PORTOFINO RESOURCES INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

MAY 31, 2025 AND 2024

(Expressed in Canadian dollars)

manning elliott

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 **Fax:** 604. 714. 3669 **Web:** manningelliott.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Portofino Resources Inc.

Opinion

We have audited the financial statements of Portofino Resources Inc. (the "Company") which comprise:

- the statements of financial position as at May 31, 2025 and 2024;
- the statements of comprehensive loss for the years ended May 31, 2025 and 2024;
- the statements of changes in shareholders' deficiency for the years ended May 31, 2025 and 2024;
- the statements of cash flows for the years ended May 31, 2025 and 2024; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2025 and 2024 and its financial performance and its cash flows for the years ended May 31, 2025 and 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended May 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Waseem Javed.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
September 29, 2025

PORTOFINO RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION
AS AT MAY 31, 2025 AND 2024
(Expressed in Canadian dollars)

	Note	2025	2024
		$	$
ASSETS			
CURRENT			
Cash		891	6,775
Amounts receivable	10	4,269	66,140
Taxes receivable		15,357	11,124
Marketable securities	5	50,000	37,500
Prepaid expenses and deposits	6	-	2,000
		70,517	123,539
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	10	1,142,665	1,199,591
Loan payable	9	308,629	233,142
		1,451,294	1,432,733
DEFICIENCY			
SHARE CAPITAL	8	12,031,344	12,022,344
CONTRIBUTED SURPLUS	8	1,890,395	1,885,056
DEFICIT		(15,302,516)	(15,216,594)
		(1,380,777)	(1,309,194)
		70,517	123,539

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

SUBSEQUENT EVENTS (Note 14)

Approved and authorized for issue on behalf of the Board on September 29, 2025.

/s/ "David Tafel" CEO */s/ "Jeremy Wright"* CFO

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

PORTOFINO RESOURCES INC.
STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED MAY 31, 2025 AND 2024
(Expressed in Canadian dollars)

	Note	2025	2024
		$	$
EXPENSES			
Advertising and promotion		1,055	1,906
Consulting fees	10	557,320	662,360
Exploration and evaluation expenditures	7	52,955	861,041
Interest expense	9	25,487	18,142
Investor communications		21,431	180,416
Management fees	10	150,000	156,500
Office		274,848	108,787
Professional fees	10	431,001	291,096
Rent		32,190	25,589
Share based compensation	8, 10	5,339	314,093
Transfer agent and filing fees		19,081	48,686
Travel and promotion		7,857	50,522
LOSS BEFORE OTHER ITEMS		(1,578,564)	(2,719,137)
OTHER ITEMS:			
Other income – REMSA reimbursement	7	1,352,362	-
Option agreement payment received	7	136,666	50,000
Loss on sale of marketable securities	5	(7,173)	(37,500)
Unrealized loss on marketable securities	5	(18,333)	-
Recovery of amounts receivable	10	49,500	-
Bad debt	10	(70,380)	-
Write-off of accounts payable and accrued liabilities	7	50,000	-
		1,492,642	12,500
NET LOSS AND COMPREHENSIVE LOSS		(85,922)	(2,706,637)
LOSS PER SHARE – Basic and diluted		(0.00)	(0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		175,421,296	167,259,230

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

PORTOFINO RESOURCES INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
FOR THE YEARS ENDED MAY 31, 2025 AND 2024
(Expressed in Canadian dollars)

	Share Capital					
	Number of Shares	**Amount**	**Share Subscriptions**	**Contributed Surplus**	**Deficit**	**Total**
		$	$	$	$	$
Balance, May 31, 2023	**148,042,843**	**10,410,880**	**100,000**	**1,596,199**	**(12,509,957)**	**(402,878)**
Units issued for private placements	23,100,000	1,503,000	(100,000)	-	-	1,403,000
Shares issued for exercise of warrants	1,625,000	97,500	-	-	-	97,500
Shares issued for mineral property	176,056	12,500	-	-	-	12,500
Shares issued share-based compensation	2,250,000	35,963	-	(35,963)	-	-
Share issuance costs	-	(26,772)	-	-	-	(26,772)
Fair value allocated to warrants		(10,727)	-	10,727	-	-
Share-based payments – stock options	-	-	-	314,093	-	314,093
Net loss and comprehensive loss	-	-	-	-	(2,706,637)	(2,706,637)
Balance, May 31, 2024	**175,193,899**	**12,022,344**	**-**	**1,885,056**	**(15,216,594)**	**(1,309,194)**
Shares issued for mineral property	250,000	10,000	-	-	-	10,000
Share-based payments – stock options		-	-	5,339	-	5,339
Share issuance costs	-	(1,000)	-	-	-	(1,000)
Net loss and comprehensive loss	-	-	-	-	(85,922)	(85,922)
Balance, May 31, 2025	**175,443,899**	**12,031,344**	**-**	**1,890,395**	**(15,302,516)**	**(1,380,777)**

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

PORTOFINO RESOURCES INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2025 AND 2024
(Expressed in Canadian dollars)

	2025	2024
	$	$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the year	(85,922)	(2,706,637).
Adjusted for items not affecting cash:		
Shares issued for exploration and evaluation expenditures	10,000	12,500
Realized and unrealized loss on marketable securities	25,506	37,500
Option payment received in shares	(86,666)	-
Write-off of accounts payable and accrued liabilities	(50,000)	
Bad debts	70,380	
Share-based payments	5,339	314,093
	(111,363)	(2,342,544)
Changes in non-cash working capital balances:		
Amounts receivable	(8,509)	(45,332)
Taxes receivable	(4,233)	(3,482)
Prepaid expenses	2,000	183,316
Accounts payable and accrued liabilities	(6,926)	460,950
Loan payable	75,487	-
Cash used in operating activities	(53,544)	(1,747,092)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	48,660	-
Cash provided by investing activities	48,660	-
FINANCING ACTIVITIES		
Loan received	-	215,000
Shares issued for cash	-	1,403,000
Shares issued for exercise of warrants	-	97,500
Share issuance costs	(1,000)	(26,772)
Cash provided by financing activities	(1,000)	1,688,728
CHANGE IN CASH	(5,884)	(58,364)
CASH, BEGINNING OF YEAR	6,775	65,139
CASH, END OF YEAR	891	6,775
SUPPLEMENTAL CASH DISCLOSURES:		
Interest paid	-	-
Income taxes paid	-	-
NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
Fair value of shares issued for exploration and evaluation expenditures	10,000	12,500
Fair value of finder warrants issued	-	10,727

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

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. The subsidiary is owned 95% by the Company and 5% by the Company's chief executive officer. The subsidiary is not consolidated as it does not maintain independent accounting records and all transactions are included in the Company's books. Further more, the subsidiary's primary function is to maintain bank accounts which are used by the Company to process payments to vendors in Argentina.

The Company's principal business activities include the acquisition and exploration of mineral properties. As at May 31, 2025, 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 May 31, 2025, the Company had a deficit of $15,302,516 and a working capital deficiency of $1,380,777. 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 may cast 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 audited financial statements.

2. MATERIAL ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on September 29, 2025.

b) Basis of presentation

These 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 audited 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 audited financial statements.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) Decommissioning, restoration, and similar liabilities

The Company has no material restoration, rehabilitation, and environmental obligations as the disturbance to date is insignificant. An obligation to incur restoration, rehabilitation and environmental costs arises when environmental 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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 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 marketable securities. 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 and loan 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
Financial assets	
Cash	FVTPL
Amounts receivable	FVTPL
Marketable securities	FVTPL
Financial liabilities	
Accounts payable	Amortized cost
Loan 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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these audited 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 audited 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 the actual results differ 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;
iii. the determination of the recoverability of amounts receivable; and
iv. the fair valuation of marketable securities.

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 year ended May 31, 2025, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

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. During the fiscal year ended May 31, 2024, the shares were consolidated on a two (2) old for one (1) new basis.

During the year ended May 31, 2025, the Company received common shares of Delta Resources limited ("Delta"), see Note 7.

5. MARKETABLE SECURITIES (CONTINUED)

	Fair value of shares of publicly traded company
	$
Balance, May 31, 2023	75,000
Unrealized loss	(37,500)
Balance, May 31, 2024	37,500
Additions	86,666
Proceeds on sale of securities	(48,660)
Unrealized and realized losses	(25,506)
Balance, May 31, 2025	**50,000**

6. PREPAID EXPENSES AND DEPOSITS

	2025	**2024**
	$	$
General operating and administrative	-	2,000
	-	2,000

7. EXPLORATION AND EVALUATION EXPENDITURES

During the years ended May 31, 2025, and 2024, the following exploration and evaluation expenditures were incurred by the Company:

	2025	**2024**
	$	$
Property payments	12,200	820,506
Expenditures:		
Field administration	6,250	46,484
Geological services	34,505	(5,949)
Total	**52,955**	**861,041**

Catamarca, Argentina

Yergo Lithium Project

On September 25, 2023, the Company executed a binding agreement (the "**Binding Agreement**") 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 in Catamarca Province, Argentina.

Pursuant to the original option agreement dated February 15, 2019, and the revised agreement dated August 14, 2020, the Company paid a total of US$30,000 to the Yergo optionor.

7. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

REMSA Reimbursement

During the year ended May 31, 2025, the Company's Argentinian subsidiary received reimbursement of USD $969,088 ($1,352,362 CAD) from Recursos Energeticos y Mineros de Salta S.A. ("REMSA") in connection with exploration work carried out on REMSA concession blocks pursuant to a 2022 agreement. Under the terms of the agreement, the Argentinian subsidiary was entitled to reimbursement of eligible exploration expenditures if it was not awarded the concession through the public tender process. As the Argentinian subsidiary was not the successful bidder, the reimbursement was received during the current year.

Of the total reimbursement, approximately $451,464 was applied to settle existing accounts payable balances. The remaining $900,898 was expended on consulting, legal, and professional services incurred in connection with securing the reimbursement. Included in these costs is $416,419 (USD $300,000) paid to the sole director of the Argentinian subsidiary for consulting services.

Canada, Ontario

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 (paid) due on the fourth anniversary of TSX-V approval.

The SO Vendor will retain a 1.5% NSR, but Portofino has the right to purchase one half of the NSR (.75%) at any time up to commencement of production for a payment of $400,000.

On July 7, 2020, the claims owned by 1544230 Ontario Inc. were acquired by EMX Royalty Corp ("EMX"). The transfer of the title to the claims is still in process and have not been transferred to the Company's name as at May 31, 2025.

During the fiscal year ended May 31, 2024, certain claims related to the South of Otter property were allowed to expire and subsequently re-acquired. A nine-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.

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.

7. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

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 May 31, 2025 and included within accounts payable*

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

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.

The Company has also granted the optionors a 1.5% NSR with a buyback of 0.75% NSR for $500,000.

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. The Property is subject to a 1.5% NSR and the Company has the right to purchase 0.5% of the NSR at any time up to commencement of production for a payment of $300,000.

On September 15, 2021, the claims owned by Gravel Ridge were acquired by Solstice Gold Corp.

On June 27, 2024, the Company closed a claim purchase agreement with a private vendor that covers approximately 700 acres and is contiguous and to the north of the Gold Creek Property. To acquire 100%, the Company paid $2,200 in cash and 250,000 shares of the Company. The Vendors retain a 1.25% NSR and the Company has the right to buyback 0.75% for $200,000.

7. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

On May 27, 2024, the Company closed an option agreement with Delta whereby the Company has granted Delta the exclusive right to acquire a 100% interest in its Gold Creek property.

The terms of the agreement include $300,000 paid in cash and 2,000,001 shares of Delta, paid as follows:

1) $100,000 (received) in cash and 666,667 (received) shares of Delta on approval by the TSX-V;
2) $100,000 in cash and 666,667 shares of Delta on the 1st anniversary of Exchange approval; and
3) $100,000 in cash and 666,667 shares of Delta on the 2nd anniversary of Exchange approval.

The Company will retain a 2% NSR on the Gold Creek Property. Delta will have the option to buyback a 1.0% NSR at anytime for $1 million and will have a right of first refusal on the second 1.0% NSR, to a maximum of $4 million.

Upon exercising the option, Delta will be assigned the three underlying agreements on the Gold Creek property and therefore will assume the underlying NSRs as follows:

1) 2% NSR with a buyback of 0.75% NSR for $500,000;
2) 1.5% NSR with a buyback of 0.5% NSR for $500,000; and
3) 1.25% NSR with a buyback of 0.75% NSR for $200,000.

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.

During the fiscal year the claims expired due to insufficient exploration work being completed, as such, the Option Agreement is terminated as at May 31, 2025.

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**").

During the fiscal year the claims expired due to insufficient exploration work being completed, as such, the Option Agreement is terminated as at May 31, 2025. The Company previously accrued $30,000 for overdue payment in connection with the Option Agreement. The amount of $30,000 was forgiven by the counterparties upon termination of the Option Agreement and has been recorded under write-off of the accounts payable and accrued liabilities on the statement of comprehensive loss.

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**").

During the fiscal year the underlying claims expired due to insufficient exploration work being completed, as such, the ABC Agreement is terminated as at May 31, 2025.

7. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

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**").

On October 4, 2024, the Company mutually agreed with the Claim Owner to terminate the Greenheart Lake, Ontario lithium property agreement, releasing the Company from any further financial obligations. As a result, the previously overdue option payment of $20,000 was reversed from accounts payable and this has been recorded under write-off of accounts payable and accrued liabilities on the statement of comprehensive loss.

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.

On January 11, 2024, the Company and EMX mutually agreed to terminate the Bruce Lake Option Agreement.

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 May 31, 2025, and 2024.

c) Issued and Outstanding as at May 31, 2025: 175,443,899 common shares

<u>During the year ended May 31, 2025:</u>

i. The Company issued 250,000 common shares with a fair value of $10,000 on July 3, 2024, pursuant to the Gold Creek claim purchase agreement.

8. SHARE CAPITAL (CONTINUED)

During the year ended May 31, 2024:

i. The Company issued 13,450,000 units for gross proceeds of $538,000 on August 2, 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 finders' 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, pursuant to the exercise of warrants for gross proceeds of $97,500 and incurred other costs of $29.

iv. The Company issued 176,056 common shares with a fair value of $12,500 on February 5, 2024, pursuant to the South of Otter property option amending agreement dated December 12, 2023.

v. The Company issued2,250,000 common shares, in accordance with the terms of the Company's Equity Incentive Plan of which restrictive share units were granted on March 2, 2023 to certain directors, officers and employees of the Company.

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.

During the fiscal year ended May 31, 2024, the Company granted a total of 6,860,000 stock options to certain officers, directors and consultants of the Company. 6,710,000 options vested on grant date, with an exercise price of $0.05 per share until August 4, 2028, and April 30, 2029. 150,000 stock options vest on a quarterly basis beginning July 30, 2024, with an exercise price of $0.05 per share and an expiry date of April 30, 2029.

There were no options granted during the years ended May 31, 2025.

The following table summarizes the Company's stock option activity as at May 31, 2025:

	Number of Options	Weighted Average Exercise Price
		$
Outstanding and exercisable, May 31, 2023	8,567,000	0.09
Issued	6,860,000	0.05
Expired	(1,500,000)	0.05
Outstanding, May 31, 2024	13,927,000	0.07
Cancelled	(775,000)	0.1
Outstanding and exercisable, May 31, 2025	13,152,000	0.07

8. SHARE CAPITAL (CONTINUED)

d) Stock Options (continued)

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

	2025	**2024**
Share price	N/A	$0.05
Risk free interest rate	N/A	3.52%
Expected life	N/A	5 years
Expected volatility	N/A	130%
Expected dividend	N/A	Nil

The following options were outstanding and exercisable as at May 31, 2025:

Number of Options Outstanding	Number of Options Exercisable	Weighted average Exercise Price	Expiry Date	Remaining Life (in years)
1,650,000	1,650,000	$0.12	July 13, 2025	0.12
1,075,000	1,075,000	$0.12	January 5, 2027	1.60
3,567,000	3,567,000	$0.065	March 2, 2028	2.76
6,500,000	6,500,000	$0.05	August 4, 2028	3.18
360,000	360,000	$0.05	April 30, 2029	3.92
13,152,000	13,152,000	$0.07		2.31

e) Restricted 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 May 31, 2025:

	Number of Restricted Share Units	Weighted Average Price
		$
Outstanding, May 31, 2023	2,250,000	0.065
Vested and exercised	(2,250,000)	0.065
Outstanding, May 31, 2025, and May 31, 2024	-	-

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

There were no RSUs granted during the year ended May 31, 2025.

8. SHARE CAPITAL (CONTINUED)

f) Warrants

During the fiscal year ended May 31, 2024, the Company issued 329,000 finders 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:

	2025	**2024**
Share price	$0	$0.05
Risk free interest rate	0%	0.54%
Expected life	Nil	3 years
Expected volatility	0%	115%
Expected dividend	Nil	Nil

The following table summarizes the Company's warrant activity during the years ended May 31, 2025, and 2024:

	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, May 31, 2023	62,123,815	$0.09
Issuance of private placement warrants	23,100,000	0.06 - 0.15
Issuance of finders' warrants	329,000	0.06
Exercise of warrants	(1,625,000)	0.06
Outstanding and exercisable, May 31, 2024	83,927,815	$0.10
Outstanding and exercisable, May 31, 2024	83,927,815	$0.10
Expired	(23,276,115)	0.13
Outstanding and exercisable, May 31, 2025	60,651,700	$0.09

Details of the warrants outstanding and exercisable at May 31, 2025:

Number of warrants	Exercise price	Expiry date	Remaining contractual life (in years)
13,000,000	0.10	November 3, 2025*	0.43
8,875,000	0.10	November 29, 2025*	0.50
15,347,700	0.075	March 9, 2026	0.77
13,779,000	0.06	August 1, 2026	1.17
9,650,000	0.15	September 22, 2026	1.31
60,651,700	$0.09		0.84

*TSX-Venture consented to the extension in the expiry date from November 3 and 29, 2024, to November 3 and 29, 2025, the Company incurred a filing fee payment of $1,000.

9. LOAN PAYABLE

During the year ended May 31, 2024, the Company received loans totaling $215,000, bearing interest at 10% per annum. The loans are secured by promissory notes issued to the lender and were due for repayment on December 30, 2023.

On September 10, 2024, the Company entered into a $15,000 promissory note with a lender, bearing no interest up to October 31, 2024 (the "**Due Date**"). Should the promissory note remain outstanding following the Due Date, an annual interest rate of 10% shall accrue and be payable on the outstanding amount from the original date of receipt of funds until the full amount is repaid.

As the loans are past their repayment date, they are deemed due on demand and have been recorded as current liabilities on the statement of financial position.

During the year ended May 31, 2025, the Company entered into a $35,000 promissory note with a former director, bearing a no interest, due and payable on demand.

During the year ended May 31, 2025, the Company recorded interest expense of $25,487 (2024 – $18,142). The loan payable balance as at May 31, 2025 is $308,629.

10. 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 receivable, accounts payable and accrued liabilities:

	2025	**2024**
	$	$
Amounts receivable	4,269	66,139
Accounts payable and accrued liabilities	462,296	182,074

The amounts are due from or advanced to entities controlled by directors of the Company. The amounts receivable, accounts payable and accrued liabilities are non-interest bearing, unsecured and are due upon demand.
During the year ended May 31, 2025. The Company assigned amounts receivable totaling $80,380 from Westmount Minerals Corps., a party related by virtue of common directors and officers, to an unrelated party in exchange for the cash consideration of $10,000. As a result, the Company recorded a bad debt expense of $ 70,380 on the statement of comprehensive loss for the year ended May 31, 2025.

During the year ended May 31, 2025, the Company received previously written off amounts receivable totaling $49,500 from Centurion Minerals Ltd., a party related by virtue of common directors and officers.

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:

10. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

	2025	2024
	$	$
Management fees	150,000	156,500
Professional fees	120,000	110,000
Consulting fees	468,285	-
Share-based payments	-	65,023
	738,285	331,523

Management fees were incurred from an entity controlled by the Company's Chief Executive Officer, who also serves as a director.

Professional fees were incurred from an entity controlled by the Company's Chief Financial Officer, who also serves as a director.

.

Consulting fees were incurred from a director of the Company's subsidiary.

11. INCOME TAXES

The Company has losses carried forward of $9,802,549 available to reduce income taxes in future years which expire between 2032 and 2045.

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	2025	2024
Canadian statutory income tax rate	27%	27%
	$	
Income tax recovery at statutory rate	23,199	730,792
Effect of income taxes of:		
Permanent differences and others	(215,043)	(155,886)
Change in deferred tax assets not recognized	191,844	(574,906)
Deferred income tax recoverable	-	-

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	2025	2024
	$	$
Non-capital loss carry-forwards	2,646,688	2,866,621
Exploration and evaluation assets	1,060,764	1,044,255
Share issuance costs	15,100	23,907
Equipment	454	454
Marketable securities	34,562	14,175
Deferred tax assets not recognized	(3,757,568)	(3,949,412)
	-	-

12. 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.

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

IFRS 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, accounts payable and loan payable approximate 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, 2025, 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	891	-	-	891
Marketable securities	50,000	-	-	50,000

Fair value

The fair value of the Company's financial liabilities approximates their carrying value as at May 31, 2025, because of the demand nature or short-term maturity of these instruments.

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

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. As at May 31, 2025, the Company's maximum credit risk is the carrying value of cash and amounts receivable.

(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.

The following table summarizes the maturities of the Company's financial liabilities as at May 31, 2025 based on the undiscounted contractual cash flows:

	Carrying value	Principal amount	Less than 1	1-5 years
	$	$	$	$
Accounts and accrued liabilities	1,142,665	1,142,665	1,142,665	-
Loan payable	308,629	308,629	308,629	-

14. SUBSEQUENT EVENTS

There are no subsequent events.

PORTOFINO
RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MAY 31, 2025

The Management Discussion and Analysis ("**MD&A**"), prepared on September 29, 2025, should be read in conjunction with the audited consolidated financial statements for the year ended May 31, 2025, together with the notes thereto of Portofino Resources Inc. ("**Portofino**" or the "**Company**") 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

The Company was incorporated on June 14, 2011, under the laws of the Province of British Columbia. The address of the Company's corporate office and its principal place of business is Suite 520, 470 Granville Street, Vancouver, British Columbia, Canada. The Company's shares are listed for trading on the TSX Venture Exchange ("**TSX-V**") under the symbol "**POR**". On October 10, 2018, the Company incorporated under the laws of Argentina, Portofino Argentina S.A. ("**Portofino Argentina**") which has been non-active with no transactions occurring during the year ended May 31, 2025. The subsidiary is owned 95% by the Company and 5% by the Company's CEO.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at May 31, 2025, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from their disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The disclosure of technical information in this MD&A has been approved by Michael Kilbourne, P. Geo. and a Qualified Person ("**QP**") for the purposes of Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**"). Readers are directed to the section entitled "Scientific and Technical Disclosure" included within this MD&A.

Corporate Summary

During the year ended May 31, 2025, and up to the date of the MDA, the Company's management completed the following:

1. Gold Creek Property: June 27, 2024, the Company closed an option agreement with Delta Resources limited ("**Delta**") whereby Portofino has granted Delta the exclusive right to acquire a 100% interest in its Gold Creek property. Terms of the agreement are more fully described below in the Exploration Summary; however, the terms include $300,000 paid in cash and 2,000,001 shares of Delta.
2. Yergo Lithium Project: September 2023, the Company executed a binding agreement resulting in the acquisition of 100% of the concession rights associated with the 2,932-hectare Project, where the Company has been pursuing potential strategic financing structures to accelerate progress to the next stage(s) of development.
3. Greenheart Lake Property: On October 4, 2024, the Company mutually agreed with the property's optionor to terminate the Greenheart Lake, Ontario lithium property agreement, releasing the Company from any further financial obligations.
4. On October 24, 2024, Portofino Argentina entered into a reimbursement agreement with Recursos Energéticos y Mineros de Salta, S.A. ("**REMSa**"), with net proceeds allocated to Portofino Argentina accounts payable,
5. On September 10, 2024, the Company entered into a $15,000 promissory note with a lender, bearing $nil interest up to October 31, 2024 (the "**Due Date**"). Should the promissory note remain outstanding following the Due Date, an annual interest rate of 10% shall accrue and be payable on the outstanding amount from the original date of receipt of funds until the full amount is repaid.
6. On October 08, 2024, the Company announced that Mr. Kenneth Cawkell submitted his resignation as a director to pursue unrelated business opportunities.

The following Exploration and Evaluation expenditures have been incurred by the Company as at May 31,2025:

LITHIUM PROPERTIES	Canada			Argentina		Total
	Allison Lake	Greenheart Lake	McNamara Lake	Salta (Due Diligence)	Yergo	
	$	$	$	$	$	$
Balance, May 31, 2022	227,207	19,475	19,400	159,375	194,507	619,964
Assays	3,042	-	-	-	-	3,042
Field administration	-	-	-	11,708	-	11,708
Geological services	24,343	12,711	12,717	953,535	-	1,003,306
Property payment	20,000	20,000	-	-	91,000	131,000
Balance, May 31, 2023	**274,592**	**52,186**	**32,117**	**1,124,618**	**285,507**	**1,769,020**
Field administration	120	-	-	35,194	-	35,314
Geological services	-	-	-	-	(5,949)	(5,949)
Property payment	30,000	20,000	-	-	720,506	770,506
Balance, May 31, 2024	**304,712**	**72,186**	**32,117**	**1,159,812**	**1,000,064**	**2,568,891**
Property payment	-	(20,000)	-	34,505	-	14,505
Balance, May 31, 2025	**304,712**	**52,186**	**32,117**	**1,94,317**	**1,000,064**	**2,583,396**

GOLD PROPERTIES	Canada					Total
	Bruce Lake	Gold Creek	Melema	Sapawe	South of Otter	
	$	$	$	$	$	$
Balance, May 31, 2022	126,685	546,460	132,221	103,206	285,671	1,194,243
Consulting	-	1,000	-	-	-	1,000
Field administration	4,800	1,200	-	-	-	6,000
Geological services	2,800	-	-	4,105	-	6,905
Property payment	14,000	30,000	15,000	25,000	12,000	96,000
Balance, May 31, 2023	**148,285**	**578,660**	**147,221**	**132,311**	**297,671**	**1,304,148**
Field administration	-	2,520	-	-	8,650	11,170
Property payment	-	-	25,000	-	25,000	50,000
Balance, May 31, 2024	**148,285**	**581,180**	**172,221**	**132,311**	**331,321**	**1,365,318**
Field administration	-	-	2,400	-	3,850	6,250
Property payment	-	12,200	-	-	-	12,200
Balance, May 31, 2025	**148,285**	**593,380**	**174,621**	**132,311**	**335,171**	**1,383,768**

Lithium & Critical Metal Properties Overview

Catamarca, Argentina

Yergo Lithium Project

On September 25, 2023, the Company executed a binding agreement (the "**Binding Agreement**") 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 in Catamarca Province, Argentina.

Pursuant to the original option agreement dated February 15, 2019, and the revised agreement dated August 14, 2020, the Company paid a total of US$30,000 to the Yergo optionor.

REMSA Reimbursement

During the year ended May 31, 2025, the Company's Argentinian subsidiary received reimbursement of USD $969,088 ($1,352,362 CAD) from Recursos Energeticos y Mineros de Salta S.A. ("REMSA") in connection with exploration work carried out on REMSA concession blocks pursuant to a 2022 agreement. Under the terms of the agreement, the Company was entitled to reimbursement of eligible exploration expenditures if it was not awarded the concession through the public tender process. As the Company was not the successful bidder, the reimbursement was received during the current year.

Of the total reimbursement, approximately $451,464 was applied to settle existing accounts payable balances. The remaining $900,898 was expended on consulting, legal, and professional services incurred in connection with securing the reimbursement. Included in these costs is $416,419 (USD $300,000) paid to the sole director of the Argentinian subsidiary for consulting services.

Canada, Ontario

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 (paid) due on the fourth anniversary of TSX-V approval.

The SO Vendor will retain a 1.5% NSR, but Portofino has the right to purchase one half of the NSR (.75%) at any time up to commencement of production for a payment of $400,000.

On July 7, 2020, the claims owned by 1544230 Ontario Inc. were acquired by EMX Royalty Corp ("EMX"). The transfer of the title to the claims is still in process and have not been transferred to the Company's name as at May 31, 2025.

During the fiscal year ended May 31, 2024, certain claims related to the South of Otter property were allowed to expire and subsequently re-acquired. A nine-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.

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 May 31, 2025 and included within accounts payable*

The Melema Vendor retains a 1.5% NSR on all mineral production, 0.75% of which can be purchased by the Company for $500,000.
Subsequent to the year-end, the Melema Vendor and the Company mutually agreed to terminate the Agreement on June 3, 2025.

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.

The Company has also granted the optionors a 1.5% NSR with a buyback of 0.75% NSR for $500,000.

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. The Property is subject to a 1.5% NSR and the Company has the right to purchase 0.5% of the NSR at any time up to commencement of production for a payment of $300,000.

On September 15, 2021, the claims owned by Gravel Ridge were acquired by Solstice Gold Corp.

On June 27, 2024, the Company closed a claim purchase agreement with a private vendor that covers approximately 700 acres and is contiguous and to the north of the Gold Creek Property. To acquire 100%, the Company paid $2,200 in cash and 250,000 shares of the Company. The Vendors retain a 1.25% NSR and the Company has the right to buyback 0.75% for $200,000.

On May 27, 2024, the Company closed an option agreement with Delta whereby the Company has granted Delta the exclusive right to acquire a 100% interest in its Gold Creek property.

The terms of the agreement include $300,000 paid in cash and 2,000,001 shares of Delta, paid as follows:

1) $100,000 (received) in cash and 666,667 (received) shares of Delta on approval by the TSX-V;
2) $100,000 in cash and 666,667 shares of Delta on the 1st anniversary of Exchange approval; and
3) $100,000 in cash and 666,667 shares of Delta on the 2nd anniversary of Exchange approval.

The Company will retain a 2% NSR on the Gold Creek Property. Delta will have the option to buyback a 1.0% NSR at anytime for $1 million and will have a right of first refusal on the second 1.0% NSR, to a maximum of $4 million.

Upon exercising the option, Delta will be assigned the three underlying agreements on the Gold Creek property and therefore will assume the underlying NSRs as follows:

1) 2% NSR with a buyback of 0.75% NSR for $500,000;

2) 1.5% NSR with a buyback of 0.5% NSR for $500,000; and
3) 1.25% NSR with a buyback of 0.75% NSR for $200,000.

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.

During the fiscal year the claims expired due to insufficient exploration work being completed, as such, the Option Agreement is terminated as at May 31, 2025.

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**").

During the fiscal year the claims expired due to insufficient exploration work being completed, as such, the Option Agreement is terminated as at May 31, 2025. The Company previously accrued $30,000 for overdue payment in connection with the Option Agreement. The amount of $30,000 was forgiven by the counterparties upon termination of the Option Agreement and has been recorded under write-off of the accounts payable and accrued liabilities on the statement of comprehensive loss.

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**").

During the fiscal year the underlying claims expired due to insufficient exploration work being completed, as such, the ABC Agreement is terminated as at May 31, 2025.

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**").

On October 4, 2024, the Company mutually agreed with the Claim Owner to terminate the Greenheart Lake, Ontario lithium property agreement, releasing the Company from any further financial obligations. As result, previously overdue option payment of $20,000 was reversed from accounts payable and this has been recorded under write-off of accounts payable and accrued liabilities on the statement of comprehensive loss.

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.

On January 11, 2024, the Company and EMX mutually agreed to terminate the Bruce Lake Option Agreement.

SELECTED ANNUAL FINANCIAL INFORMATION

	May 31, 2025	May 31, 2024	May 31, 2023
Financial results	$	$	$
Net loss for the year	85,922	2,706,637	2,474,804
Comprehensive loss for the year	85,922	2,706,637	2,474,804
Basic and diluted loss per share	0.00	0.02	0.02
Financial Position Data			
Cash	891	6,775	65,139
Total assets	70,517	123,539	353,905
Shareholders' equity (deficiency)	(1,380,777)	(1,309,194)	(402,878)

RESULTS OF OPERATION

The following financial data has been derived from the audited financial statements for the year ended May 31, 2025, and May 31, 2024, respectively:

During the year ended May 31, 2025, the Company had a net loss and comprehensive loss of $85,922 versus $2,706,637 in the comparative period, being a decrease of $2,620,715 or 97%. The expenses and related costs that reflect changes in the Company's operations during the year ended May 31, 2025, includes the following:

- Advertising and promotion (2025: $1,055, 2024: $1,906) refers to meeting with potential investors;
- Consulting fees (2025: $557,320, 2024: $662,360) decreased due to a decrease in exploration activity;
- Interest expense (2025 $25,487, 2024: $18,142) is related to promissory notes loan;
- Investor communications (2025: $21,431, 2024: $180,416) decreased in proportion to the exploration activity;
- General exploration expenditures (2025: $52,955, 2024: $861,041) refers to Canadian property payments and maintenance;
- Management fees (2025: $150,000, 2024: $156,500) related to advisory and services fee accrued to a director of the Company; Office expense (2025: $274,848, 2024: $108,787) refers to the Canadian and Argentine office expense;
- Professional fees (2025: $431,001, 2024: $291,096) is related to CFO retainer accrual, audit and legal fees incurred;
- Rent expense (2025: $32,190, 2024: $25,589) increased due to increased costs associated with the shared office space;
- Share-based compensation (2025: $5,339, 2024: $314,093) relates to granting of equity incentives;
- Transfer agent and filing fees (2025: $19,081, 2024: $48,686) relates to filing and transfer agent fees;
- Travel and promotion (2025 $7,857, 2024: $50,522) decreased in the normal course of business,
- Other income – REMSA reimbursement (2025: $1,352,362, 2024: $Nil) Please refer to note 7 of the audited condensed interim consolidated financial statements
- Option agreement, payment received (2025: $136,666, 2024: $50,000) Please refer to note 7 of the audited condensed interim consolidated financial statements
- Loss on sale of marketable securities (2025: $7,173, 2024: $37,500) Please refer to note 5 of the audited condensed interim consolidated financial statements
- Unrealized loss on marketable securities (2025: $18,333, 2024: $Nil) relates to fair value of marketable securities;
- Recovery of amounts receivable (2025: $49,500, 2024: $Nil) is reimbursement of shared office expense, see note 10 of the audited condensed interim consolidated financial statements

- Bad debts (2025: $70,380, 2024: $Nil) Please refer to note 10 of the audited condensed interim consolidated financial statements
- Write off accounts payable and accrued liabilities (2025: $50,000, 2024: $Nil) Please refer to note 7 of the audited consolidated financial statements

SELECTED QUARTERLY FINANCIAL INFORMATION

The following information is derived from and should be read in conjunction with the audited financial statements for each of the past eight quarters which have been prepared in accordance with IFRS applicable to interim financial reporting including IAS 34.

Financial results	May 31, 2025	February 28, 2025	November 30, 2024	August 31, 2024
Net loss for the period	$ 170,482	$ (108,424)	$ (119,201)	$ (29,712)
Comprehensive loss for the period	170,482	(108,424)	(119,201)	(29,712)
Basic and diluted loss per share	0.00	0.00	0.00	0.00
Balance sheet data				
Cash	$ 891	$ 919	$ 1,324	$ 509
Total assets	70,517	177,984	219,340	209,595
Shareholders' equity (deficiency) audited	(1,380,777)	(1,564,429)	(1,456,005)	(1,336,737)

Financial results	May 31, 2024	February 29, 2024	November 30, 2023	August 31, 2023
Net loss for the period	$ (553,345)	$ (212,909)	$ (1,123,189)	$ (817,244)
Comprehensive loss of the period	(553,345)	(212,909)	(1,123,189)	(817,244)
Basic and diluted loss per share	0.02	0.00	0.01	0.01
Balance sheet data				
Cash	$ 6,775	$ 6,775	$ 20,969	$ 50,980
Total assets	123,539	123,539	257,095	275,637
Shareholders' equity	(1,309,194)	(1,309,194)	(608,356)	(498,889)

The Company has declared no dividends for any period presented.

LIQUIDITY AND CAPITAL RESOURCES

During the year ended May 31, 2025, Portofino had a working capital deficiency of $1,380,777, which included a cash balance of $891.

The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. Historical exploration and administrative activities have been funded through equity financing and the Company expects that it will continue to be able to utilize this source of financing until the Company has cash flow from operations. There can be no assurance, however, that efforts will be successful. If such funds are not available or other sources of financing cannot be obtained, then we will be curtailed to a level for which funding is available or can be obtained.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As of the date of this MD&A, Portofino has 175,443,899 Common shares issued and outstanding; 60,651,700 share purchase warrants; and 13,152,000 share options exercisable 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, 2025:

Name	Relationship	Purpose	May 31, 2025	May 31, 2024
Pacific Capital Advisors Inc.	Company controlled by David Tafel, CEO and a Director of the Company	Advisory services related to CEO duties	$150,500	$156,500
Seatrend Strategy Inc.	Company controlled by Jeremy Wright, the CFO and a Director of the Company	CFO services	$120,000	$110,000

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 receivable, accounts payable and accrued liabilities:

	2025	2024
	$	$
Amounts receivable	4,269	66,139
Accounts payable and accrued liabilities	462,296	182,074

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

During the year ended May 31, 2025. The Company assigned amounts receivable totaling $80,380 from Westmount Minerals Corps., a party related by virtue of common directors and officers, to an unrelated party in exchange for the cash consideration of $10,000. As a result, the Company recorded a bad debt expense of $ 70,380 on the statement of comprehensive loss for the year ended May 31, 2025.

During the year ended May 31, 2025, the Company recorded previously written off amounts receivable totaling $49,500 from Centurion Minerals Ltd., a party related by virtue of common directors and officers.

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:

	2025	2024
	$	$
Management fees	150,000	156,500
Professional fees	120,000	110,000
Consulting fees	468,285	-
Share-based payments	-	65,023
	738,285	331,523

Management fees were provided by an entity controlled by the Company's Chief Executive Officer, who also serves as a director.

Professional fees were provided by an entity controlled by the Company's Chief Financial Officer, who also serves as a director.

.

Consulting fees were provided by a director of the Company's subsidiary.

NEW ACCOUNTING STANDARDS ADOPTED EFFECTIVE JUNE 1, 2021

The Company was not required to and has not adopted any new accounting standards effective June 1, 2021, which would have had a significant impact on the financial statements of the Company.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective during the year ended May 31, 2025, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

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. 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, 2025, 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	891	-	-	891
Marketable securities	50,000	-	-	50,000

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at May 31, 2025, because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash, amounts receivable, promissory notes and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company is exposed to foreign currency risk related to cash payments, exploration expenditures and its promissory notes that are denominated in US dollars and Argentine Pesos. The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada. Management does not hedge its exposure to foreign exchange risk and the Company's net exposure is limited.

The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution. The fair value interest rate risk on cash is insignificant due to their short-term nature.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist of cash and promissory notes. To minimize the credit risk the Company places these instruments with a high-quality financial institution. The Company is exposed to credit risk relating to amounts receivable from another publicly listed company. As at May 31, 2025, the Company's maximum credit risk is the carrying value of cash and amounts receivable.

(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.

The following table summarizes the maturities of the Company's financial liabilities as at May 31, 2025, based on the undiscounted contractual cash flows:

	Carrying value	Principal amount	Less than 1	1-5 years
	$	$	$	$
Accounts and accrued liabilities	1,142,665	1,142,665	1,142,665	-
Loan payable	308,629	308,629	308,629	-

Scientific and Technical Disclosure

The Company's projects and those in which it has an interest, are early stage and do not contain any mineral resource estimates as defined by NI 43-101. Technical Information is based on information contained in news releases (collectively the "**Disclosure Documents**") available under Portofino's company profile on SEDAR at www.sedar.com. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

The Disclosure Documents were in part prepared by or under the supervision of an independent Qualified Person ("**QP**"). Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. The disclosure in this MD&A has been made in accordance with NI 43-101. The NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Michael Kilbourne, P.Geo. is the Company's QP for the purposes of NI 43-101 and has reviewed and validated the scientific or technical information contained in this MD&A related to the properties. Mr. Kilbourne has consented to the inclusion of the Technical Information in the form and context in which it appears in this MD&A.

SUBSEQUENT EVENTS

Please refer to note 14 of the audited condensed interim consolidated financial statements.