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EL NINO
VENTURES INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED OCTOBER 31, 2011
December 29, 2011

The following management discussion and analysis ("MD&A") should be read in conjunction with the unaudited interim financial statements and accompanying notes ("Financial Statements") of El Nino Ventures Inc. (the "Company") for the nine months ended October 31, 2011. Results have been prepared in accordance with International Financial Reporting Standards ("IFRS") 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.

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

As at December 29, 2011, the Company had 47,633,627 shares outstanding after the stock consolidation on October 21, 2011, with a total market capitalization of approximately $5.7 million. The Company shares trade on the TSX Venture Exchange ("ELN") and the Frankfurt Stock Exchange ("E7Q").

The Company is focusing its efforts on developing and growing its asset base. On May 4, 2010, the Company with its partner, Xstrata Canada Corporation – Xstrata Zinc Canada Division ("Xstrata Zinc"), optioned its extensive claims in the Bathurst Mining Camp, New Brunswick, to Votorantim Metals Canada Inc. ("Votorantim'). Votorantim can earn up to 70% of the claims by spending $20 million on exploration. In the DRC, the Company's discovery on the Kasala Project (formerly Infinity Project) gives the Company a bona fide development project going forward. The Company is aggressively pursuing acquisitions globally.

Kasala Project – Pursuant to an agreement dated May 19, 2007, the Company exercised its option to acquire a 70% interest in certain mineral research permits (the "Kasala Mineral Research Permits") covering 352 square kilometers of prospective exploration areas in the Copperbelt, located between Lubumbashi and Likasi in the DRC from GCP Group Ltd. ("GCP") a private British Virgin Islands company (the "Mineral Property Option Agreement"). Total consideration to be paid consists of cash payments of US$550,000 (US$450,000 paid) and the issuance of 280,000 shares (700,000 shares pre-consolidation) to which 240,000 shares were issued (600,000 shares pre-consolidation). The remaining US$100,000 and 40,000 shares (100,000 shares pre-consolidation) that are payable and issuable, respectively, on May 18, 2010 are being held in trust pending the decision by the courts in British Columbia in regards to the Company's petition to set-off the US$100,000 and 40,000 shares (100,000 shares pre-consolidation) against the $850,000 being claimed by the Company as well as orders for arbitration to settle the disputes. (See "*Section 2 – Litigation*").

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. Mr. Kavvadias and GCP are appealing the decision.

Subsequently, the Company filed claims in the Supreme Court of British Columbia which determined that the petitions are to be decided through arbitration. Both parties have agreed to an arbitrator and have submitted their supporting documents and a decision is now expected in January, 2012.

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

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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.

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.

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. In January 2011, the Company terminated the LOI related to the Harmony Mineral Research Permits.

Bathurst Mining Camp Project (Previously Bathurst Zinc Project) – The Company entered into an option agreement with 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.

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.

In February 2011, El Nino Ventures Inc. announced that a $5 million exploration program has begun consisting of airborne and ground geophysics and drilling.

Murray Brook Project – On November 1, 2010 Votorantim entered into an Option and Joint Venture Agreement with Murray Brook Minerals Inc. (MBM) and Murray Brook Resources Incorporated (MBR) concerning the Murray Brook Mining Lease No. 252 and the Came Back Claims Block No. 4925 (the Properties). Under Votorantim's Option and Joint Venture Agreement with MBM and MBR, Votorantim can earn a 50% interest in the Properties, by funding $2,250,000 in exploration expenditures and making payments totaling $300,000 over a three year period commencing Nov 1, 2011. Votorantim can earn an additional 20% interest in the Properties by funding an additional $2,250,000 in exploration expenditures over an additional two year period.

On July 11, 2011, El Nino Ventures Inc. announced its commencement of Phase II drilling program on the Murray Brook Project in the Bathurst Mining Camp, New Brunswick.

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

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

Going Concern

As at October 31, 2011, the Company had cash and cash equivalents of $631,421, working capital of $642,467 and a deficit of $28,161,000. The funds on hand at October 31, 2011 are not sufficient to meet our planned corporate, administrative and proposed exploration activities for the next twelve months. 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.

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 acted as manager (the "Country Manager") of the Company's DRC joint venture company, Infinity (70% ELN/30% GCP). An underlying agreement provides GCP to retain 10% and 20% is held by Fonaco Sprl, a company controlled by Mr. Hassan Sabra, the original owner of the Kasala permits.

In May 2010, the Company received notice that the claims commenced in the DRC were dismissed by the Tribunal of Commerce of Lubumbashi. The Company successfully argued that the jurisdiction for hearing the claim was 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.

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- 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.

The Supreme Court of British Columbia decision was to have the claims and dispute decided through arbitration. At this time both parties have agreed to the Arbitrator and have submitted supporting documents and the arbitration hearing will be held in January 2012 with a decision shortly thereafter.

In addition, the Company has been made aware of an attempt by Mr. Kavvadias to fraudulently transfer the Kasala permits from Infinity to a company controlled by Mr. Kavvadias. The Company has taken all available steps to prevent this blatant attempt to deprive the Company of its rightful ownership in the Kasala properties. The Ministry of Mines (CAMI) has refused to accept any effort by Mr. Kavvadias and has initiated criminal charges against him for fraudulently attempting to transfer the permits from Infinity by falsifying the minutes of a meeting for Infinity Resources Sprl. To further protect the permits, the Company invoked the force majeure order, which it can elect to remove at any time.

Two judgments were petitioned by the Company in the DRC; (1) to remove Mr. Kavvadias as manager and declare him incompetent; (2) that he fraudulently used a power of attorney and issued minutes fraudulently appointing him manager. Both decisions have been rendered in the Company's favor. Mr. Kavvadias was found guilty and fined by the court and required to pay all court costs. Although an appeal has been submitted, the company has been advised that it will be dismissed as a normal course of business by the courts. Subsequently a shareholder's meeting of Infinity was held and the company appointed a new manager for its joint venture company, Infinity Resources Sprl.

3. Project Updates

a) Kasala Project (formerly Infinity Project)

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

TABLE 1: ($000's)

Kasala Project, DRC	31-Jan-10 Q4-10	30-Apr-10 Q1-11	31-Jul-10 Q2-11	31-Jan-11 Q4-11	30-Apr-11 Q1-12	31-Jul-11 Q2-12	Three Months Ended 31-Oct-11	Three Months Ended 31-Oct-10	LTD
Drilling	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,315
Consulting and labour	-	-	-	-	-	-	11	-	1,221
Assay	-	-	-	-	-	-	-	-	637
Asset retirement obligation	-	-	-	-	-	-	-	-	43
Geological and field	-	-	-	-	-	-	-	-	1,168
Option maintenance costs	-	-	-	-	-	-	-	-	632
Travel and accomodation	-	-	-	-	-	-	-	-	161
Depreciation and amortization	-	-	-	-	-	-	-	-	160
Geophysics	-	-	-	-	-	-	-	-	648
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ 11	$ -	$ 6,985

2010 Exploration Program

Due to the uncertainty and timing of the outcome of the current Notices of Dispute, 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 further exploration drill programs to advance the Kasala project.

The Company 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.

2011 Projection

As at December 16, 2011, there were no new drill holes and no new geochemistry in place. Work on the Kasala project for 2012 YTD entailed compilation and thorough analysis of all earlier geochemistry and airborne geophysics (radiometric and magnetic) with geology, stratigraphy, topography, hydrology, satellite and existing, publicly available maps and data to refine the exploration target area and identify new drill targets.

Historical Exploration/Drilling

The Company was unable to conduct an exploration program during 2010. 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 ("Cu") over 10 meters, 2.82% Cu over 29 meters which includes a 5 meter intersection of 4.11% Cu and 0.50% cobalt ("Co").

b) Harmony Project

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. In January 2011, the Company terminated the LOI related to the Harmony Mineral Research Permits.

c) Bathurst Mining Camp Project

The Company is party to a tripartite option agreement with Xstrata Zinc and Votorantim. The agreement calls for Votorantim to incur $10.0 million in exploration expenditures over five years to earn 50% and a further $10.0 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.

2011 Projection

An airborne survey was performed in February 2011, and as at December 16, 2011, results are still pending. For the three months ended October 31, 2011, 6,500 meters of drilling took place. $1 million in expenditures are projected to be incurred for the remainder of Fiscal 2011, and an additional 6,600 meters of drilling is expected to take place.

Table 2 below presents the total net expenditures by quarter and life to-date ("LTD") for the Bathurst project:

TABLE 2: ($000's)

Bathurst Zinc Project, Canada	31-Jan-10	30-Apr-10	31-Jul-10	31-Jan-11	30-Apr-11	31-Jul-11	Three Months Ended		
	Q4-10	Q1-11	Q2-11	Q4-11	Q1-12	Q2-12	31-Oct-11	31-Oct-10	LTD
Option maintenance costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 171
Consulting and labour	-	-	-	-	-	-	-	-	2,815
Geological and field	-	-	-	-	-	-	-	-	514
Drilling	-	-	-	-	-	-	-	-	1,813
Travel and accomodation	-	-	-	-	-	-	-	-	300
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,613

d) 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	31-Jan-10	30-Apr-10	31-Jul-10	31-Jan-11	30-Apr-11	31-Jul-11	Three Months Ended		
	Q4-10	Q1-11	Q2-11	Q4-11	Q1-12	Q2-12	31-Oct-11	31-Oct-10	LTD
Option maintenance costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 53
Consulting and labour	11	-	-	-	-	-	-	-	262
Geological and field	1	-	-	-	-	-	-	-	8
Drilling	-	-	-	-	-	-	-	-	272
Travel and accomodation	-	-	-	-	-	-	-	-	8
Total	$ 12	$ 12	$ -	$ -	$ -	$ -	$ -	$ -	$ 603

e) Murray Brook Project

As at August 30 2011, El Nino Ventures Inc. announced significant diamond drill results of the 2011, 15 hole drill program on the Murray Brook Massive-Sulfide Deposit located in the Bathurst Mining Camp. A total of 15 holes had been completed to date on the Murray Brook project.

Out of a a total of 1,034 samples obtained from within the massive sulfide body, 121 samples (12%) returned assays of greater than 10% lead ("Pb") and zinc ("Zn") combined and 248 samples (24%) returned values of greater than 1 g/t gold ("Au").

The first phase of the 2011 drill program was completed in spring/summer 2011 and significant intersections of Zn, Cu, Pb, Au and silver ("Ag") were reported. The second phase of the drilling program was initiated in September 2011, and results are expected before the fiscal year end.

Table 4 below presents the total net expenditures by quarter and life to-date ("LTD") for the Murray Brook Project:

TABLE 4: ($000's)

Murray Brook Project, Canada	31-Jan-10	30-Apr-10	31-Jul-10	31-Jan-11	30-Apr-11	31-Jul-11	Three Months Ended		
	Q4-10	Q1-11	Q2-11	Q4-11	Q1-12	Q2-12	31-Oct-11	31-Oct-10	LTD
Option maintenance costs	$ -	$ -	$ -	$ -	$ -	$ -	$ 1	$ -	$ 1
Consulting and labour	-	-	-	-	-	92	40	-	132
Geological and field	-	-	-	-	-	21	4	-	25
Drilling	-	-	-	-	-	328	536	-	864
Assay	-	-	-	-	-	-	15	-	15
Geophysics	-	-	-	-	-	-	2	-	2
Travel and other	-	-	-	-	-	4	2	-	6
Total	$ -	$ -	$ -	$ -	$ -	$ 445	$ 600	$ -	$ 1,045

2011 Projection:

The Murray Brook 2012 exploration-program budget is current set at $2.5 Million. This program will consist of a multi-phase drill program and a National Instrument 43-101, *Standards of Disclosure for Mineral Projects* (" NI43-101") resource estimate with preliminary tonnage and grade calculations to be completed in Q1 – Q2, 2012.

4. Financial Performance Review

Exploration Expenditures

TABLE 5: ($000's)

Exploration Expenditures	31-Jan-10	30-Apr-10	31-Jul-10	31-Jan-11	30-Apr-11	31-Jul-11	Three Months Ended	
	Q4-10	Q1-11	Q2-11	Q4-11	Q1-12	Q2-12	31-Oct-11	31-Oct-10
By type:								
Drilling and assay	$ -	$ -	$ -	$ -	$ -	$ 328	$ 551	$ -
Consulting and labour	11	-	-	-	-	92	51	-
Geological and field	1	-	-	-	-	21	4	-
Option maintenance costs	-	-	-	-	-	-	1	-
Geophysics	-	-	-	-	-	-	2	-
Travel and other	-	-	-	-	-	4	2	-
Total	$ 12	$ -	$ -	$ -	$ -	$ 445	$ 611	$ -
By project:								
Infinity	$ -	$ -	$ -	$ -	$ -	$ -	$ 11	$ -
Bathurst	-	-	-	-	-	-	-	-
Ireland	12	-	-	-	-	-	-	-
Bancroft	-	-	-	-	-	-	-	-
Murray Brook	-	-	-	-	-	445	600	-
Harmony/Phoenix	-	-	-	-	-	-	-	-
Total	$ 12	$ -	$ -	$ -	$ -	$ 445	$ 611	$ -

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

Other Expenses and items

TABLE 6: ($000's)

Other Expenses	31-Jan-10 Q4-10	30-Apr-10 Q1-11	31-Jul-10 Q2-11	31-Jan-11 Q4-11	30-Apr-11 Q1-12	31-Jul-11 Q2-12	Three Months Ended 31-Oct-11	 31-Oct-10
By type:								
Corporate costs	$ 368	$ 340	$ 321	$ 300	$ 340	$ 524	$ 277	$ 339
Stock based compensation	-	9	22	20	9	75	76	36
Loss on derecognition of assets & liabi	748	-	-	-	-	-	-	-
Write-down of investments	1,105	-	128	42	-	-	-	17
Depreciation and amortization	-	3	4	4	3	3	3	4
Interest Income	1	(3)	-	-	(3)	(1)	(4)	-
Foreign Exchange	(70)	6	1	(6)	6	4	-	2
Total	$ 2,152	$ 355	$ 476	$ 360	$ 355	$ 605	$ 352	$ 398

For the nine months ended October 31, 2011, total other expenses were $2,364,289 (2010: $991,188), an increase of $1,373,101. The increase is mainly due to an increase in exploration expenditures of $1,055,762, increase in corporate costs of $228,545 and increase in share-based payments of $95,755 (2011-$84,307; 2010-$64,111).

Increase in corporate cost from $911,985 in 2010 to $1,140,530 in 2011 is mainly due to the increase in labour, consulting and management fees of $226,484 (2011 - $610,963; 2010 - $452,058), increase in promotion of $132,055 (2011-$ 231,739; 2010 - $ 35,349). Audit, accounting and legal fees decreased by $81,524. Office and miscellaneous decreased by $12,177 as well as travel expenses by $60,100. Transfer and filing fees increased by $23,807.

5. Financial Position

TABLE 7: ($000's)

Summary Financial Positions

	October 31, 2011	January 31, 2011	February 1, 2010
Cash and cash equivalents	$ 631	$ 725	$ 1,435
Amounts receivable and prepaids	194	50	113
Property, plant and equipment	11	18	37
Total Assets	$ 836	$ 793	$ 1,585
Trades payable and accrued liabilities	$ 137	$ 22	$ 92
Flow-through tax liabilities	45	-	-
Total Liabilities	$ 182	$ 22	$ 92
Share capital	$ 22,727	$ 21,406	$ 20,974
Contributed surplus	6,088	5,159	4,708
Deficit	(28,161)	(25,794)	(24,189)
Total shareholders' equity	$ 654	$ 771	$ 1,493

Receivables, prepaids and deposits totaled $193,550 (2010: $117,825) comprised of prepaid insurance of $13,691 (2010: $13,800), and other prepaids of $49,079 (2010: $6,633), HST receivable of $15,395 (2010: $16,262), advances of $115,385 (2010: $44,399).

Property, plant and equipment (net) were $11,394 (2010: $22,028).

As at October 31, 2011, there were 47,633,627 shares (2010: 36,215,572), issued and outstanding. Table 8 below summarizes the changes in share capital for the current year.

TABLE 8: **Share Capital**	Number of Shares	$ Amount
Balance - January 31, 2011	36,215,572	21,405,683
Issued in private placements	11,303,769	2,083,160
Issued in exercise of warrants	114,286	50,731
Fair value on unit offerings assigned to warrants	-	(781,385)
Share issue costs	-	(30,903)
Balance - July 31, 2011	47,633,627	22,727,286

On October 21, 2011, the Company consolidated its share capital on a one (1) new common share without par value for every two and one-half (2.5) existing common shares without par value basis.

As at October 31, 2011 the Company had 2,538,000 (2010: 1,940,000) stock options and 14,065,894 (2010: 19,371,828) warrants outstanding.

6. Cash Flow, Liquidity and Capital Resources

TABLE 9: ($000's) **Summary of Cash Flows**		9 months ended October 31, 2011		9 months ended October 31, 2010
Net change of cash related to:				
Operations	$	(2,227)	$	(985)
Investing		(1)		(244)
Financing		2,135		798
Net change in cash during the period	$	(93)	$	(431)
Cash & equiv. - Beginning of period	$	725	$	1,434
Cash & equiv. - End of period	$	632	$	1,003

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.

Cash outflows from operating activities for the period were $2,227,079 (2010: $984,877) and consist of corporate costs and exploration costs (see *"Section 4 – Financial Performance Review"* above).

Cash outflows from investing activities for the year were $1,287 (2010: $244,441) which primarily related to the purchase of property, plant and equipment.

Cash flows from financing activities for the year resulted in cash inflows of $2,135.114 net (2010: $798,125 net). The Company raised $1,628,160 from issuing non flow-through common shares and $500,000 from issuing flow-through common shares and $37,857 upon exercise of share purchase warrants. The Company also paid $30,903 in private placement fees.

7. Contractual Obligations

The Company has no remaining contractual obligations under any of its property option agreements.

8. Related Party Transactions

a. For the nine months ended October 31, 2011, the Company paid $116,500 (2010: $69,000) for management fees and bonus to a company controlled by the Chief Executive Officer and director.

b. For the nine months ended October 31, 2011, the Company paid $94,000 (2010: $65,000) for consulting fees and bonus to a company controlled by the Chief Operating Officer and director. During the quarter, the Company paid $12,000 (2010: $27,500).

c. For the nine months ended October 31, 2011, the Company paid $10,500 (2010: $nil) for consulting fees to directors. During the quarter, the Company paid $nil (2010: $nil).

d. For the nine months ended October 31, 2011, the Company expensed $103,535 (2010: $39,255) in share-based payments related to stock options previously granted to the key management personnel.

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

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Areas requiring significant management estimates include the valuation, impairment and useful life of intangible assets and property and equipment, and deferred 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.

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Basis of presentation and consolidation

For the nine months ended October 31, 2011, the Company accounted for its investments in Infinity 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 during the nine months ended October 31, 2011. As a result, the Company's financial statements at October 31, 2011 and for the nine months then ended do not include the assets and liabilities and results of operations of Infinity.

During the nine months ended July 31, 2011 and 2010, the Company recorded a provision for write-down of $nil and $286,217, respectively, as a result a write-down of the investments carried at cost to a fair value of $1.

Exploration and evaluation properties

Exploration and associated costs relating to non-specific projects or properties are expensed in the period incurred. When management has established that a resource exists, significant property acquisition (including transaction costs), exploration and development costs relating to those specific properties are deferred until the project to which they relate is sold, abandoned, impaired or placed into production.

Investments

The Company accounts for its investments in companies over which it has significant influence using the equity basis of accounting whereby the investments are initially recorded at cost and subsequently adjusted to recognize the Company's share of earnings or losses of the investee companies and reduced by dividends received. The excess of the cost of equity investments over the underlying book value at the date of acquisition, except for goodwill, is amortized over the estimated useful lives of the underlying assets to which it is attributed. The Company had no investments in companies over which it had significant influence for the nine months ended October 31, 2011, or for the years ended January 31, 2011 and 2010.

The Company accounts for its other investments as available-for-sale at their fair values unless the investment securities do not have quoted market prices in an active market, in which case the Company uses the cost basis of accounting whereby investments are initially recorded at cost and earnings from such investments are recognized only to the extent received or receivable. The cost of investments sold or amounts reclassified out of other comprehensive income into earnings are determined on a specific identification basis.

Unless there is an other than temporary decline in the value of an available-for-sale investment, carrying values for available-for-sale investments are adjusted to estimated fair values with such adjustment being included in the Statements of Loss and Comprehensive Loss as a component of other comprehensive income. When there is an other than temporary decline in the value of the investment, the carrying values of investments accounted for using the equity, available-for-sale and cost methods are reduced to estimated fair values with such reduction being included in the Statements of Loss and Comprehensive Loss as Other expense, net.

Property, plant and equipment

Property, plant and equipment are valued at cost less accumulated amortization. The Company provides for amortization using the straight-line method as follows:

i) Computer and field equipment – 3 years
ii) Automotive, furniture and office equipment – 5 years
iii) Software – 1 year

Asset impairment

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Restoration and Environmental Obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is expensed as exploration and evaluation costs with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are expensed as exploration and evaluation costs with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are expensed in accordance with the Company's accounting policy for exploration and evaluation assets.

Foreign currency translation

The Company's functional and presentational currency is the Canadian dollar.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign Political Risk

The Company's material properties are currently located in the Democratic Republic of Congo 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.

10. Changes in Accounting Policies – Initial Adoption

Adoption of International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board declared that International Financial Reporting Standards have replaced Canadian GAAP for publicly accountable enterprises for financial periods beginning on or after January 1, 2011.

In order to produce the required financial statements in accordance with IAS 34, the Company used accounting policies consistent with IFRS as issued by the IASB and interpretations of IFRIC.

The condensed interim financial statements for the three and nine month periods ended October 31, 2011 are the Company's third condensed interim financial statements prepared in accordance with IAS 34 using accounting policies consistent with IFRS. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's fist condensed interim financial statements prepared in accordance with IAS 34 and IFRS dated April 30, 2011.

The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. The accounting policies set out in the Company's financial statements have been applied consistently to all periods presented.

Transition to IFRS

The Company has adopted IFRS with a transition date of February 1, 2010. Under IFRS 1, "First-time Adoption of International Financial Reporting Standards", the Company elected to take the following IFRS 1 optional exemptions:

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Business Combinations - IFRS 1 provides the option to apply IFRS 3, "Business Combinations", restrospectively or prospectively from the transition date. The Company elected not to retrospectively apply IFRS 3 to business combinations that occurred prior to its transition date.

Consolidated and Separate Financial Statements - In accordance with IFRS 1, if a company elects to apply IFRS 3 retrospectively, IAS 27, "Consolidated and Separate Financial Statements" must also be applied retrospectively. As the Company elected to apply IFRS 3 prospectively, the Company has also elected to apply IAS 27 prospectively.

Canadian GAAP to IFRS differences

Flow-through Shares - Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under Canadian GAAP. Under Canadian GAAP, the Company accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146, "Flow-through Shares". At the time of issue, the funds received are recorded as share capital. At the time of the filing of the renunciation of the qualifying flow-through expenditures to investors, the Company recorded a deferred tax liability with a charge directly to shareholders' equity. Also under Canadian GAAP, a portion of the deferred tax assets that were not recognized in previous years, due to the recording of a valuation allowance, are recognized as a recovery of income taxes.

IFRS does not contain explicit guidance pertaining to this tax incentive. Therefore, the Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is initially recorded as a flow-through liability. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through liability is reversed, with any difference recorded as deferred tax expense. A portion of the deferred tax assets that were not recognized in previous years, due to the recording of a valuation allowance, will reduce the deferred tax liability and record a deferred tax recovery.

The change in accounting policy related to flow-through shares resulted in an increase in share capital and an increase in deficit of $1,322,638 as at the transition date.

Reclassification within Equity section - Under Canadian GAAP, "Contributed Surplus" was used to record the issuance of warrants and stock options as well as shares to be issued and warrants to be issued. Upon adoption IFRS, the balances in "Contributed Surplus" have been reclassified to "Stock option reserve" and "Warrants reserve".

Detailed schedules of the impact of these changes are included in Note 18 of the interim financial statements for the nine months ended October 31, 2011.

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11. Financial Instruments

Fair Values

As at October 31, 2011, the Company's carrying values of cash and cash equivalents, amounts receivable, and trade payables approximate their fair values due to their short term maturity.

As at October 31, 2011	Fair value hierarchy	FVTPL, at fair value	Loans and receivables, at amortized cost	Available-for-sale, at fair value	Other liabilities, at amortized cost
Cash and cash equivalents	Level 1	631,421	-	-	-
Amounts receivable	N/A	-	115,385	-	-
Available-for-sale securities	Level 1	-	-	1	-
Investments	Level 3	-	-	1	-
Trade payables	N/A	-	-	-	115,005

Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies. The Company is not subject to a significant credit risk.

Currency Risk

For the nine months ended October 31, 2011, a significant portion of the Company's operation was in the DRC. As a result, a portion of the Company's receivables, payables and accruals were denominated in the US dollar and were therefore subject to fluctuation in exchange rates.

As at October 31, 2011, a significant portion of the Company's cash and cash equivalents were held in Canadian dollars and were therefore subject to fluctuation against the US dollar. However, the Company considers its currency risk to be insignificant.

Liquidity Risk

The Company is reliant upon equity issuances as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash equivalents to capital and operating needs. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future.

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Other Risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk and commodity price risk arising from financial instruments.

12. Subsequent Event

The following event, which occurred during the period from October 31, 2011 to the date of the financial statements, was authorized by the Board of Directors on November 21, 2011:

On November 21, 2011, the Company announced a non-brokered flow-through and non flow-through private placements of up to 10,000,000 units for gross proceeds up to $1,500,000. Each non flow-through unit ("NFT Unit") at a price of $0.13 per NFT Unit will consist of one common share and one-half of one non-transferable share purchase warrant ("Warrant"). Each whole Warrant will entitle the holder to purchase one common share of the Company at a price of $.023 per share for 18 months from closing, subject to an accelerated expiry, such expiry being accelerated to 30 days in the event the Company's shares have closed at or above a price of $0.40 per share for 10 consecutive trading days on the TSX Venture Exchange. Each flow-through unit ("FT Unit") will consist of one common flow-through share in the capital of the Company and one-half of one non flow-through share purchase warrant at a price of $0.15 per FT Unit. Each whole warrant will entitle the holder thereof to purchase one additional non flow-through common share of the Company at $0.25 for a period of 18 months from closing subject to an accelerated expiry, such expiry being accelerated to 30 days in the event the Company's shares have closed at or above a price of $0.40 per share for 10 consecutive trading days on the TSX Venture Exchange.

13. 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.

14. Outlook

The Company's main focus at this time is the continued participation in the advancement of the massive sulphide Murray Brook project in New Brunswick. The Company elected to participate with Votorantim Metals Inc. and Murray Brook Minerals by funding 50% of Votorantim's costs to acquire 50% of the project with an option to acquire the other 50%. The Murray Brook project continues to be very prospective with very good drill results and the Company expects to continue to participate and fund the project throughout the coming year.

The Company's is also focused on the exploration and development of its projects in the DRC's Copperbelt where it has identified a highly prospective copper/cobalt discovery through 17,500 metres of drilling to date on its Kasala property. Due to the spurious and fraudulent activities of its former country manager Georges Kavvadias and his unsuccessful attempt to illegally transfer the Kasala exploration permits and until such time as the two default notices are settled through the current British Columbia arbitration process (decision expected early 2012), the Company is delaying the start of the planned exploration program and has put the Kasala project in a care and maintenance status. In anticipation of resuming its exploration activities, the Company is continuing to develop both the programs and budget to advance the Kasala project in 2012.

Depending on the outcome of the current disputes identified previously in this document, it is the intent of the Company to continue to advance the Kasala project through a series of enhanced soil geochemical sampling, ground geophysics and drill programs in order to define an initial resource calculation. Management recognizes that it will have to demonstrate strong control over its affairs in the DRC before it will be able to attract not only experienced and qualified technical, administrative personnel to implement the Company's overall business strategy but potential joint venture partners as well. In the interim, the company has begun identifying and employing those individuals who will be instrumental in moving the Company forward not only in the DRC, but potentially with acquisitions in other jurisdictions both within Africa as well as other areas internationally.

Although 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. Although the Company has been successful in all of its Court actions, as with all disputes, there is no guarantee that the results from the appeals will be favorable towards the Company. Because of these uncertainties, there is substantial doubt about the ability of the Company to continue as 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.

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15. 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, President & CEO
El Nino Ventures Inc.
2303 West 41st Avenue,
Vancouver, British Columbia, V6M 2A3

TRADING SYMBOLS

TSX Venture Exchange: ELN
Frankfurt Stock Exchange: E7Q

El Nino Ventures Inc.

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

Three and Nine Months Ended October 31, 2011 and 2010

(Unaudited - Expressed in Canadian Dollars)

EL NINO VENTURES INC.

2303 West 41st Avenue • Vancouver • British Columbia • Canada • V6M 2A3 • Telephone (604) 685-1870 • Fax (604) 683-4887

MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of El Nino Ventures Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

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

El Nino Ventures Inc.

Condensed Interim Statements of Financial Position

As at October 31, 2011 and January 31, 2011

(Unaudited)

(Expressed in Canadian Dollars)

	October 31, 2011 $	January 31, 2011 $
Assets		
Current		
Cash and cash equivalents	631,421	724,673
Amounts receivable and prepaids (Note 3)	193,550	49,857
Available-for-sale securities	1	1
	824,972	774,531
Investments (Note 4)	1	1
Property, plant and equipment (Note 5)	11,394	18,238
	836,367	792,770
Liabilities		
Current		
Trade payables and accrued liabilities	137,505	22,329
Flow-through tax liabilities (Note 7)	45,000	-
	182,505	22,329
Equity		
Share capital (Note 7)	22,727,286	21,405,683
Reserves	6,087,576	5,159,199
Deficit	(28,161,000)	(25,794,441)
	653,862	770,441
	836,367	792,770

Nature of operations and going concern (Note 1)

Contingencies (Note 15)

Subsequent event (Note 17)

Approved and Authorized for Issue by the Board on December 28, 2011:

"Harry Barr", Director

" John Oness", Director

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

El Nino Ventures Inc.

Condensed Interim Statements of Loss and Comprehensive Loss

For the three and nine months ended October 31, 2011 and 2010

(Unaudited)

(Expressed in Canadian Dollars)

	Three months ended October 31, 2011 $	Three months ended October 31, 2010 $ (Note 18)	Nine months ended October 31, 2011 $	Nine months ended October 31, 2010 $ (Note 18)
Net Exploration Expenditures (Note 6)	444,727	-	1,055,762	-
General and Administrative Expenses				
Corporate costs (Note 16)	276,522	339,363	1,140,530	911,985
Share-based payments (Note 8)	75,559	35,765	159,866	64,111
Depreciation	2,793	3,790	8,131	15,092
Loss before other items	799,601	378,918	2,364,289	991,188
Other items				
Foreign exchange loss	-	1,891	9,751	9,832
Interest income	(4,101)	-	(7,481)	(3)
Write-down of investments (Note 4)	-	17,583	-	244,441
Net loss and comprehensive loss for the period	795,500	398,392	2,366,559	1,245,458
Loss and comprehensive loss per share – basic and diluted	$0.02	$0.01	$0.05	$0.04
Weighted average number of shares outstanding	47,633,626	31,094,463	45,287,251	30,195,074

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

El Nino Ventures Inc.

Condensed Interim Statements of Cash Flows

For the nine months ended October 31, 2011 and 2010

(Unaudited)

(Expressed in Canadian Dollars)

	Nine months ended October 31, 2011 $	Nine months ended October 31, 2010 $ (Note 18)
Cash flows from operating activities		
Loss for the period	(2,366,559)	(1,245,458)
Items not affecting cash:		
Depreciation	8,131	15,092
Share-based payments (Note 8)	159,866	64,111
Write-down of investments (Note 4)	-	244,441
Changes in non-cash operating working capital:		
Amounts receivable and prepaids	(143,693)	(4,407)
Trade payables and accrued liabilities	115,176	(58,656)
	(2,227,079)	(984,877)
Cash flows from financing activities		
Issuance of common shares, net	2,135,114	798,125
Cash flows from investing activities		
Purchase of property, plant and equipment (Note 5)	(1,287)	-
Purchase of investments (Note 4)	-	(244,441)
	(1,287)	(244,441)
Increase (decrease) in cash and cash equivalents	(93,252)	(431,193)
Cash and cash equivalents – Beginning of period	724,673	1,434,475
Cash and cash equivalents – End of period	631,421	1,003,282

El Nino Ventures Inc.

Condensed Interim Statements of Changes in Equity

For the nine months ended October 31, 2011 and 2010

(Expressed in Canadian Dollars)

			Reserves			
	Number of Common Shares	Share Capital $	Stock Options Reserve $	Warrants Reserve $	Deficit $	Total Equity $
Balance – February 1, 2010	29,721,572	20,974,662	1,281,364	3,426,610	(24,189,366)	1,493,270
Common shares issued for properties	40,000	6,000	-	-	-	6,000
Common shares issued for cash	6,454,000	806,750	-	-	-	806,750
Fair value allocated to warrants	-	(369,462)	-	369,462	-	-
Share issue costs	-	(14,624)	-	-	-	(14,624)
Share-based payments	-	-	64,111	-	-	64,111
Expiry of warrants	-	31,509	-	(31,509)	-	-
Loss for the period	-	-	-	-	(1,245,458)	(1,245,458)
Balance – October 31, 2010 (Note 18)	36,215,572	21,434,834	1,345,475	3,764,563	(25,434,824)	1,110,049
Fair value allocated to warrants	-	(29,151)	-	29,151	-	-
Share-based payments	-	-	20,009	-	-	20,009
Loss for the period	-	-	-	-	(359,617)	(359,617)
Balance – January 31, 2011	36,215,572	21,405,683	1,365,484	3,793,715	(25,794,441)	770,441
Common shares issued for cash	9,303,769	1,628,160	-	-	-	1,628,160
Flow-through common shares issued for cash	2,000,000	500,000	-	-	-	500,000
Flow-through share liability	-	(45,000)	-	-	-	(45,000)
Exercise of warrants	114,286	50,731	-	(12,874)	-	37,857
Fair value allocated to warrants	-	(781,385)	-	781,385	-	-
Share issue costs	-	(30,903)	-	-	-	(30,903)
Share-based payments	-	-	159,866	-	-	194,910
Loss for the period	-	-	-	-	(2,366,559)	(2,401,603)
Balance – October 31, 2011	47,633,627	22,727,286	1,525,350	4,562,226	(28,161,000)	653,862

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

1. Nature of operations and going concern

El Nino Ventures Inc. (the “Company”) was incorporated on February 19, 1988 under the laws of the Province of British Columbia, Canada. The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties in the Democratic Republic of Congo (“DRC”), Ireland and Canada with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploration.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the Company will obtain the necessary financing to complete the exploration and development of mineral property interests, or that the current or future exploration and development programs of the Company will result in profitable mining operations.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

Several adverse conditions cast significant doubt upon the validity of this assumption. Consistent with other entities in the exploration stage, the Company has incurred operating losses since inception, has no source of revenue, is unable to self-finance operations, and has significant cash requirements to meet its overhead and continue its exploration activities. The Company’s ability to continue as a going concern is dependent upon management’s ability to secure additional financing. While management has been successful in obtaining funding in the past, there can be no assurance that it will be able to do so in the future.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used, and such adjustments would be material.

2. Significant accounting policies

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, “*Interim Financial Reporting*”, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These are the Company’s third condensed interim financial statements prepared in accordance with IAS 34 and IFRS using accounting policies consistent with IFRS. The accounting policies have been selected to be consistent with IFRS as is expected to be effective on January 31, 2012, the Company’s first annual IFRS reporting date. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s first condensed interim financial statements prepared in accordance with IAS 34 and IFRS dated April 30, 2011 as well as the Company’s annual financial statements for the year ended January 31, 2011 prepared in accordance with previous Canadian generally accepted accounting principles (“Canadian GAAP”).

2. Significant accounting policies, continued

Basis of Preparation

These condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. These financial statements are presented in Canadian dollars.

The preparation of condensed interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates.

Accounting Changes

These condensed interim financial statements follow the same accounting policies and methods of their application as the Company's first condensed interim financial statements prepared in accordance with IAS 34 and IFRS and as such should be read in conjunction with the Company's condensed interim financial statements for the three months ended April 30, 2011.

IFRS Standards issued but not yet effective:

IFRS 9, *Financial Instruments*
IFRS 7 (Amendment), *Financial Instruments: Disclosure*
IAS 12 (Amendment), *Income Taxes*
IFRS 10, *Consolidated Financial Statements*
IFRS 11, *Joint Arrangements*
IFRS 12, *Disclosure of Interests in Other Entities*
IFRS 13, *Fair Value Measurement*
IAS 27 (Amendment), *Separate Financial Statements*
IAS 28 (Amendment), *Investments in Associates and Joint Ventures*

The Company anticipates that the application of these standards and amendments will not have a material impact on the results and financial position of the Company.

3. Amounts receivable and prepaids

	October 31, 2011	January 31, 2011
Harmonized Sales Tax / Goods and Services Tax credit	$ 15,395	$ 17,091
Advances	115,385	20,135
Prepaids	62,770	12,631
Total	**$ 193,550**	**$ 49,857**

(Expressed in Canadian Dollars)

4. Investments

For the nine months ended October 31, 2011 and 2010, the Company accounted for its investments in Infinity Resources SPRL ("Infinity") and Harmony Resources SPRL ("Harmony") using the cost method as the Company did not exercise control or significant influence over its investments in Infinity and Harmony during the nine months ended October 31, 2011 and 2010 (Notes 6a and 15).

During the three and nine months ended October 31, 2011, the Company recorded a write-down of its investments in Infinity and Harmony of $Nil and $Nil, respectively (2010: $17,583 and $244,441, respectively) to a fair value of $1.

5. Property, plant and equipment

A summary of the changes in the Company's equipment for the nine months ended October 31, 2011 is as follows:

	Computer and field equipment	Furniture and office equipment	Software	Total
Cost				
At January 31, 2011	$ 15,466	$ 50,019	$ 8,325	$ 73,810
Additions	1,287	-	-	1,287
Disposals	-	-	-	-
At October 31, 2011	$ 16,753	$ 50,019	$ 8,325	$ 75,097
Depreciation				
At January 31, 2011	$ 14,793	$ 32,454	$ 8,325	$ 55,572
Change for the period	628	7,503	-	8,131
At October 31, 2011	$ 15,421	$ 39,957	$ 8,325	$ 63,703
Net book value				
At January 31, 2011	$ 673	$ 17,565	$ -	$ 18,238
At October 31, 2011	**$ 1,332**	**$ 10,062**	**$ -**	**$ 11,394**

(Expressed in Canadian Dollars)

5. Property, plant and equipment, continued

A summary of the changes in the Company's equipment for the year ended January 31, 2011 is as follows:

	Computer and field equipment	Furniture and office equipment	Software	Total
Cost				
At February 1, 2010	$ 15,466	$ 50,019	$ 8,325	$ 73,810
Additions	-	-	-	-
Disposals	-	-	-	-
At January 31, 2011	$ 15,466	$ 50,019	$ 8,325	$ 73,810
Depreciation				
At February 1, 2010	$ 8,416	$ 19,949	$ 8,325	$ 36,690
Change for the year	6,377	12,505	-	18,882
At January 31, 2011	$ 14,793	$ 32,454	$ 8,325	$ 55,572
Net book value				
At February 1, 2010	$ 7,050	$ 30,070	$ -	$ 37,120
At January 31, 2011	**$ 673**	**$ 17,565**	**$ -**	**$ 18,238**

6. Exploration and evaluation properties

Cumulative acquisition and exploration expenditures as at October 31, 2011 are as follows:

	Option maintenance costs	Exploration costs	Option payments received	October 31, 2011
Murray Brook Project, Canada	$ -	$ 1,044,595	$ -	$ 1,044,595
Infinity Project, DRC	634,410	6,350,834	-	6,985,244
Bathurst Zinc Project, Canada	169,631	5,443,031	-	5,612,662
Zinc Project, Ireland	52,969	551,536	-	604,505
Bancroft Properties, Canada	110,463	358,356	(386,250)	82,569
Harmony / Phoenix Projects, DRC	250,850	-	-	250,850
Total	**$ 1,218,323**	**$ 13,748,352**	**$ (386,250)**	**$ 14,580,425**

6. Exploration and evaluation properties, continued

a. DRC Projects

In the DRC, the Company currently has one project being the Kasala Project. Business in the DRC is conducted under the rules and regulations of the New Mining Code that came into effect in 2003.

i. Kasala Project (formerly Infinity Project)

Pursuant to an agreement dated May 19, 2007, the Company exercised its option to acquire a 70% interest in certain mineral research permits (the “Kasala Mineral Research Permits”) covering 352 square kilometres of prospective exploration areas in the Copperbelt, located between Lubumbashi and Likasi in the DRC from GCP Group Ltd. (“GCP”) a private British Virgin Islands company (the “Mineral Property Option Agreement”). Total consideration to be paid consists of cash payments of US$550,000 (US$450,000 paid) and the issuance of 280,000 shares (700,000 pre-consolidation) to which 240,000 shares were issued (600,000 shares pre-consolidation). The remaining US$100,000 and 40,000 shares (100,000 shares pre-consolidation) that are payable and issuable, respectively, on May 18, 2010, are being held in trust pending the decision by the courts in British Columbia in regards to the Company’s petition to set-off the US$100,000 and 40,000 shares (100,000 shares pre-consolidation) against the $850,000 being claimed by the Company as well as orders for arbitration to settle the disputes.

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. Mr. Kavvadias and GCP are appealing the decision.

Subsequently, the Company filed claims in the Supreme Court of British Columbia which determined that the petitions are to be decided through arbitration. Both parties have agreed to an arbitrator and have submitted their supporting documents and a decision is now expected in January, 2012 (Note 15b).

During the nine months ended October 31, 2011 and 2010, the Company accounted for its investment in Infinity using the cost method (Note 4).

ii. Harmony Project

On February 4, 2008, the Company entered into an agreement with MIMECO AG (“MIM”) to acquire an initial 70% option in a mineral research permit (the “Harmony Mineral Research Permits”) in the DRC Copper belt, located east of the Kinsevere Project of Anvil Mining (the “LOI”). As consideration, the Company issued 80,000 shares to MIM and committed to making exploration expenditures totalling US$1.5 million over a 3 year period, at a minimum of US$500,000 per annum beginning in fiscal 2010. The Company had a right, at any time, to increase its interest to 85% by paying MIM the sum of US$15.0 million.

In January 2009, the Harmony Mineral Research Permits were transferred by MIM into Harmony in contemplation of the Company fulfilling all of the terms of the option agreement.

6. Exploration and evaluation properties, continued

a. DRC Projects, continued

ii. Harmony Project, continued

Under the terms of the LOI, the Company was the operator and was responsible for all authorized and approved costs of exploration and development of the properties. If the property goes into production, the Company was to be reimbursed for all costs of exploration and development by Harmony before any profit split would be available to MIM.

In August 2010, through a check of the permit registry, the Company became aware that the permits related to the Harmony Project had not been properly maintained/transferred or renewed. The Company terminated the LOI related to the Harmony Mineral Research Permits.

During the nine months ended October 31, 2011 and 2010, the Company accounted for its investment in Harmony using the cost method (Note 4).

iii. Phoenix Project

On November 14, 2008, the Company signed an agreement with Phoenix Mining Corporation ("PMC") whereby the Company had the option to earn a 70% share interest in a mineral research permit in the DRC Copper belt. This interest is located between Lubumbashi and the Likasi Road and Airport Road junction (the "Phoenix" project).

Pursuant to the terms of the comprehensive agreement and transfer of title the Company has the option to pay US$200,000 (paid) and then issue 120,000 shares over a three year period, in equal annual instalments on November 14, 2009, November 14, 2010, and November 14, 2011; as well as to pay US$250,000 on December 16, 2009; US$300,000 on December 16, 2010; US$350,000 on December 16, 2011; and US$1,100,000 on December 16, 2012 in order to maintain its interest in the Project.

During the year ended January 31, 2010, the Company notified PMC, as per the agreement, that the Company would not be exercising its option on the property (Note 15).

b. Bathurst Mining Camp Project (TriParty Agreement)

This project consists of an initial 4,712 claims in a tripartite agreement with Xstrata Canada Corporation - Xstrata Zinc Canada Division ("Xstrata Zinc") & Votorantim Metals Canada ("VM Canada"), whereby VM Canada may incur exploration expenditures of $10 million over a period of 5 years to earn a 50% interest. VM Canada may further increase its interest to 70% by spending an additional $10 million over 2 years.

In February 2011, ELN announced that a $5 million exploration program on the Bathurst Mining Camp Base Metals Project has begun consisting of airborne and ground geophysics and will include a 10,000 metre drill program which is currently underway (See press release dated February 23, 2011). Airborne geophysics is completed and survey results are pending.

6. Exploration and evaluation properties, continued

c. Murray Brook Project

Under VM Canada's agreement with Murray Brook Minerals and Murray Brook Resources, both privately held companies (the "Option and Joint Venture Agreement"), Votorantim can earn a 50% interest in the Murray Brook Project, by funding $2,250,000 in exploration expenditures and making payments totalling $300,000 over a three year period commencing November 1, 2010. Votorantim can earn an additional 20% interest in the Properties by funding an additional $2,250,000 in exploration expenditures over an additional two year period.

In May 2011, the Company entered into a participation agreement related to the Murray Brook Project, whereby it can earn 50% of VM Canada's interest by paying 50% of the costs incurred by VM Canada in the Option and Joint Venture Agreement.

During the nine months ended October 31, 2011, the Company incurred exploration expenditures of $1,044,595 related to the Murray Brook Project.

d. Bancroft Properties, Bancroft, Ontario, Canada

The Company has earned a 100% interest in the Bancroft properties which comprise the Halo Project and the Silver Crater Project and include certain claims east of the town of Bancroft, Ontario, Canada.

The Halo Project is subject to a 3% Net Smelter Return Royalty ("NSR") and the Company has the option to purchase 1% of the total NSR for $250,000. The Silver Crater Project is subject to a 3% NSR and the Company has the option to purchase 1% of the total NSR for $250,000.

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

7. Share capital

Authorized

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

Issued and outstanding

On May 19, 2010, a total of 40,000 common shares were issued for the Kasala Project at fair value of $6,000 (Notes 6a, 14 and 15).

On October 12, 2010, gross proceeds of $806,750 were raised in a 6,454,000 unit on-brokered private placement at a price of $0.125 per unit, consisting of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share until October 12, 2013 at a price of $0.25 per share. A commission of $13,124 and $1,500 in other related costs were paid in connection with this financing.

7. Share capital, continued

Issued and outstanding, continued

On March 28, 2011, gross proceeds of $1,538,860 were raised in a 8,793,484 non flow-through unit non-brokered private placement at a price of $0.175 per unit, consisting of one common share and a one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share until September 28, 2012 at a price of $0.25 per share. The Company paid $27,598 in finder's fees.

On March 28, 2011, gross proceeds of $450,000 were raised in a 1,800,000 flow-through unit non-brokered private placement at a price of $0.25 per unit, consisting of one common flow-through share and a one-half non flow-through share purchase warrant. Each whole warrant entitles the holder to purchase one additional non flow-through common share until March 28, 2012 at a price of $0.50 per share. This issuance of flow-through shares resulted in a flow-through share liability of $45,000 at the date of issue.

On April 8, 2011, gross proceeds of $89,300 were raised in a 510,285 non flow-through unit non-brokered private placement at a price of $0.175 per unit, consisting of one common share and a one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share until October 8, 2012 at a price of $0.25 per share. The Company paid $805 in finder's fees.

On April 8, 2011, gross proceeds of $50,000 were raised in a 200,000 flow-through unit non-brokered private placement at a price of $0.25 per unit, consisting of one common flow-through share and a one-half non flow-through share purchase warrant. Each whole warrant entitles the holder to purchase on additional non flow-through common share until April 8, 2012 at a price of $0.50 per share.

On May 6, 2011, a total of 40,000 common shares were issued upon exercise of share purchase warrants at $0.25 per share for total proceeds of $10,000.

On May 10, 2011, a total of 74,286 common shares were issued upon exercise of share purchase warrants at $0.375 per share for total proceeds of $27,857.

On October 21, 2011, the Company consolidated its share capital on a one (1) new common share without par value for every two and one-half (2.5) existing common shares without par value basis. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation.

8. Stock options and warrants

Stock options

The Company has adopted a stock option plan ("the plan") whereby, the Company may grant stock options up to a maximum of 20% of the number of issued shares of the Company. The exercise price of any options granted under the plan will be determined by the Board of Directors, at its sole discretion, but shall not be less than the last closing price of the Company's common shares on the day before the date on which the Directors grant such options, less the maximum discount permitted under the polices of the TSX Venture Exchange.

(Expressed in Canadian Dollars)

8. Stock options and warrants, continued

Stock options, continued

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

	Number of Options	Weighted Average Exercise Price
Balance – January 31, 2011	1,414,000	$0.45
Granted	1,444,000	$0.425
Exercised	-	-
Expired	(30,000)	$1.25
Forfeited	(290,000)	$0.39
Balance – October 31, 2011	**2,538,000**	**$0.43**

At October 31, 2011 the following stock options were outstanding and exercisable:

Number of stock options outstanding	Number of stock options vested	Exercise Price	Expiry Date
96,000	96,000	$1.50	July 11, 2012
200,000	200,000	$0.25	December 29, 2013
878,000	692,002	$0.375	June 25, 2015
1,364,000	-	$0.425	May 24, 2016
2,538,000	**988,002**		

Share-based payments for the three and nine months ended October 31, 2011 was $75,559 and $159,866, respectively (2010: $35,765 and $64,111, respectively).

A weighted average grant-date fair value of $0.11 for options granted during the nine months ended October 31, 2011 was determined using the Black-Scholes Option Pricing Model using the following assumptions:

	October 31, 2011
Risk-free interest rate	2.42%
Expected life	5.00 years
Expected volatility	150.07%
Expected dividend yield	-

Black-Scholes Option Pricing Model requires the input of highly subjective assumptions including the expected stock price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s options.

(Expressed in Canadian Dollars)

8. Stock options and warrants, continued

Warrants

Warrant activity is summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance – January 31, 2011	19,371,828	$0.33
Granted	5,651,894	$0.29
Exercised	(114,286)	$0.33
Expired	(10,843,543)	$0.38
Balance – October 31, 2011	**14,065,894**	**$0.29**

At October 31, 2011, the following warrants were outstanding:

Date issued	Number of Shares	Exercise Price	Expiry Date
January 22, 2010	2,000,000	$0.375	January 22, 2012
October 5, 2010	6,414,000	$0.25	October 5, 2013
March 28, 2011	4,396,740	$0.25	September 28, 2012
March 28, 2011	900,000	$0.50	March 28, 2012
April 8, 2011	255,154	$0.25	October 8, 2012
April 8, 2011	100,000	$0.50	April 8, 2012
Balance – October 31, 2011	**14,065,894**	**$0.29**	

The fair value of the share purchase warrants issued during the nine months ended October 31, 2011 was $781,385 (2010: $Nil). The allocation of the fair value of the share purchase warrants included in unit offerings is estimated on the date of issuance of the unit using the Black-Scholes Option Pricing Model with the following assumptions:

	October 31, 2011
Risk-free interest rate	1.71%
Expected life	1.41 years
Expected volatility	149.75%
Expected dividend yield	-

Black-Scholes Option Pricing Model requires the input of highly subjective assumptions including the expected stock price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's warrants.

(Expressed in Canadian Dollars)

9. Income taxes

The Company has significant non-capital tax loss carry-forwards as well as accumulated Canadian and foreign exploration and development expenses that are available to reduce Canadian taxable income of future periods. Due to uncertainty surrounding the realization of future income tax assets, the Company has recognized a 100% valuation allowance against its future income tax assets. As such, no future income tax asset is recorded on the balance sheet.

10. Related party transactions

The key management personnel compensation is as follows:

	Three months ended October 31, 2011	Three months ended October 31, 2010	Nine months ended October 31, 2011	Nine months ended October 31, 2010
Management and other fees	33,000	61,500	107,000	134,000
Salaries and wages	-	18,416	42,877	57,531
Bonus	-	2,000	118,900	2,000
Share-based payments	75,559	35,765	159,866	64,111
	108,559	**117,681**	**428,643**	**257,462**

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.

11. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the exploration of its mineral properties. The Board of Directors has not established quantitative capital structure criteria for management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The properties in which the Company currently has interests are in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

In order to facilitate the management of capital and development of its mineral properties, the Company prepares annual expenditure budgets, which are updated as necessary. In addition, the Company may issue new equity shares, incur additional debt, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture agreements, or dispose of certain assets. The Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the nine months ended October 31, 2011. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

12. Financial instruments

Fair values

As at October 31, 2011, the Company's carrying values of cash and cash equivalents, amounts receivable and trade payables approximate their fair values due to their short term maturity.

As at October 31, 2011	Fair value hierarchy	FVTPL, at fair value	Loans and receivables, at amortized cost	Available-for-sale, at fair value	Other liabilities, at amortized cost
Cash and cash equivalents	Level 1	631,421	-	-	-
Amounts receivable	N/A	-	115,385	-	-
Available-for-sale securities	Level 1	-	-	1	-
Investments	Level 3	-	-	1	-
Trade payables	N/A	-	-	-	115,005

As at January 31, 2011	Fair value hierarchy	FVTPL, at fair value	Loans and receivables, at amortized cost	Available-for-sale, at fair value	Other liabilities, at amortized cost
Cash and cash equivalents	Level 1	724,673	-	-	-
Amounts receivable	N/A	-	20,135	-	-
Available-for-sale securities	Level 1	-	-	1	-
Investments	Level 3	-	-	1	-
Trade payables	N/A	-	-	-	-

Disclosure of a three-level hierarchy for fair value measurements based upon transparency of inputs to the valuation of financial instruments carried on the balance sheet at fair values is as follows:

Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability.

Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies. The Company is not subject to a significant credit risk.

12. Financial instruments, continued

Currency risk

For the nine months ended October 31, 2011, a significant portion of the Company's operation was in the DRC. As a result, a portion of the Company's receivables, payables and accruals were denominated in the US dollar and were therefore subject to fluctuation in exchange rates.

As at October 31, 2011, a significant portion of the Company's cash and cash equivalents were held in Canadian dollars and were therefore subject to fluctuation against the US dollar. However, the Company considers its currency risk to be insignificant.

Liquidity risk

The Company is reliant upon equity issuances as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash and cash equivalents to capital and operating needs. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at October 31, 2011, the Company had a working capital of $642,467 (January 31, 2011: $752,202).

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk and commodity price risk arising from financial instruments.

13. Segmented information

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

The breakdown by geographic area for the nine month period ended October 31, 2011 is as follows:

		Canada		DRC		Total
Total expenses	$	2,120,517	$	246,042	$	2,366,559
Current assets	$	824,972	$	-	$	824,972
Property, plant and equipment	$	11,394	$	-	$	11,394
Other assets	$	1	$	-	$	1
Total assets	**$**	**836,367**	$	-	**$**	**836,367**

(Expressed in Canadian Dollars)

13. Segmented information, continued

The breakdown by geographic area for the nine month period ended October 31, 2010 is as follows:

	Canada	DRC	Total
Total expenses	$ 1,245,458	$ -	$ 1,245,458
Current assets	$ 1,121,108	$ -	$ 1,121,108
Property, plant and equipment	$ 22,028	$ -	$ 22,028
Other assets	$ 1	$ -	$ 1
Total assets	**$ 1,143,137**	$ -	**$ 1,143,137**

14. Supplemental cash flow information

Income taxes and interest paid during the three and nine months ended October 31, 2011 and 2010:

	Three months ended October 31, 2011	Three months ended October 31, 2010	Nine months ended October 31, 2011	Nine months ended October 31, 2010
Income taxes paid	$ -	$ -	$ -	$ -
Interest paid	-	-	-	-
Balance – End of period	$ -	$ -	$ -	$ -

During the year ended January 31, 2011, the Company issued 40,000 common shares related to the Kasala Project valued at $6,000 (Notes 6a, 7 and 15).

15. Contingencies

a. During a prior year, the Company was served with two separate claims filed in the DRC by Georges Kavvadias, GCP and PMC. An order for the garnishment of the shares held by the Company in the share capital of Infinity was rendered to guarantee payment of an alleged debt towards GCP and PMC. GCP was claiming fees and expenses of US$82,312, plus damages, alleged to be owing to them by the Company in connection with the provision of services alleged to have been rendered by GCP and Infinity (Note 6a(i)). PMC alleged that the Company was obligated under the termination agreement to make the first anniversary payment to PMC of US$250,000 as well as to pay damages (Note 6a(iii)). In May 2010, the Company received notice that the claims commenced in the DRC was dismissed by the Tribunal of Commerce of Lubumbashi (the “Tribunal”). 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 contrary to the representations of Georges Kavvadias and GCP. Although an appeal has been filed by Georges Kavvadias and GCP, they have not complied with certain court orders and unless they do so, it is anticipated that the courts will be dismissing them as a normal course of business. As a loss is not deemed to be likely, no accruals have been made as of October 31, 2011.

15. Contingencies, continued

b. On May 18, 2010, the Company delivered the final payments due under the Mineral Property Option Agreement with GCP to the Company's legal counsel, to be held in trust pending the decision by the courts in British Columbia (Note 6a(i)). On May 21, 2010, the Company received a notice of default related to the Mineral Property Option Agreement with GCP. GCP is also claiming that the Company has failed to pay exploration and development costs in the amount of US$296,627. The Company denies it is in default and that it is indebted at all to GCP. The Company served Georges 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:

- The amounts claimed are not due and owing and that Georges Kavvadias and GCP, despite repeated requests by the Company, 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; and
- A claim of US$850,349, for the right to set-off, as against any sums which may be due and owing to Georges Kavvadias and GCP, as well as unspecified damages for breach of the agreements by Georges Kavvadias and GCP and for further damages for fraud and fraudulent misrepresentation by Georges Kavvadias and GCP.

In addition to the above, the Company is claiming that Georges 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 the 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 Notice of Default relating to the Mineral Property Option Agreement, the Company invoked the arbitration clauses contained in the agreements. In January 2011, the decision of the Supreme Court was to defer all decisions regarding the above to arbitration. At this time the arbitrator has been chosen, both parties have submitted their supporting documentation and the hearing is being held in January 2012 with a decision shortly thereafter.

c. Pursuant to the application filed by the Company in the DRC, the minutes appointing Georges Kavvadias as the General Manager were declared null and void by the Tribunal. The application to remove Georges Kavvadias as General Manager has been granted. A shareholders meeting was then held and a new Manager of the joint venture Company, Infinity Resources Sprl was appointed by El Nino.

d. The Company was made aware of an attempt by Georges Kavvadias to fraudulently transfer the Kasala permits from Infinity to a company controlled by Georges Kavvadias. The Company submitted an application to prevent Cadastre Minier ("CAMI") from transferring the exploration permits, which it did. Further, the CAMI has viewed the actions of Mr. Kavvadias as being fraudulent and has initiated criminal charges against him. To further protect the company's Kasala permits, management invoked force majeure, which the company can remove at any time.

(Expressed in Canadian Dollars)

16. Corporate costs

Details of corporate costs are as follows:

	Three months ended October 31, 2011 $	Three months ended October 31, 2010 $	Nine months ended October 31, 2011 $	Nine months ended October 31, 2010 $
Audit, accounting and legal	24,891	63,820	93,122	174,646
Labour, consulting and management fees	117,806	186,732	678,542	452,058
Office and miscellaneous	40,206	40,014	111,078	123,255
Promotion and shareholder relations	55,030	1,144	167,404	35,349
Transfer and filing fees	29,948	9,857	66,423	42,616
Travel	8,641	37,796	23,961	84,061
Corporate costs for the period	**$ 276,522**	**$ 339,363**	**$ 1,140,530**	**$ 911,985**

17. Subsequent event

The following event, which occurred during the period from October 31, 2011 to the date of the financial statements, was authorized by the Board of Directors on November 21, 2011:

On November 21, 2011, the Company announced a non-brokered flow-through and non flow-through private placement of up to 10,000,000 units for gross proceeds up to $1,500,000. Each non flow-through unit ("NFT Unit") at a price of $0.13 per NFT Unit will consist of one common share and one-half of one non-transferable share purchase warrant ("Warrant"). Each whole Warrant will entitle the holder to purchase one common share of the Company at a price of $0.23 per share for 18 months from closing, subject to an accelerated expiry, such expiry being accelerated to 30 days in the event the Company's share price has closed at or above a price of $0.40 per share for 10 consecutive trading days on the TSX Venture Exchange. Each flow-through unit ("FT Unit") will consist of one common flow-through share in the capital of the Company and one-half of one non flow-through share purchase warrant at a price of $0.15 per FT Unit. Each whole warrant will entitle the holder thereof to purchase one additional non flow-through common share of the Company at $0.25 for a period of 18 months from closing subject to an accelerated expiry, such expiry being accelerated to 30 days in the event the Company's shares have closed at or above a price of $0.40 per share for 10 consecutive trading days on the TSX Venture Exchange.

18. Transition to International Financial Reporting Standards

The Company has adopted IFRS with a transition date of February 1, 2010 (the "Transition Date"), the details of which are described in the condensed interim financial statements for the three months ended April 30, 2011. Under IFRS 1, "*First-time Adoption of International Financial Reporting Standards*", the IFRS are applied retrospectively at the Transition Date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to deficit unless certain exemptions are applied.

18. Transition to International Financial Reporting Standards, continued

a. Flow-through Shares

Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under Canadian GAAP. Under Canadian GAAP, the Company accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146, "*Flow-through Shares*". At the time of issue, the funds received are recorded as share capital. At the time of the filing of the renunciation of the qualifying flow-through expenditures to investors, the Company recorded a deferred tax liability with a charge directly to shareholders' equity. Also under Canadian GAAP, a portion of the deferred tax assets that were not recognized in previous years, due to the recording of a valuation allowance, are recognized as a recovery of income taxes.

IFRS does not contain explicit guidance pertaining to this tax incentive. Therefore, the Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is initially recorded as a flow-through liability. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through liability is reversed, with any difference recorded as deferred tax expense. A portion of the deferred tax assets that were not recognized in previous years, due to the recording of a valuation allowance, will reduce the deferred tax liability and record a deferred tax recovery.

The change in accounting policy related to flow-through shares resulted in an increase in share capital and an increase in deficit of $1,322,638 as at the Transition Date.

b. Reclassification within Equity section

Under Canadian GAAP, "Contributed Surplus" was used to record the issuance of warrants and stock options as well as shares to be issued and warrants to be issued. Upon adoption of IFRS, the balances in "Contributed Surplus" have been reclassified to "Stock option reserve" and "Warrants reserve".

(Expressed in Canadian Dollars)

18. Transition to International Financial Reporting Standards, continued

Reconciliation of Statement of Financial Position as at October 31, 2010:

	Notes	Canadian GAAP $	IFRS Adjustments $	IFRS $
Assets				
Current assets				
Cash and cash equivalents		1,003,282	-	1,003,282
Amounts receivable and prepaids		117,825	-	117,825
Available-for-sale securities		1	-	1
		1,121,108	-	1,121,108
Non-current assets				
Investments		1	-	1
Property, plant and equipment		22,028	-	22,028
Total assets		1,143,137	-	1,143,137
Liabilities				
Current liabilities				
Trade payables and accrued liabilities		33,089	-	33,089
Equity				
Share capital	18(a)	20,112,196	1,322,638	21,434,834
Contributed surplus	18(b)	5,110,038	(5,110,038)	-
Stock options reserve	18(b)	-	1,345,475	1,345,475
Warrants reserve	18(b)	-	3,764,563	3,764,563
Deficit	18(a)	(24,112,186)	(1,322,638)	(25,434,824)
		1,110,048	-	1,110,048
Total liabilities and equity		1,143,137	-	1,143,137

(Expressed in Canadian Dollars)

18. Transition to International Financial Reporting Standards, continued

Reconciliation of Statement of Loss and Comprehensive Loss for the three months ended October 31, 2010:

	Notes	Canadian GAAP $	IFRS Adjustments $	IFRS $
General and Administrative Expenses				
Corporate costs		339,363	-	339,363
Share-based payments		35,765	-	35,765
Depreciation		3,790	-	3,790
Loss before other items		378,918	-	378,918
Other items				
Foreign exchange loss		1,891	-	1,891
Interest income		-	-	-
Write-down of investments		17,583	-	17,583
		19,474	-	19,474
Loss and comprehensive loss for the period		398,392	-	398,392

Reconciliation of Statement of Loss and Comprehensive Loss for the nine months ended October 31, 2010:

	Notes	Canadian GAAP $	IFRS Adjustments $	IFRS $
General and Administrative Expenses				
Corporate costs		911,985	-	911,985
Share-based payments		64,111	-	64,111
Depreciation		15,092	-	15,092
Loss before other items		991,188	-	991,188
Other items				
Foreign exchange loss		9,832	-	9,832
Interest income		(3)	-	(3)
Write-down of investments		244,441	-	244,441
		254,270	-	254,270
Loss and comprehensive loss for the period		1,245,458	-	1,245,458

(Expressed in Canadian Dollars)

18. Transition to International Financial Reporting Standards, continued

Reconciliation of Statement of Cash Flows for the nine months ended October 31, 2010:

	Notes	Canadian GAAP $	IFRS Adjustments $	IFRS $
Cash flows from operating activities				
Loss for the period		(1,245,458)	-	(1,245,458)
Items not affecting cash:				
Depreciation		15,092	-	15,092
Share-based payments		64,111	-	64,111
Write-down of investments		244,441	-	244,441
Changes in non-cash operating working capital:				
Amounts receivable and prepaids		(4,407)	-	(4,407)
Trade payables and accrued liabilities		(58,656)	-	(58,656)
		(984,877)	-	(984,877)
Cash flows from financing activities				
Issuance of common shares, net		798,125	-	798,125
Cash flows from investing activities				
Purchase of investments		(244,441)	-	(244,441)
Decrease in cash and cash equivalents		(431,193)	-	(431,193)
Cash and cash equivalents, beginning of period		1,434,475	-	1,434,475
Cash and cash equivalents, end of period		1,003,282	-	1,003,282