MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JULY 31, 2009

September 29, 2010

The following management discussion and analysis ("MD&A") should be read in conjunction with the unaudited interim restated financial statements and accompanying notes ("Financial Statements") of El Nino Ventures Inc. (the "Company") for the six months ended July 31, 2009. 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. Further 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 three month period ended April 30, 2010.

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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") and Canada. The Company has its registered corporate office based in Vancouver, British Columbia, Canada.

As of September 29, 2010 the Company had 74,403,930 shares outstanding with a total market capitalization of approximately $5 million. The Company shares trade on the TSX Venture Exchange ("ELN") and the Frankfurt Stock Exchange ("E7Q").

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 Government of the DRC commissioned a mining review of contracts in 2008 to review and renegotiate contracts entered into between 1999 and 2003. The Company was not included in this review as we do not have a contract-based agreement. The Company's tenure is governed by the regulations of the Mining Code of the DRC and as such, has never been involved in this review process. It is important to outline that the Company has entered into agreements in the DRC which will give the Company a 70% interest in all of its projects with provisions to increase its holdings to over 80%. This is based on the policy of the Company to acquire a significant controlling interest.

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 kilometers of prospective exploration areas in the Copperbelt, located between Lubumbashi and Likasi (the "Kasala Project"). Under the terms of the Mineral Property Option Agreement, the Company had a final payment, due on May 18, 2010, of US$100,000 and 100,000 shares of the Company to fully earn-in for its 70% interest. The Company believes it has complied with the terms of this agreement by arranging for both the funds and shares to be held in Trust with our lawyers as of May 18, 2010. On May 20, 2010, GCP gave notice to ELN that it is in default as per the terms of this agreement. Subsequently, the Company served Mr. Georges Kavvadias a Notice of Dispute and petitioned the Supreme Court of British Columbia in response to two alleged defaults of the Mineral Property Option Agreement. The Company does not believe it is default and has in its Petition asked the courts to receive the funds and shares and hold them pending resolution of the amounts the Company is claiming in the Petition. The Company has also invoked the Arbitration clause within the Mineral Property Option Agreement to settle the disputes. A court date to hear these issues has been set for November 25, 2010. Prior to this date, the Company has notified Mr. Kavvadias that he is to be present for a cross examination of his sworn affidavit. Pending the above, the Company will have made cash payments of US$550,000 and issued 700,000 shares and will have earned-in fully for its 70% interest in mineral research permits held by Infinity Resources Sprl ("Infinity").

The Company received notice that the claims commenced by Mr. Kavvadias and GCP in the DRC were dismissed by the Tribunal of Commerce of Lubumbashi. The Company successfully argued that the jurisdiction for hearing the claims is in British Columbia and not the DRC. As well, the orders for garnishment of the shares held by the Company in the share capital of Infinity have been removed and remain registered in the Company's name. Mr. Kavvadias and GCP are appealing the decision.

Harmony Project – The Company entered into a Letter of Intent ("LOI") with MIMECO AG ("MIM") to acquire a 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. Through a check of the permit of registry, the Company became aware that the permits had not been properly maintained/transferred or renewed. The Company is in the process of renegotiating the terms of the LOI.

Phoenix Project – Due to capital restraints, the Company proposed an amendment to the existing Acquisition of an Interest Agreement with Phoenix Mining Corporation Sprl ("PMC") to earn a 70% interest in mineral research permit #9316. The amendment would allow for the Company to continue to fund the project but to also conduct an initial exploration program to assist in a preliminary assessment that would determine the merits of the property for future investment. PMC rejected the proposal and as a result the Company gave notice of termination in accordance to the terms and conditions of the Agreement. This resulted in a spurious court action against the Company, by PMC. (See "*Section 2 – Litigation*")

Subsequently, the Company received notice that the claims commenced by PMC in the DRC were dismissed by the Tribunal of Commerce of Lubumbashi. The Company successfully argued that the jurisdiction for hearing the claims is in British Columbia and not the DRC. As well, the orders for garnishment of the shares held by the Company in the share capital of Infinity have been removed and remain registered in the Company's name. The decision is being appealed by PMC.

Bathurst Zinc Project – The Company entered into an option agreement with Xstrata Canada Corporation – Xstrata Zinc Canada Division ("Xstrata Zinc") 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 Zinc by advancing the required $5.0 million. On August 6, 2009, as finalized on March 24, 2010, the Company entered into an option agreement with Votorantim Metals Canada Inc. ("Votorantim"). The tripartite agreement is between Votorantim, ELN and Xstrata Zinc whereby Votorantim can earn up to a 70% interest in 1,805 mineral claims owned 50/50 by ELN and Xstrata Zinc. Votorantim has indicated that it has acquired further claims to the Joint Venture as well as identifying targets for the 2010 exploration/drilling program anticipated this year.

Bancroft Properties – The Company released the majority of original claims comprising the Bancroft group of properties. Currently it has retained a 100% interest in the Halo Project and the Silver Crater Project and certain claims east of the town of Bancroft, Ontario, Canada. For the period ended July 31, 2010 no work was carried out and the Company continues to seek a Joint Venture partner for the project.

Going Concern

At July 31, 2010, the Company had cash and cash equivalents of $490,045, working capital of $654,611 and a deficit of $23,713,794. The funds on hand at July 31, 2010 are not sufficient to meet our projected corporate, administrative and possible exploration activities for fiscal 2011. The Company performed a minimal amount of exploration activities due to financial market conditions and the current litigation in the DRC. The Company feels that once its ongoing efforts to stabilize and implement the restructuring of its corporate affairs in the DRC are complete, the Company will be in a better position to raise sufficient funds to meet its financial requirements and develop an exploration plan for the Company's projects.

The Company's ability to continue operations and exploration activities is dependent on Management's ability to provide financing and although current management has demonstrated it has done so in the past, there is 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.

2. Litigation

On December 21, 2009, the Company was served with a notice of claim, submitted in the DRC by Mr. Georges Kavvadias, a principal of GCP and who acts as manager (the "Country Manager") of the Company's DRC joint venture company, Infinity (70% ELN/30% GCP).

The Company received in May 2010, notice that the claim commenced in the DRC were dismissed by the Tribunal of Commerce of Lubumbashi. The Company successfully argued that the jurisdiction for hearing the claim is in British Columbia and not the DRC. As well, the orders for garnishment of the shares held by the Company in the share capital of Infinity have been removed and remain registered in the Company's name contrary to the representations of Georges Kavvadias and GCP. The Company continues to take the position that the actions of its previous Country Manager, Mr. Kavvadias, are both spurious and without merit. Mr. Kavvadias and GCP have appealed the decision.

The Company served Mr. Kavvadias and GCP a Notice of Dispute and petitioned the Supreme Court of British Columbia in response to two alleged defaults of the Mineral Property Option Agreement. The Company has stated in its Notice of Dispute and is prepared to prove that:

- The amounts claimed are not due and owing and that Mr. Kavvadias and GCP, despite repeated requests are unable to provide an accounting of the funds entrusted with him for the advancement of exploration works in the DRC.
- GCP is in breach of the Representations and Warranty contained in the Mineral Property Option Agreement.

- A claim of US$850,349, for the right to set-off, as against any sums which may be due and owing to Mr. Kavvadias and GCP, as well as unspecified damages for breach of the agreements by Mr. Kavvadias and GCP and for further damages for fraud and fraudulent misrepresentation by Mr. Kavvadias and GCP.

In addition to the above, the Company is claiming that Mr. Kavvadias breached the Mineral Property Option Agreement, in addition to the breach of warranty, by purloining funds provided to him, by denying the Company access to financial information and the Company's leased premises, equipment and property in the DRC and refusing to follow the budgetary decisions of the Company.

Following receipt from GCP of the Notices of Default relating to the Mineral Property Option Agreement, the Company has invoked the arbitration clauses contained in the agreements. Whereas in the past, GCP has commenced litigation both in British Columbia which has been resolved and in the DRC which has been dismissed, with respect to past disputes, the Company's purpose for invoking the arbitration clause is to obtain a quick resolution of the current disputes.

In the years preceding 2009, the Company believed that its interests in the DRC which were to have been served by the Country Manager who was representing both the Company and Infinity, was not being carried on without some ongoing measure of concern. During the fiscal year 2009, the Company continued to question the actions of the Country Manager and on September 1, 2009, the Company gave notice that it was not renewing his contract. During this time, the Company began a restructuring of its corporate affairs with the resignation of the President/CEO, Mr. Jean Luc Roy, who was replaced by Mr. Harry Barr. As well as minimizing exploration activities and putting the Company's projects under a care and maintenance program, the Company under Mr. Barr then began a corporate due diligence program. It identified a critical need to raise sufficient funds for both a proposed geochemical program for the Kasala project, which it did complete, as well as working capital. Subsequently the Company was successful in raising initially $452,800 in August, a further $1,500,000 in November 2009 and finally an additional $500,000 in January 2010. Management also began to take a much more active role in its affairs in the DRC. During the first few months of 2010 Management engaged both a new VP Business Development, DRC and Business Consultant, both of whom have a full understanding and extensive business experience within the DRC.

During the due diligence process, a complete review of the Company's portfolio of projects in the DRC was undertaken. Management determined that its primary focus should remain the Kasala project and that it warranted further exploration programs to advance the copper/cobalt discovery on the property.

3. 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-Oct-07	31-Jan-08	30-Apr-08	31-Oct-08	31-Jan-09	30-Apr-09	Three Months Ended		
(unaudited)	Q3-08	Q4-08	Q1-09	Q3-09	Q4-09	Q1-10	31-Jul-09	31-Jul-08	LTD
Drilling	$ -	$ 412	$ 9	$ 927	$ (122)	$ -	$ -	$ 1,170	$ 2,319
Consulting and labour	123	90	97	203	199	-	-	361	1,337
Assay	-	14	54	149	230	-	-	204	637
Asset retirement obligation	-	-	-	-	43	-	-	-	43
Geological and field	250	-	195	224	116	-	-	177	1,270
Option maintenance costs	-	51	131	-	(62)	-	-	153	632
Travel and accommodation	-	-	-	49	13	-	-	99	178
Depreciation and amortization	-	24	-	50	56	-	-	32	212
Geophysics	180	278	45	16	10	-	-	19	655
Total	$ 553	$ 869	$ 531	$ 1,618	$ 483	$ -	$ -	$ 2,215	$ 7,283

2010 Exploration Program

Due to the uncertainty and timing of the outcome of the current Notices of Dispute as well as the Company's efforts to remove Mr. Kavvadias as manager of Infinity, all of the exploration programs in the DRC were put on hold and/or a care and maintenance program. Upon successfully achieving the above issues, the Company will proceed with establishing a budget and undertaking an extensive drill program to advance the Kasala project.

The Company has previously completed two surface exploration programs, one early in 2009 consisting of an induced polarization ("IP") ground geophysical survey to trace possible extensions of the mineralized zone that runs for over 2.5 kilometers to the Southeast and ground surveys consisting of geochemical and geophysical programs later in the year after receiving approval of our environmental applications. These programs identified new anomalies that are very prospective and will be the focus of our targeting for future drill programs.

Historical Exploration/Drilling

The Company was unable to conduct an exploration program during 2009, and will unlikely be able to in 2010 as well. Prior drilling to date totals 15,764 meters, consisting of 4,665 meters of diamond drilling and 11,099 meters of reverse circulation drilling (RC). In 2008, drilling was focused on two areas within the Kasala Main Zone. The first area was tested with several drill holes on a cobalt anomaly with visual inspection indicating mineralization. A decision to follow up with further drilling will be made at a later date. The second area drilled in 2008 was on the northern permit #5214 (the Kasala project) to determine the extension of the discovery hole. There were 56 RC drill holes and 20 diamond drill holes for a total of 76 holes drilled with final assay results confirming copper mineralization in the Kasala area of over a kilometer with a minimum strike length of approximately 800 meters and a width of approximately 250 meters. Intersections in some drill holes indicate thicknesses of as much as 91 meters. Some significant assay results are; 3.5% copper over 10 meters, 2.82% copper over 29 meters which includes a 5 meter intersection of 4.11% copper and 0.50 % Cobalt.

b) Harmony

The Company entered into a LOI with MIM giving it the option to acquire an initial 70% interest in a mineral research permit #2461 (the “Harmony Research Permits”) located in the Copperbelt, covering 50 square kilometers located east of Anvil Mining Limited’s Kinsevere project. Through a check of the permit of registry, the Company became aware that the permits had not been properly maintained/transferred or renewed. The Company is in the process of renegotiating the terms of the LOI.

c) Phoenix

On July 26, 2008 the Company signed a LOI with PMC whereby the Company had an option to earn a 70% share interest in a mineral Research Permit in the DRC Copperbelt. Management reviewed the recommendations of its Project Manager and requested an extension of the terms of the LOI to better evaluate the potential for the project. PMC rejected the request and the Company therefore gave notice that it would not be exercising its option. As a result, PMC initiated litigation against the Company. (See “*Section 2 – Litigation*”)

Subsequently, the Company received notice that the claim has been dismissed by the Tribunal of Commerce of Lubumbashi. The Company successfully argued that the jurisdiction for hearing the claim is in British Columbia and not the DRC. As well, the orders for garnishment of the shares held by the Company in the share capital of Infinity have been removed and remain registered in the Company’s name. Mr. Kavvadias and GCP have appealed the decision.

d) Bathurst

The Company is party to a tripartite option agreement with Xstrata Zinc and Votorantim. The agreement calls for Votorantim to incur $10 million in exploration expenditures over five years to earn 50% and a further $10 million over two years to earn an additional 20%. Votorantim has advised ELN that it will be conducting airborne magnetics, geophysical and geochemical surveys as well as a drill program this year.

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

TABLE 2: ($000's)

Bathurst Zinc Project, Canada	31-Oct-07	31-Jan-08	30-Apr-08	31-Oct-08	31-Jan-09	30-Apr-09	Three Months Ended		
(unaudited)	Q3-08	Q4-08	Q1-09	Q3-09	Q4-09	Q1-10	31-Jul-09	31-Jul-08	LTD
Option maintenance costs	$ 21	$ 41	$ -	$ 21	$ -	$ -	$ -	$ -	$ 171
Drilling and assay	453	794	249	6	-	-	-	8	2,815
Geological and field	42	49	4	20	-	-	-	33	514
Geophysics	449	86	45	-	-	-	-	8	1,813
Management fees	50	49	25	-	-	-	-	-	300
Total	$ 1,015	$ 1,019	$ 323	$ 47	$ -	$ -	$ -	$ 49	$ 5,613

e) Ireland Zinc Project

In fiscal 2009, 2,840 meters of diamond drilling was performed. No significant mineralization was intersected and as a result the Company has decided to relinquish the licenses.

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

TABLE 3: ($000's) **Zinc Project, Ireland** (unaudited)	31-Oct-07 Q3-08	31-Jan-08 Q4-08	30-Apr-08 Q1-09	31-Oct-08 Q3-09	31-Jan-09 Q4-09	30-Apr-09 Q1-10	Three Months Ended 31-Jul-09	Three Months Ended 3 1-Jul-08	LTD
Option maintenance costs	$ -	$ 53	$ -	$ -	$ -	$ -	$ -	$ -	$ 53
Consulting and labour	-	20	8	80	20	12	-	111	239
Geological and field	-	4	1	-	1	-	-	2	8
Drilling	-	-	-	88	-	-	-	184	272
Travel and accommodation	-	-	-	-	(1)	-	-	9	8
Total	$ -	$ 77	$ 9	$ 168	$ 20	$ 12	$ -	$ 306	$ 580

4. Financial Performance Review

Exploration Expenditures

TABLE 4: ($000's) **Exploration Expenditures** (unaudited)	31-Oct-07 Q3-08	31-Jan-08 Q4-08	30-Apr-08 Q1-09	31-Oct-08 Q3-09	31-Jan-09 Q4-09	30-Apr-09 Q1-10	Three Months Ended 31-Jul-09	Three Months Ended 31-Jul-08
By type:								
Asset retirement obligation	$ -	$ -	$ -	$ -	$ 43	$ -	$ -	$ -
Consulting and labour	95	125	83	283	219	12	-	472
Depreciation and amortization	24	22	22	50	56	-	-	32
Drilling and assay	898	971	312	1,170	108	-	-	1,566
Geological and field	54	259	200	244	117	-	-	212
Geophysics	727	131	90	16	10	-	-	27
Management fees	50	49	25	-	-	-	-	-
Option maintenance costs	72	225	131	21	189	-	-	153
Travel and accommodation	-	-	-	49	12	-	-	108
Total	$ 1,920	$ 1,782	$ 863	$ 1,833	$ 754	$ 12	$ -	$ 2,570
By project:								
Infinity	$ 869	$ 553	$ 531	$ 1,618	$ 483	$ -	$ -	$ 2,215
Bathurst	1,015	1,019	323	47	-	-	-	49
Ireland	-	77	9	168	20	12	-	306
Bancroft	36	133	-	-	-	-	-	-
Harmony/Phoenix	-	-	-	-	251	-	-	-
Total	$ 1,920	$ 1,782	$ 863	$ 1,833	$ 754	$ 12	$ -	$ 2,570

For details on the projects and these related expenditures, see "*Section 3 – Project Updates*".

Other Expenses and items

TABLE 5: ($000's)	31-Oct-07	31-Jan-08	30-Apr-08	31-Oct-08	31-Jan-09	30-Apr-09	Three Months Ended	
Other Expenses (unaudited)	Q3-08	Q4-08	Q1-09	Q3-09	Q4-09	Q1-10	31-Jul-09	31-Jul-08
By type:								
Corporate costs	$ 269	$ 521	$ 424	$ 254	$ 388	$ 249	$ 259	$ 385
Stock based compensation	268	241	163	70	107	35	24	145
Write-down of investments	-	261	-	-	-	283	300	-
Loss on derecognition of assets and liabilities	-	-	-	-	-	748	-	-
Depreciation and amortization	8	29	27	5	6	5	5	2
Interest Income	(53)	(136)	(53)	(145)	44	(2)	(1)	(49)
Foreign Exchange	-	130	(32)	(45)	(120)	(9)	(10)	(1)
Future Income Tax Recovery	-	-	-	-	-	-	-	-
Total	$ 492	$ 1,046	$ 529	$ 139	$ 425	$ 1,309	$ 577	$ 482

Total other expenses for the quarter were $576,734 (2008: $481,942), an increase of $94,792. The increase is mainly due to a decrease in corporate costs of $126,475 and an increase in write-down of investments in Infinity and Harmony of $300,213.

The increase is partly offset by a decrease in stock-based compensation of $121,000. There is also a reduction in interest income of $48,255 due to decreased funds available to be invested in GICs and an increase in foreign exchange gain of $8,745. The foreign exchange arose due to the Canadian dollar decreasing relative to the US dollar.

5. Financial Position

TABLE 6: ($000's)
Summary Balance Sheets
(unaudited)

	31-Jul-09	January 31, 2009
Cash and cash equivalents	$ 62	$ 1,154
Restricted cash	-	-
Receivables, prepaids and deposits	115	308
Project advances	-	-
Marketable securities	-	-
Property, plant and equipment	41	668
Total Assets	$ 218	$ 2,130
Accounts payable and accrued liabilities	$ 267	$ 294
Asset retirement obligations	-	49
Total Liabilities	$ 267	$ 343
Non-controlling interest	$ -	$ 6
Share capital	$ 18,706	$ 18,697
Contributed surplus	3,024	2,965
Deficit	(21,779)	(19,881)
Total shareholders' equity	$ (49)	$ 1,781

Cash and cash equivalents of $62,007 (January 31, 2009: $1,153,861) were comprised of: cash of $62,007 (January 31, 2009: $126,215) and short term deposits of $Nil (January 31, 2009: $1,027,646).

Receivables, prepaids and deposits totaled $114,915 (January 31, 2009: $308,152) comprised of prepaid insurance, prepaid rent and advances of $63,654; GST receivable of $4,545; and other items including deposits on facilities of $46,716. During the six months ended July 31, 2009, the Company derecognized amounts receivable and prepaids of Infinity and Harmony valued at $130,235.

Property, plant and equipment were $40,932 (net) (January 31, 2009: $668,310). During the six months ended July 31, 2009, the Company derecognized the property, plant and equipment of Infinity and Harmony valued at $617,582. The remaining decrease is primarily due to amortization recognized in the period.

As at July 31, 2009, there were 40,583,692 (January 31, 2009: 40,483,692) shares, issued and outstanding. Table 7 below summarizes the changes in share capital from January 31, 2009 to July 31, 2009.

TABLE 7: **Share Capital**	Number of Shares	Amount
Balance - January 31, 2009	40,483,692	18,697,256
Mineral Properties	100,000	8,500
Exercise of options	-	-
Exercise of warrants	-	-
Balance - July 31, 2009	40,583,692	18,705,756

As at July 31, 2009 the Company had 3,845,000 (January 31, 2009: 3,795,000) stock options and 5,876,944 (January 31, 2010: 6,230,277) warrants outstanding.

6. Cash Flow, Liquidity and Capital Resources

TABLE 8: ($000's) **Summary of Cash Flows** (unaudited)	Six Months Ended 31-Jul-09	Six Months Ended 31-Jul-08
Net change of cash related to:		
Operations	$ (447)	$ (2,918)
Investing	(645)	(510)
Financing	-	382
Net change in cash during the period	$ (1,092)	$ (3,046)
Cash & equiv. - Beginning of period	1,154	7,786
Cash & equiv. - End of period	$ 62	$ 4,740

To fund its working capital, including exploration activities and corporate expenses, the Company requires access to capital markets to raise financing through equity offerings. All financing activities are currently provided through equity offerings. Due to a carry over into 2009 of the turmoil and uncertainty in the world-wide capital markets it was difficult to find attractive financing options. The Company during the last six months of 2009 was able to complete two non-brokered financings for gross proceeds of $1,952,800 with an additional $500,000 raised in January 2010. In order to preserve cash during these times of uncertainty, management has suspended drilling operations and has put its projects on a care and maintenance program until such time as it is deemed prudent and there is a resolution to the current litigation.

Cash outflows from operating activities before working capital adjustments for the six months were $500,831 (2008: $4,003,497) and mainly consist of cash paid on account of exploration expenditures and corporate costs (see "*Section 4 – 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 $446,764 (2008: $2,918,582).

Cash outflows from investing activities for the six months were $645,090 (2008: $510,474) which consist of purchase of investments related to the funds sent to Infinity in the DRC of $574,693 (2008: $nil) and derecognition of cash of Infinity of $70,397 (2008: $nil).

Cash inflows from financing activities for the six months resulted were $nil (2008: $382,169).

7. Contractual Obligations

Table 9 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 9 [1] Property Option Cash Payments as at July 31, 2009	Infinity Project, DRC $		Zinc Project, Ireland	Phoenix Project, DRC $		Total $
Period Ending January 31						
2010	119,240	[2]	-	298,500	[2]	417,740
2011	119,240	[2]	-	358,200	[2]	477,440
2012	-		-	417,900	[2]	417,900
2013	-		-	1,313,400	[2]	1,313,400
	$ 238,480		-	$ 2,388,000		2,626,480

Notes:

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

2 – US$100,000 converted at an exchange rate of 1.194.

8. Related Party Transactions

a. GCP owns 30% of the shares of Infinity and one of the controlling shareholders of GCP is an officer of Infinity, and was retained by the Company under a management contract to manage the Company's DRC projects up until August 2009, at which time the contract expired and was not renewed. During the period, the Company paid $54,034 (2008: $100,051) for management consulting services.

   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.

9. 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, 2009, 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 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.

Basis of presentation and consolidation

Consolidated financial statements include the assets, liabilities and results of operations of all entities controlled by the Company. The effects of transactions between entities in the consolidated group are eliminated. Where control of an entity is obtained during a financial year, its results are included in the consolidated statements of loss and deficit from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control exists.

For the six month period ended July 31, 2009, the Company accounted for its investments in Infinity and Harmony using the cost method rather than on a consolidated basis as the Company did not exercise control or significant influence over its investments in Infinity and Harmony during the six month period ended July 31, 2009. As a result, the Company's financial statements at July 31, 2009 and for the six month period then ended do not include the assets and liabilities and results of operations of Infinity and Harmony. During the six month period ended July 31, 2009, the Company recorded a provision for write-down of $748,152 and $583,193 as a result of the derecognition of the assets and liabilities of Infinity and Harmony at their carrying amounts and a write-down of the investments carried at cost to a fair value of $1, respectively.

The consolidated financial statements for the year ended January 31, 2009 are prepared on a consolidated basis and include the accounts of the Company and Infinity and Harmony on the basis that the Company owned and effectively controlled a 70% interest in these companies.

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 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 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 January 2006, the Canadian Accounting Standards Board adopted a strategic plan, which includes the decision to move financial reporting for Canadian publicly accountable enterprises to a single set of globally accepted standards, IFRS, as issued by the International Accounting Standards Board. The effective implementation date of the conversion from Canadian generally accepted accounting principles ("Canadian GAAP") to IFRS is January 1, 2011, with an effective transition date of January 1, 2010 for financial statements prepared on a comparative basis. The Company is engaged in an assessment and conversion process which may include consultation with external consulting firms and expects to be ready for the conversion to IFRS in advance of January 1, 2011. As part of the conversion process, the Company will offer IFRS specific training to senior financial reporting personnel and directors.

The Company's approach to the conversion to IFRS includes three phases.

- Phase one, an initial general diagnostic of its accounting policies and Canadian GAAP relevant to its financial reporting requirements to determine the key differences and options with respect to acceptable accounting standards under IFRS.
- Phase two, an in-depth analysis of the IFRS impact in those areas identified under phase one. This phase has commenced. A summary of this analysis is provided in Table 1 below.
- Phase three, the implementation of the conversion process, including the completion of the opening balance sheet as at January 31, 2011 together with related discussion and notes, will be carried out in the second half of 2010.

At this point, the Company's IT accounting and financial reporting systems are not expected to be significantly impacted. Further, the Company has in place internal and disclosure control procedures to ensure continued effectiveness during this transition period.

The above comments, including the summary in Table 1, should not be considered as a complete and final list of the changes that will result from the transition to IFRS as the Company intends to maintain a current and proactive approach based on changes in circumstances and no final determinations have been made. In addition, the accounting bodies responsible for issuing Canadian and IFRS accounting standards have significant ongoing projects that could impact the Company's financial statements as at January 31, 2011 and in subsequent years, including projects regarding financial instruments and joint venture accounting. In addition, there is an extractive industries project currently underway that will lead to more definitive guidance on the accounting for exploration and evaluation expenditures, although this is still in the discussion paper stage and may not be completed for some time. The Company is continuing to monitor the development of these projects and will assess their impact in the course of its transition process to IFRS.

Table 1. Summary of financial statements impact on transition from Canadian GAAP to IFRS.

Key Area	**Canadian GAAP** **(as currently applied)**	**IFRS**	**Analysis and preliminary conclusions**
Property, plant and equipment ("PP&E")	PP&E is recorded at historical cost. Depreciation is based on their useful lives after due estimation of their residual values.	PP&E can be recorded using the cost (on transition to IFRS, the then fair value can be deemed to be the cost) or revaluation models. Depreciation must be based on the useful lives of each significant component within PP&E.	PP&E will likely continue to be recorded at their historical costs due to the complexity and resources required to determine fair values on an annual basis. Based on an analysis of PP&E and its significant components, the Company has determined that no change to their useful lives is warranted and, therefore, depreciation expense will continue to be calculated using the same rates under IFRS.
Mineral properties	Exploration, evaluation and development costs are capitalized when incurred. They are amortized on the basis of production or written off when the prospect is no longer deemed prospective or is abandoned.	IFRS has limited guidance with respect to these costs and currently allows exploration and evaluation costs to be either capitalized or expensed.	The existing accounting policy is likely to be maintained.

Asset retirement obligations (“ARO”)	Canadian GAAP limits the definition of ARO to legal obligations. ARO is calculated using a current credit-adjusted, risk-free rate for upward adjustments, and the original credit-adjusted, risk-free rate for downward revisions. The original liability is not adjusted for changes in current discount rates.	IFRS defines ARO as legal or constructive obligations. ARO is calculated using a current pre-tax discount rate (which reflects current market assessment of the time value of money and the risk specific to the liability) and is revised every reporting period to reflect changes in assumptions or discount rates. IFRS requires that, on transition, the net book value of the asset related to ARO be adjusted on the basis of the ARO balance existing at inception.	The broadening of this definition is unlikely to cause a significant change in the Company’s current estimates. The Company is in the final stages of quantifying the impact of this change on the ARO provision. The Company expects to rely on the IFRS 1 exemption which allows a company to use current estimates of future reclamation costs and current amortization rates to determine the net book value on transition to IFRS.
Impairment of long lived assets	Impairment tests of its long-term assets are considered annually based on indications of impairment. Impairment tests are generally done on the basis of undiscounted future cash flows. Write-downs to net realizable values under an impairment test are permanent changes in the carrying value of assets.	Impairment tests of “cash generating units” are considered annually in the presence of indications of impairment. Impairment tests are generally carried out using the discounted future cash flows. Write downs to net realizable values under an impairment test can be reversed if the conditions of impairment cease to exist.	Assets will continue to be grouped under the Company’s various mining operations. Currently, there are no indications of impairment and, therefore, no impairment test has been performed. Impairment tests using discounted values could generate a greater likelihood of write downs in the future. Potential significant volatility in earnings could arise as a result of the difference in the treatment of write-downs.

Stock-based compensation	Stock-based compensation is determined using fair value models (e.g. Black-Scholes) for equity-settled awards and the intrinsic model for cash-settled awards. The Company recognizes stock-based compensation on straight line method and updates the value of the options for forfeitures as they occur.	Stock-based compensation is determined using fair value models for all awards. However, upon settlement, cash-settled awards are adjusted to the value actually realized (intrinsic model). Under IFRS, stock-based compensation is amortized under the graded method only. In addition, the Company is required to update its value of options for each reporting period for expected forfeitures.	The utilization of fair value models for cash-settled awards will change the estimate of the related liability while the awards remain outstanding and create greater volatility in earnings until the awards are settled. The Company expects to record an IFRS income statement and balance sheet adjustment.
Income taxes	There is no exemption from recognizing a deferred income tax for the initial recognition of an asset or liability in a transaction that is not a business combination. The carrying amount of the asset or liability acquired is adjusted for the amount of the deferred income tax recognized. All deferred income tax assets are recognized to the extent that it is "more likely than not" that the deferred income tax assets will be realized.	A deferred income tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affects neither accounting profit nor taxable profit. A deferred tax asset is recognized if it is "probable" that it will be realized.	The Company does not expect the difference in recognition of deferred income tax to have any significant change in the future. "Probable" in this context is not defined and does not necessarily mean "more likely than not". The Company is in the final stages of quantifying the impact of this difference.

The above assessment and conclusions are based on the analysis completed by the Company as of the date of this report and may be subject to change between now and January 1, 2011.

Foreign Political Risk

The Company's material properties are currently located in the DRC and, as such, are exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

Government Laws, Regulation & Permitting

Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Estimates of Mineral Resources

The mineral resource estimates contained in this MD&A are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its properties. There is no assurance that the Company will be successful in raising sufficient funds to meet its obligation or to complete all of the currently proposed exploration programs. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts.

Key Management and Competition

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Title to Properties

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned.

Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper or gold.

Disclosure Controls and Internal Control over Financial Reporting

Disclosure controls and procedures (“DC&P”) are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting (“ICFR”) are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

TSX Venture listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“NI 52-109”). In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls 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 (b) 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 issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

10. 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.

11. Outlook

The Company's principal focus is exploration and development in the DRC, Copperbelt. The Company's primary project is the Kasala property, where 17,500 meters of drilling to date has identified a highly prospective copper/cobalt discovery. Although the intention is to continue to develop this project and advance it to possible production, until such time as the two default notices are settled by the Arbitration process, the Company has put its exploration activities on hold and the projects in a care and maintenance program. In the meantime, to demonstrate its long term commitment to the projects, Management has undertaken to strengthen its presence in the DRC with the appointment of both a new Country Manager and Business Consultant who have extensive experience within the DRC. As well, ELN has identified a reputable Congolese accounting firm to handle all of its accounting requirements and banking in the DRC.

It is the intent of the Company to continue to advance the Kasala project through a further series of enhanced soil geochemical sampling, ground geophysics and drill programs in order to define an initial resource calculation. We believe that as we continue to demonstrate strong control over our affairs in the DRC the Company will be able to attract experienced and qualified technical and financial personnel to implement the Company's overall strategy in Africa. This will enhance our ability to not only finance the Company but by doing so; attract interest for possible joint venture or merger and acquisition opportunities.

Although to-date the Company has raised approximately $2 million, these are still difficult times and there is a need to be financially cautious. Management has cut our expenses, decreased our portfolio of properties and acted responsibly in halting its exploration programs worldwide for the near term.

Even though current Management has demonstrated its ability to raise funds 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 financial results and discussion 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.

12. 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:
Mr. Harry Barr, Chairman & Acting CEO
El Nino Ventures Inc.
2303 West 41st Avenue,
Vancouver, British Columbia, V6M 2A3

TRADING SYMBOLS
TSX Venture Exchange: ELN
Frankfurt Stock Exchange: E7Q

Amended and Restated

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JULY 31, 2009
September 29, 2010

The following management discussion and analysis ("MD&A") should be read in conjunction with the unaudited interim restated financial statements and accompanying notes ("Financial Statements") of El Nino Ventures Inc. (the "Company") for the six months ended July 31, 2009. 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. Further 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 three month period ended April 30, 2010.

<u>Table of Contents:</u>

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") and Canada. The Company has its registered corporate office based in Vancouver, British Columbia, Canada.

As of September 29, 2010 the Company had 74,403,930 shares outstanding with a total market capitalization of approximately $5 million. The Company shares trade on the TSX Venture Exchange ("ELN") and the Frankfurt Stock Exchange ("E7Q").

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 Government of the DRC commissioned a mining review of contracts in 2008 to review and renegotiate contracts entered into between 1999 and 2003. The Company was not included in this review as we do not have a contract-based agreement. The Company's tenure is governed by the regulations of the Mining Code of the DRC and as such, has never been involved in this review process. It is important to outline that the Company has entered into agreements in the DRC which will give the Company a 70% interest in all of its projects with provisions to increase its holdings to over 80%. This is based on the policy of the Company to acquire a significant controlling interest.

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 kilometers of prospective exploration areas in the Copperbelt, located between Lubumbashi and Likasi (the "Kasala Project"). Under the terms of the Mineral Property Option Agreement, the Company had a final payment, due on May 18, 2010, of US$100,000 and 100,000 shares of the Company to fully earn-in for its 70% interest. The Company believes it has complied with the terms of this agreement by arranging for both the funds and shares to be held in Trust with our lawyers as of May 18, 2010. On May 20, 2010, GCP gave notice to ELN that it is in default as per the terms of this agreement. Subsequently, the Company served Mr. Georges Kavvadias a Notice of Dispute and petitioned the Supreme Court of British Columbia in response to two alleged defaults of the Mineral Property Option Agreement. The Company does not believe it is default and has in its Petition asked the courts to receive the funds and shares and hold them pending resolution of the amounts the Company is claiming in the Petition. The Company has also invoked the Arbitration clause within the Mineral Property Option Agreement to settle the disputes. A court date to hear these issues has been set for November 25, 2010. Prior to this date, the Company has notified Mr. Kavvadias that he is to be present for a cross examination of his sworn affidavit. Pending the above, the Company will have made cash payments of US$550,000 and issued 700,000 shares and will have earned-in fully for its 70% interest in mineral research permits held by Infinity Resources Sprl ("Infinity").

The Company received notice that the claims commenced by Mr. Kavvadias and GCP in the DRC were dismissed by the Tribunal of Commerce of Lubumbashi. The Company successfully argued that the jurisdiction for hearing the claims is in British Columbia and not the DRC. As well, the orders for garnishment of the shares held by the Company in the share capital of Infinity have been removed and remain registered in the Company's name. Mr. Kavvadias and GCP are appealing the decision.

Harmony Project – The Company entered into a Letter of Intent ("LOI") with MIMECO AG ("MIM") to acquire a 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. Through a check of the permit of registry, the Company became aware that the permits had not been properly maintained/transferred or renewed. The Company is in the process of renegotiating the terms of the LOI.

Phoenix Project – Due to capital restraints, the Company proposed an amendment to the existing Acquisition of an Interest Agreement with Phoenix Mining Corporation Sprl ("PMC") to earn a 70% interest in mineral research permit #9316. The amendment would allow for the Company to continue to fund the project but to also conduct an initial exploration program to assist in a preliminary assessment that would determine the merits of the property for future investment. PMC rejected the proposal and as a result the Company gave notice of termination in accordance to the terms and conditions of the Agreement. This resulted in a spurious court action against the Company, by PMC. (See "*Section 2 – Litigation*")

Subsequently, the Company received notice that the claims commenced by PMC in the DRC were dismissed by the Tribunal of Commerce of Lubumbashi. The Company successfully argued that the jurisdiction for hearing the claims is in British Columbia and not the DRC. As well, the orders for garnishment of the shares held by the Company in the share capital of Infinity have been removed and remain registered in the Company's name. The decision is being appealed by PMC.

Bathurst Zinc Project – The Company entered into an option agreement with Xstrata Canada Corporation – Xstrata Zinc Canada Division ("Xstrata Zinc") 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 Zinc by advancing the required $5.0 million. On August 6, 2009, as finalized on March 24, 2010, the Company entered into an option agreement with Votorantim Metals Canada Inc. ("Votorantim"). The tripartite agreement is between Votorantim, ELN and Xstrata Zinc whereby Votorantim can earn up to a 70% interest in 1,805 mineral claims owned 50/50 by ELN and Xstrata Zinc. Votorantim has indicated that it has acquired further claims to the Joint Venture as well as identifying targets for the 2010 exploration/drilling program anticipated this year.

Bancroft Properties – The Company released the majority of original claims comprising the Bancroft group of properties. Currently it has retained a 100% interest in the Halo Project and the Silver Crater Project and certain claims east of the town of Bancroft, Ontario, Canada. For the period ended July 31, 2010 no work was carried out and the Company continues to seek a Joint Venture partner for the project.

Going Concern

At July 31, 2010, the Company had cash and cash equivalents of $490,045, working capital of $654,611 and a deficit of $23,713,794. The funds on hand at July 31, 2010 are not sufficient to meet our projected corporate, administrative and possible exploration activities for fiscal 2011. The Company performed a minimal amount of exploration activities due to financial market conditions and the current litigation in the DRC. The Company feels that once its ongoing efforts to stabilize and implement the restructuring of its corporate affairs in the DRC are complete, the Company will be in a better position to raise sufficient funds to meet its financial requirements and develop an exploration plan for the Company's projects.

The Company's ability to continue operations and exploration activities is dependent on Management's ability to provide financing and although current management has demonstrated it has done so in the past, there is 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.

2. Litigation

On December 21, 2009, the Company was served with a notice of claim, submitted in the DRC by Mr. Georges Kavvadias, a principal of GCP and who acts as manager (the "Country Manager") of the Company's DRC joint venture company, Infinity (70% ELN/30% GCP).

The Company received in May 2010, notice that the claim commenced in the DRC were dismissed by the Tribunal of Commerce of Lubumbashi. The Company successfully argued that the jurisdiction for hearing the claim is in British Columbia and not the DRC. As well, the orders for garnishment of the shares held by the Company in the share capital of Infinity have been removed and remain registered in the Company's name contrary to the representations of Georges Kavvadias and GCP. The Company continues to take the position that the actions of its previous Country Manager, Mr. Kavvadias, are both spurious and without merit. Mr. Kavvadias and GCP have appealed the decision.

The Company served Mr. Kavvadias and GCP a Notice of Dispute and petitioned the Supreme Court of British Columbia in response to two alleged defaults of the Mineral Property Option Agreement. The Company has stated in its Notice of Dispute and is prepared to prove that:

- The amounts claimed are not due and owing and that Mr. Kavvadias and GCP, despite repeated requests are unable to provide an accounting of the funds entrusted with him for the advancement of exploration works in the DRC.
- GCP is in breach of the Representations and Warranty contained in the Mineral Property Option Agreement.

- A claim of US$850,349, for the right to set-off, as against any sums which may be due and owing to Mr. Kavvadias and GCP, as well as unspecified damages for breach of the agreements by Mr. Kavvadias and GCP and for further damages for fraud and fraudulent misrepresentation by Mr. Kavvadias and GCP.

In addition to the above, the Company is claiming that Mr. Kavvadias breached the Mineral Property Option Agreement, in addition to the breach of warranty, by purloining funds provided to him, by denying the Company access to financial information and the Company's leased premises, equipment and property in the DRC and refusing to follow the budgetary decisions of the Company.

Following receipt from GCP of the Notices of Default relating to the Mineral Property Option Agreement, the Company has invoked the arbitration clauses contained in the agreements. Whereas in the past, GCP has commenced litigation both in British Columbia which has been resolved and in the DRC which has been dismissed, with respect to past disputes, the Company's purpose for invoking the arbitration clause is to obtain a quick resolution of the current disputes.

In the years preceding 2009, the Company believed that its interests in the DRC which were to have been served by the Country Manager who was representing both the Company and Infinity, was not being carried on without some ongoing measure of concern. During the fiscal year 2009, the Company continued to question the actions of the Country Manager and on September 1, 2009, the Company gave notice that it was not renewing his contract. During this time, the Company began a restructuring of its corporate affairs with the resignation of the President/CEO, Mr. Jean Luc Roy, who was replaced by Mr. Harry Barr. As well as minimizing exploration activities and putting the Company's projects under a care and maintenance program, the Company under Mr. Barr then began a corporate due diligence program. It identified a critical need to raise sufficient funds for both a proposed geochemical program for the Kasala project, which it did complete, as well as working capital. Subsequently the Company was successful in raising initially $452,800 in August, a further $1,500,000 in November 2009 and finally an additional $500,000 in January 2010. Management also began to take a much more active role in its affairs in the DRC. During the first few months of 2010 Management engaged both a new VP Business Development, DRC and Business Consultant, both of whom have a full understanding and extensive business experience within the DRC.

During the due diligence process, a complete review of the Company's portfolio of projects in the DRC was undertaken. Management determined that its primary focus should remain the Kasala project and that it warranted further exploration programs to advance the copper/cobalt discovery on the property.

3. 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 (unaudited)	31-Oct-07 Q3-08	31-Jan-08 Q4-08	30-Apr-08 Q1-09	31-Oct-08 Q3-09	31-Jan-09 Q4-09	30-Apr-09 Q1-10	Three Months Ended 31-Jul-09	31-Jul-08	LTD
Drilling	$ -	$ 412	$ 9	$ 927	$ (122)	$ -	$ -	$ 1,170	$ 2,319
Consulting and labour	123	90	97	203	199	-	-	361	1,337
Assay	-	14	54	149	230	-	-	204	637
Asset retirement obligation	-	-	-	-	43	-	-	-	43
Geological and field	250	-	195	224	116	-	-	177	1,270
Option maintenance costs	-	51	131	-	(62)	-	-	153	632
Travel and accommodation	-	-	-	49	13	-	-	99	178
Depreciation and amortization	-	24	-	50	56	-	-	32	212
Geophysics	180	278	45	16	10	-	-	19	655
Total	$ 553	$ 869	$ 531	$ 1,618	$ 483	$ -	$ -	$ 2,215	$ 7,283

2010 Exploration Program

Due to the uncertainty and timing of the outcome of the current Notices of Dispute as well as the Company's efforts to remove Mr. Kavvadias as manager of Infinity, all of the exploration programs in the DRC were put on hold and/or a care and maintenance program. Upon successfully achieving the above issues, the Company will proceed with establishing a budget and undertaking an extensive drill program to advance the Kasala project.

The Company has previously completed two surface exploration programs, one early in 2009 consisting of an induced polarization ("IP") ground geophysical survey to trace possible extensions of the mineralized zone that runs for over 2.5 kilometers to the Southeast and ground surveys consisting of geochemical and geophysical programs later in the year after receiving approval of our environmental applications. These programs identified new anomalies that are very prospective and will be the focus of our targeting for future drill programs.

Historical Exploration/Drilling

The Company was unable to conduct an exploration program during 2009, and will unlikely be able to in 2010 as well. Prior drilling to date totals 15,764 meters, consisting of 4,665 meters of diamond drilling and 11,099 meters of reverse circulation drilling (RC). In 2008, drilling was focused on two areas within the Kasala Main Zone. The first area was tested with several drill holes on a cobalt anomaly with visual inspection indicating mineralization. A decision to follow up with further drilling will be made at a later date. The second area drilled in 2008 was on the northern permit #5214 (the Kasala project) to determine the extension of the discovery hole. There were 56 RC drill holes and 20 diamond drill holes for a total of 76 holes drilled with final assay results confirming copper mineralization in the Kasala area of over a kilometer with a minimum strike length of approximately 800 meters and a width of approximately 250 meters. Intersections in some drill holes indicate thicknesses of as much as 91 meters. Some significant assay results are; 3.5% copper over 10 meters, 2.82% copper over 29 meters which includes a 5 meter intersection of 4.11% copper and 0.50 % Cobalt.

b) Harmony

The Company entered into a LOI with MIM giving it the option to acquire an initial 70% interest in a mineral research permit #2461 (the “Harmony Research Permits”) located in the Copperbelt, covering 50 square kilometers located east of Anvil Mining Limited’s Kinsevere project. Through a check of the permit of registry, the Company became aware that the permits had not been properly maintained/transferred or renewed. The Company is in the process of renegotiating the terms of the LOI.

c) Phoenix

On July 26, 2008 the Company signed a LOI with PMC whereby the Company had an option to earn a 70% share interest in a mineral Research Permit in the DRC Copperbelt. Management reviewed the recommendations of its Project Manager and requested an extension of the terms of the LOI to better evaluate the potential for the project. PMC rejected the request and the Company therefore gave notice that it would not be exercising its option. As a result, PMC initiated litigation against the Company. (See *"Section 2 – Litigation*")

Subsequently, the Company received notice that the claim has been dismissed by the Tribunal of Commerce of Lubumbashi. The Company successfully argued that the jurisdiction for hearing the claim is in British Columbia and not the DRC. As well, the orders for garnishment of the shares held by the Company in the share capital of Infinity have been removed and remain registered in the Company's name. Mr. Kavvadias and GCP have appealed the decision.

d) Bathurst

The Company is party to a tripartite option agreement with Xstrata Zinc and Votorantim. The agreement calls for Votorantim to incur $10 million in exploration expenditures over five years to earn 50% and a further $10 million over two years to earn an additional 20%. Votorantim has advised ELN that it will be conducting airborne magnetics, geophysical and geochemical surveys as well as a drill program this year.

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

TABLE 2: ($000's)

Bathurst Zinc Project, Canada	31-Oct-07	31-Jan-08	30-Apr-08	31-Oct-08	31-Jan-09	30-Apr-09	Three Months Ended		
(unaudited)	Q3-08	Q4-08	Q1-09	Q3-09	Q4-09	Q1-10	31-Jul-09	31-Jul-08	LTD
Option maintenance costs	$ 21	$ 41	$ -	$ 21	$ -	$ -	$ -	$ -	$ 171
Drilling and assay	453	794	249	6	-	-	-	8	2,815
Geological and field	42	49	4	20	-	-	-	33	514
Geophysics	449	86	45	-	-	-	-	8	1,813
Management fees	50	49	25	-	-	-	-	-	300
Total	$ 1,015	$ 1,019	$ 323	$ 47	$ -	$ -	$ -	$ 49	$ 5,613

e) Ireland Zinc Project

In fiscal 2009, 2,840 meters of diamond drilling was performed. No significant mineralization was intersected and as a result the Company has decided to relinquish the licenses.

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

TABLE 3: ($000's) **Zinc Project, Ireland** (unaudited)	31-Oct-07 Q3-08	31-Jan-08 Q4-08	30-Apr-08 Q1-09	31-Oct-08 Q3-09	31-Jan-09 Q4-09	30-Apr-09 Q1-10	Three Months Ended 31-Jul-09	 3 1-Jul-08	LTD
Option maintenance costs	$ -	$ 53	$ -	$ -	$ -	$ -	$ -	$ -	$ 53
Consulting and labour	-	20	8	80	20	12	-	111	239
Geological and field	-	4	1	-	1	-	-	2	8
Drilling	-	-	-	88	-	-	-	184	272
Travel and accommodation	-	-	-	-	(1)	-	-	9	8
Total	$ -	$ 77	$ 9	$ 168	$ 20	$ 12	$ -	$ 306	$ 580

4. Financial Performance Review

Exploration Expenditures

TABLE 4: ($000's) **Exploration Expenditures** (unaudited)	31-Oct-07 Q3-08	31-Jan-08 Q4-08	30-Apr-08 Q1-09	31-Oct-08 Q3-09	31-Jan-09 Q4-09	30-Apr-09 Q1-10	Three Months Ended 31-Jul-09	 31-Jul-08
By type:								
Asset retirement obligation	$ -	$ -	$ -	$ -	$ 43	$ -	$ -	$ -
Consulting and labour	95	125	83	283	219	12	-	472
Depreciation and amortization	24	22	22	50	56	-	-	32
Drilling and assay	898	971	312	1,170	108	-	-	1,566
Geological and field	54	259	200	244	117	-	-	212
Geophysics	727	131	90	16	10	-	-	27
Management fees	50	49	25	-	-	-	-	-
Option maintenance costs	72	225	131	21	189	-	-	153
Travel and accommodation	-	-	-	49	12	-	-	108
Total	$ 1,920	$ 1,782	$ 863	$ 1,833	$ 754	$ 12	$ -	$ 2,570
By project:								
Infinity	$ 869	$ 553	$ 531	$ 1,618	$ 483	$ -	$ -	$ 2,215
Bathurst	1,015	1,019	323	47	-	-	-	49
Ireland	-	77	9	168	20	12	-	306
Bancroft	36	133	-	-	-	-	-	-
Harmony/Phoenix	-	-	-	-	251	-	-	-
Total	$ 1,920	$ 1,782	$ 863	$ 1,833	$ 754	$ 12	$ -	$ 2,570

For details on the projects and these related expenditures, see "*Section 3 – Project Updates*".

Other Expenses and items

TABLE 5: ($000's)								
Other Expenses	31-Oct-07	31-Jan-08	30-Apr-08	31-Oct-08	31-Jan-09	30-Apr-09	Three Months Ended	
(unaudited)	Q3-08	Q4-08	Q1-09	Q3-09	Q4-09	Q1-10	31-Jul-09	31-Jul-08
By type:								
Corporate costs	$ 269	$ 521	$ 424	$ 254	$ 388	$ 249	$ 259	$ 385
Stock based compensation	268	241	163	70	107	35	24	145
Write-down of investments	-	261	-	-	-	283	300	-
Loss on derecognition of assets and liabilities	-	-	-	-	-	748	-	-
Depreciation and amortization	8	29	27	5	6	5	5	2
Interest Income	(53)	(136)	(53)	(145)	44	(2)	(1)	(49)
Foreign Exchange	-	130	(32)	(45)	(120)	(9)	(10)	(1)
Future Income Tax Recovery	-	-	-	-	-	-	-	-
Total	$ 492	$ 1,046	$ 529	$ 139	$ 425	$ 1,309	$ 577	$ 482

Total other expenses for the quarter were $576,734 (2008: $481,942), an increase of $94,792. The increase is mainly due to a decrease in corporate costs of $126,475 and an increase in write-down of investments in Infinity and Harmony of $300,213.

The increase is partly offset by a decrease in stock-based compensation of $121,000. There is also a reduction in interest income of $48,255 due to decreased funds available to be invested in GICs and an increase in foreign exchange gain of $8,745. The foreign exchange arose due to the Canadian dollar decreasing relative to the US dollar.

5. Financial Position

TABLE 6: ($000's)
Summary Balance Sheets
(unaudited)

	31-Jul-09	January 31, 2009
Cash and cash equivalents	$ 62	$ 1,154
Restricted cash	-	-
Receivables, prepaids and deposits	115	308
Project advances	-	-
Marketable securities	-	-
Property, plant and equipment	41	668
Total Assets	$ 218	$ 2,130
Accounts payable and accrued liabilities	$ 267	$ 294
Asset retirement obligations	-	49
Total Liabilities	$ 267	$ 343
Non-controlling interest	$ -	$ 6
Share capital	$ 18,706	$ 18,697
Contributed surplus	3,024	2,965
Deficit	(21,779)	(19,881)
Total shareholders' equity	$ (49)	$ 1,781

Cash and cash equivalents of $62,007 (January 31, 2009: $1,153,861) were comprised of: cash of $62,007 (January 31, 2009: $126,215) and short term deposits of $Nil (January 31, 2009: $1,027,646).

Receivables, prepaids and deposits totaled $114,915 (January 31, 2009: $308,152) comprised of prepaid insurance, prepaid rent and advances of $63,654; GST receivable of $4,545; and other items including deposits on facilities of $46,716. During the six months ended July 31, 2009, the Company derecognized amounts receivable and prepaids of Infinity and Harmony valued at $130,235.

Property, plant and equipment were $40,932 (net) (January 31, 2009: $668,310). During the six months ended July 31, 2009, the Company derecognized the property, plant and equipment of Infinity and Harmony valued at $617,582. The remaining decrease is primarily due to amortization recognized in the period.

As at July 31, 2009, there were 40,583,692 (January 31, 2009: 40,483,692) shares, issued and outstanding. Table 7 below summarizes the changes in share capital from January 31, 2009 to July 31, 2009.

TABLE 7: **Share Capital**	Number of Shares	Amount
Balance - January 31, 2009	40,483,692	18,697,256
Mineral Properties	100,000	8,500
Exercise of options	-	-
Exercise of warrants	-	-
Balance - July 31, 2009	40,583,692	18,705,756

As at July 31, 2009 the Company had 3,845,000 (January 31, 2009: 3,795,000) stock options and 5,876,944 (January 31, 2010: 6,230,277) warrants outstanding.

6. Cash Flow, Liquidity and Capital Resources

TABLE 8: ($000's) **Summary of Cash Flows** (unaudited)	Six Months Ended 31-Jul-09	Six Months Ended 31-Jul-08
Net change of cash related to:		
Operations	$ (447)	$ (2,918)
Investing	(645)	(510)
Financing	-	382
Net change in cash during the period	$ (1,092)	$ (3,046)
Cash & equiv. - Beginning of period	1,154	7,786
Cash & equiv. - End of period	$ 62	$ 4,740

To fund its working capital, including exploration activities and corporate expenses, the Company requires access to capital markets to raise financing through equity offerings. All financing activities are currently provided through equity offerings. Due to a carry over into 2009 of the turmoil and uncertainty in the world-wide capital markets it was difficult to find attractive financing options. The Company during the last six months of 2009 was able to complete two non-brokered financings for gross proceeds of $1,952,800 with an additional $500,000 raised in January 2010. In order to preserve cash during these times of uncertainty, management has suspended drilling operations and has put its projects on a care and maintenance program until such time as it is deemed prudent and there is a resolution to the current litigation.

Cash outflows from operating activities before working capital adjustments for the six months were $500,831 (2008: $4,003,497) and mainly consist of cash paid on account of exploration expenditures and corporate costs (see "*Section 4 – 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 $446,764 (2008: $2,918,582).

Cash outflows from investing activities for the six months were $645,090 (2008: $510,474) which consist of purchase of investments related to the funds sent to Infinity in the DRC of $574,693 (2008: $nil) and derecognition of cash of Infinity of $70,397 (2008: $nil).

Cash inflows from financing activities for the six months resulted were $nil (2008: $382,169).

7. Contractual Obligations

Table 9 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 9 [1] Property Option Cash Payments as at July 31, 2009	Infinity Project, DRC $		Zinc Project, Ireland	Phoenix Project, DRC $		Total $
Period Ending January 31						
2010	119,240	[2]	-	298,500	[2]	417,740
2011	119,240	[2]	-	358,200	[2]	477,440
2012	-		-	417,900	[2]	417,900
2013	-		-	1,313,400	[2]	1,313,400
	$ 238,480		-	$ 2,388,000		2,626,480

Notes:

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

2 – US$100,000 converted at an exchange rate of 1.194.

8. Related Party Transactions

a. GCP owns 30% of the shares of Infinity and one of the controlling shareholders of GCP is an officer of Infinity, and was retained by the Company under a management contract to manage the Company's DRC projects up until August 2009, at which time the contract expired and was not renewed. During the period, the Company paid $54,034 (2008: $100,051) for management consulting services.

   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.

9. 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, 2009, 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 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.

Basis of presentation and consolidation

Consolidated financial statements include the assets, liabilities and results of operations of all entities controlled by the Company. The effects of transactions between entities in the consolidated group are eliminated. Where control of an entity is obtained during a financial year, its results are included in the consolidated statements of loss and deficit from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control exists.

For the six month period ended July 31, 2009, the Company accounted for its investments in Infinity and Harmony using the cost method rather than on a consolidated basis as the Company did not exercise control or significant influence over its investments in Infinity and Harmony during the six month period ended July 31, 2009. As a result, the Company's financial statements at July 31, 2009 and for the six month period then ended do not include the assets and liabilities and results of operations of Infinity and Harmony. During the six month period ended July 31, 2009, the Company recorded a provision for write-down of $748,152 and $583,193 as a result of the derecognition of the assets and liabilities of Infinity and Harmony at their carrying amounts and a write-down of the investments carried at cost to a fair value of $1, respectively.

The consolidated financial statements for the year ended January 31, 2009 are prepared on a consolidated basis and include the accounts of the Company and Infinity and Harmony on the basis that the Company owned and effectively controlled a 70% interest in these companies.

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 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 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 January 2006, the Canadian Accounting Standards Board adopted a strategic plan, which includes the decision to move financial reporting for Canadian publicly accountable enterprises to a single set of globally accepted standards, IFRS, as issued by the International Accounting Standards Board. The effective implementation date of the conversion from Canadian generally accepted accounting principles ("Canadian GAAP") to IFRS is January 1, 2011, with an effective transition date of January 1, 2010 for financial statements prepared on a comparative basis. The Company is engaged in an assessment and conversion process which may include consultation with external consulting firms and expects to be ready for the conversion to IFRS in advance of January 1, 2011. As part of the conversion process, the Company will offer IFRS specific training to senior financial reporting personnel and directors.

The Company's approach to the conversion to IFRS includes three phases.

- Phase one, an initial general diagnostic of its accounting policies and Canadian GAAP relevant to its financial reporting requirements to determine the key differences and options with respect to acceptable accounting standards under IFRS.
- Phase two, an in-depth analysis of the IFRS impact in those areas identified under phase one. This phase has commenced. A summary of this analysis is provided in Table 1 below.
- Phase three, the implementation of the conversion process, including the completion of the opening balance sheet as at January 31, 2011 together with related discussion and notes, will be carried out in the second half of 2010.

At this point, the Company's IT accounting and financial reporting systems are not expected to be significantly impacted. Further, the Company has in place internal and disclosure control procedures to ensure continued effectiveness during this transition period.

The above comments, including the summary in Table 1, should not be considered as a complete and final list of the changes that will result from the transition to IFRS as the Company intends to maintain a current and proactive approach based on changes in circumstances and no final determinations have been made. In addition, the accounting bodies responsible for issuing Canadian and IFRS accounting standards have significant ongoing projects that could impact the Company's financial statements as at January 31, 2011 and in subsequent years, including projects regarding financial instruments and joint venture accounting. In addition, there is an extractive industries project currently underway that will lead to more definitive guidance on the accounting for exploration and evaluation expenditures, although this is still in the discussion paper stage and may not be completed for some time. The Company is continuing to monitor the development of these projects and will assess their impact in the course of its transition process to IFRS.

Table 1. Summary of financial statements impact on transition from Canadian GAAP to IFRS.

Key Area	**Canadian GAAP** **(as currently applied)**	**IFRS**	**Analysis and preliminary conclusions**
Property, plant and equipment ("PP&E")	PP&E is recorded at historical cost.	PP&E can be recorded using the cost (on transition to IFRS, the then fair value can be deemed to be the cost) or revaluation models.	PP&E will likely continue to be recorded at their historical costs due to the complexity and resources required to determine fair values on an annual basis.
	Depreciation is based on their useful lives after due estimation of their residual values.	Depreciation must be based on the useful lives of each significant component within PP&E.	Based on an analysis of PP&E and its significant components, the Company has determined that no change to their useful lives is warranted and, therefore, depreciation expense will continue to be calculated using the same rates under IFRS.
Mineral properties	Exploration, evaluation and development costs are capitalized when incurred. They are amortized on the basis of production or written off when the prospect is no longer deemed prospective or is abandoned.	IFRS has limited guidance with respect to these costs and currently allows exploration and evaluation costs to be either capitalized or expensed.	The existing accounting policy is likely to be maintained.

Asset retirement obligations (“ARO”)	Canadian GAAP limits the definition of ARO to legal obligations. ARO is calculated using a current credit-adjusted, risk-free rate for upward adjustments, and the original credit-adjusted, risk-free rate for downward revisions. The original liability is not adjusted for changes in current discount rates.	IFRS defines ARO as legal or constructive obligations. ARO is calculated using a current pre-tax discount rate (which reflects current market assessment of the time value of money and the risk specific to the liability) and is revised every reporting period to reflect changes in assumptions or discount rates. IFRS requires that, on transition, the net book value of the asset related to ARO be adjusted on the basis of the ARO balance existing at inception.	The broadening of this definition is unlikely to cause a significant change in the Company’s current estimates. The Company is in the final stages of quantifying the impact of this change on the ARO provision. The Company expects to rely on the IFRS 1 exemption which allows a company to use current estimates of future reclamation costs and current amortization rates to determine the net book value on transition to IFRS.
Impairment of long lived assets	Impairment tests of its long-term assets are considered annually based on indications of impairment. Impairment tests are generally done on the basis of undiscounted future cash flows. Write-downs to net realizable values under an impairment test are permanent changes in the carrying value of assets.	Impairment tests of “cash generating units” are considered annually in the presence of indications of impairment. Impairment tests are generally carried out using the discounted future cash flows. Write downs to net realizable values under an impairment test can be reversed if the conditions of impairment cease to exist.	Assets will continue to be grouped under the Company’s various mining operations. Currently, there are no indications of impairment and, therefore, no impairment test has been performed. Impairment tests using discounted values could generate a greater likelihood of write downs in the future. Potential significant volatility in earnings could arise as a result of the difference in the treatment of write-downs.

Stock-based compensation	Stock-based compensation is determined using fair value models (e.g. Black-Scholes) for equity-settled awards and the intrinsic model for cash-settled awards. The Company recognizes stock-based compensation on straight line method and updates the value of the options for forfeitures as they occur.	Stock-based compensation is determined using fair value models for all awards. However, upon settlement, cash-settled awards are adjusted to the value actually realized (intrinsic model). Under IFRS, stock-based compensation is amortized under the graded method only. In addition, the Company is required to update its value of options for each reporting period for expected forfeitures.	The utilization of fair value models for cash-settled awards will change the estimate of the related liability while the awards remain outstanding and create greater volatility in earnings until the awards are settled. The Company expects to record an IFRS income statement and balance sheet adjustment.
Income taxes	There is no exemption from recognizing a deferred income tax for the initial recognition of an asset or liability in a transaction that is not a business combination. The carrying amount of the asset or liability acquired is adjusted for the amount of the deferred income tax recognized. All deferred income tax assets are recognized to the extent that it is "more likely than not" that the deferred income tax assets will be realized.	A deferred income tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affects neither accounting profit nor taxable profit. A deferred tax asset is recognized if it is "probable" that it will be realized.	The Company does not expect the difference in recognition of deferred income tax to have any significant change in the future. "Probable" in this context is not defined and does not necessarily mean "more likely than not". The Company is in the final stages of quantifying the impact of this difference.

The above assessment and conclusions are based on the analysis completed by the Company as of the date of this report and may be subject to change between now and January 1, 2011.

Foreign Political Risk

The Company's material properties are currently located in the DRC and, as such, are exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

Government Laws, Regulation & Permitting

Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Estimates of Mineral Resources

The mineral resource estimates contained in this MD&A are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its properties. There is no assurance that the Company will be successful in raising sufficient funds to meet its obligation or to complete all of the currently proposed exploration programs. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts.

Key Management and Competition

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Title to Properties

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned.

Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper or gold.

Disclosure Controls and Internal Control over Financial Reporting

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

TSX Venture listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"). In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls 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 (b) 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 issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

10. 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.

11. Outlook

The Company's principal focus is exploration and development in the DRC, Copperbelt. The Company's primary project is the Kasala property, where 17,500 meters of drilling to date has identified a highly prospective copper/cobalt discovery. Although the intention is to continue to develop this project and advance it to possible production, until such time as the two default notices are settled by the Arbitration process, the Company has put its exploration activities on hold and the projects in a care and maintenance program. In the meantime, to demonstrate its long term commitment to the projects, Management has undertaken to strengthen its presence in the DRC with the appointment of both a new Country Manager and Business Consultant who have extensive experience within the DRC. As well, ELN has identified a reputable Congolese accounting firm to handle all of its accounting requirements and banking in the DRC.

It is the intent of the Company to continue to advance the Kasala project through a further series of enhanced soil geochemical sampling, ground geophysics and drill programs in order to define an initial resource calculation. We believe that as we continue to demonstrate strong control over our affairs in the DRC the Company will be able to attract experienced and qualified technical and financial personnel to implement the Company's overall strategy in Africa. This will enhance our ability to not only finance the Company but by doing so; attract interest for possible joint venture or merger and acquisition opportunities.

Although to-date the Company has raised approximately $2 million, these are still difficult times and there is a need to be financially cautious. Management has cut our expenses, decreased our portfolio of properties and acted responsibly in halting its exploration programs worldwide for the near term.

Even though current Management has demonstrated its ability to raise funds 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 financial results and discussion 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.

12. 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:
Mr. Harry Barr, Chairman & Acting CEO
El Nino Ventures Inc.
2303 West 41st Avenue,
Vancouver, British Columbia, V6M 2A3

TRADING SYMBOLS
TSX Venture Exchange: ELN
Frankfurt Stock Exchange: E7Q