSX Venture Exchange approval of a Definitive Agreement for Project II.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

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

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments:

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

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at February 28, 2019 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	147,553	-	-	147,553

The fair value of the Company's financial instruments approximates their carrying value as at February 28, 2019 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:

	2019	2018
	\$	\$
Cash(i)	147,553	619,239
Amounts receivable (ii)	35,109	-
Promissory notes (ii)	256,077	73,168
Accounts payable (iii)	82,540	44,415

- (i) FVTPL
- (ii) Loans and receivable
- (iii) Other financial liabilities

PORTOFINO RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2019

FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Financial risk management objectives and policies:

The Company's financial instruments include cash, 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 and exploration expenditures 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 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.

Financial risk management objectives and policies (continued)

(iii) *Credit risk*

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

(iv) *Liquidity risk*

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

CRITICAL ACCOUNTING POLICIES

Stock-based compensation

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.

Financial instruments

Financial assets are classified into one of four categories:

- 1) Fair value through profit or loss;
- 2) Held-to-maturity;
- 3) Available for sale and;
- 4) Loans and receivables

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

PORTOFINO RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2019

CRITICAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

1) 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.

2) 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.

3) 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.

4) 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.

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 financial 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.

PORTOFINO RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2019

SUBSEQUENT EVENTS

Please refer to note 13 of the condensed interim financial statements for the period ended February 28, 2019.