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**PORTOFINO RESOURCES INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED**  
**NOVEMBER 30, 2023 AND 2022**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

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**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company.

These condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

**PORTOFINO RESOURCES INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT NOVEMBER 30, 2023 AND 2022**  
(Expressed in Canadian dollars)  
(Unaudited)

	Note	November 30, 2023	May 31, 2022
		\$	\$
<b>ASSETS</b>			
CURRENT			
Cash		20,969	65,139
Amounts receivable		86,198	20,808
Taxes receivable		15,790	7,642
Marketable securities	5	75,000	75,000
Prepaid expenses and deposits	6	59,138	185,316
		257,095	353,905
<b>LIABILITIES</b>			
CURRENT			
Accounts payable and accrued liabilities	9	865,451	756,783
<b>EQUITY (DEFICIENCY)</b>			
SHARE CAPITAL	8	11,973,909	10,410,880
SHARE SUBSCRIPTIONS	8	-	100,000
CONTRIBUTED SURPLUS	8	1,868,074	1,596,199
DEFICIT		(14,450,339)	(12,509,957)
		(608,356)	(402,878)
		257,095	353,905

NATURE OF BUSINESS AND GOING CONCERN (Note 1)

SUBSEQUENT EVENTS (Note 12)

Approved and authorized for issue on behalf of the Board on January 29, 2024

/s/ "David Tafel" CEO

/s/ "Jeremy Wright" CFO

The accompanying notes are an integral part of these unaudited financial statements.

**PORTOFINO RESOURCES INC.**  
**STATEMENTS OF COMPREHENSIVE LOSS**  
**FOR THE SIX-MONTH PERIOD ENDED NOVEMBER 30, 2023 AND 2022**  
(Expressed in Canadian dollars)  
(Unaudited)

		Three-month ended		Six-month ended	
	Note	November 30, 2023	November 30, 2022	November 30, 2023	November 30, 2022
		\$	\$		
<b>EXPENSES</b>					
Consulting fees		101,453	84,455	381,069	118,103
General exploration expenditures	7	766,226	372,708	827,020	479,108
Investor communications		76,177	572	136,964	53,330
Management fees	9	37,500	37,500	81,500	75,000
Office		68,119	47,646	94,366	64,314
Professional fees	9	59,409	86,717	101,815	112,862
Rent		-	12,206	10,763	10,357
Share-based compensation	8	-	-	261,148	-
Transfer agent and filing fees		11,848	8,808	17,916	19,790
Travel and promotion		2,457	13,926	27,821	33,301
<b>LOSS BEFORE OTHER ITEM</b>		<b>(1,123,189)</b>	<b>(664,538)</b>	<b>(1,940,382)</b>	<b>(966,165)</b>
<b>OTHER ITEMS:</b>					
Allowance for doubtful amounts	9	-	(11,779)	-	(11,779)
<b>NET LOSS AND COMPREHENSIVE LOSS</b>		<b>(1,123,189)</b>	<b>(652,759)</b>	<b>(1,940,382)</b>	<b>(954,386)</b>
<b>LOSS PER SHARE –</b>					
Basic and diluted		(0.01)	(0.01)	(0.01)	(0.01)
<b>WEIGHTED AVERAGE</b>					
<b>NUMBER OF COMMON SHARES</b>					
<b>OUTSTANDING</b>		<b>169,113,173</b>	<b>113,762,513</b>	<b>160,578,362</b>	<b>111,686,395</b>

The accompanying notes are an integral part of these unaudited financial statements.

**PORTOFINO RESOURCES INC.**  
**STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)**  
**FOR THE SIX-MONTH PERIOD ENDED NOVEMBER 30, 2023 AND 2022**  
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	<b>Common Shares</b>					
	<b>Number of Shares</b>	<b>Amount</b>	<b>Share Subscriptions</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total</b>
		\$		\$	\$	\$
<b>Balance, May 31, 2022</b>	<b>109,632,843</b>	<b>8,998,466</b>	<b>-</b>	<b>1,164,618</b>	<b>(10,035,153)</b>	<b>127,931</b>
Units issued for cash	23,500,000	940,000	(40,000)	-	-	900,000
Share issuance costs	-	(20,983)	-	6,880	-	(14,103)
Net loss and comprehensive loss	-	-	-	-	(954,386)	(954,386)
<b>Balance, November 30, 2022</b>	<b>133,132,843</b>	<b>9,917,483</b>	<b>(40,000)</b>	<b>1,164,618</b>	<b>(10,989,539)</b>	<b>59,442</b>
<b>Balance, May 31, 2023</b>	<b>148,042,843</b>	<b>10,410,880</b>	<b>100,000</b>	<b>1,596,199</b>	<b>(12,509,957)</b>	<b>(402,878)</b>
Units issued for cash	23,100,000	1,503,000	(100,000)	-	-	1,403,000
Units issued exercise of warrants	1,625,000	97,500	-	-	-	97,500
Share issuance costs	-	(26,744)	-	-	-	(26,744)
Fair value allocated to warrants	-	(10,727)	-	10,727	-	-
Share-based payments – stock options	-	-	-	261,148	-	261,148
Net loss and comprehensive loss	-	-	-	-	(1,940,382)	(1,940,382)
<b>Balance, November 30, 2023</b>	<b>172,767,843</b>	<b>11,973,909</b>	<b>-</b>	<b>1,868,074</b>	<b>(14,450,339)</b>	<b>(608,356)</b>

The accompanying notes are an integral part of these unaudited financial statements.

**PORTOFINO RESOURCES INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIOD ENDED NOVEMBER 30, 2023 AND 2022**  
(Expressed in Canadian dollars)  
(Unaudited)

	November 30, 2023	November 30, 2022
	\$	\$
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(1,940,382)	(954,386)
Adjusted for items not affecting cash:		
Share-based payments	261,148	-
	(1,679,234)	(954,386)
Changes in non-cash working capital balances:		
Amounts receivable	(65,390)	(15,076)
Taxes receivable	(8,148)	27,084
Prepaid expenses	126,178	(16,365)
Accounts payable and accrued liabilities	108,668	105,254
Cash used in operating activities	(1,517,926)	(853,489)
<b>FINANCING ACTIVITIES</b>		
Shares issued for cash	1,503,000	900,000
Shares issued for exercise of warrants	97,500	-
Share issuance costs	(26,744)	(14,103)
Share subscriptions	(100,000)	-
Cash provided by financing activities	1,473,756	885,897
CHANGE IN CASH	(44,170)	32,408
CASH, BEGINNING OF YEAR	65,139	155,663
CASH, END OF PERIOD	20,969	188,071
<b>SUPPLEMENTAL CASH DISCLOSURES:</b>		
Interest paid	-	-
Income taxes paid	-	-
<b>NON-CASH INVESTING AND FINANCING TRANSACTIONS:</b>		
Fair value of finder warrants issued	10,727	7,311

The accompanying notes are an integral part of these unaudited financial statements.

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**PORTOFINO RESOURCES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED NOVEMBER 30, 2023 AND 2022**  
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**1. NATURE OF OPERATIONS AND GOING CONCERN**

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 a subsidiary under the laws of Argentina, Portofino Argentina, which is an inactive entity with no significant transactions occurring during the six-month period ended November 30, 2023 and 2022. The subsidiary is owned 95% by the Company and 5% by the Company's chief executive officer.

The Company's principal business activities include the acquisition and exploration of mineral properties. As at November 30, 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 expended for exploration and evaluation activities 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.

As at November 30, 2023, the Company had a deficit of \$14,450,339 and a working capital deficiency of \$608,356. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. The outcome of these matters cannot be predicted at this time and indicate the existence of a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these unaudited financial statements.

**2. SIGNIFICANT ACCOUNTING POLICIES**

a) Statement of compliance

These unaudited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These unaudited financial statements were authorized for issue in accordance with a resolution from the Board of Directors on January 29, 2024.

b) Basis of presentation

These unaudited financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these unaudited financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all years presented in these unaudited financial statements.

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c) Exploration and evaluation expenditures

Costs incurred with respect to the acquisition, exploration and evaluation ("E&E") of the Company's mineral properties, including acquisition costs, are expensed as incurred until the technical feasibility and commercial viability of extracting the mineral resource is determined.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property would be considered a mine under development and would be classified as "mines under construction". E&E assets would be tested for impairment before the assets are transferred to development properties. Following transfer, the Company's policy is to assess each significant asset for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

d) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

The fair value of the stock options and agent warrants is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on historical experience), expected dividends, expected forfeitures, and risk-free interest rate (based on government bonds).

e) Foreign currency

The Company's presentation and functional currency is the Canadian dollar. Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

f) Decommissioning, restoration, and similar liabilities

The Company has no material restoration, rehabilitation, and environmental obligations as the disturbance to date is immaterial.

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental

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disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

g) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

h) Financial instruments

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.

h) Financial instruments (continued)

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



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

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 IFRS 9, Financial Instruments:

	Classification
<b>Financial assets</b>	
Cash	FVTPL
Amounts receivable	FVTPL
Marketable securities	FVTPL
<b>Financial liabilities</b>	
Accounts payable	Amortized cost

IFRS 9, Financial Instruments, uses an expected credit loss model impairment model. 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 preparation of these unaudited financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ

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from assumptions made, relate to, but are not limited to, the following:

*Significant accounting estimates*

- i. the determination of fair values of share-based payments and finder's warrants;
- ii. the measurement of deferred income tax assets and liabilities; and
- iii. the determination of the fair value of amounts receivable.

*Significant accounting judgment*

- i. the evaluation of the Company's ability to continue as a going concern.

**4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the six-month period ended November 30, 2023 and have not been early adopted in preparing these unaudited 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.

**5. MARKETABLE SECURITIES**

During the fiscal year ended May 31, 2023, the Company received common shares of a public company with common directors with the Company in order to settle amounts receivable from the prior year. The Company received 3,000,000 common shares with a fair value of \$0.035 per share.

	Fair value of shares of publicly traded company \$
Balance, May 31, 2022	-
Additions	105,000
Unrealized loss	(30,000)
Balance, May 31, 2023	75,000
Balance, November 30, 2023	75,000

**6. PREPAID EXPENSES AND DEPOSITS**

	November 30, 2023 \$	November 30 2022 \$
General operating and administrative	59,138	88,952
	59,138	88,952

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**7. EXPLORATION AND EVALUATION EXPENDITURES**

During the six-month period ended November 30, 2023, and 2022, the following exploration and evaluation expenditures were incurred by the Company:

	November 30, 2023	November 30, 2022
	\$	\$
Property payments	790,506	132,000
Expenditures:		
Assays	-	3,042
Consulting	-	1,000
Drilling	-	343,066
Field administration	36,514	-
<b>Total</b>	<b>827,020</b>	<b>479,108</b>

**Catamarca, Argentina**

***Yergo Lithium Brine Project***

On September 25, 2023, the Company executed a binding agreement (the “Binding Agreement”) with the new Yergo optionor (successor to the Yergo Optionor) to acquire all rights and title to the Yergo Lithium Project concessions. Pursuant to the Binding Agreement, the Company paid consideration of \$600,000 USD. In accordance with the terms of the Binding Agreement, the Company has acquired 100% of the concession rights associated with the 2,932-hectare Yergo Lithium Project and has filed documentation pursuant to registering concessions in Portofino’s name with the Ministry of Energy and Mining in Catamarca Province, Argentina.

**Yergo Background:**

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 Yergo Lithium Brine Project, the Company 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.

On August 14, 2020, the Company reached an agreement with the Yergo Optionor to amend the terms of its option agreement that enables the Company to earn 100% interest in the project. The original agreement required the Company 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 Yergo Optionor had agreed to extend the payments such that the next payment was not required until August 14, 2022.

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The amended total payments to the Yergo Optionor remain at US\$370,000 and are detailed as follows:

- a) US\$10,000 on signing agreement (paid),
- b) By August 30, 2020- US\$20,000 (paid),
- c) By August 14<sup>th</sup>, 2022- US\$70,000,
- d) By August 14<sup>th</sup>, 2023- US\$120,000, and
- e) By August 14<sup>th</sup>, 2024- US\$150,000.

On September 22, 2022, the Company announced that it had received a notice of termination from the Yergo Optionor to terminate the underlying agreements with respect to the Yergo Lithium Brine Project.

A property payment due to the optionor by October 13, 2022 (which includes a 60-day curative period from the original payment due date of August 14, 2022) was accrued pending dispute resolution.

On October 20, 2022, the Company announced it 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.

On August 11, 2023, the Company entered into a binding agreement to buy-out the original Yergo option agreement (the "Binding Agreement"). Pursuant to the Binding Agreement, the concession owner and the Company have agreed to transfer the ownership of the Yergo Lithium Project concessions to the Company.

**Canada, Ontario**

***Allison Lake North Property, Northwestern Ontario***

On April 6, 2021, the Company entered into an option agreement with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. (the "Allison Vendors").

To acquire a 100% interest in the Allison Lake North Property, the Company is to make payments and issue common shares over a three-year period, as follows:

- a) \$12,000 on signing of the Option Agreement (paid),
- b) 400,000 shares (issued) following receipt of TSX-V approval of this transaction on April 21, 2021,
- c) \$16,000 (paid) and 400,000 shares (issued) due on or before one-year anniversary of TSXV Exchange approval,
- d) \$20,000 (paid) 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.

On September 15, 2021, the claims owned by the Allison Vendors were acquired by Solstice Gold Corp.

***Allison Lake North, Birkett and Costello Lake Townships, Northwestern Ontario***

On April 28, 2022, the Company entered into a mineral claims acquisition agreement with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. (the "ABC Agreement").

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To acquire a 100% interest in the Allison Lake North Birkett and Costello Lake Property, the Company made the following payments:

- a) \$2,000 (paid) on signing of the ABC 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 to be granted by the Company to the owners of the Allison Lake claims.

***Greenheart Property, Northwestern Ontario***

On December 3, 2021, the Company entered into an option agreement with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. 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 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 a 1.5% NSR.

***South of Otter, Red Lake***

Pursuant to an option agreement dated September 6, 2019, with 1544230 Ontario Inc. (the "SO Vendor"), the Company was granted an option to acquire a 100% undivided interest in the South of Otter property in the Red Lake area of Northern Ontario, Canada.

To acquire a 100% interest in the South of Otter 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 follows:

- a) \$15,000 (paid) on signing,
- b) 500,000 shares (issued) following receipt of TSX-V approval of this transaction on October 7, 2019,
- c) \$8,000 (paid) on the first anniversary of TSX-V approval,
- d) \$10,000 (paid) 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.

\* Outstanding as at November 30, 2023

The SO 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.

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On July 07, 2020, the claims owned by 1544230 Ontario Inc. were acquired by EMX Royalty Corp ("EMX").

On November 30, 2023, certain claims related to the South of Otter property were allowed to expire and subsequently re-acquired. A 3 month extension of time request was granted by the Ontario Ministry of Mines related to certain other claims, There is no change to the rights and obligations of EMX.

***Gold Creek Property, Shebandowan***

On May 11, 2020, the Company signed an option agreement with Gravel Ridge Resources Ltd. ("Gravel Ridge"), that allows the Company to earn a 100% interest in mining exploration claims held by Gravel Ridge, and located primarily in Duckworth Township, Ontario (the "Gold Creek Property").

To acquire a 100% interest in the Gold Creek Property, the Company has agreed to issue 800,000 common shares of the Company to Gravel Ridge and make cash payments of \$70,600, as set out below:

- a) \$8,600 (paid) on signing,
- b) 400,000 shares (issued) following receipt of TSX-V approval of this transaction on May 21, 2020,
- c) \$12,000 (paid) and 400,000 shares (issued) due 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 (paid) 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 inclusion of additional mining claims (3 mining claims/50 mining cells) to the Gold Creek Property.

On August 21, 2020, the Company entered into an agreement with Mr. Philip Escher and Mr. Michael Tremblay to purchase 100% interest in 2 claims located in Duckworth Township, Ontario, contiguous to the Company's Gold Creek Property. In consideration, the Company paid \$10,000 and issued 125,000 common 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***

The Company entered into an option agreement with 1544230 Ontario Inc. (the "Sapawe Vendor"), 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 Sapawe West Property, the Company has agreed to issue 700,000 common shares and make payments over a three-year period to the Sapawe Vendor totaling \$62,000, as set out below:

- a) \$12,000 (paid) on signing,
- b) 500,000 shares (issued) following receipt of TSX-V approval of this transaction on May 28, 2020,
- c) \$10,000 (paid) and 200,000 shares (issued) 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 (paid) due on the third anniversary of TSX-V approval.

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The Sapawe Vendor retains 1.5% NSR on all mineral production, 0.75% of which can be purchased by the Company for \$500,000.

***Melema West Property, Atikokan***

The Company entered into an option agreement with 1544230 Ontario Inc. (the "Melema Vendor"), dated May 22, 2020, the Company 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 Melema West Property, the Company is to issue 700,000 common shares and make payments over a three-year period to the Melema Vendor totaling \$62,000, as set out below:

- a) \$12,000 (paid) on signing,
- b) 500,000 shares (issued) following receipt of TSX-V approval of this transaction on 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.

\* Outstanding as at November 30, 2023

The Melema Vendor retains 1.5% NSR on all mineral production, 0.75% of which can be purchased by the Company for \$500,000.

***Bruce Lake Property, Red Lake***

The Company entered into an Option Assignment Agreement with Falcon Gold Corp. ("Falcon"), dated June 20, 2020, to acquire a 100% interest in the 1,428 hectare Bruce lake Property in the Red Lake Mining District. Falcon assigned 100% of its interest in five mineral claims, known as Bruce Lake Property to the Company.

To acquire a 100% interest in the Bruce Lake Property, the Company has issued 650,000 common shares and is to make payments over a three-year period to the claim owner totaling \$52,000, as follows:

- a) \$650,000 shares (issued) within 15 days of effective date,
- b) \$8,000 (paid) on or before September 6, 2020,
- c) \$10,000 (paid) on or before September 6, 2021,
- d) \$14,000 (paid) on or before September 6, 2022, and
- e) \$20,000\* on or before September 6, 2023.

\* Outstanding as at November 30, 2023

EMX, as the underlying claim owner, retains 1.5% NSR on all mineral production, 0.75% of which can be purchased by the Company for \$500,000. In addition, the claims are subject to 0.5% NSR payable to Falcon.

On July 7, 2020, the claims owned by 1544230 Ontario Inc. were acquired by EMX.

On May 5, 2023, the claims comprising the Bruce Lake Property expired and were re-staked the same

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day by the Company. There is no change to the rights and obligations of EMX as a result of the expiration and re-staking.

## **8. SHARE CAPITAL**

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

There were no common shares held in escrow as at November 30, 2023 and 2022.

c) Issued and Outstanding as at November 30, 2023: 161,492,843 common shares

During the six-month period ended November 30, 2023:

- i. The Company issued 13,450,000 units for gross proceeds of \$538,000 on August 3, 2023. Each unit consists of one common share and one share purchase warrant. Each Warrant has a term of 36 months and entitles the holder to purchase one common share at a price of \$0.06. The Company paid \$13,160 in cash and issued 329,000 finder's fee warrants which are exercisable on the same terms as the subscribing investors and incurred other costs of \$4,755.
- ii. The Company issued 9,650,000 units for gross proceeds of \$965,000 on September 22, 2023. Each unit consists of one common share and one share purchase warrant. Each Warrant has a term of 36 months and entitles the holder to purchase one common share at a price of \$0.15. The Company incurred other costs of \$7,828.
- iii. The Company issued 1,625,000 common shares during the six-month ended November 30, 2023, pursuant to the exercise of warrants for gross proceeds of \$97,500.

During the six-month period ended November 30, 2022:

- i. The Company issued 13,700,000 units for gross proceeds of \$548,000 on November 4, 2022. Each unit consists of one common share and one share purchase warrant. Each Warrant has a term of 24 months and entitles the holder to purchase one common share at a price of \$0.06 during the first year and \$0.10 during the second year. The Company paid \$3,200 in cash and issued 80,000 finder's fee warrants which are exercisable on the same terms as the subscribing investors and incurred other costs of \$4,440.
- ii. The Company issued 9,800,000 units for gross proceeds of \$392,000 on November 30, 2022. Each unit consists of one common share and one share purchase warrant. Each Warrant has a term of 24 months and entitles the holder to purchase one common share at a price of \$0.06 during the first year and \$0.10 during the second year. The Company paid \$4,480 in cash and issued 112,000 finder's warrants which are exercisable on the same terms as the subscribing investors and incurred other costs of \$2,432.

d) Stock Options:

The Company has an incentive share option plan for granting options to directors, employees, and consultants, under which the total outstanding options are limited to 10% of the outstanding common shares of the Company at any one time.



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There were no stock options granted during the six-month period ended November 30, 2022.

During the year ended May 31, 2023, the Company granted 3,817,000 stock options to certain officers, directors and consultants of the Company. 2,750,000 options vested on grant date and 1,067,000 options vest quarterly, with an exercise price of \$0.065 per share until March 2, 2028.

During the six-month period ended November 30, 2023, the Company granted 6,500,000 stock options to certain officers, directors and consultants of the Company. Options vested on grant date, with an exercise price of \$0.05 per share until August 4, 2028.

The following table summarizes the Company's stock option activity as at November 30, 2023:

	Number of Options	Weighted Average Exercise Price \$
Outstanding and exercisable, May 31, 2022	5,125,000	0.13
Granted	3,817,000	0.065
Expired	(375,000)	0.48
Outstanding and exercisable, May 31, 2023	8,567,000	0.09
Issued	6,500,000	0.05
<b>Outstanding, November 30, 2023</b>	<b>15,067,000</b>	<b>0.07</b>

The fair values of the stock options were estimated using the Black Scholes option pricing model with the following assumptions:

	November 30, 2023	November 30, 2022
Share price	\$0.05	-
Risk free interest rate	3.34%	-
Expected life	3 years	-
Expected volatility	115%	-
Expected dividend	Nil	-

The following options were outstanding and exercisable at November 30, 2023:

Number of Options Outstanding	Number of Options Exercisable	Weighted average Exercise Price	Expiry Date	Remaining Life (in years)
1,500,000	1,500,000	\$0.08	February 27, 2024	0.24
2,000,000	2,000,000	\$0.12	July 13, 2025	1.62
1,250,000	1,250,000	\$0.12	January 5, 2027	3.10
3,817,000*	3,283,500	\$0.065	March 2, 2028	4.26
6,500,000	6,500,000	\$0.05	August 4, 2028	4.68
<b>15,067,000</b>	<b>14,533,500</b>	<b>\$0.07</b>		<b>2.78</b>

\*Of the 3,817,000 stock options granted on March 2, 2023, 3,283,500 stock options were exercisable as at November 30, 2023.

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e) Restrictive Share Units

On March 2, 2023, in accordance with the terms of the Company's Equity Incentive Plan, the Company 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, to certain directors, officers, and employees of the Company.

The following table summarizes the Company's RSU activity as at November 30, 2023:

	Number of Restrictive Share Units	Weighted Average Price \$
Outstanding and exercisable, May 31, 2022	-	-
Granted	2,250,000	0.065
Outstanding, May 31, 2023	2,250,000	0.065
<b>Outstanding, November 30, 2023</b>	<b>2,250,000</b>	<b>0.065</b>

The RSUs granted on March 2, 2023 vest on March 2, 2024.

f) Warrants

There were no warrants issued during the six-month period ended November 30, 2022.

During the year ended May 31, 2023, the Company issued 829,700 finder's warrants in connection with a private placement.

During the six-month period ended November 30, 2023, the Company issued 329,000 finder's warrants in connection with the private placements disclosed in Note 8 (c). The fair value of finders' warrants was estimated using the Black Scholes option-pricing model with the following assumptions:

	November 30, 2023	November 30, 2022
Share price	\$0.05	\$0.04
Risk free interest rate	3.10%	3.10%
Expected life	3 years	2 years
Expected volatility	115%	107%
Expected dividend	Nil	Nil

The following table summarizes the Company's warrant activity as at November 30, 2023 and 2022:

	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, May 31, 2022	24,802,515	0.13
Issuance of private placement warrants	38,210,000	0.06-0.075
Issuance of finders' warrants	829,700	0.06-0.075
Expiration of warrants	(1,718,400)	0.15
Outstanding and exercisable, May 31, 2023	62,123,815	0.09
Issuance of private placement warrants	23,100,000	0.06

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Issuance of finders' warrants	329,000	0.06
Exercise of warrants	(1,625,000)	(0.06)
<b>Outstanding and exercisable, November 30, 2023</b>	<b>83,927,815</b>	<b>\$0.08</b>

Details of the warrants outstanding and exercisable at November 30, 2023:

Number of warrants	Exercise price	Expiry date	Remaining contractual life (in years)
6,305,000	\$0.15	November 9, 2024*	0.95
8,608,750	\$0.12	October 19, 2024	0.89
8,170,365	\$0.12	November 1, 2024	0.92
13,080,000	\$0.06	November 3, 2024	0.93
8,987,000	\$0.06	November 29, 2024	1.00
15,347,700	\$0.075	March 9, 2026	2.27
13,779,000	\$0.06	August 1, 2026	2.67
9,650,000	\$0.15	September 22, 2026	2.81
<b>83,927,815</b>	<b>\$0.10</b>		<b>1.56</b>

\*TSX-Venture has consented to the extension in the expiry date from November 9, 2023, to November 9, 2024. The Company incurred a filing fee payment of \$1,000.

## 9. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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

	<b>November 30, 2023</b>	<b>November 30, 2022</b>
	\$	\$
Amounts receivable	44,234	15,076
Accounts payable and accrued liabilities	31,937	9,509

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 to be reimbursed for shared administrative and office expenses. During the year ended May 31, 2022, the Company recorded an allowance against the receivable of \$267,067 which represented 100% of the amounts receivable. During the year ended May 31, 2023, the Company recovered the amount of \$116,779 consisting of \$10,000 in cash, \$1,779 filing fee payment and 3,000,000 common shares with a fair value of \$105,000. Amounts receivable balance at November 30, 2023 is \$44,234 (2022: \$Nil).

Key management personnel receive compensation in the form of short-term employee benefits. Key management personnel include the officers and directors of the Company. The remuneration of key management is as follows:

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	<b>November 30, 2023</b>	<b>November 30, 2022</b>
	\$	\$
Management fees	81,500	75,000
Professional fees	50,000	30,000
Share-based payments	60,265	-
	<b>191,765</b>	<b>105,000</b>

Management services were provided by companies controlled by one director of the Company.

Professional fees are paid to companies controlled by the chief financial officer and a director of the Company. The Company did not enter into any other transactions with related parties.

#### **10. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

#### **11. 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 marketable securities, which are classified as Level 1. The carrying value of amounts receivable and accounts payable approximate their fair values due to the relatively short periods of maturity of these instruments.

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Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at November 30, 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	20,969	-	-	20,969
Marketable securities	75,000	-	-	75,000

*Fair value*

The fair value of the Company's financial liabilities approximates their carrying value as at November 30, 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:

	November 30, 2023	November 30, 2022
	\$	\$
Cash (i)	20,969	188,071
Marketable securities (i)	75,000	-
Amounts receivable (i)	86,198	15,076
Accounts payable (ii)	606,682	240,084

(i) FVTPL

(ii) Amortized cost

*Financial risk management objectives and policies*

The Company's financial instruments include cash, amounts receivable, marketable securities 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 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.

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 (if required) 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 amounts receivable. To minimize the credit risk, the Company places these its cash 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.

## **12. SUBSEQUENT EVENTS**

On January 08, 2024, the Company announced a 50:50 net equity Partnership Agreement between the Company and Lithium Chile Inc. (TSXV: LITH) following a successful tender for an 8,445 hectare concession within the lithium-bearing Arizaro Salar in the province of Salta, Argentina. Completion of the joint venture is contingent on entering into a definitive agreement and raising the necessary funds.

Effective January 11, 2024, the Company and EMX mutually agreed to terminate the Bruce Lake Option Agreement dated November 5, 2019.