MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED OCTOBER 31, 2008

December 23, 2008

The following management discussion and analysis ("MD&A") should be read in conjunction with the unaudited interim financial statements and accompanying notes ("Financial Statements") of El Nino Ventures Inc. (the "Company") for the nine months ended October 31, 2008 and 2007. Results have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and reported in Canadian dollars unless otherwise indicated.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR. Information is also available on the Company's website at www.elninoventures.com.

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information. Reference should also be made to the risk factors section in the Company's most recently filed MD&A for the year ended January 31, 2008.

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1. OVERVIEW OF THE COMPANY

El Nino Ventures Inc. (the “Company”, “ELN”) was incorporated on February 19, 1988 under the laws of the Province of British Columbia, Canada. The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties in the Democratic Republic of Congo (“DRC”), Canada and Ireland. The Company has its registered corporate office based in Vancouver, British Columbia, Canada.

As at December 23, 2008 the Company had 40,283,692 shares outstanding with a total market capitalization of $2.0 million. The Company shares trade on the TSX Venture Exchange (“ELN”) and the Frankfurt Stock Exchange (“E7Q”).

The Company has acquired a number of mineral research permits in the Lubumbashi, Kinsevere, and Likasi regions of the DRC. These regions host the Central African Copperbelt (“CAC”) which extends from Angola through the DRC into Zambia. The CAC is one of the world's greatest metallogenic provinces containing 34% of the world's cobalt reserves and over 10% of the world's copper reserves.

The Company’s main focus is the exploration, location and development of mineralization zones in the DRC-Zambian Copperbelt (“Copperbelt”) containing high grade copper and cobalt. The Company maintains that its projects are unaffected by the current DRC review of mining contracts. It is important to outline that the company has entered into agreements in the DRC which will give the Company a 70 percent interest in all of its project with provisions to increase its holdings to over 80 percent. This is based on the policy of the company to acquire a significant controlling interest. It should also be noted that for the Infinity project a controlled Congolese subsidiary holds title to the Research Permits. Many of the deals in the DRC do not transfer title until a feasibility study has been done but management has deemed it important to do so and with the political issues in the DRC it is a way to ensure land tenure without doubt. For the Harmony project the transfer of title is well underway and should be completed over the next two months well in advance of the exploration season.

Infinity - The Company has the option to acquire a 70% interest in certain mineral research permits in the DRC from GCP Group Ltd. (“GCP”), covering 352 square kilometres of prospective exploration areas in the Copperbelt, located between Lubumbashi and Likasi (the “Infinity Project”). At the end of its 2008 exploration program the Company has met exploration commitments and is only responsible for yearly payments to GCP to earn a 70 % interest in the project.

Harmony - The Company has an agreement with MIMECO AG (“MIM”) to acquire an initial 70% interest in a mineral Research Permit 2461 (the “Harmony Project”) in the Copperbelt, covering 50 square kilometers located east of Anvil Mining Limited’s Kinsevere Project. Under the agreement, the Company has the option to increase its interest to 85%. The Company is currently awaiting completion of the transfer of the property titles before commencing exploration activities.

Phoenix - On July 26, 2008, the Company signed a letter of intent (“LOI”) with Phoenix Mining Corporation (“PMC”) whereby the Company may earn into a 70% share interest in a mineral research permit in the Copperbelt. This interest covers approximately 25 square kilometers located between Lubumbashi and the Likasi Road and Airport Road junction (the “Phoenix Project”) and is ideally located between the Ruashi project of Metorex and the Luishi project of Gecamines.

On November 14, 2008 PMC concluded a Protocole D’accord dated July 4, 2008 (the “Protocole”) pursuant to which the Centre de Recherches Géologiques et Minières of the DRC (“CRGM”) allowed PMC the exclusive right to carry on exploration for mineral resources over 30 Carrés measuring approximately 25 sq. kilometres and bearing the designation PR9316 (the "Property").

The Protocole provides that if the exploration work carried out by PMC permits the identification of one or more mineable deposits, PMC will de facto be granted the possibility of being granted one or more Mining Licenses over the Property (the "Mining Licenses").

Pursuant to a letter agreement (the "Letter Agreement") dated July 10, 2008 between PMC and ELN, PMC and ELN outlined a proposal whereby in consideration of exploration work carried out by ELN as well as other consideration, ELN would acquire 70% and PMC 30% of a SPRL (a Société Privée à Responsabilité Limitée) that would be incorporated to hold the Mining Licenses.

PMC and ELN wish to determine the terms and conditions of the detailed agreement that reflects the terms of the Letter Agreement dated July 10, 2008. The foregoing is subject to TSX approval.

Subsequent to period end, on December 16, 2008 the Company announced that it had signed an Acquisition of Interest Agreement with Phoenix and had received regulatory approval. Under terms of the letter a payment of US$200,000 is now due. To date, US$150,000 has been paid to Phoenix, with the remaining US$50,000 to be paid in Q1 2010.

Ireland

The Company is currently exploring 13 prospecting licences, acquired between October 2007 and February 2008, and overlying approximately 500 square kilometers of the Central Carboniferous Limestone Basin, prospective for good grade zinc and lead mineralization.

Bathurst - The Company has earned a 50% interest in 1,902 mineral claims held by Xstrata Canada Inc. ("Xstrata") formerly Falconbridge Limited, to explore the Bathurst Mining Camp in New Brunswick, Canada. The Bathurst Camp is a world class mining district with full mining, milling and smelter infrastructure, containing numerous copper, zinc, lead and silver volcanogenic sulphide deposits of different sizes.

Bancroft – Comprised of the Halo Project and the Silver Crater Project and include certain claims east of the town of Bancroft, Ontario, Canada. The Bancroft area properties in total are comprised of 37 mineral claims containing 247 claim units. The claims cover a total of approximately 9,765 acres (3,952 hectares), and are located 10-40 km to the east of the town of Bancroft, Ontario. For the quarter and six months ended July 31, 2008 no work was carried out and the Company is looking for a Joint Venture partner to continue work on this project.

Going concern

At October 31, 2008, the Company had cash and cash equivalents of $2,213,678, working capital of $1,913,327 and a deficit of $18,833,808. The funds on hand at October 31, 2008 are not sufficient to meet our planned corporate, administrative and exploration activities for the next twelve months. The Company has halted all exploration efforts due to market conditions and the Company will look at financing opportunities as they become available. Management believes that the Company is sufficiently financed to weather the difficult times that we are facing and we are confident that the Company will be well positioned in the future to continue the development of its valuable exploration holdings.

The Company's ability to continue operations and exploration activities is dependent on management's ability to secure additional financing. While management has been successful in securing such additional sources of financing in the past, there can be no assurance it will be able to do so in the future. Because of this uncertainty, there is substantial doubt about the ability of the company to continue as a going concern.

The Company is actively seeking new financing and has commenced preliminary discussions with interested investors at this time.

2. PROJECT UPDATES

a) Infinity

Table 1 below presents the total net expenditures by quarter and life to date ("LTD") for the Infinity Project, DRC:

TABLE 1: ($000's)

Infinity Project, DRC	31-Jan-08	04/31/08	31-Jul-08	31-Oct-08	Nine Months Ended		
(Unaudited)	Q4 08	Q1 09	Q2 09	Q3 09	31-Oct-07	31-Oct-08	LTD
Drilling	$ 412	$ 9	$ 1,170	$ 927	$ -	$ 2,107	$ 2,438
Consulting and labour	90	97	361	203	168	661	1,011
Assay	14	54	204	149	-	407	407
Geological and field	-	195	177	224	454	597	1,052
Option maintenance costs	51	131	153	-	361	284	694
Travel and accomodation	-	-	99	49	-	147	148
Depreciation and amortization	-	22	32	50	-	104	104
Geophysics	278	45	19	16	278	80	638
Total	$ 845	$ 553	$ 2,215	$ 1,618	$ 1,261	$ 4,387	$ 6,492

In the third quarter, the drill program continued and, in total, 15,900 meters of the planned 2008 drill program of 25,000 meters were completed. Drilling is comprised of 4,800 meters of diamond drilling and 11,100 of reverse circulation drilling. The drill program at October 31, 2008 is 80% complete nearing completion and assay results should be available shortly.

The Company commissioned its own preparation lab this year and which will result in efficient processing and reduced result turnaround times. The 2008 drill campaign focused on two areas of the Infinity project. The first area drilled this year was to determine the extension of the discovery hole, reported last year, whose results indicated 3.5% copper over 10 meters. In the same area several holes were drilled on a cobalt anomaly and visual inspection indicated mineralization.

The second area drilled this year is on our northern permit 5214 where 48 holes were drilled. 30 holes were drilled using reverse circulation and 18 holes were drilled using diamond drilling. Out of those holes more than 25 holes had visual mineralization ranging from weak to very strong over substantial thickness. Assays are pending but the Company believes that the forthcoming results will indicate a very strong potential area to host a mineable deposit. Once all results are finalized, the Company will consider hiring a resource specialist to determine the extent and potential of this area. A ground geophysics survey is now underway in this area to further investigate the area using our drill holes data.

A significant copper/cobalt discovery on research permit PR 5214 was announced October 6, 2008. This area has now been dubbed the Kasala project. The discovery was made during the course of the Company's reverse circulation drilling program. Analytical results received from ALS Chemex indicate a

29 meter intersection grading 2.82% Cu between 17 and 46 meters, which includes an intersection of 4.11% Cu and 0.50% Co between 21 and 26 meters. An induced polarization ("IP") ground geophysical survey is now underway at Kasala to trace possible extensions of the mineralized zone. Final assays including the diamond drill holes should be forthcoming in the month of December 2008. In conjunction with these and the IP survey an exploration program will be set for 2009.

In the New Year other areas will be investigated on PR 2461 and 9318, our latest acquisition. PR 9318 hosts several active artisanal camps where cobalt and copper malachite are being sought. Upon approval of our environmental applications our exploration efforts will commence with ground surveys and geophysics.

Drilling costs for the quarter of $927,153(Q3 2008: $nil) and for the nine months $2,106,558 (2008: $nil). Included in drilling costs are mobilization costs for the quarter of $nil (Q3 2008: $nil) and for the nine months $50,329 (2008: $nil).

The associated costs of a full drill program and maintenance of a permanent office in the DRC significantly increased across all major expenditure categories compared to the three month and nine months costs last year when the Company had just established its presence in the DRC due to increases in administrative staff, consultants, labour, and assaying results. Option maintenance payments for the quarter of $nil (Q3 2008: $nil) and for the nine months $283,660 (2008: $360,846) comprised of $56,000 fair value for share issuances (100,000) and a cash payment of $227,660 (Q2 2008: $219,000 fair value for share issuances (300,000), a cash payment of $121,000 and permit fees).

Total exploration costs for the quarter comprised of drilling 57% (Q3 2008: nil%); consulting and labour 13% (Q3 2008: 21%); assay 9% (Q3 2008: nil%); geological and field expenses 14% (Q3 2008: 47%); and option maintenance costs nil% (Q3 2008: nil%).

Total exploration costs for the nine months comprised of drilling 48% (2008: nil%); consulting and labour 15% (2008: 13%); assay 9% (2008: nil%); geological and field expense 14% (2008: 36%); and option maintenance costs 6% (2008: 29%).

b) Harmony

On February 4, 2008, the Company entered into an agreement with MIM to acquire an initial 70% interest in a mineral Research Permit 2461 in the Copperbelt, covering 55 square kilometers located east of the Kinsevere Project of Anvil Mining. Upon transfer of title (pending) the Company will issue 200,000 shares to MIM will be committed to total exploration expenditures of US$1.5 million over three years, at a minimum of US$500,000 per annum. The Company has the right, at anytime, to increase its interest to 85% by paying MIM the sum of $15.0 million. As at October 31, 2008, no costs were incurred at Harmony. The Company is awaiting transfer of the title to commence its exploration program.

c) Phoenix

On July 26, 2008, the Company signed a LOI with PMC whereby the Company will earn into a 70% share interest in mineral Research Permit 9316 located in the Copperbelt. This interest is 25 square kilometers located between Lubumbashi and the Likasi Road and Airport Road junction (the "Phoenix" project). The Company will be responsible for all exploration and development costs of Phoenix and upon the identification of a minable deposit, PMC will obtain the mining licence and transfer the respective licence to a newly incorporated Congolese subsidiary.

d) Bathurst

Table 2 below presents the total net expenditures by quarter and LTD for the Bathurst Zinc Project:

TABLE 2: ($000's)

Bathurst Zinc Project, Canada	31-Jan-08	04/31/08	31-Jul-08	31-Oct-08	Nine Months Ended		
(Unaudited)	Q4-08	Q1-09	Q2-09	Q3-09	31-Oct-07	31-Oct-08	LTD
Option maintenance costs	$ 41	$ -	$ -	$ 21	$ 21	$ 21	$ 170
Drilling and assay	794	249	8	6	1,078	263	$ 2,815
Geological and field	49	4	33	20	219	58	514
Geophysics	85	45	8	-	527	53	1813
Management fees	50	25	-	-	125	25	301
Total	$ 1,019	$ 323	$ 49	$ 47	$ 1,970	$ 420	$ 5,613

Drill assay results were determined via visual inspection of core samples which did not support further assaying, and as at May 9, 2008 there was no significant mineralization to report. The Company is in discussions with Xstrata to determine how to move forward on this project.

e) Ireland Zinc Project

Table 3 below presents the total net expenditures by quarter and LTD for the Ireland Zinc Project:

TABLE 3: ($000's)

Zinc Project, Ireland	31-Jan-08	04/31/08	31-Jul-08	31-Oct-08	Nine Months Ended		
(Unaudited)	Q4-08	Q1-09	Q2-09	Q3-09	31-Oct-07	31-Oct-08	LTD
Option maintenance costs	$ 53	$ -	$ -	$ -	$ -	$ -	$ 53
Consulting and labour	20	8	111	80	-	199	$ 219
Geological and field	4	1	2	-	-	4	7
Drilling	-	-	184	88	-	272	272
Travel and accomodation	-	-	9	-	-	9	9
Total	$ 77	$ 9	$ 306	$ 168	$ -	$ 484	$ 560

This season's drill program as at October 31, 2008 is 100% complete and based on visual inspection of core samples there is no significant mineralization to report. The drill program commenced in Q2 2009 and, to date, 1,950 meters, of the planned 4,400 meter diamond drill program, has been completed. The preliminary 4,000 metre drill program will test the two principal target horizons within the Lower Carboniferous limestone stratigraphy. Initial holes will test Navan Bed units on licences near Granard northwest of Dublin. Subsequent holes will test Waulsortian Reef targets on licences located southwest of Dublin. The Company expects to assess these prospects later in the year, based on results.

3. FINANCIAL PERFORMANCE REVIEW

Exploration Expenditures

TABLE 4: ($000's)

Exploration Expenditures	31-Jan-08	04/31/08	31-Jul-08	31-Oct-08	Nine Months Ended	
(Unaudited)	Q4-08	Q1-09	Q2-09	Q3-09	31-Oct-07	31-Oct-08
By type:						
Drilling and assay	$ 1,334	$ 312	$ 1,566	$ 1,170	$ 1,078	$ 3,049
Consulting and labour	110	105	472	283	168	860
Geological and field	71	200	212	244	673	659
Option maintenance costs	145	131	153	21	382	305
Geophysics	363	90	27	16	805	133
Travel and accomodation	-	-	108	49	-	156
Depreciation and amortization	-	22	32	50	-	104
Management fees	50	25	-	-	125	25
Total	$ 2,073	$ 885	$ 2,570	$ 1,833	$ 3,231	$ 5,291
By project:						
Infinity	$ 845	$ 553	$ 2,215	$ 1,618	$ 1,261	$ 4,387
Bathurst	1,019	323	49	47	1,970	420
Ireland	77	9	306	168	-	484
Bancroft	242	-	-	-	133	-
Total	$ 2,183	$ 885	$ 2,570	$ 1,833	$ 3,364	$ 5,291

For the quarter and for the nine months, a majority of exploration expenditures were related to the Infinity drill program and the DRC office. For details on the projects and these related expenditures, see "*Section 2 – Project Updates*".

Other Expenses and items

Table 5 below presents other expenses by quarter related to corporate costs, depreciation and amortization, and stock based compensation:

TABLE 5: ($000's)

Other Expenses	31-Jan-08	04/31/08	31-Jul-08	31-Oct-08	Nine Months Ended	
(Unaudited)	Q4-08	Q1-09	Q2-09	Q3-09	31-Oct-07	31-Oct-08
By type:						
Audit, accounting and legal	$ 43	$ 68	$ 51	$ 17	$ 39	$ 137
Depreciation and amortization	29	4	2	5	15	12
Labour, consulting and management fees	108	189	101	141	245	433
Promotion and shareholder relations	216	71	92	23	268	187
Stock based compensation	241	163	145	70	472	378
Other costs	284	97	141	54	164	288
Total	$ 921	$ 592	$ 532	$ 310	$ 1,203	$ 1,435
Other items:						
(Unaudited)						
Interest Income	$ 136	$ (53)	$ (49)	$ (45)	$ (66)	$ (148)
Foreign Exchange	-	(31)	(1)	(145)	-	(177)
Future Income Tax Recovery	-	-	-	-	(1,703)	-
Total	$ 136	$ (84)	$ (50)	$ (190)	$ (1,769)	$ (325)

Total other expenses for the quarter were $310,830 (2008: $544,844), a decrease of $234,014, and for the nine months $1,435,584 (2008: $1,202,020), an increase of $233,564 comprised of additional accounting costs of $100,000 related directly to British Columbia Securities Commission re-filings, additional audit fees and the 2009 audit fee accrual; an increase in office costs of $110,000 related to the establishment of a new office and the incremental costs of rent, telephone and communications, insurance and other costs; labour, consulting, and management fees of $190,000 related to the recruitment and establishment of full time management team, and offset by a reduction in stock based compensation costs of $12,000; and promotion and shareholder relations of $80,000 due to the decline in economic conditions and a desire to preserve cash.

Interest and foreign exchange for the quarter $189,666 (2008: $52,909) and for the nine months $325,297 (2008: $65,862) an increase of $139,344 comprised of interest from GIC's and foreign exchange gains made by purchasing US dollars when the Canadian dollar was close to par and realizing those gains as the Canadian dollar has weakened relative to the US dollar.

Future income tax recovery in the nine months ended October 31, 2007 relates to the utilization of unrecorded tax losses to offset a future tax liability from the issuance of flow-through shares.

4. FINANCIAL POSITION

TABLE 7: ($000's)
Summary Balance Sheets

(Unaudited)	October 31, 2008	January 31, 2008
Cash and cash equivalents	$ 2,334	$ 7,901
Restricted cash	81	-
Receivables, prepaids and deposits	345	240
Project advances	-	183
Property, plant and equipment	727	296
Total Assets	$ 3,487	$ 8,620
Accounts payable and accrued liabili	$ 646	$ 169
Non-controlling interest	6	3
Total Liabilities	$ 652	$ 172
Share capital	$ 18,691	$ 18,160
Contributed surplus	2,858	2,573
Deficit	(18,714)	(12,285)
Total shareholders' equity	$ 2,835	$ 8,448

Cash and cash equivalents of $2,333,768 (January 31, 2008: $7,786,666) was comprised of: cash of $393,042 (January 31, 2008: $4,466,540) and short term deposits of $1,940,725 (January 31, 2008: $3,434 487) that are cashable after 30 days without penalty, with interest rate guarantees extending up to one year.

Restricted cash $80,759 (January 31, 2008: $79,874) relates to funds that are held in trust for the benefit of Xstrata relating to the Bathurst Project. These funds will be utilized to pay for the remaining project costs.

Receivables, prepaids and deposits at October 31, 2008 are $345,155 (January 31, 2008: $274,227) are comprised of interest on GICs; prepaid rent; deposits on facilities, prepaid travel and other items.

Project advances decreased as funds advanced to Xstrata relating to the Bathurst Properties were expensed.

Property, plant and equipment was $727,339 (net) (January 31, 2008: $295,506) at quarter end. This increase is primarily due to acquisitions of office equipment, field equipment, the construction of a preparation lab and the establishment of an office in the DRC.

As at October 31, 2008, 40,283,692 (January 31, 2008: 39,313,692) shares were issued and outstanding. Table 8 below summarizes the changes in share capital from January 31, 2008 to October 31, 2008.

TABLE 8:		
Share Capital	Number of	
(Unaudited)	Shares	Amount
Balance - January 31, 2008	39,313,692	18,160,683
Issued as consideration for mineral properties	200,000	56,000
Exercise of options	180,000	104,914
Exercise of warrants	590,000	369,659
Balance - October 31, 2008	40,283,692	18,691,256

As at October 31, 2008 the Company had 3,130,000 stock options and 6,230,277 warrants outstanding.

5. CASH FLOW, LIQUIDITY AND CAPITAL RESOURCES

TABLE 9: ($000's) **Summary of Cash Flows** (Unaudited)	Three Months Ended October 31, 2008	Three Months Ended October 31, 2007	Nine Months End ed October 31, 2008	Nine Months Ended October 31, 2007
Net change of cash related to:				
Operations	$ (2,350)	$ (1,041)	$ (5,268)	$ (2,447)
Investing	(56)	(111)	(567)	(196)
Financing	-	5,581	382	10,087
Net change in cash during the period	$ (2,406)	$ 4,429	$ (5,453)	$ 7,444
Cash & equiv. - Beginning of period	4,740	3,049	7,787	34
Cash & equiv. - End of period	$ 2,334	$ 7,478	$ 2,334	$ 7,478

To fund its working capital, including exploration activities and corporate expenses, the Company requires continued access to capital markets to raise financing through equity offerings. All financing activities are currently provided through equity offerings. Due to the recent turmoil in the world-wide capital markets it is difficult to currently find attractive financing options. The Company has positioned itself to weather these difficult times by having positive working capital and sufficient cash on hand to avoid having to go to the market on unfavourable terms. In order to preserve cash during the financial upheaval, management has suspended drilling operations and is putting projects on-hold until such time as is deemed prudent to re-enter the market.

Cash outflows from operating activities before working capital amounts for the three months were 1,858 (2008: $1,846) and consist of cash paid on account of exploration expenditures and corporate costs (see "*Section 3 – Financial Performance Review*" above). These cash expenses, net of changes in non-cash operating working capital, resulted in a net cash outflow from operating activities for the period of $2,350 (2008: $1,041).

Cash outflows from investing activities for the three months were $56 (2008: $111) and was almost exclusively for field equipment in the DRC including $51 of expenditures related to a new portable assay laboratory, and $4 for computer equipment in the DRC.

Cash outflows from financing activities for the three months resulted were $nil (2008: Cash inflow of $5,581). The significant decrease was due to no additional financing being raised through the issuance of common shares.

Cash outflows from operating activities before working capital adjustments for the nine months were

$5,8682 (2008: $3,781) and consist of paid on account of exploration expenditures and corporate costs (see "*Section 3 – Financial Performance Review*" above). These cash expenses, net of changes in non-cash operating working capital, resulted in a net cash outflow from operating activities for the period of $5,268 (2008: $2,447).

Cash outflows from investing activities for the nine months were $566 (2008: $196) and included $133 for vehicles in the DRC; $104 for office equipment of which $90 related to the DRC office; $260 for field equipment in the DRC; and $89 for leasehold improvements in the DRC.

Cash flows from financing activities for the nine months resulted in cash inflows of $382, net (2008: Cash inflows of $10,087 net). The significant decrease was due limited additional financing being raised through the issuance of common shares on the exercising of options and warrants.

6. CONTRACTUAL OBLIGATIONS

Table 10 below outlines the Company's contractual obligations under its property option agreements (with corresponding receipts where applicable). If the Company does not meet its property option maintenance obligations, it may be in default of the applicable agreement and could therefore lose the rights to the related properties under option:

TABLE 10 [1] Property Option Cash Payments as at October 31, 2008 Period Ending January 31	Infinity Project, DRC $	Phoenix Project, DRC $	Total $
2009 (paid)	227,500	51,285	278,785
2009	-	159,000 [2]	159,000
2010	106,000 [2]	-	106,000
2011	106,000 [2]	-	106,000
	$ 439,500	$ 210,285	$ 649,785

Notes:

1 – Table includes cash only and excludes share issuances, contingent share issuances, and commitments that are related to future lease payments.

2 – Denominated in US$ and has been converted at an exchange rate of US$1:CAD$1.06.

Commitments with respect to operating leases for premises and office equipment expire on various dates up to November 30, 2012. The total future minimum lease payments subsequent to October 31, 2008 are $283,550.

7. RELATED PARTY TRANSACTIONS

The related party transactions are as follows:

a. During the period, the Company paid $nil (2007: nil) for the three months ended October 31, $nil (2007: $12,000) for the nine months ended October 31, for management fees and rent to a company controlled by a former Chairman, Chief Executive Officer and director.

b. During the period, the Company paid $44,500 (2007: $7,125) for the three months ended October 31, $75,720 (2007: $17,625) for the nine months ended October 31 for consulting fees to a director.

c. GCP owns 30% of the shares of Infinity and one of the controlling shareholders of GCP is an officer and director of Infinity, and has been retained by Infinity under a management contract to manage the project in the DRC (Note 5a). During the period, the company paid $50,535 (2007: $42,810) for the three months ended October 31, $142,484 (2007: $54,110) for the nine months ended October 31 for management fees and $nil (2007: $40,772) for the three months ended October 31 $98,960 (2007: $91,987) for the nine months ended October 31 for option maintenance costs.

The above transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. CRITICAL ACCOUNTING ESTIMATES AND RISKS & UNCERTAINTIES

For a full version of the Company's critical accounting estimates reference should be made to the Company's Management Discussion and Analysis and audited financial statements for the year ended January 31, 2008, which are available on the Company's website at www.elninoventures.com and at www.sedar.com.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Areas requiring significant management estimates include the valuation, impairment and useful life of intangible assets and property and equipment, and future income taxes. These estimates are reviewed periodically (at least annually), and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The Company's significant accounting policies are described in Note 3 of the Financial Statements.

Management Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported, and disclosed in the financial statements and the accompanying notes. Actual results could differ from those estimates. Realization of the Company's assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation; future copper, cobalt and other base and precious metal prices; estimated costs of future production, changes in government legislation and regulations, estimated future income taxes, the availability of financing, the valuation of stock-based compensation and of warrants, and various operational factors.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended January 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Disclosure Controls and Internal Controls Over Financial Reporting

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer, as appropriate to permit timely decisions regarding public disclosure. Management, including the Chief Executive Officer ("CEO"), has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*, as at October 31, 2008. Based on this evaluation, the Chief Executive Officer has concluded that certain weaknesses exist in internal controls over financial reporting for the Company's disclosure controls and procedures.

Internal Controls over Financial Reporting

The Company is a Venture Issuer and under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (MI 52-109), and files a Venture Issuer Basic Certificate ("Certificate") which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109.

Accordingly, the CEO is not making any representations relating to the establishment and maintenance of:

- internal controls over financial reporting and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The CEO's responsibility is limited to ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making with respect to the Certificate.

SEC Reporting requirements conclude

On April 29, 2008, the Company filed a Form 15F with the United States Securities and Exchange Commission (the "SEC") to voluntarily terminate the registration of its common shares (OTC Bulletin Board symbol: ELNOF) under the United States Securities Exchange Act of 1934. The termination is expected to take effect no later than ninety days after the filing of Form 15F. These 90 days have now passed and the Company is no longer registered with the SEC. As a result of deregistering, the requirement to file certain reports with the SEC, including Form 20F and Form 6K, immediately ceased.

9. FORWARD-LOOKING INFORMATION

Forward-looking information is included in this MD&A, which involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. Such information may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this MD&A. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the following factors (as discussed under “Risks and Uncertainties” below): industry; commodity prices; competition; foreign political risk; government laws; regulation and permitting; title to properties; estimates of mineral resources; cash flows and additional funding requirements; key management; possible dilution to present and prospective shareholders; material risk of dilution presented by large number of outstanding share purchase options and warrants; trading volume; volatility of share price; foreign currency risk; and, conflict of interest.

Although the forward-looking information contained in this MD&A is based upon what the Company’s management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such information. Forward-looking information reflects management’s current beliefs and is based on information currently available to the Company. Such information reflects current assumptions regarding future events and operating performance including, without limitation, a strong global demand for mineral commodities, continued funding and continued strength in the industry in which the Company operates, and speaks only as of the date of this discussion. The forward-looking information is made as of the date of this MD&A.

10. OUTLOOK

The Company’s principal focus is exploration and development in the Copperbelt. This includes continuing to drill test at Infinity, commencing drill tests at Harmony and Phoenix, and continuing to evaluate and acquire highly prospective mineral resource permits in the Copperbelt with the ultimate goal of delineating proven reserves and placing them into production.

This is a very important time for the Company and with the uncertainty in the capital markets at present we feel that only companies with good projects will move forward. We believe that when we receive our results from our recent drill campaign, the Company will be able to demonstrate the rewards of its efforts in the Copperbelt and move forward toward its goal of outlining and developing mineable deposits in the Copperbelt and the DRC.

As we face the very difficult times seen in the world financial markets the Company has acted responsibly in halting its exploration programs worldwide. We have cut our expenses to a care and maintenance level until the financial markets give us an opportunity to seek the financing necessary to further develop our land holdings. We believe that the results we anticipate from our Kasala project will show that we have a viable project to develop over the next few years.

We also look forward to working with Phoenix Mining Corporation SPRL on our new acquisition as this permit is located in a very promising area. Our initial visits to the site have shown several areas where artisanal workers have unveiled areas of both copper and cobalt mineralization.

Acquisitions

Phoenix - On July 26, 2008, the Company announced it had signed an LOI with Phoenix Mining Corporation whereby the Company will earn into a 70% share interest in mineral Research Permit 9316 located in the DRC Copperbelt. This interest is 25 square kilometers located between Lubumbashi and the Likasi Road and Airport Road junction (the “Phoenix” project) and is underlain by prospective geology. This permit is ideally situated between the Ruashi project of Metorex and the Luishi project of Gecamines and the permit has several active artisanal workings on it where the artisans are exploiting both Cobalt and Copper.

The Company anticipates all of these items will occur by the middle of October so that exploration work can commence. Our initial work will consist of ground surveys and surface geophysics over areas consisting of both past and present artisanal workings. The Company is currently awaiting completion of the comprehensive agreement and transfer of the property titles before commencing exploration activities.

11. ADDITIONAL INFORMATION

Additional information relating to the Company, is available on SEDAR at www.sedar.com or on the Company's website at www.elninoventures.com.

For more information, please contact:

Jean Luc Roy, President & Chief Executive Officer
El Nino Ventures Inc.
Suite 1440, 1166 Alberni Street
Vancouver, BC V6E 3Z3
Phone: (604) 683-4886
E-mail: jlroy@elninoventures.com

TRADING SYMBOLS

TSX Venture Exchange: ELN
Frankfurt Stock Exchange: E7Q

EL NINO
VENTURES INC.

El Nino Ventures Inc.

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended October 31, 2008

(Unaudited - Expressed in Canadian Dollars)

EL NINO VENTURES INC.

Suite 1440 - 1166 Alberni Street • Vancouver • British Columbia • Canada • V6E 3Z3 • Telephone (604) 683-4886 • Fax (604) 683-4887

MANAGEMENT'S COMMENTS ON
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited interim consolidated financial statements of El Nino Ventures Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited interim consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

El Nino Ventures Inc.

Consolidated Balance Sheets

As at October 31, 2008 and January 31, 2008

(Unaudited)

(Expressed in Canadian Dollars)

	October 31, 2008	January 31, 2008
	$	$
Assets		
Current assets		
Cash and cash equivalents	2,333,768	7,786,666
Restricted cash	80,759	79,874
Receivables, prepaids and deposits	345,155	274,227
Investments	1	1
Project advances (Note 4d)	-	183,466
	2,759,683	8,324,234
Property, plant and equipment, net (Note 3)	727,339	295,506
	3,487,022	8,619,740
Liabilities		
Current		
Accounts payable and accrued liabilities	645,507	167,804
	645,507	167,804
Non-controlling interests (Note 4a, 4b)	6,182	3,191
	651,689	170,995
Shareholders' Equity		
Share capital (Note 5)	18,691,256	18,160,683
Contributed surplus (Note 7)	2,857,795	2,573,302
Deficit	(18,713,718)	(12,285,240)
	2,835,333	8,448,745
	3,487,022	8,619,740

Nature of operations and going concern (Note 1)

Related party transactions (Note 9)

Commitments (Note 11)

ON BEHALF OF THE BOARD:

"Damian Towns", Director

"Jean Luc Roy", Director

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

El Nino Ventures Inc.

Consolidated Statements of Loss and Deficit

For the three and nine months ended October 31, 2008 and 2007

(Unaudited)

(Expressed in Canadian Dollars)

	Three months ended October 31, 2008 $	Three months ended October 31, 2007 $	Nine months ended October 31, 2008 $	Nine months ended October 31, 2007 $
Expenditures				
Net Exploration Expenditures (Note 4)	1,842,607	1,629,848	5,300,010	3,362,693
Other Expenses (Income)				
Corporate costs (Note 12)	253,522	269,131	1,063,401	715,665
Stock-based compensation (Note 6)	70,000	267,880	378,135	471,531
Depreciation and amortization	5,488	7,833	12,228	14,814
Foreign exchange (gain) loss	(144,617)	-	(177,362)	-
Interest income	(45,049)	(52,909)	(147,934)	(65,862)
	139,344	491,935	1,128,468	1,136,148
Loss before income taxes	1,981,951	2,121,783	6,428,478	4,498,841
Future income tax recovery (note 8)	-	-	-	(1,702,766)
Loss for the period	1,981,951	2,121,783	6,428,478	2,796,075
Deficit – beginning of period	16,731,767	7,044,357	12,285,240	6,370,065
Deficit – end of period	18,713,718	9,166,140	18,713,718	9,166,140
Basic and diluted loss per share	$ 0.05	$ 0.07	$ 0.16	$ 0.10
Weighted average number of shares outstanding	40,283,692	31,705,099	40,121,540	28,489,633

El Nino Ventures Inc.

Consolidated Statements of Comprehensive Loss

For the three and nine months ended October 31, 2008 and 2007

(Unaudited)

(Expressed in Canadian Dollars)

	Three months ended October 31, 2008 $	Three months ended October 31, 2007 $	Nine months ended October 31, 2008 $	Nine months ended October 31, 2007 $
Loss for the period	1,981,951	2,121,783	6,428,478	2,796,075
Other Comprehensive Loss (Income)				
Transitional adjustment	-	-	-	(82,450)
Unrealized loss on investments	-	77,000	-	285,950
Comprehensive Loss for the period	1,981,951	2,198,783	6,428,478	2,999,575

El Nino Ventures Inc.

Consolidated Statements of Cash Flows

For the three and nine months ended October 31, 2008 and 2007

(Unaudited)

(Expressed in Canadian Dollars)

	Three months ended October 31, 2008 $	Three months ended October 31, 2007 $	Nine months ended October 31, 2008 $	Nine months ended October 31, 2007 $
Cash flows from operating activities				
Loss for the period	(1,981,951)	(2,121,783)	(6,428,478)	(2,796,075)
Items not affecting cash:				
Depreciation and amortization	55,712	7,833	116,426	14,814
Future Income tax recovery (Note 8)		-	-	(1,702,766)
Other	(1,886)	-	16,295	-
Shares issued for mineral properties (Note 4)	-	-	56,000	231,300
Stock-based compensation (Note 6)	70,000	267,880	378,135	471,531
	(1,858,125)	(1,846,070)	(5,861,622)	(3,781,196)
Changes in non-cash operating working capital:				
Receivables, prepaids and deposits	309,741	(125,460)	(70,928)	(346,798)
Project advances (Note 4d)	-	940,592	183,466	1,762,810
Accounts payable and accrued liabilities	(801,424)	(10,500)	480,694	(81,331)
	(2,349,808)	(1,041,438)	(5,268,390)	(2,446,515)
Cash flows from financing activities				
Restricted cash	(237)	-	(885)	-
Issuance of common shares, net	-	5,581,110	382,817	10,086,723
	(237)	5,581,110	381,932	10,086,723
Cash flows from investing activities				
Property, plant and equipment, net (Note 3)	(55,966)	(110,757)	(566,440)	(195,733)
	(55,966)	(110,757)	(566,440)	(195,733)
Increase (decrease) in cash and cash equivalents	(2,406,011)	4,428,915	(5,452,898)	7,444,475
Cash and cash equivalents – Beginning of period	4,739,779	3,049,340	7,786,666	33,780
Cash and cash equivalents – End of period	2,333,768	7,478,255	2,333,768	7,478,255

1. Nature of operations and going concern

El Nino Ventures Inc. (the "Company") was incorporated on February 19, 1988 under the laws of the Province of British Columbia, Canada. The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties in the Democratic Republic of Congo ("DRC"), Canada and Ireland.

At October 31, 2008, the Company had cash and cash equivalents of $2,333,678, working capital, excluding restricted cash, of $2,033,417 and a deficit of $18,713,718. The funds on hand at October 31, 2008 are not sufficient to meet our planned corporate, administrative and exploration activities for the next twelve months. Additional financing will be required to meet the Company's obligations as they become due.

The Company's ability to continue operations and exploration activities is dependent on management's ability to secure additional financing. While management has been successful in securing such additional sources of financing in the past, there can be no assurance it will be able to do so in the future. Because of this uncertainty, there is substantial doubt about the ability of the company to continue as a going concern.

These consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

Basis of presentation and consolidation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principals ("GAAP") on a basis consistent with the annual financial statements of the Company. Disclosure requirements for interim financial statements do not contain all the information that is required of annual financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended January 31, 2008 which are available on the Company's website at www.elninoventures.com.

The accounting policies followed by the Company are set out in Note 4 of the audited consolidated financial statements for the year ended January 31, 2008, and have been consistently followed in the preparation of these consolidated financial statements. Certain comparative figures have been reclassified to reflect the Company's current presentation.

These consolidated financial statements include the accounts of the Company and its 70% owned DRC subsidiaries, Infinity Resources SPRL ("Infinity") and Harmony Resources SPRL ("Harmony").

Estimates, risks, and uncertainties

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported, and disclosed in these consolidated financial statements. Actual results could differ from those estimates. Realization of the Company's assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation; future copper and other base and precious metal prices; estimated costs of future production, changes in government legislation and regulations, estimated future income taxes, the availability of financing, the valuation of stock-based compensation and of warrants, and various operational factors.

(Expressed in Canadian Dollars)

3. Property, plant and equipment

	October 31, 2008			January 31, 2008		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Vehicles	$ 291,431	$ (54,578)	$ 236,853	$ 189,825	$ (25,592)	$ 164,233
Office equipment	176,238	(40,954)	135,284	101,184	(18,405)	82,779
Field equipment	317,870	(44,501)	273,369	58,136	(9,642)	48,494
Leasehold Improvements	88,513	(6,680)	81,833	-	-	-
Total	**$ 874,052**	**$ (146,713)**	**$ 727,339**	**$ 349,145**	**$ (53,639)**	**$ 295,506**

4. Mineral properties

Cumulative acquisition and exploration expenditures as at October 31, 2008 are as follows:

	Option maintenance costs	Exploration costs	Option payments received	October 31, 2008
Infinity Project, DRC	$ 695,645	$ 5,796,659	$ -	$ 6,492,304
Bathurst Zinc Project, Canada	169,631	5,443,031	-	5,612,662
Zinc Project, Ireland	52,969	507,178	-	560,147
Bancroft Properties, Canada	110,463	358,356	(386,250)	82,569
Total	**$ 1,028,708**	**$12,105,224**	**$ (386,250)**	**$12,747,682**

(Expressed in Canadian Dollars)

4. Mineral properties (continued)

Exploration expenditures for the three and nine months ended are as follows:

	Three months ended October 31, 2008 $	Three months ended October 31, 2007 $	Nine months ended October 31, 2008 $	Nine months ended October 31, 2007 $
Infinity Project, DRC				
Assays	148,971	-	407,192	-
Consulting and labour	202,933	123,482	661,136	168,081
Depreciation and amortization	50,224		104,198	-
Drilling	927,153	-	2,106,558	-
Geological and field expenses	233,926	273,644	607,247	453,981
Geophysics	15,965	179,971	80,228	277,820
Option maintenance costs	-	-	283,660	360,846
Travel and accommodation	48,753	-	146,751	-
Total	1,627,925	577,097	4,396,970	1,260,728
Bathurst Zinc Project, New Brunswick, Canada				
Drilling	6,061	452,920	263,064	1,077,777
Geological and field expenses	19,946	42,214	57,656	219,065
Geophysics	-	449,142	53,421	526,595
Management fee	-	50,000	25,000	125,000
Option maintenance costs	20,600	21,106	20,600	21,106
Total	46,607	1,015,382	419,741	1,969,543
Zinc Project, Ireland				
Consulting	79,718	-	198,915	-
Drilling	88,357	-	272,054	-
Geological and field expenses	-	-	3,646	-
Travel and accommodation	-	-	8,684	-
Total	168,075	-	483,299	-
Bancroft Uranium Projects, Ontario, Canada				
Assays	-	-	-	10,323
Consulting	-	4,740	-	32,778
Drilling	-	20,250	-	36,850
Geological and field expenses	-	12,379	-	30,710
Option maintenance costs	-	-	-	22,300
Total	-	37,369	-	132,961
Net exploration expenditures for the period	**$1,842,607**	**$1,629,848**	**$5,300,010**	**$3,363,232**

4. Mineral properties (continued)

DRC Projects

In the DRC, the Company currently has three projects being Infinity, Harmony, and Phoenix and conducts business there under the rules and regulations of the New Mining Code that came into effect in 2003. The Company maintains that its mineral research permits are not affected by the current Congolese review of mining contracts

a. Infinity Project

Pursuant to an agreement dated May 19, 2007, the Company has the option to acquire a 70% interest in certain mineral research permits located between Lubumbashi and Likasi in the DRC from GCP Group Ltd. (“GCP”). Total consideration consists of cash payments of US$550,000 (US$350,000 paid) and the issuance of 700,000 shares (500,000 issued). The remaining US$200,000 and 200,000 shares are, payable and issuable, respectively, in two equal annual instalments on May 18, 2009 and May 18, 2010.

In February 2008, the mineral research permits were transferred by GCP into Infinity, the Company’s 70% owned Congolese subsidiary, in contemplation of the Company fulfilling all of the terms of the option agreement. GCP owns the remaining 30% of the shares of Infinity and one of the controlling shareholders of GCP is an officer and director of Infinity, and has been retained by the Company under a management contract to manage the project in the DRC.

GCP subscribed for its 30% interest in Infinity for $3,191 (US$3,000) and this amount will be carried until the Company has earned its 70% interest in the mineral research permits.

b. Harmony Project

On February 4, 2008, the Company entered into an agreement with MIMECO AG (“MIM”) to acquire an initial 70% interest in a mineral research permit in the DRC Copperbelt, located east of the Kinsevere Project of Anvil Mining. Upon transfer of title (pending), the Company will issue 200,000 shares to MIM and will commit to total exploration expenditures of US$1.5 million over a 3 year period, at a minimum of US$500,000 per annum. The Company has a right, at anytime, to increase its interest to 85% by paying MIM the sum of US$15.0 million.

MIM subscribed for its 30% interest in Harmony, the Company’s 70% owned Congolese subsidiary for $2,991 (US$3,000). This amount will be carried until the Company has earned its 70% interest in the mineral research permits.

c. Phoenix Project

On July 26, 2008, the Company signed a letter of intent with Phoenix Mining Corporation (“PMC”) whereby the Company will earn into a 70% share interest in a mineral research permit in the DRC Copperbelt. This interest is located between Lubumbashi and the Likasi Road and Airport Road junction (the “Phoenix” project).

Pursuant to the terms of the letter of intent, upon finalization of a comprehensive agreement (pending) and transfer of title (pending) the Company is required to pay US$200,000 (US$50,000 paid (Note 4g)) and then issue 300,000 shares over a three year period, in equal annual installments on July 10, 2009, July 10, 2010, and July 10, 2011. Subsequent to the period end, the Company received regulatory approval and has remitted a further US$100,000 to Phoenix. The remaining US$50,000 is expected to be paid in Q1 2010.

4. Mineral properties (continued)

c. Phoenix Project (continued)

The Company will be responsible for all exploration and development costs of Phoenix and upon the identification of a minable deposit, PMC will obtain the mining license and transfer the respective license to a newly incorporated Congolese subsidiary jointly owned by the Company (70%) and PMC (30%).

d. Bathurst Zinc Project, Bathurst, New Brunswick, Canada

Pursuant to an agreement dated May 26, 2006, the Company entered into an option agreement with Xstrata Zinc Canada ("Xstrata") to explore the Bathurst Mining Camp in New Brunswick and acquire a 50% interest. The Company has vested its 50% interest in the related mineral claims held by Xstrata by advancing the required $5.0 million. The company is currently evaluating its future prospects in the project areas to determine its next course of action. The Company expects to incur minimal ongoing maintenance costs until a course of action is determined.

e. Zinc Project, Ireland

The Company currently holds certain prospecting licences acquired between October 2007 and February 2008, in the Central Carboniferous Limestone Basin, prospective for zinc and lead mineralization. On September 14, 2006, the Company and a Director entered into an agreement whereby the Director will assist and advise the Company in its efforts to acquire exploration licences in Ireland. Upon the Company being granted one or more exploration licences, the Company paid $20,000 and issued 29,000 shares fair valued at $20,010 and will pay the Director $40,000 per year on September 21, 2008, 2009 and 2010.

In 2011 and each subsequent year the Company will pay the director the greater of $20,000 cash or 5% of the total exploration expenditures made by the Company in the twelve month period preceding the anniversary date of the licence grant. Once an aggregate of $500,000 has been paid or the project is abandoned, the agreement will terminate.

f. Bancroft Properties, Bancroft, Ontario, Canada

The Bancroft properties comprise the Halo Project and the Silver Crater Project and include certain claims east of the town of Bancroft, Ontario, Canada. The Company has earned a 100% interest in certain properties known as the Halo Project. The property is subject to a 3% Net Smelter Return Royalty ("NSR"). The Company has the option to purchase 1% of the total NSR for $250,000.

The Company has earned a 100% interest in certain properties known as the Silver Crater Project. The property is subject to a 3% ("NSR"). The Company has the option to purchase 1% of the total NSR for $250,000.

The Company granted CanAm Unranium Corp. ("CanAm") an option to acquire 80% of its Bancroft properties under certain funding requirements. Under the terms of this agreement, the Company received 275,000 shares of CanAm and cash payments totalling $125,000 (received).

The Company is currently evaluating the properties future prospects to determine the next course of action.

4. Mineral properties (continued)

g. Details of property option maintenance cash payments are as follows [1]:

Period Ending January 31	Infinity Project, DRC $	Phoenix Project, DRC $	Total $
2009 (paid)	227,500	51,285	278,785
2009	-	159,000 [2]	159,000
2010	106,000 [2]	-	106,000
2011	106,000 [2]	-	106,000
	$ 439,500	**$ 210,285**	**$ 649,785**

Notes:

1 – Includes only cash payments and excludes share issuances, exploration expenditures (Note 4b), contingent share issuances (Note 4c) and office lease commitments (Note 12).

2 – Denominated in US$ and converted at an exchange rate of US$1:CAD$1.06.

5. Share capital

Authorized

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Issued

	Number of Shares	Amount
Balance – January 31, 2008	39,313,692	$ 18,160,683
Mineral Properties (Note 8a)	200,000	56,000
Exercise of options (Note 10)	180,000	104,914
Exercise of warrants (Note 10)	590,000	369,659
Balance – October 31, 2008	**40,283,692**	**$18,691,256**

6. Stock options and warrants

Option pricing models require the input of highly subjective assumptions including the expected stock price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Range of assumptions

The fair value of stock options is estimated on the date of grant and the relative pro rata allocation of the fair value of the stock purchase warrants included in unit offerings is estimated on the date of issuance of the unit using the Black-Scholes option-pricing model:

	Warrants	Options
Risk-free interest rate	4.1% to 4.3%	3.0% to 4.6%
Options expected life	1.0 to 1.5 years	3.5 to 4.0 years
Expected volatility	72% to 84%	93% to 111%
Expected dividend yield	nil	nil

(Expressed in Canadian Dollars)

6. Stock options and warrants (continued)

Stock options

The Company has adopted a stock option plan ("the plan") whereby, the Company may grant stock options up to a maximum of 20 percent of the number of issued shares of the Company. At October 31, 2008, the Company has reserved 8,016,738 (January 31, 2008 – 4,353,390) common shares under the plan.

The Company has granted stock options to directors, officers, consultants and certain employees. Stock option activity is summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance – January 31, 2008	3,182,000	$0.57
Granted	650,000	$0.60
Exercised	(180,000)	$0.28
Expired	(30,000)	$0.15
Cancelled	(492,000)	$0.70
Balance – October 31, 2008	**3,130,000**	**$0.59**

At October 31, 2008 the following stock options were outstanding and exercisable:

Number of stock options outstanding	Number of stock options vested	Exercise Price	Expiry Date
830,000	713,333	$0.50	March 29, 2011
1,400,000	866,666	$0.60	July 11, 2012
100,000	-	$0.90	January 3, 2013
150,000	-	$0.70	January 24, 2013
200,000	-	$0.60	April 1, 2013
100,000	-	$0.60	June 2, 2013
150,000	-	$0.60	June 18, 2013
150,000	-	$0.60	September 3, 2013
50,000	-	$0.60	September 23, 2013
3,130,000	**1,579,999**	**$0.59**	

Stock-based compensation for the three month period ended October 31, 2008 was $70,000 (2007: $267,880); nine month period ended October 31, 2008 was $378,135 (2007: $471,531).

Warrants

Warrant activity is summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance – January 31, 2008	10,352,702	$0.92
Exercised	(590,000)	$0.54
Expired	(3,532,425)	$0.86
Balance – October 31, 2008	**6,230,277**	**$1.00**

(Expressed in Canadian Dollars)

6. Stock options and warrants (continued)

At October 31, 2008, the following warrants were outstanding:

Date issued	Number of Shares	Exercise Price	Expiry Date
July 9, 2007	2,932,500	$0.60	Jan. 9, 2009
August 30, 2007	353,333	$0.90	Feb. 29, 2009
August 30, 2007	2,944,444	$1.40	Feb. 29, 2009
Balance – October 31, 2008	**6,230,277**	**$1.00**	

7. Contributed surplus

	October 31, 2008	January 31, 2008
Balance – Beginning of year	$ 2,573,302	$ 983,663
Fair value assigned to warrants	-	1,302,901
Fair value assigned to warrants on finders' fees	-	126,927
Exercise of options	(44,800)	(111,401)
Exercise of warrants	(48,842)	(441,452)
Stock-based compensation	378,135	712,664
Balance – End of period	**$ 2,857,795**	**$ 2,573,302**

8. Income taxes

A recovery of future income taxes in the amount of $nil (2007: $1,702,766) was recorded for the nine month period ended October 31, 2008.

During 2007, flow-through shares totalling $4,993,448 were issued, which funds were required to be spent on qualifying Canadian Exploration Expenditures. Upon renunciation filed February 26, 2007, the Company no longer had the ability to use the expenditures for tax purposes and was required to record a future tax liability of $1,702,766. However, since the Company had unused tax losses and resource pools in excess of the renunciation, the future tax liability was offset by the reversal of a portion of the Company's valuation allowance on future income tax assets.

9. Related party transactions

The related party transactions are as follows:

a. During the period, the Company paid $nil (2007: $nil) for the three months ended October 31, $nil (2007: $12,000) for the nine months ended October 31, for management fees and rent to a company controlled by the former Chairman, Chief Executive Officer and director.

b. During the period, the Company paid $44,500 (2007: $7,125) for the three months ended October 31, $75,720 (2007: $17,625) for the nine months ended October 31 for consulting fees to a director.

c. GCP owns 30% of the shares of Infinity and one of the controlling shareholders of GCP is an officer and director of Infinity, and has been retained by Infinity under a management contract to manage the project in the DRC (Note 5a). During the period, the Company paid $50,535 (2007: $42,810) for the three months ended October 31, $142,484 (2007: $54,110) for the nine months ended October 31 for management fees and $nil (2007: $40,772) for the three months ended October 31 $98,960 (2007: $91,987) for the nine months ended October 31 for option maintenance costs.

(Expressed in Canadian Dollars)

9. Related party transactions (continued)

The above transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. Segmented information

The Company's only business activity is exploration and development of mineral properties. This activity is carried out in Canada, the DRC, and the Republic of Ireland.

The breakdown by geographic area for the nine months ended October 31, 2008 is as follows:

	Canada	DRC	Total
Current assets	$ 2,536,292	$ 103,301	$ 2,639,593
Property, plant and equipment	$ 54,414	$ 672,925	$ 727,339
Total assets	**$ 2,590,706**	**$ 776,226**	**$ 3,366,932**

The breakdown by geographic area for the year ended January 31, 2008 is as follows:

	Canada	DRC	Total
Current assets	$ 8,176,952	$ 147,282	$ 8,324,234
Property, plant and equipment	$ 86,160	$ 209,346	$ 295,506
Total assets	**$ 8,263,112**	**$ 356,620**	**$ 8,619,740**

11. Commitments

The Company has entered into operating leases for premises and office equipment expire on various dates up to November 30, 2012.

The future minimum lease payments, less rent deposits, are as follows:

2009	$ 50,350
2010	74,200
2011	74,200
2012	74,200
2013	10,600
	$ 283,550

The table above excludes commitments that are related to exploration expenditures (Note 4b) and maintaining property option payments (Note 4g).

Subsequent to the period end, the Company extinguished it's commitment for rent at its previous location via a one-time payment of $95,000.

Corporate costs

Details of corporate costs are as follows:

	Three months ended October 31, 2008 $	Three months ended October 31, 2007 $	Nine months ended October 31, 2008 $	Nine months ended October 31, 2007 $
Audit, accounting and legal	17,050	23,717	136,853	38,832
Labour, consulting and management fees	141,402	91,359	432,774	244,982
Office and miscellaneous	40,185	45,773	190,506	86,265
Promotion and shareholder relations	22,934	94,848	187,311	268,305
Transfer and filing fees	1,740	6,309	42,834	37,407
Travel and accommodation	12,031	7,125	54,943	39,884
Corporate costs for the period	**$ 235,342**	**$ 269,131**	**$ 1,045,221**	**$ 715,675**

12. Management of financial risk

The Company operates internationally with operations in DRC, Canada and Ireland, which gives rise to the risk that its financial instruments may be adversely impacted by exchange rate fluctuations. A significant portion of its expenses are also incurred in US dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into foreign currency contracts to hedge its risk against foreign currency fluctuations.

The Company financial instruments are also exposed to liquidity risk and interest risk.

Liquidity risk; the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

Interest rate risk; the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of guaranteed term deposits is limited because these investments have fixed rates of return.

The Company had no significant foreign denominated financial instruments other than US and Euro denominated accounts payable for drilling as at October 31, 2008 and January 31, 2008 (excluding foreign currency commitments that are related to exploration expenditures (Note 4b) and maintaining property option payments (Note 4g)).