MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MAY 31, 2019

The Management Discussion and Analysis ("MD&A"), prepared on September 26, 2019 should be read in conjunction with the audited financial statements and notes thereto for the year ended May 31, 2019, 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 May 31, 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, 2017	51,000	209,034	260,034
Acquisition costs	18,000	-	18,000
Balance, May 31, 2018	69,000	209,034	278,034
Acquisition costs	-	-	-
Impairment	(69,000)	(209,034)	(278,034)
Balance, May 31, 2019	**-**	**-**	**-**

During the year, the Company issued Nil (2018: 100,000) common shares with a fair value of $Nil (2018: $13,000) and paid $Nil (2018: $5,000) in cash.

Iron Horse-Bolivar Mineral Property

Pursuant to an option agreement dated February 28, 2012 and amended agreement dated September 15, 2017, 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.

EXPLORATION PROJECT (CONTINUED)

To earn the 100% interest, the Company 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 (pre-consolidation)	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 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.

On April 26, 2019 the Company announced that 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 of to $Nil.

Argentina, Catamarca Province

Hombre Muerto West Lithium Brine Project

Pursuant to an option agreement date September 6, 2018 with a private Argentine concession owner (the "Hombre Muerto Optionor"), the Company was granted an option to acquire a 100% undivided interest in the Hombre Muerto West lithium brine project in Catamarca, Argentina. The Hombre Muerto West project is comprised of two claim blocks totalling 1,804-hectares located within the Salar del Hombre Muerto.

To acquire a 100% interest of properties, Portofino has agreed to make annual escalating payments to the Hombre Muerto Optionor over a four-year period totalling US$400,000 and 250,000 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 25,000 shares
d) By the first anniversary of TSX-V Exchange approval – issue 50,000 shares and pay US$14,000,
e) By the 2nd anniversary of approval- issue 50,000 shares and pay US$44,000,
f) By the 3rd anniversary- issue 125,000 shares and pay US$100,000, and
g) By the 4th anniversary- pay US$220,000.

As at the date of this MD&A, the Hombre Muerto Optionor has requested a renegotiation or termination of the option agreement. The Company has no interest in renegotiating the option agreement as the Company has complied fully with the terms of the option agreement and it has notified the Hombre Muerto Optioner that if his actions continue, the Company will pursue arbitration and damages.

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.

EXPLORATION PROJECT (CONTINUED)

Argentina, Catamarca Province

Yergo Lithium Brine Project

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 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.

SELECTED ANNUAL INFORMATION

	May 31, 2019	May 31, 2018	May 31, 2017	May 31, 2016
Financial results				
Net loss for the year	$ (1,053,332)	$ (1,535,282)	$ (609,631)	$ (192,300)
Comprehensive loss for the year	(1,053,332)	(1,535,282)	(609,631)	(192,300)
Basic and diluted loss per share	(0.06)	(0.20)	(0.12)	(0.06)
Financial position data				
Cash	1,987	$ 164,707	$ 194,282	12,715
Exploration and evaluation assets	-	278,034	260,034	251,034
Total assets	406,755	833,449	704,945	270,934
Shareholders' equity	291,558	713,185	613,649	233,452

SELECTED QUARTERLY FINANCIAL INFORMATION

Financial results	May 31, 2019	February 28, 2019	November 30, 2018	August 31, 2018
Net loss for the period	$ (502,898)	$ (224,554)	$ (146,099)	$ (179,781)
Comprehensive loss for the period	(502,898)	(224,554)	(146,099)	(179,781)
Basic and diluted loss per share	(0.03)	(0.01)	(0.01)	(0.01)
Balance sheet data				
Cash	$ 1,987	$ 147,503	$ 15,087	$ 20,170
Exploration and evaluation assets	-	278,034	278,034	278,034
Total assets	406,755	804,160	632,561	701,541
Shareholders' equity	291,558	721,620	388,167	534,267

Financial results	May 31, 2018	February 28, 2018	November 30, 2017	August 31, 2017
Net loss for the period	$ (272,322)	$ (696,432)	$ (399,977)	$ (166,551)
Comprehensive loss of the period	(272,322)	(696,432)	(399,977)	(166,551)
Basic and diluted loss per share	(0.04)	(0.01)	(0.05)	(0.02)
Balance sheet data				
Cash	$ 164,707	-	$ 1,027,001	$ 19,754
Exploration and evaluation assets	278,034	270,034	260,034	260,034
Total assets	833,449	1,047,461	1,505,623	504,592
Shareholders' equity	713,185	1,003,046	1,460,243	447,098

RESULTS OF OPERATION

Year ended May 31, 2019 compared to May 31, 2018

The Company had a loss and comprehensive loss of $1,053,332 during the year May 31, 2019 versus $1,535,282 in the comparative period, being a decrease of $481,950, or 31%.

Included in the determination of operating loss is an increase of $74,054 (2018: $120,129) on share-based payments, $21,122 (2018: $19,800) on transfer agent and filing fees, and $278,034 (2018: $Nil) on impairment of exploration and evaluation assets. A decrease of $24,608 (2018: $26,373) on office expenses, $119,299 (2018: $337,740) on consulting fees, $162,750 (2018: $197,125) on management fees, $161,386 (2018: $559,287) on due diligence costs, $119,980 (2018: $127,799) on professional fees, $85,284 (2018: $93,245) on investor communications, and $31,960 (2018: $48,600) on travel and promotion.

LIQUIDITY AND CAPITAL RESOURCES

During the year ended May 31, 2019, Portofino had a working capital surplus of $291,180, which included a cash balance of $1,987.

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; 14,099,799 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 year ended May 31, 2019:

Name	Relationship	Purpose of Transaction	May 31, 2019	May 31, 2018
Pacific Capital Advisors Inc.	Company controlled by David Tafel, CEO and director of the Company	Advisory services related to CEO duties	$150,000	$157,000
Kamas Advisors Ltd.	Director of the Company, Stephen Wilkinson	Advisory services	$12,750	40,125
Seatrend Strategy Group	Company controlled by Jeremy Wright, the CFO of the Company	CFO services	$60,000	$72,000

TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

(a) (i) Management Services Agreements: Total fees of $162,750 (2018: $197,125) 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 $60,000 (2018: $72,000) to a company owned by Jeremy Wright, an officer of the Company.

COMMITMENTS

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

Pursuant to the initial and amended letters of intent with Centurion Minerals Ltd. ("Centurion"), a public company having common directors with the Company, Centurion will assist the Company with due diligence, structuring and negotiating a mining transaction on behalf of the Company. As consideration, the Company will 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.

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 May 31, 2019 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	1,987	-	-	1,987

The fair value of the Company's financial instruments approximates their carrying value as at May 31, 2019 because of the demand nature or short-term maturity of these instruments.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Fair Value of Financial Instruments: (Continued)

The following table summarizes the carrying value of the Company's financial instruments:

	2019	2018
	$	$
Cash(i)	1,987	164,707
Amounts receivable (ii)	58,209	77,425
Promissory notes (ii)	283,875	224,249
Accounts payable (ii)	96,497	107,314

(i) FVTPL
(ii) Amortized cost

Financial risk management objectives and policies:

The Company's financial instruments include cash, accounts 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, promissory note, 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.

(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

IFRS 9, Financial Instruments

IFRS 9 is a standard effective for fiscal years beginning on or after January 1, 2018, which is principles-based and less complex than IAS 39, *Financial Instruments: Recognition and Measurement*, which IFRS 9 has replaced. IFRS 9 was adopted by the Company on April 1, 2018. IFRS 9 includes new guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. IFRS 9 requires that all financial assets be classified and subsequently measured at amortized cost, at fair value through profit or at fair value through other comprehensive income (loss). The classification and measurement are based on the Company's business model for managing financial assets and on the contractual cash flow characteristics of the financial assets. Financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions. The adoption of the standard did not have any material impact on the Company's reporting.

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss.

The Company classifies its financial assets and financial liabilities in the following measurement categories:

(i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
(ii) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition).

Any fair value changes due to credit risk for liabilities designated at fair value through profit and loss are recorded in other comprehensive income.

The Company has implemented the following classifications for financial instruments:

- The Company's financial assets are cash, amounts receivable and promissory notes. Cash is classified as fair value through profit or loss and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur. Amounts receivable and promissory notes are classified as amortized cost.

- Financial liabilities comprise accounts payable. These financial liabilities are classified as other financial liabilities and are measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss, as applicable.

CRITICAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The following table summarizes the classification of the Company's financial instruments under IAS 39 and the new measurement under FIRS 9:

	IAS 39 Classification	IFRS 9 Classification
Financial assets		
Cash	FVTPL	FVTPL
Amounts receivable	Amortized cost	Amortized cost
Promissory notes	Amortized cost	Amortized cost
Financial liabilities		
Accounts payable	Amortized cost	Amortized cost

IFRS 9 uses an expected credit loss model impairment model as opposed to an incurred credit loss model under IAS 39. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. The adoption of the new expected credit loss impairment model had a negligible impact on the carrying amounts of financial assets recognized at amortized cost.

SUBSEQUENT EVENTS

Please refer to note 15 of the audited financial statements for the year ended May 31, 2019.