



EL NINO
VENTURES INC.

An international base metals exploration company

TSX.V: ELN OTCQX: ELNOF FSE: E7Q

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED 31 JULY 2013

30 September 2013

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The following management discussion and analysis (“MD&A”) should be read in conjunction with the audited financial statements and accompanying notes (“Financial Statements”) of El Niño Ventures Inc. (the “Company”) for the year ended 31 January 2013. Results have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All monetary amounts are 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.

1. Overview of the Company

El Niño Ventures Inc. (the “Company”, “ELN”) was incorporated on 19 February 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 Canada and the Democratic Republic of Congo (“DRC”). The Company has its registered corporate office based in Vancouver, British Columbia, Canada.

As at 31 July 2013, the Company had 76,091,669 common shares outstanding after the stock consolidation on 21 October 2011, with a total market capitalization of approximately \$1.9 million. The Company shares trade on the TSX Venture Exchange (“ELN”), OTCQX (“ELNOF”) and the Frankfurt Stock Exchange (“E7Q”).

The Company is focusing its efforts on developing and growing its asset base. On 4 May 2010, the Company with its partner, Xstrata Zinc Canada Corporation – Xstrata Zinc Canada (“Xstrata Zinc”), optioned its extensive claims in the Bathurst Mining Camp, New Brunswick, to Votorantim Metals Canada Inc. (“VM Canada”) who can earn up to 70% of the claims by spending \$20 million on exploration.

The Company’s second project in New Brunswick is the Murray Brook Project which is located 60 km west of Bathurst, in the northwest part of the Bathurst Mining Camp. The Murray Brook deposit is a zinc-lead-copper-silver massive sulphide which is the subject of a recently completed Preliminary Economic Assessment. The project is supported by excellent infrastructure including paved roads, grid electricity and communities to provide goods, services and skilled labour. ELN and VMC currently own 100% of the Murray Brook Project and VMC is the operator. VMC controls 65% and ELN controls 35%.

In the DRC, the Company’s discovery on the Kasala Project (formerly Infinity Project) gives the Company a highly prospective project going forward. The Company is continuing to pursue acquisitions globally.

1.1 - Overview of Company’s Projects

A) Bathurst Option JV Base Metals Project (the “BOJV Project”) (Previously Bathurst Mining Camp Project);

The BOJV Project is a 50/50 Joint Venture with ELN and Xstrata Zinc. The Tri-Party Agreement allows for VM Canada to earn up to 50% of the project by incurring exploration expenditures of \$10 million over a period of five years. VM Canada may further increase its interest to 70% by spending an additional \$10 million over two years.

The BOJV Project consists of an initial 4,712 claims in the Tri-Party Agreement with Xstrata Zinc & VM Canada. In January 2009, VM Canada entered into a binding MOU with Xstrata Zinc and the Company to pursue an Option-Joint Venture Agreement, whereby VM Canada may earn up to a 70% interest in those properties by making exploration expenditures of \$20,000,000 over a period of seven years. Following a six-

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month period of due diligence, the companies entered negotiations to reach a final Option-Joint Venture Agreement which was concluded in July 2010. Meanwhile, VM Canada commenced exploration in August 2009 with a program of airborne and surface geophysical surveys, geochemistry, geological mapping, compilation of historical data and research into advanced exploration technologies suitable for application in the BOJV. In the early part of 2010, VM Canada made application to the Government of New Brunswick (“GNB”) for financial assistance to apply new exploration methods. An Advanced Exploration Agreement (“AE Agreement”) between the GNB and VM Canada was executed in late September, 2010 regarding the implementation of a program that would match VM Canada’s exploration expenditures with GNB contributions. These expenditures are to be no less than \$1,000,000 and no more than \$2,500,000 per year for three years, for a maximum, total, GNB contribution of up to \$7,500,000. GNB expenditures together with VM Canada’s expenditures would therefore result in exploration expenditures of up to \$15,000,000 over the life of the AE Agreement. The effective date of this agreement is 1 April 2010.

In February 2011, VM Canada commenced the \$5,000,000 exploration program consisting of airborne and ground geophysics and drilling.

A Fugro Airborne Survey was completed over two large areas in the BOJV in May 2011. This was the first ever commercial survey using the ‘Falcon’ Gravity Gradiometer in a helicopter platform.

On 24 April 2012, the Company provided the results of a \$859,000 exploration program in H2-2011, consisting of airborne and surface geophysical surveys, geological mapping, compilation of historical data and research into advanced exploration technologies suitable for application in the BOJV. This program was fully funded by VM Canada. Table 1 below illustrates the exploration activities performed from July to 31 December 2011.

Table 1- Exploration Activities Performed from July to 31 December 2011

Diamond Drilling	16 Drill holes	5,011 metres (m)
Ground Geophysics	2 Grids	46.5 kilometres (km)
Borehole Geophysics	2 Drill holes	450 m
Geological Mapping	2 Claims	12 Days
Airborne Gravity Gradiometry	2 survey blocks 7,727 km Completed in May 2011	Results received from contractor

2012-2013 Exploration update for BOJV project:

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On 23 October 2012 the Company announced the results of exploration work on the BOJV which included 6145 m of diamond drilling, in 21 drill holes, ground gravity surveys, anomaly identification and target generation for drill testing (Table 2).

This phase of exploration drilling campaign focused on geophysical and geochemical targets in the Brunswick Belt. No significant base metal mineralization was intersected.

Table-2 Summary of Exploration Activities Performed during the period Q2 and Q3, 2012

Diamond Drilling	21 Holes	6145 m
Ground Geophysics	42 km	
Borehole Geophysics	5 holes for 2083 m surveyed	
Surface Sampling (Soil Sampling)	253	

In September 2012, VM Canada contracted DIAGNOS Inc. of Brossard, Quebec to complete a target generation study utilizing their proprietary software. Exploration data from the 2012 exploration program has been combined with that from previous exploration programs and delivered to DIAGNOS Inc. for generation of new targets for prioritization for drill testing. DIAGNOS Inc. researchers will utilize a unique computer system, CARDS (Computer Aided Resources Detection System), to identify areas with a high statistical probability of containing mineral deposits.

CARDS uses MCubiX-KE (Knowledge Extraction), a data mining engine that utilizes pattern recognition algorithms to learn the signatures of positive and negative data points and create a model that can be employed to make predictions on the location of new deposits. CARDS utilize these powerful algorithms to analyze digitally compiled historical exploration data and identify areas with a high potential for the discovery of mineral deposits.

To date, 19,880 training points (drilling and rock sample data sets) from throughout the BOJV have been manually numerated. The geophysical data sets, including magnetic surveys and electro-magnetic surveys, have been compiled. DIAGNOS Inc. will commence mineralization modeling in the near future.

“This new and advanced innovative technology will enable us to identify unexplored targets in the highly prolific BOJV,” commented Rodney Thomas, General Manager of VM Canada.

It is planned to drill-test airborne gravity gradiometer targets in 2013. Ground geophysical surveys will be performed if necessary to refine some gravity targets.

Approximately \$6,025,000 has been spent on the BOJV project with the objective to identify targets (projects) within the area of interest with high probability of containing mineralization. To date the government of New Brunswick has granted this project \$1,600,000 to utilize new exploration technology.

The BOJV project, due to the Area of Interest clause, will continue to generate new projects for ELN at no initial cost and has provided ELN the option to participate in the Murray Brook Project and any new acquisitions in the area of interest.

B) Murray Brook Project

VM Canada entered into an Option and Joint Venture Agreement (the "OJV Agreement") with privately held companies, Murray Brook Minerals Inc. and Murray Brook Resources Inc. (collectively, "MBM"), which provided for VM Canada to earn 50% of the Murray Brook project consisting of the Murray Brook Mining Lease No. 252 and the Camel Back Claims Block No. 4925 (the "Properties").

Under the OJV Agreement, VM Canada 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 that commenced 1 November 2010. VM Canada 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. ELN has elected to enter into a participation agreement whereby it can earn 50% of VM Canada's interest by paying 50% of the costs incurred by VM Canada under the OJV Agreement.

On May 11, 2012 the Company and VM Canada earned the 50% interest from MBM. ELN and VM Canada completed the funding for earning the additional 20% interest and have given valid notice to MBM that they have earned in for the additional 20% resulting in ELN and VM Canada each having a 35% interest in the Properties.

Subsequently, VM Canada entered into a share purchase agreement to acquire the remaining 30% interest held by Murray Brook Minerals Inc. ("MB Minerals"). VM Canada has offered and although ELN initially accepted the option to participate in earning 50% of the 30% remaining interest held by MB Minerals, due to the difficulty for the junior resource sector to attract investment, management determined that the additional cost associated with earning the additional 15% is prohibitive and therefore has withdrawn from participating with VM Canada. ELN is currently pursuing an amended joint venture agreement with VM Canada that better reflects the common interests of both parties and addresses specific issues that ELN feels is necessary going forward.

The Murray Brook deposit is a polymetallic, volcanic hosted massive-sulfide deposit and is the fifth largest deposit in the Bathurst Mining Camp (BMC) with open pit mining potential. The property is located approximately 60 km west of Bathurst, New Brunswick, in Restigouche County, within the BMC. An existing gravel road accesses the property from a paved highway. The electricity grid is nearby, as are communities with goods, services and skilled labour. The gossan zone was removed during the open-pit mining operations carried out by Novagold Resources Inc. during the early 1990s. The hanging

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wall is moderately chloritic and is locally intensely deformed. The footwall consists of fine grained, felsic tuff and tuffaceous sediments with moderate to strong chlorite and sericite alteration. Sulfides are mainly fine grained, massive, vaguely laminated pyrite with disseminated and banded sphalerite, chalcopyrite and galena. Removal of the gossan also removed any evidence of previous drilling within the shallow pit area. Consequently, VM Canada's due diligence process to acquire the Murray Brook deposit required the confirmation of several historically reported drill results in addition to compilation of previous work. Significant drill results from the due diligence, drill twin-hole program included massive-sulfide intersections that were similar in width, position and positively confirmed the grades for copper ("Cu"), lead ("Pb"), zinc ("Zn"), gold ("Au") and silver ("Ag") reported from the three previously drilled holes.

In January 2011, the Company provided notice to VM Canada to enter into a Participation Agreement on the Murray Brook property. (See press release dated 20 January 2011).

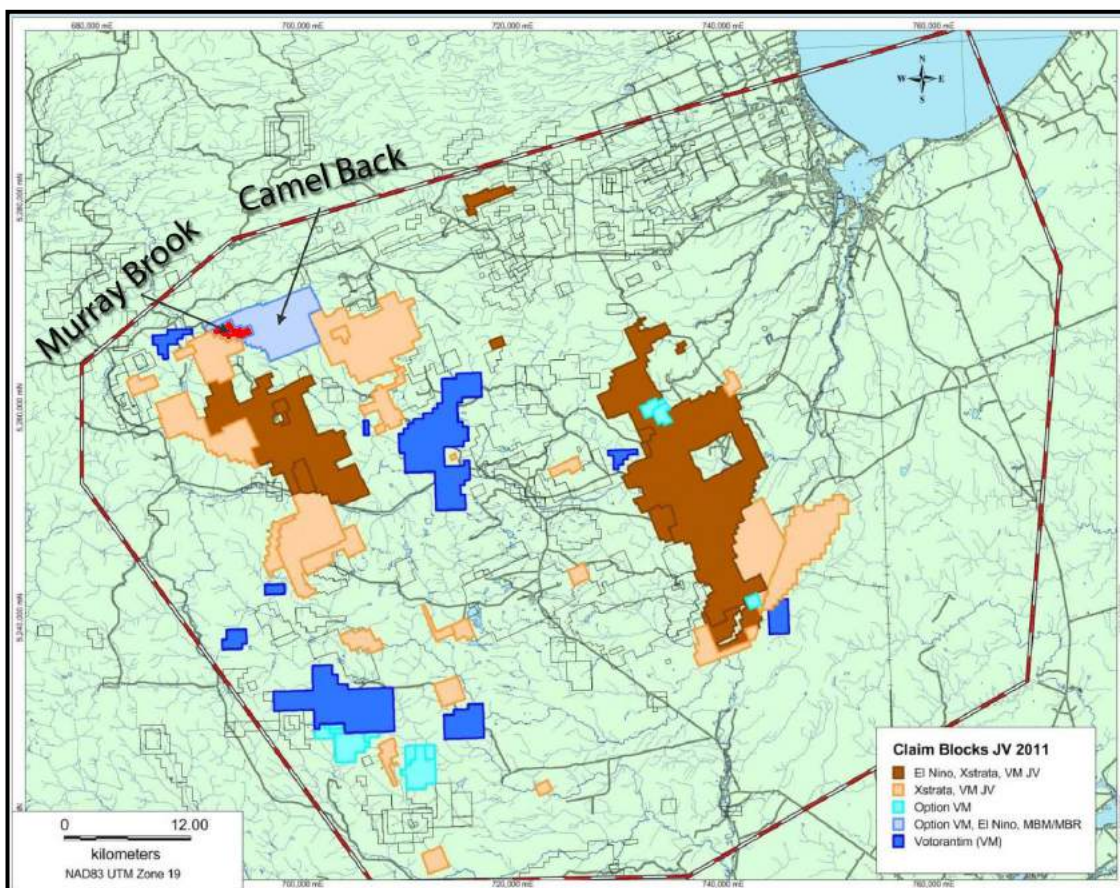


Figure 1-Land tenure map showing the location of the Murray Brook Project in the BMC

In 2011, the Company and VM Canada spent \$2.1 million on exploration. The entire 2011 program consisted of 60 vertical drill holes, totaling 10,327.5 m. The 2011 drill program was designed to start on the south, near-surface, portion of the deposit where thick, massive sulfide intercepts of high-grade zinc were recorded in historic drilling. The drill program then moved to the north, to systematically test deeper portions of the massive

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sulfide body. The 2011 drill program was successful in defining the deposit in areas of low drill-density, confirming higher grade intercepts in historic drilling, and delineating the margins of the massive sulfide body. **Tables 3 and 4** show significant drill results from 2011 and 2012 drilling program respectively.

Murray Brook's 2012 exploration program is budgeted for \$3.0 Million and consists of a multi-phase drill program and a National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101") compliant resource estimate with preliminary tonnage and grade calculations. This study was completed and announced on 28 February 2012.

Hole ID	From m	To m	Interval m	Cu %	Pb %	Zn %	Au_ppm	Ag_ppm
MB-2011-15	29.00	35.30	6.30	0.16	1.21	3.84	0.11	8.38
MB-2011-17	24.10	126.65	102.55	0.65	0.47	1.84	0.20	23.65
MB-2011-18	47.00	107.00	60.00	1.01	0.04	0.19	0.20	11.95
MB-2011-19	23.00	77.00	54.00	0.40	0.43	1.14	0.86	22.29
MB-2011-20	15.00	125.00	110.00	0.32	0.71	2.41	0.25	27.34
MB-2011-21	19.65	31.60	11.95	0.90	0.04	0.15	0.16	10.72
MB-2011-22	17.60	95.20	77.60	0.29	0.81	2.42	0.44	32.96
MB-2011-23	31.50	107.00	75.50	0.38	0.68	2.16	0.30	24.69
MB-2011-24	38.00	55.90	17.90	0.08	0.43	0.68	0.03	8.56
MB-2011-26	29.00	142.70	113.70	0.31	0.26	1.19	0.26	18.94
MB-2011-27	38.00	69.50	31.50	0.51	0.20	0.85	0.31	14.03
MB-2011-28	38.00	42.50	4.50	0.34	0.20	0.63	0.04	7.82
MB-2011-29	21.00	57.30	36.30	0.19	0.92	1.90	0.80	33.39
MB-2011-30	44.00	103.00	59.00	0.14	1.55	4.58	0.51	68.15
MB-2011-30	44.00	103.00	59.00	0.14	1.55	4.58	0.51	68.15
MB-2011-31	53.00	193.30	140.30	0.32	1.03	3.73	0.27	43.24
MB-2011-33	59.00	215.10	156.10	0.23	0.85	2.64	0.41	29.94
MB-2011-34	129.60	212.00	82.40	0.13	1.19	5.05	0.30	44.04
MB-2011-34	129.60	212.00	82.40	0.13	1.19	5.05	0.30	44.04
MB-2011-37	88.00	234.40	146.40	0.16	1.33	3.83	0.45	49.20
MB-2011-39	118.90	222.00	103.10	0.11	1.81	5.45	0.51	65.70
MB-2011-48	60.50	161.00	100.50	0.16	1.71	4.65	0.36	56.50
MB-2011-49	35.00	181.00	146.00	0.59	1.40	3.85	0.63	56.10

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MB-2011-52	159.50	231.70	72.20	0.26	2.33	5.61	0.71	77.70
MB-2011-54	156.20	201.00	44.80	0.17	1.55	4.26	0.70	60.70
MB-2011-57	143.30	231.00	87.70	0.14	2.77	7.23	0.61	103.30
MB-2011-63	168.40	240.00	71.60	0.18	1.89	4.98	0.91	79.90

Table 3- Significant drill results from 2011 drilling program

Table 4- Significant drill results from 2012 drilling program

Hole ID	From m	To m	Interval m	Cu %	Pb %	Zn %	Au ppm	Ag ppm
MB-2012-66	32.00	48.50	16.50	0.37	1.50	3.03	1.412	65.2
MB-2012-66	51.00	62.00	11.00	0.17	1.69	3.40	1.216	65.4
MB-2012-67	15.00	41.00	26.00	0.32	1.41	3.35	1.071	62.0
MB-2012-67	77.65	83.00	5.35	0.11	1.26	2.92	0.604	61.8
MB-2012-68	207.22	216.00	8.78	0.06	2.24	7.29	0.163	62.5
MB-2012-68	220.00	236.00	16.00	0.10	2.34	6.83	0.643	85.3
MB-2012-70	141.75	150.40	8.65	0.16	3.67	6.43	0.598	85.5
MB-2012-70	181.00	184.00	3.00	0.22	2.82	6.60	0.310	69.4
MB-2012-70	191.00	195.75	4.75	0.05	0.86	3.08	0.222	24.2
MB-2012-70	201.00	211.00	10.00	0.09	1.59	4.07	0.610	54.7
MB-2012-70	211.00	235.00	24.00	0.40	4.55	11.58	1.533	147.8
MB-2012-71	56.00	61.25	5.25	1.18	1.29	2.59	0.790	50.3
MB-2012-71	65.30	76.00	10.70	0.41	1.57	2.80	0.966	56.1
MB-2012-72	82.00	93.00	11.00	0.43	1.24	2.59	0.923	51.2
MB-2012-74	55.00	62.00	7.00	0.96	1.42	2.52	0.816	58.0
MB-2012-76	34.00	38.00	4.00	1.91	1.19	2.89	0.490	25.1
MB-2012-76	60.00	62.00	2.00	0.11	3.00	7.54	1.391	68.9
MB-2012-76	72.70	75.30	2.60	0.24	1.21	2.78	1.010	51.9
MB-2012-102	68.0	118.2	50.2	0.83	1.05	4.15	0.324	42.5
Including	83.0	104.0	21.0	1.07	1.56	6.12	0.269	60.8
MB-2012-102	122.5	174.0	51.5	0.09	0.89	3.39	0.199	34.7
MB-2012-106	94.0	104.5	10.5	0.33	1.57	3.86	1.302	74.2
MB-2012-106	129.0	149.5	20.5	0.32	1.23	2.99	1.108	54.5
MB-2012-107	54.8	112.0	57.2	0.15	1.82	5.89	0.323	79.9
Including	62.0	93.0	31.0	0.18	2.58	9.23	0.336	108.7
MB-2012-110	108.0	233.0	125.0	0.26	1.27	4.56	0.604	47.1
Including	108.0	145.0	37.0	0.14	1.64	7.92	0.241	61.88
MB-2012-114	56.0	135.5	79.5	0.53	0.98	3.45	0.324	46.5
Including	98.0	126.0	28.0	0.18	2.48	7.59	0.557	102.2
And	153.6	169.0	15.5	0.10	1.63	4.12	0.525	51.9

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Including	153.6	163.0	9.4	0.12	2.30	5.41	0.750	71.0
MB-2012-117	100.4	185.0	84.6	0.15	1.82	4.62	0.521	69.8
Including	170.0	183.0	13.0	0.29	4.11	10.34	1.396	126.0
MB-2012-121	24.0	113.1	89.1	0.43	1.12	2.42	1.141	55.5
Including	42.0	58.0	16.0	0.33	1.19	3.13	2.213	66.0

Murray Brook 2012 Mineral Resource Estimate

The resource estimate, which includes explanatory footnotes, is tabulated in Table 5 below. The resource estimate is based on various assumptions regarding mining methods, processing and metal recoveries, payable metal net smelter return royalty (“NSR”) credits and metal prices. This estimate makes no provision for capital costs to mine the deposit, nor mill the material mined, as resources are not reserves and the reader should not presume economic viability.

Table 5- Murray Brook Mineral Resource Estimate Summary

Category	NSR Cut-Off \$/t	Tonnes	Cu%	Pb%	Zn%	Au gpt	Ag gpt
Measured	\$20	1,620,873	0.27	1.19	3.53	0.5	44.1
Indicated	\$20	17,063,441	0.43	0.93	2.52	0.51	38.8
M + I	\$20	18,684,314	0.42	0.95	2.61	0.5	39.3
Inferred	\$20	3,020,893	0.62	0.75	1.83	0.75	35

Mineral resources which are not mineral reserves do not have demonstrated economic viability.

The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(1) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

(2) The mineral resources in this news release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standard Committee on Reserve Definitions and adopted by CIM Council

(3) The Dec 31, 2011 two year trailing average US metal prices used in this estimate were \$3.71/lb Cu, \$1.03/lb Pb, \$0.98/lb Zn, \$1,397/oz Au, \$27.63/oz Ag. The C\$/US\$ Exchange rate was 0.99.

(4) Overall payable metal in the NSR calculation were 81% Cu, 72% Pb, 64% Zn, 71% Au and 56% Ag.

(5) Mineral resources were determined within a Whittle pit shell with 45 degree slopes utilizing mining costs of C\$2.50/tonne for mineralized material and waste rock, and C\$1.75/tonne for overburden.

(6) Costs used to determine the C\$20/tonne NSR resource cut-off value were processing at C\$15/tonne and G&A C\$5/tonne.

(7) The Murray Brook Mineral Resource Estimate was undertaken by Eugene Puritch, P.Eng. of P&E Mining Consultants Inc.

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Murray Brook 2013 Phase 1 Metallurgy Testwork

In January 2013, the Company announced the results from Phase 1 metallurgical testwork commissioned by its partner, VM Canada, on samples from the Murray Brook polymetallic deposit. The purpose of the testwork was to investigate flotation options for sequential recovery of copper, lead and zinc concentrates from Murray Brook feed. The metallurgical testwork was completed at RPC Science & Engineering Laboratories ("RPC") in Fredericton, New Brunswick, under the direction of metallurgists Ross Gilders and Leo Cheung. Further information on RPC may be found at the laboratories' website at <http://www.rpc.ca>

Testwork was completed on bulk drill core samples from the Eastern Zone and from the Western Zone of the Murray Brook deposit. The test program consisted of sample preparation and compositing, characterization, and batch flotation tests followed by locked cycle tests on a composite sample. The composite sample head grade for the testwork is similar to the grade of the current high confidence Measured resources for Murray Brook. Locked cycle tests by RPC successfully produced individual copper, lead and zinc concentrates with the following recoveries and grades (Table 6):

- Recoveries of 51.4% Cu, 1.7% Zn, 4.5% Pb and 12.5 % Ag in a **copper concentrate** grading 17.5% Cu, 6.0% Zn, 6.2% Pb, and 591 grams per tonne ("g/t") Ag;
- Recoveries of 36.6% Pb, 7.2% Cu, 1.4% Zn, and 17.5% Ag in a **lead concentrate** grading 50.3% Pb, 2.4% Cu, 5.3% Zn, and 833 g/t Ag; and
- Recoveries of 88.8% Zn, 15.8% Cu, 8.3% Pb and 25.3% Ag in a **zinc concentrate** grading 53.8% Zn, 0.5% Cu, 1.1% Pb, 95 g/t Ag.

A copy of the report is available for viewing on the Company's website. Additional metallurgical work has been commissioned by VM Canada and RPC, which involves completing expanded and extended locked cycle tests to optimize copper, lead and precious metal recoveries in support of a planned Preliminary Economic Assessment in 2013.

Table 6-Assay and Recovery Results of Locked Cycle Tests for Murray Brook

Description	Sample/Circuit	Assays					Recovery%				
		Cu%	Pb%	Zn%	Ag (g/t)	Au (g/t)	Cu	Pb	Zn	Ag	Au
Feed Grade	blend of 3 holes	0.27	1.15	3.42	45	0.590					
Cu Concentrate	final	17.45	6.16	6.04	591	1.051	51.4	4.5	1.7	12.5	2
Pb Concentrate	final	2.40	50.30	5.27	833	0.923	7.2	36.6	1.4	17.5	1.8
Zn Concentrate	final	0.48	1.08	53.78	95	0.360	15.8	8.3	88.8	25.3	5.5

Additional metallurgical testwork is planned to be carried out by RPC in early 2013.

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2013 Exploration Programs:

A \$6,000,000 to \$8,000,000 budget has been proposed for the 2013 exploration and development programs.

The program includes:

- Amended Resource Estimation – Q1 2013
- Refinements to Phase 1 Metallurgy Study – Q1 2013
- Preliminary Economic Assessment Study – H1 2013
- Phase 2 Metallurgy Study (pilot plant) – H2 2013
- Geotechnical drilling/environmental assessment/detailed delineation drilling at Murray Brook
- Property scale exploration: geophysical surveys and drilling

** timing provisional, subject to outcomes and market conditions*

Management plans to meet with VM Canada after receiving results of the Preliminary Economic Assessment studies and finalize 2013 exploration and development plans and budget.

C) Kasala Project

Pursuant to an agreement dated 19 May 2007 (the "Mineral Property Option Agreement"), the Company exercised its option to acquire a 70% interest in certain mineral research permits (the "Kasala Mineral Research Permits") covering 352 square kms 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 to which 240,000 shares were issued. The remaining US\$100,000 and 40,000 shares (reduced from 100,000 due to the 2.5:1 share consolidation) that are payable and issuable, respectively, on 18 May 2010 are being withheld with regards to the Company's petition to set-off the US\$100,000 and 100,000 shares against the \$1,445,064 being claimed by the Company. The Supreme Court decision referred the Company's claims to arbitration in order to settle the disputes. (See "Section 2 – Litigation").

The Company received notice that the two claims commenced in the DRC by Mr. Kavvadias, and his company GCP Group, were dismissed by the Tribunal of Commerce of Lubumbashi. The Company subsequently filed claims against Mr. Kavvadias and GCP Group in the Supreme Court of British Columbia, which determined that the claims are to be decided through arbitration. Both parties agreed to an arbitrator and after some delays the arbitrator set a final hearing date scheduled for the week of 16-20, 30 September to 4 October 2013. As of the date of this filing, the hearing is in the second week of testimony.

The Company has also been successful in receiving favourable results in the DRC for both of the initial claims submitted by Mr. Kavvadias and GCP Group as well as the two

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initiated by El Nino. Mr. Kavvadias appealed each, with two appeals being dismissed and the final two still to waiting to be heard. Mr. Kavvadias has after almost two years, not set a date for hearing his appeals.

Kasala historical exploration/drilling

The Company has been unable to conduct any exploration programs during 2010 to 2013. Prior drilling to-date totals 15,764 m, consisting of 4,665 m of diamond drilling and 11,099 m 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 ("Co") 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 Cu mineralization in the Kasala area of over one km with a minimum strike length of approximately 800 m and a width of approximately 250 m. Intersections in some drill holes indicate thicknesses of as much as 91 m. Some significant assay results are: 3.5% Cu over 10 m, 2.82% Cu over 29 m which includes a 5 m intersection of 4.11% Cu and 0.50% Co.

D) 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 Company allowed the Bancroft Properties to lapse in order to focus on its primary project.

E) Ireland Zinc Project

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

Going Concern

As at 31 July 2013, the Company's working capital, defined as current assets less current liabilities, was a deficit of \$425,921 compared to a working capital of \$10,938 at 31 January 2013. The funds on hand at 31 July 2013 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 in the DRC 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.

The Company's ability to continue operations and exploration activities is dependent on Management's ability to provide financing and although current management has

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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 21 December 2009, the Company was served with a notice of claim, submitted in the DRC by GCP GROUP and Mr. Georges Kavvadias, a principal of GCP and who acted as manager (the “Country Manager”) of the Company’s DRC joint venture company, Infinity Resources Sprl (70% ELN/30% GCP). There is an underlying agreement between GCP Group and Fonaco Sprl whereby of the 30% held in GCP’s name, GCP has 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 two initial claims commenced by Mr. Kavvadias and GCP Group in the DRC, were dismissed by the Tribunal of Commerce of Lubumbashi. The Company successfully argued that the jurisdiction for hearing the claims was in British Columbia and not the DRC. Appeals by Mr. Kavvadias and GCP Group were filed and have subsequently been dismissed. The Company continues to take the position that all past, present and potential future actions of its previous Country Manager, Mr. Kavvadias, against El Nino and its Officers are and will be both spurious and without merit.

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 to provide an accounting of the funds entrusted with him for the advancement of exploration works in the DRC, did not do so in a timely manner. (This resulted in the Company not being able to complete its year end audit on a consolidation basis. The Company then had to restate its interim financial statements and year end audited financial statements on a cost basis).
- GCP is in breach of the Mineral Property Option Agreement.
- A claim of US\$1,445,064, for the right to set-off, 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/or GCP and for further damages for fraud and fraudulent misrepresentation by either Mr. Kavvadias and/or GCP.

In addition to the above, the Company is claiming that Mr. Kavvadias breached the Mineral Property Option Agreement 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.

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The decision by the Supreme Court of British Columbia was to have the claims and dispute decided through arbitration. Mr. Kavvadias delayed the initial arbitration hearing by asking the arbitrator to determine jurisdictional issues. The arbitrator's decision was made in favour of ELN and included costs against Mr. Kavvadias.

Following further delays, the arbitrator set the date for the hearing for the week of 16-20, 30 September and 1-4, October 2013. At this time the hearing is entering the second week of testimony.

In addition, the Company is aware of ongoing attempts by Mr. Kavvadias to transfer the Kasala permits from Infinity Resources Sprl to a company controlled by Mr. Kavvadias and GCP Group. El Nino continues to take whatever steps there are legally available to prevent this blatant attempt to deprive the Company of its rightful ownership in the Kasala properties. Subsequently, the Company was forced to invoke a *Force Majeure* clause to further protect the Company's interests.

3. Selected Quarterly Financial Information

The following selected financial information is derived from the unaudited interim consolidated financial statements of the Company. The figures have been prepared in accordance with IFRS.

	For the Quarters Ended (unaudited)							
	31 Jul 2013	30 Apr 2013	31 Jan 2013	31 Oct 2012	31 Jul 2012	30 Apr 2012	31 Jan 2012	31 Oct 2011
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss	(125,416)	(152,643)	(404,237)	(356,521)	(351,859)	(594,188)	(595,765)	(350,773)
Net loss per share	(0.002)	(0.002)	(0.030)	(0.030)	(0.010)	(0.030)	(0.020)	(0.010)
Total assets	8,474,506	8,551,486	8,899,826	8,851,151	8,212,524	8,254,735	7,187,137	7,576,193

Results of Operations

For the six-month period ended 31 July 2013 compared to the six-month period ended 31 July 2012

The six months ended 31 July 2013, resulted in a loss from operations of \$278,059 which compares with a loss of \$946,048 for the same period in 2012. The decrease of \$667,989 was mainly attributable to the net effect of the following:

- Decrease of \$256,836 in consulting fees as previous year's costs were associated with the financing in the prior year. Cost of \$89,789 for the six months ended 31 July 2013 compared to \$346,625 for the same period in 2012.
- Decrease of \$164,674 in investor & shareholder relations due to no financing during the period. Cost of \$20,682 for six months ended 31 July 2013 compared to \$185,356 for

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the same period in 2012.

- Decrease of \$31,267 in share-based payments due to no stock options were issued and vested during the period. Cost of \$Nil for the six months ended 31 July 2013 compared to \$31,267 for the same period in 2012.
- Decrease of \$29,845 in travel, lodging and food due to cost reduction. Cost of \$4,298 for the six months ended 31 July 2013 compared to \$34,143 for the same period in 2012.
- Decrease of \$26,000 in management fee due to cost reduction. Cost of \$16,000 for the six months ended 31 July 2013 compared to \$42,000 for the same period in 2012.
- Decrease of \$61,142 in finance income. Cost of \$2,698 for the six months ended 31 July 2013 compared to \$63,840 for the same period in 2012 as previous year's costs were associated with the issuance of flow-through shares.
- Decrease of \$238,922 in write-down of exploration and evaluation properties. Cost of \$Nil for the six months ended 31 July 2013 compared to \$238,922 for the same period in 2012.
- Increase of \$43,919 in legal fees due to litigation expenses associated with the DRC property. Cost of \$61,041 for the six months ended 31 July 2013 compared to \$17,122 for the same period in 2012.

For the three-month period ended 31 July 2013 compared to the three-month period ended 31 July 2012

The three months ended 31 July 2013, resulted in a loss from operations of \$125,416 which compares with a loss of \$275,842 for the same period in 2012. The decrease of \$150,424 was mainly attributable to the net effect of the following:

- Decrease of \$67,753 in consulting fees as previous year's costs were associated with the financing in the prior year. Cost of \$25,082 for the three months ended 31 July 2013 compared to \$92,835 for the same period in 2012.
- Decrease of \$67,766 in investor & shareholder relations due to no financing during the period. Cost of \$2,569 for three months ended 31 July 2013 compared to \$70,335 for the same period in 2012.
- Decrease of \$17,000 in management fee due to cost reduction. Cost of \$4,000 for the three months ended 31 July 2013 compared to \$21,000 for the same period in 2012.
- Decrease of \$10,418 in share-based payments due to no stock options were issued and vested during the period. Cost of \$Nil for the three months ended 31 July 2013 compared to \$10,418 for the same period in 2012.

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- Decrease of \$9,423 in travel, lodging and food due to cost reduction. Cost of \$1,040 for the three months ended 31 July 2013 compared to \$10,463 for the same period in 2012.
- Increase of \$50,810 in legal fees due to litigation expenses associated with the DRC property. Cost of \$51,769 for the three months ended 31 July 2013 compared to \$959 for the same period in 2012.

4. Cash flow, Liquidity and Capital Resources

During the six-month period ended 31 July 2013, the Company's working capital, defined as current assets less current liabilities, was a deficit of \$425,921 compared with the working capital of \$10,938 as at 31 January 2013. The Company has a total 76,091,669 common shares issued and outstanding as at 31 July 2013.

Cash outflows from operating activities for the six-month period ended 31 July 2013 were \$377,687 (31 January 2013: \$831,108) and consist of corporate costs adjusted by non-cash write-down of exploration and evaluation properties.

Cash outflows from investing activities for the six-month period ended 31 July 2013 were \$163,923 (31 January 2013: \$1,733,734) which were primarily related to exploration and evaluation expenditures and purchase of property, plant and equipment.

Cash flows from financing activities for the six-month period ended 31 July 2013 resulted in cash inflows of \$Nil (31 January 2013: \$2,968,812).

Capital Risk Management

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the exploration of its mineral properties.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company is not subject to any externally imposed capital requirements. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

5. Contractual Obligations

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

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6. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

7. Related Party Transactions

The related party transactions during the six-month period ended 31 July 2013, which occurred in the normal course of operations and were measured at the exchange amount (the amount of consideration established and agreed to by the related parties), were as follows:

- a. During the six-month period ended 31 July 2013, the Company accrued \$65,623 and \$38,635 and \$Nil (31 July 2012: \$221,833 and \$87,826) for consulting and shared office costs, respectively to Pacific North West Capital Corp. (“PFN”), a company with common directors and officers.
- b. During the six-month period ended 31 July 2013, the Company accrued \$16,000 (31 July 2012: 54,308) for management fees and benefits, to a company controlled by the Chairman, Chief Executive Officer and director.
- c. During the six-month period ended 31 July 2013, the Company accrued \$ 12,000 (31 July 2012: \$48,308) for consulting fees and benefits, to a company controlled by the Chief Operating Officer and director.

The related party transactions during the three-month period ended 31 July 2013, which occurred in the normal course of operations and were measured at the exchange amount (the amount of consideration established and agreed to by the related parties), were as follows:

- a. During the three-month period ended 31 July 2013, the Company accrued \$19,400 and \$16,367 and \$Nil (31 July 2012: \$56,952 and \$46,659) for consulting and shared office costs, respectively to Pacific North West Capital Corp. (“PFN”), a company with common directors and officers.
- b. During the three-month period ended 31 July 2013, the Company accrued \$4,000 (31 July 2012: \$54,308) for management fees and benefits, to a company controlled by the Chairman, Chief Executive Officer and director.
- c. During the three-month period ended 31 July 2013, the Company accrued \$3,000 (31 July 2012: \$48,308) for consulting fees and benefits, to a company controlled by the Chief Operating Officer and director.

8. 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

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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 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.

Basis of presentation and consolidation

For the six months ended 31 July 2013, 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 three months ended 31 July 2013. As a result, the Company's financial statements at 31 July 2013 and for the six months then ended do not include the assets and liabilities and results of operations of Infinity.

Foreign Political Risk

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

Government Laws, Regulation & Permitting

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

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. There can be no assurance that the Company will be able to obtain the necessary licenses 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.

9. Financial Instruments

The Company classifies all financial instruments as either available-for-sale, financial assets or liabilities at fair value through profit or loss ("FVTPL"), loans and receivables or other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in accumulated other comprehensive income. These amounts will be reclassified from shareholders' equity to net income when the investment is sold or when the investment is impaired and the impairment is considered less than temporary. Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized on the statement of loss and deficit.

The Company has designated its cash as FVTPL, which is measured at fair value. Amounts receivable receivables are classified as loans and receivables, which are measured at amortized cost. Trade payables are classified as other financial liabilities which are measured at amortized cost.

Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies and amounts receivable are mostly due from the Government of Canada. As a result, the Company is not subject to a significant credit risk.

Currency Risk

For the six months ended 31 July 2013, a small portion of the Company's operation was in the DRC. As a result, a portion of the Company's receivables and payables were denominated in the US dollar and were therefore subject to fluctuation in exchange rates. 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

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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. For the six-month period ended 31 July 2013, the Company had a deficit of \$425,921 compared with the working capital of \$10,938 as at 31 January 2013.

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.

10. Subsequent Events

On 14 August 2013, the Company's Board of Directors has approved and adopted an Advance Notice Policy (the "Policy") for the purpose of providing a clear framework for nominating directors of the Company which will facilitate an orderly and efficient process for nomination and election of directors at annual or special general meetings of shareholders. The Policy includes a process that requires advance notice to the Company in circumstances where nominations of persons for election to the Board of Directors are made by shareholders of the Company other than pursuant to a proposal or requisition of shareholders made in accordance with the Business Corporations Act (British Columbia). Among other things, the Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special general meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

On 26 August 2013, the Company announced that it intends to complete a non-brokered flow-through and non flow-through private placement of up to a combined 25,000,000 units for gross proceeds up to \$500,000.

Each non flow-through unit ("NFT Unit") will consist of one common share and one-half of one non-transferable share purchase warrant ("Warrant") at a price of \$0.02 per NFT Unit. Each Warrant will entitle the holder thereof to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of \$0.05 per share during the first year and \$0.10 per share during the second year.

Each flow-through unit ("FT Unit") will consist of one common share and one-half of one non flow-through, non-transferable share purchase warrant ("Warrant") at a price of \$0.02 per FT Unit. Each Warrant will entitle the holder thereof to purchase one additional non flow-through common share of the Company for a period of 24 months from the closing date at a price of \$0.05 per share during the first year and \$0.10 per share during the second year.

The pricing of the Offering is in reliance on the temporary relief measures established by the TSX Venture Exchange (the "Exchange"), and therefore the Offering and pricing of the Offering require approval of the Exchange having regard to the temporary relief criteria set

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out in the Exchange's bulletin of 12 April 2013, in relation to the extension and modification of temporary relief from certain pricing requirements (the "Temporary Relief Measures").

The shares to be issued with respect to the Offering will be subject to a four-month hold period in accordance with applicable Canadian Securities Laws. Completion of the Offering and any finder's fees payable is subject to regulatory approvals, including approval of the Exchange under Temporary Relief Measures.

On 10 September 2013, the Company provided an update on the exploration program planned in 2013 for the Bathurst Option Joint Venture Project (BOJV) with Votorantim Metals Canada Inc. (VMC) and Glencore (formerly Xstrata Zinc Canada). The area of the BOJV covers much of the world-class Bathurst Mining Camp in north-central New Brunswick

The BOJV management committee has approved a \$2 million exploration program for the BOJV as proposed by VMC, who is the project operator.

The exploration program is focused on testing the exploration targets generated by DIAGNOS and validated by VMC. DIAGNOS was retained by VMC in September 2013 to use their proprietary Computer Aided Resources Detection System (CARDS) to identify target areas with a high statistical probability of being associated with base metal mineralization.

DIAGNOS delivered 160 targets to VMC in March 2013. Field checking of the DIAGNOS target areas is currently underway. The target areas are distributed throughout the Bathurst Mining Camp. The next steps in follow-up could be direct drilling of the targets or ground geophysical and geochemical surveys carried out to optimize drill set-ups. Pending outcomes and field work results, drill testing is slated to commence in late summer.

On 12 September 2013, the Company completed the first tranche closing of its non-brokered flow-through and non flow-through private placement for gross proceeds of \$54,000.

The Company issued 2,500,000 non flow-through units (NFT Units) at a price of \$0.02 per NFT Unit. Each NFT Unit consists of one common share and one-half of one non-transferable share purchase warrant ("Warrant"). Each Warrant will entitle the holder thereof to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of \$0.05 per share during the first year and \$0.10 per share during the second year.

In addition, the Company issued 200,000 flow-through units ("FT Unit") at \$0.02 per FT Unit. Each FT Unit consists of one common flow-through share and one-half of one non-transferable, non flow-through, share purchase warrant. Each Warrant will entitle the holder thereof to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of \$0.05 per share during the first year and \$0.10 per share during the second year.

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The private placement is in reliance on the temporary relief measures established by the TSX Venture Exchange (the "Exchange"), and is being conducted in accordance with the temporary relief criteria set out in the Exchange's bulletin of 12 April 2013, in relation to the extension and modification of temporary relief from certain pricing requirements (the "Temporary Relief Measures"). The Company paid \$280,000 and 14,000 warrants in finder's fees in connection with this first tranche closing. This private placement has been approved by the Company's board of directors, excluding those directors that may have a direct interest in the private placement.

The proceeds from the sale of the first tranche of NFT Units will be used as follows:

Pending Arbitration Costs: \$25,000
Legal Costs: \$15,000
AGM Costs: \$10,000
Maintain 35% earned interest in Murray Brook project: \$4,000
Total: \$54,000

The Company confirms that no funds raised as part of the private placement will be used to pay any liabilities owed to any related parties in this Closing. The shares issued with respect to the Offering will be subject to a four-month hold period in accordance with applicable Canadian Securities Laws. Completion of the Offering and any finder's fees payable is subject to regulatory approvals, including approval of the Exchange under Temporary Relief Measures.

11. Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

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12. Qualified Person Statement

“Section 1 and Project Over View of Section 3” together with the “Subsequent Events” section of this report have been reviewed and approved for technical content by William Stone Ph.D. P. Geo, Executive Vice President for ELN and a Qualified Person under the provisions of National Instrument 43-101.

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”): 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 VM Canada and MBM by funding 50% of VM Canada'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 is also focused on the exploration and development of its projects in the DRC's copper belt where it has identified a highly prospective Cu/Co discovery through 17,500 m 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, the Company is delaying the start of a 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 and is identifying potential joint venture partners.

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.

Even though current management has demonstrated its ability to raise funds in the past, with the current financial market conditions and global economic uncertainty, 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 or that there will be further spurious acts. 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.

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, Chairman & CEO

El Niño Ventures Inc.

650 – 555 West 12th Avenue,

Vancouver, British Columbia, V5Z 3X7

TRADING SYMBOLS

TSX Venture Exchange: ELN

OTCQX: ELNOF

Frankfurt Stock Exchange: E7Q

El Nino Ventures Inc.

www.elninoventures.com



EL NIÑO
VENTURES INC.

An international base metals exploration company

TSX.V: ELN OTCQX: ELNOF FSE: E7Q

CONDENSED INTERIM FINANCIAL STATEMENTS

Six Months Ended 31 July 2013 and 2012

(An Exploration Stage Company)

(Unaudited - Expressed in Canadian dollars)

**MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of El Niño 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 Niño Ventures Inc.
Condensed Interim Statements of Financial Position
As at 31 July 2013 and 31 January 2013
(Unaudited)
(Expressed in Canadian dollars)

	Notes	31 July 2013	31 January 2013 (Audited)
ASSETS		\$	\$
Current assets			
Cash and cash equivalents		49,420	591,030
Amounts receivable	6	9,814	24,566
Marketable securities		1	1
Prepaid expenses	5	14,225	41,983
		73,460	657,580
Exploration and evaluation properties	7	8,331,030	8,167,107
Property, plant and equipment	8	70,015	75,138
Investments	9	1	1
Total assets		8,474,506	8,899,826
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	10	499,381	643,944
Flow-through tax liabilities		-	2,698
Total liabilities		499,381	646,642
Equity			
Common shares	11	24,891,582	24,891,582
Reserves		7,074,179	7,074,179
Deficit		(23,990,636)	(23,712,577)
Total equity		7,975,125	8,253,184
Total equity and liabilities		8,474,506	8,899,826

APPROVED BY THE BOARD:

“Harry Barr”
Director

“John Oness”
Director

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

El Niño Ventures Inc.

Condensed Interim Statement of Loss and Comprehensive Loss

For the six months ended 31 July 2013 and 2012

(Unaudited)

(Expressed in Canadian dollars)

	Notes	Three months ended 31 July 2013	Three months ended 31 July 2012	Six months ended 31 July 2013	Six months ended 31 July 2012
		\$	\$	\$	\$
Administration expenses					
Accounting and audit		4,347	17,112	2,329	-
Bank charges and interest		158	358	410	1,095
Consulting fees	17	25,082	92,835	89,789	346,625
Depreciation	8	2,562	5,890	5,123	11,045
Information technology		1,109	4,675	2,115	16,418
Insurance, licenses and fees		4,290	11,360	17,768	22,398
Investor & shareholder relations		2,569	70,335	20,682	185,356
Legal		51,769	959	61,041	17,122
Management fees	17	4,000	21,000	16,000	42,000
Office and miscellaneous		4,447	6,001	9,396	22,221
Rent		13,043	14,998	28,436	20,772
Share-based payments	12	-	10,418	-	31,267
Telephone and utilities		1,475	2,540	2,970	5,179
Transfer agent and regulatory fees		9,275	6,648	20,179	20,825
Travel, lodging and food		1,040	10,463	4,298	34,143
Net loss before other items		(125,166)	(275,592)	(280,536)	(776,466)
Other items					
Foreign exchange gain/loss		(250)	5,500	(221)	5,500
Finance income	13	-	318	2,698	63,840
Write-down of exploration and evaluation properties		-	(82,086)	-	(238,922)
Net loss and comprehensive loss for the period		(125,416)	(351,860)	(278,059)	(946,048)
Loss per share – basic and diluted	13	(0.002)	(0.010)	(0.004)	(0.020)

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

El Niño Ventures Inc.
Condensed Interim Statement of Cash Flows
For the six months ended 31 July 2013 and 2012
(Unaudited)
(Expressed in Canadian dollars)

	Notes	Six months ended	
		31 July 2013	31 July 2012
		\$	\$
OPERATING ACTIVITIES			
Loss before tax		(278,059)	(946,048)
Adjustments for:			
Depreciation	8	5,123	11,045
Share-based payments	12	-	31,267
Flow-through share premium income	13	(2,698)	(63,350)
Write-down of exploration and evaluation properties		-	238,922
Changes in operating working capital			
Decrease (increase) in amounts receivable		14,752	5,180
Decrease (increase) in prepaid expenses		27,758	41,612
Increase (decrease) in trade payables and accrued liabilities		(144,563)	334,490
Cash used in operating activities		(377,687)	(346,882)
INVESTING ACTIVITIES			
Exploration and evaluation expenditures		(163,923)	(1,386,464)
Purchase of property, plant and equipment	8	-	(85,675)
Cash used in investing activities		(163,923)	(1,472,139)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares	10	-	1,725,950
Share issue costs	10	-	(56,923)
Cash from financing activities		-	1,669,027
Increase (decrease) in cash and cash equivalents		(541,610)	(149,994)
Cash and cash equivalents, beginning of year		591,030	187,060
Cash and cash equivalents, end of period		49,420	37,066

Supplemental cash flow information (Note 18)

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

El Niño Ventures Inc.
Condensed Interim Statements of Changes in Equity
For the six months ended 31 July 2013 and 2012
(Unaudited)
(Expressed in Canadian dollars)

	Number of shares	Common shares	Shares to be issued	Stock option reserve	Warrant reserve	Deficit	Total
		\$	\$	\$	\$	\$	\$
Balances, 1 February 2012	47,633,613	22,727,285	105,400	1,726,703	4,562,227	(22,005,772)	7,115,843
Shares issued for							
Cash	11,110,257	1,448,050	(105,400)	-	-	-	1,342,650
Share subscriptions received in advance	-	-	319,950	-	-	-	319,950
Share-based payments	-	-	-	31,267	-	-	31,267
Share issue costs	-	(56,923)	-	-	-	-	(56,923)
Fair value allocated to warrants	-	(723,429)	-	-	723,429	-	-
Net loss for the year	-	-	-	-	-	(946,047)	(946,047)
Balances, 31 July 2012	58,743,870	23,394,983	319,950	1,757,970	5,285,656	(22,951,819)	7,806,740
Shares issued for							
Cash	17,347,799	1,717,802	(319,950)	-	-	-	1,397,852
Share-based payments	-	-	-	-	-	-	-
Share issue costs	-	(66,761)	-	-	32,044	-	(34,717)
Flow-through share liability	-	(155,933)	-	-	-	-	(155,933)
Fair value allocated to warrants	-	1,491	-	-	(1,491)	-	-
Net loss for the period	-	-	-	-	-	(760,758)	(760,758)
Balances, 31 January 2013	76,091,669	24,891,582	-	1,757,970	5,316,209	(23,712,577)	8,253,184
Shares issued for							
Cash	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
Flow-through share liability	-	-	-	-	-	-	-
Fair value allocated to warrants	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	(278,059)	(278,059)
Balances, 31 July 2013	76,091,669	24,891,582	-	1,757,970	5,316,209	23,990,636	7,975,125

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

El Niño Ventures Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended 31 July 2013 and 2012

(Unaudited)

(Expressed in Canadian dollars)

1. CORPORATE INFORMATION

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

The Company’s principal address and records office is located at 650-555 West 12th Avenue, Vancouver, BC V5Z 3X7.

On 21 October 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 (Note 11).

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of 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.

El Niño Ventures Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended 31 July 2013 and 2012

(Unaudited)

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION

2.1 Basis of presentation

The Company's financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 16 and are presented in Canadian dollars except where otherwise indicated.

2.2 Statement of compliance

These financial statements have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the period ended 31 July 2013.

2.3 New and revised standards and interpretations not yet adopted

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended 31 July 2013.

- IFRS 9 '*Financial Instruments: Classification and Measurement*' is a new financial instruments standard effective for annual periods beginning on or after 1 January 2015 that replaces IAS 39 and IFRIC 9 for classification and measurement of financial assets and financial liabilities.
- IFRS 10 '*Consolidated Financial Statements*' is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces consolidation requirements in IAS 27 (as amended in 2008) and SIC-12.
- IFRS 12 '*Disclosure of Interests in Other Entities*' is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31.
- IFRS 13 '*Fair Value Measurement*' is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces fair value measurement guidance in other IFRSs.
- IAS 27 (Amendment) '*Separate Financial Statements*' is effective for annual periods beginning on or after 1 January 2013 that prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

El Niño Ventures Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended 31 July 2013 and 2012

(Unaudited)

(Expressed in Canadian dollars)

2.3 New and revised standards and interpretations not yet adopted, continued

- IAS 32 (Amendment) '*Offsetting Financial Assets and Financial Liabilities*' is effective for annual periods beginning on or after 1 January 2014 that clarifies the application of offsetting requirements.
- IAS 1 (Amendment) '*Presentation of Financial Statements*' is effective for annual periods beginning on or after 1 January 2013 that clarifies the requirements for comparative information.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

El Niño Ventures Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended 31 July 2013 and 2012

(Unaudited)

(Expressed in Canadian dollars)

4. SEGMENTED INFORMATION

For the period ended 31 July 2013, the Company operated in two geographical areas, being Canada and the DRC. The following is an analysis of total expenses, current assets and non-current assets by geographical area:

	Canada	DRC	Total
	\$	\$	\$
Net loss			
For the six months ended 31 July 2013	278,059	-	278,059
For the six months ended 31 July 2012	946,048	-	946,048
For the three months ended 31 July 2013	125,416	-	125,416
For the three months ended 31 July 2012	351,860	-	351,860
Current assets			
As at 31 July 2013	73,460	-	73,460
As at 31 January 2013	657,580	-	657,580
Exploration and evaluation properties			
As at 31 July 2013	8,306,930	24,100	8,331,030
As at 31 January 2013	8,167,107	-	8,167,107
Property, plant and equipment			
As at 31 July 2013	70,015	-	70,015
As at 31 January 2013	75,138	-	75,138
Investments			
As at 31 July 2013	1	-	1
As at 31 January 2013	1	-	1

5. PREPAID EXPENSES

The Company's prepaid expenses are as follows:

	31 July 2013	31 January 2013
	\$	\$
Insurance	4,662	19,843
Prepaid administration expenses	9,563	22,140
Total prepaid expenses	14,225	41,983

El Niño Ventures Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended 31 July 2013 and 2012

(Unaudited)

(Expressed in Canadian dollars)

6. AMOUNTS RECEIVABLE

The Company's amounts receivable arises from two main sources: Goods and Services Tax / Harmonized Sales Tax ("GST/HST") receivable due from the government taxation authorities and advances. These are as follows:

	31 July 2013	31 January 2013
	\$	\$
GST/HST receivable	3,330	24,566
Other receivables	6,484	-
Total amounts receivable	9,814	24,566

7. EXPLORATION AND EVALUATION PROPERTIES

The Company's exploration and evaluation properties expenditures for the six-month period ended 31 July 2013 were as follows:

	Bathurst Zinc Project	Murray Brook Project	Bancroft	Kasala	Total
	\$	\$	\$		\$
ACQUISITION COSTS					
Balance, 31 January 2013	169,631	150,000	-	-	319,631
Additions	-	-	-	-	-
Payments received	-	-	-	-	-
Impairment	-	-	-	-	-
Balance, 31 July 2013	169,631	150,000	-	-	319,631
EXPLORATION AND EVALUATION COSTS					
Balance, 31 January 2013	5,445,306	2,402,170	-	-	7,847,476
Claims/Staking	-	-	-	-	-
Drilling	-	4,400	-	-	4,400
Assaying	-	953	-	-	953
Engineering and consulting	-	101,291	-	24,100	125,391
Geological and field expenses	-	12,951	-	-	12,951
Geophysics and environment	-	7,160	-	-	7,160
Metallurgical Studies	-	13,068	-	-	13,068
Balance, 31 July 2013	5,445,306	2,541,993	-	24,100	8,011,399
TOTAL	5,614,937	2,691,993	-	24,100	8,331,030

El Niño Ventures Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended 31 July 2013 and 2012

(Unaudited)

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION PROPERTIES, continued

The Company's exploration and evaluation properties expenditures for the year ended 31 January 2013 were as follows:

	Bathurst Zinc Project	Murray Brook Project	Bancroft	Kasala	Total
	\$	\$	\$		\$
ACQUISITION COSTS					
Balance, 31 January 2012	169,631	150,000	-	-	319,631
Additions	-	-	-	-	-
Payments received	-	-	-	-	-
Impairment	-	-	-	-	-
Balance, 31 January 2013	169,631	150,000	-	-	319,631
EXPLORATION AND EVALUATION COSTS					
Balance, 31 January 2012	5,445,306	989,658	82,569	-	6,517,533
Claims/Staking	-	2,830	-	-	2,830
Drilling	-	971,894	-	-	971,894
Assaying	-	28,089	-	-	28,089
Engineering and consulting	-	206,807	-	235,547	442,354
Geological and field expenses	-	141,688	-	-	141,688
Geophysics and environment	-	(3,093)	-	-	(3,093)
Metallurgical Studies	-	64,297	-	-	64,297
Impairment	-	-	(82,569)	(235,547)	(318,116)
Balance, 31 January 2013	5,445,306	2,402,170	-	-	7,847,476
TOTAL	5,614,937	2,552,170	-	-	8,167,107

El Niño Ventures Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended 31 July 2013 and 2012

(Unaudited)

(Expressed in Canadian dollars)

7.1 Bathurst Option JV Base Metals Project (Previously known as Bathurst Mining Camp Project, TriParty Agreement)

The Bathurst Option JV Base Metals Project (“BOJV”) is a 50/50 joint venture with Xstrata Zinc Canada Inc. (“Xstrata”). The Tri-Party Agreement allows for Votorantim Metals Canada Inc. (“VM Canada”) to earn up to 50% of the project by incurring exploration expenditures of \$10 million over a period of 5 years. VM Canada may further increase its interest to 70% by spending an additional \$10 million over 2 years.

The BOJV project consists of an initial 4,712 claims in the Tri-Party Agreement with Xstrata and VM Canada. In January 2009, VM Canada entered into a binding MOU with Xstrata and the Company to pursue an Option-Joint Venture Agreement, whereby VM Canada may earn up to a 70% interest in those properties by making exploration expenditures of \$20,000,000 over a period of seven years. Following a six-month period of due diligence, the companies entered negotiations to reach a final Option-JV Agreement which was concluded in July 2010.

7.2 Murray Brook Project

VM Canada entered into a Option and Joint Venture Agreement with privately-held Murray Brook Minerals Inc. and Murray Brook Resources Inc. (collectively, “MBM”) which provided for VM Canada to earn 50% of the Murray Brook Project by funding \$2,250,000 in exploration expenditures and making payments totalling \$300,000 over a three-year period that commenced 1 November 2010. VM Canada 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. The Company has elected to enter into a participation agreement wherein 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.

On 10 May 2012, the Company gave formal notice to MBM and VM Canada of a 50% earned interest in the Murray Brook, polymetallic project, Bathurst, New Brunswick. MBM was also provided with a valid notice that the Company and VM Canada are exercising their option to acquire and become owner of an additional 20% (for a total of 70%) beneficial interest in the Murray Brook mining claims. On 6 September 2012, the Company and VM Canada gave formal notice to MBM that it had earned the additional 20% resulting in both the Company and VM Canada currently holding 35% each.

In the fall of 2012 VM Canada entered into a Share Purchase Option Agreement to acquire the 30% interest held by Murray Brook Minerals Inc. (“MB Minerals”). The Company can participate for 50% of MB Mineral’s 30% interest which will result in a 50/50 joint venture with VM Canada on the Murray Brook Project. The Company did not exercise its option to participate in acquiring 50% of MB Mineral’s 30% interest.

7.3 Bancroft Properties, Bancroft, Ontario, Canada

The Company allowed the Bancroft properties to lapse and, as a result, recorded a provision for write-down of \$82,569 during the previous year ended 31 January 2013 (2012: \$Nil).

El Niño Ventures Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended 31 July 2013 and 2012

(Unaudited)

(Expressed in Canadian dollars)

7.4 DRC Project

Kasala Project

Pursuant to an agreement dated 19 May 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 to which 240,000 shares were issued. The remaining US\$100,000 and 40,000 shares that are payable and issuable, respectively, on 18 May 2010, are being withheld with regards to the Company’s petition to set-off the US\$100,000 and 40,000 shares against the \$1,445,064 being claimed by the Company as well as orders for arbitration to settle the disputes (Notes 2, 9 and 19).

In February 2008, the Kasala Mineral Research Permits were transferred by GCP into Infinity Resources Sprl (“Infinity”) in contemplation of the Company fulfilling all of the terms of the option agreement.

The Company’s rights under the Mineral Property Option Agreement are subject to a 1.5% net smelter return royalty (“NSR”) and the Company has the right to purchase an additional 20% interest in the Kasala Mineral Research Permits, the terms of which shall be negotiated between the parties. Under the Mineral Property Option Agreement, the Company is the operator of any work programs and is responsible for funding all authorized and approved exploration, development, feasibility, capital and other costs (“Exploration Expenditures”) relating to the exploration and development of the property until such time as the property reaches commercial production. Upon reaching commercial production, the Company will be entitled to reimbursement for all Exploration Expenditures incurred from the profits of such commercial production.

During the previous year ended 31 January 2013, the Company recorded a provision for write-down of \$235,547 (2012: \$389,835) related to the Kasala Project.

El Niño Ventures Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended 31 July 2013 and 2012

(Unaudited)

(Expressed in Canadian dollars)

8. PROPERTY, PLANT AND EQUIPMENT

A summary of changes in the Company's property, plant and equipment for the period ended 31 July 2013 are as follows:

	Leasehold improvements	Computer equipment	Furniture and fixtures	Software	Total
	\$	\$	\$	\$	\$
COST					
As at 31 January 2013	76,870	21,346	52,774	9,783	160,773
Additions	-	-	-	-	-
As at 31 July 2013	76,870	21,346	52,774	9,783	160,773
DEPRECIATION AND IMPAIRMENT					
As at 31 January 2013	7,687	17,641	50,524	9,783	85,635
Change for the year	3,843	980	300	-	-
As at 31 July 2013	9,608	18,131	50,674	9,783	88,196
NET BOOK VALUE					
As at 31 January 2013	69,183	3,705	2,250	-	75,138
As at 31 July 2013	65,340	2,725	1,950	-	70,015

El Niño Ventures Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended 31 July 2013 and 2012

(Unaudited)

(Expressed in Canadian dollars)

9. INVESTMENTS

For the six-month period ended 31 July 2013 and year ended 31 January 2013, the Company accounted for its investments in Infinity as available-for-sale financial assets in accordance with IAS 39 'Financial Instruments: Recognition and Measurement' since the Company did not exercise control or significant influence over its investments in Infinity during the six-month period ended 31 July 2013 and year ended 31 January 2013. (Notes 2, 7 and 19).

10. TRADE PAYABLES AND ACCRUED LIABILITIES

The Company's trade and accrued liabilities are principally comprised of amounts outstanding for trade purchases relating to exploration and evaluation activities and amounts payable for financing activities. The usual credit period taken for trade purchases is between 30 to 90 days. These are broken down as follows:

	31 July 2013	31 January 2013
	\$	\$
Trade payables	299,381	428,944
Accrued liabilities	200,000	215,000
Total trade payables and accrued liabilities	499,381	643,944

Included in trade payables and accrued liabilities are amounts due to related parties which are disclosed in Note 17.

During the six-month period ended 31 July 2013, the Company issued Nil flow-through shares (31 January 2013: 12,668,334 flow-through shares) for total proceeds of \$Nil (31 January 2013: \$1,434,500). This issuance of flow-through shares resulted in a flow-through share premium liability of \$Nil (31 January 2013: \$153,235) (Notes 11 and 13).

11. SHARE CAPITAL

11.1 Authorized share capital

The Company has authorized an unlimited number of common and preferred shares with no par value. As at 31 July 2013, the Company had 76,091,669 common shares outstanding (31 January 2013: 76,091,669) and no preferred shares outstanding (31 January 2013: Nil).

11.2 Shares issuances

During the six-month period ended 31 July 2013 and year ended 31 January 2013, the Company issued common shares as follows:

On 16 February 2012, gross proceeds of \$361,450 were raised in a 2,780,385 non flow-through unit non-brokered private placement at a price of \$0.13 per unit, consisting of one common share and

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11.2 Shares issuances, continued

one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.23 per share 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. The Company paid \$18,823 and issued 114,450 warrants in finder's fees.

On 16 February 2012, gross proceeds of \$81,000 were raised in a 540,000 flow-through unit non-brokered private placement at a price of \$0.15 per unit, consisting of one common flow-through share and a one-half of one non-transferable, non flow-through, share purchase warrant. Each whole warrant entitles the holder to purchase one non flow-through common share of the Company at a price of \$.025 per share 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. The Company paid \$1,050 and issued 7,000 warrants in finder's fees. This issuance of flow-through shares resulted in a flow-through share liability of \$5,400 at the date of issue. (Note 10)

On 30 March 2012, gross proceeds of \$577,940 were raised in a 4,445,692 non flow-through unit non-brokered private placement at a price of \$0.13 per unit, consisting of one common share and one-half of one non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.23 per share 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. The Company paid \$17,115 and issued 109,550 warrants in finder's fees.

On 30 March 2012, gross proceeds of \$343,250 were raised in a 2,288,334 flow-through unit non-brokered private placement at a price of \$0.15 per unit, consisting of one common flow-through share and one-half of one non-transferable, non flow-through, share purchase warrant. Each whole warrant entitles the holder to purchase one non flow-through common share of the Company at a price of \$0.25 per share 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. The Company paid \$12,232 and issued 81,550 warrants in finder's fees. This issuance of flow-through shares resulted in a flow-through share liability of \$34,325 at the date of issue. (Note 10)

On 17 April 2012, gross proceeds of \$69,010 were raised in a 530,846 non flow-through unit non-brokered private placement at a price of \$0.13 per unit, consisting of one common share and one-half of one non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.23 per share 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. The Company paid \$701 and issued 5,390 warrants in finder's fees.

El Niño Ventures Inc.

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11.2 Shares issuances, continued

On 17 April 2012, gross proceeds of \$78,750 were raised in a 525,000 flow-through unit non-brokered private placement at a price of \$0.15 per unit, consisting of one common flow-through share and one-half of one non-transferable, non flow-through, share purchase warrant. Each whole warrant entitles the holder to purchase one non flow-through common share of the Company at a price of \$0.25 per share 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. The Company paid \$7,002 and issued 36,750 warrants in finder's fees. This issuance of flow-through shares resulted in a flow-through share liability of \$23,625 at the date of issue. (Note 10)

On 2 October 2012, gross proceeds of \$464,952 were raised in a 5,166,133 non flow-through unit non-brokered private placement at a price of \$0.09 per unit, consisting of one common share and one-half of one non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per share 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 \$0.25 per share for 10 consecutive trading days on the TSX Venture Exchange. The Company paid \$748 in finder's fees.

On 2 October 2012, gross proceeds of \$886,500 were raised in an 8,865,000 flow-through unit non-brokered private placement at a price of \$0.10 per unit, consisting of one common flow-through share and one-half of one non-transferable, non flow-through, share purchase warrant. Each whole warrant entitles the holder to purchase one non flow-through common share of the Company at a price of \$0.16 per share 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 \$0.26 per share for 10 consecutive trading days on the TSX Venture Exchange. The Company paid \$23,660 and issued 166,600 warrants in finder's fees. This issuance of flow-through shares resulted in a flow-through share liability of \$88,650 at the date of issue. (Note 10)

On 31 December 2012, gross proceeds of \$258,000 were raised in a 2,866,667 non flow-through unit non-brokered private placement at a price of \$0.09 per unit, consisting of one common share and one-half of one non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per share 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 \$0.25 per share for 10 consecutive trading days on the TSX Venture Exchange.

On 31 December 2012, gross proceeds of \$45,000 were raised in a 450,000 flow-through unit non-brokered private placement at a price of \$0.10 per unit, consisting of one common flow-through share and one-half of one non-transferable, non flow-through, share purchase warrant. Each whole warrant entitles the holder to purchase one non flow-through common share of the Company at a price of \$0.16 per share 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 \$0.26 per share for 10 consecutive trading days on the TSX Venture Exchange. The Company paid \$3,150 and issued 31,500 warrants in finder's fees. This issuance of flow-through shares resulted in a flow-through share liability of \$106,650 at the date of issue. (Note 10)

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11.3 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the six-month period ended 31 July 2013 and the year ended 31 January 2013:

	Six-month period ended 31 July 2013		Year ended 31 January 2013	
	Number of warrants	Weighted average Exercise price	Number of warrants	Weighted average Exercise price
Outstanding, beginning of year	21,195,819	\$0.25	12,065,882	\$0.27
Granted	-	-	14,781,819	\$0.24
Exercised	-	-	-	-
Forfeited	-	-	(5,651,882)	\$0.32
Outstanding, end of period	21,195,819	\$0.25	21,195,819	\$0.25

The following table summarizes information regarding share purchase warrants outstanding as at 31 July 2013.

Date issued	Number of warrants	Exercise price	Expiry date
5 October 2010	6,414,000	\$0.25	5 October 2013
16 February 2012	277,000	\$0.25	16 August 2013
16 February 2012	1,504,642	\$0.23	16 August 2013
30 March 2012	1,225,717	\$0.25	30 September 2013
30 March 2012	2,332,396	\$0.23	30 September 2013
17 April 2012	299,250	\$0.25	17 October 2013
17 April 2012	270,813	\$0.23	17 October 2013
2 October 2012	4,599,100	\$0.16	2 April 2014
2 October 2012	2,583,067	\$0.15	2 April 2014
31 December 2012	225,000	\$0.16	30 June 2014
31 December 2012	1,433,334	\$0.15	30 June 2014
31 December 2012	31,500	\$0.16	30 June 2014
Balance – 31 July 2013	21,195,819		

11.4 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 ("Board"), at its sole discretion, but shall not be less than the last closing price of the Company's common shares on

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11.4 Stock options, continued

the day before the date on which the Board grants such options, less the maximum discount permitted under the policies of the TSX Venture Exchange.

The following is a summary of the changes in the Company's stock option plan for the six-month period ended 31 July 2013 and year ended 31 January 2013:

	Six-month period ended 31 July 2013		Year ended 31 January 2013	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	1,434,000	\$0.40	2,044,000	\$0.43
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	30,000	\$0.43	(610,000)	\$0.48
Outstanding, end of period	1,404,000	\$0.40	1,434,000	\$0.40

The weighted average fair value of the options granted during the six-month period ended 31 July 2013 was estimated at \$Nil (31 January 2013: \$Nil) at the grant date using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	Six-month period Ended 31 July 2013	Year ended 31 January 2013
Risk free interest rate	-	-
Expected life	-	-
Expected volatility	-	-
Expected dividend per share	-	-

El Niño Ventures Inc.

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11.4 Stock options, continued

The following table summarizes information regarding stock options outstanding and exercisable as at 31 July 2013:

Exercise price	Number of options outstanding	Weighted-average remaining contractual life (years)	Weighted average exercise price
Options outstanding			
\$0.20 - \$0.39	576,000	2.40	\$0.38
\$0.40 - \$0.59	828,000	3.31	\$0.43
Total options outstanding	1,404,000	2.94	\$0.40
Options exercisable			
\$0.20 - \$0.39	576,000	2.40	\$0.38
\$0.40 - \$0.59	828,000	3.31	\$0.43
Total options exercisable	1,404,000	2.94	\$0.40

12. SHARE-BASED PAYMENTS

Share-based payments for the following options granted by the Company will be amortized over the vesting period, of which \$Nil was recognized in the six-month period ended 31 July 2013 (31 July 2012: \$31,267):

Grant date	Fair value	Three months ended 31 July 2013	Three months ended 31 July 2012	Six months ended 31 July 2013	Six months ended 31 July 2012
	\$	\$	\$	\$	\$
25 June 2010	108,500	-	-	-	-
24 May 2011	390,746	-	10,418	-	31,267
Total	498,751	-	10,418	-	31,267

El Niño Ventures Inc.

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13. FINANCE INCOME

The finance income for the Company is broken down as follows:

	Three months ended 31 July 2013	Three months ended 31 July 2012	Six months ended 31 July 2013	Six months ended 31 July 2012
	\$	\$	\$	\$
Interest income	-	318	-	490
Flow-through share premium income (Note 9)	-	-	2,698	63,350
Total	-	318	2,698	63,840

14. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended 31 July 2013	Three months ended 31 July 2012	Six months ended 31 July 2013	Six months ended 31 July 2012
	\$	\$	\$	\$
Net loss	(125,416)	(351,860)	(278,059)	(946,048)
Weighted average number of shares – basic and diluted	76,091,669	53,953,076	76,091,669	53,953,076
Loss per share, basic and diluted	(0.002)	(0.007)	(0.004)	(0.018)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and share purchase warrants were anti-dilutive for the six months ended 31 July 2013 and 2012.

15. CAPITAL RISK MANAGEMENT

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the exploration of its mineral properties.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

El Niño Ventures Inc.

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15. CAPITAL RISK MANAGEMENT, continued

The Company is not subject to any externally imposed capital requirements. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

16. FINANCIAL INSTRUMENTS

16.1 Categories of financial instruments

	31 July 2013	31 January 2013
FINANCIAL ASSETS	\$	\$
FVTPL, at fair value		
Cash and cash equivalents	49,420	591,030
Loans and receivables, at amortized cost		
Amounts receivable	-	-
Available-for-sale, at fair value		
Marketable securities	1	1
Investments	1	1
Total financial assets	49,422	591,032
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	299,381	428,945
Total financial liabilities	299,381	428,945

16.2 Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

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16.2 Fair value, continued

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

Six months ended 31 July 2013	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value				
Cash and cash equivalents	49,420	-	-	49,420
Marketable securities	1	-	-	1
Investments	-	-	1	1
Total financial assets at fair value	49,421	-	1	49,422

There were no transfers between Level 1, 2 and 3 during the six months ended 31 July 2013.

As at 31 January 2013	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value				
Cash and cash equivalents	591,030	-	-	591,030
Marketable securities	1	-	-	1
Investments	-	-	1	1
Total financial assets at fair value	591,031	-	1	591,032

There were no transfers between Level 1, 2 and 3 during the year ended 31 January 2013.

16.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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16.3 Management of financial risks, continued

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. As a result, the Company is not subject to a significant credit risk.

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 31 July 2013, the Company had a working capital deficit of \$425,921 (31 January 2013: \$10,938 working capital).

Other market risks

The Company is not subject to any other market risks, including interest rate risk and commodity price risk.

Commodity price risk

The Company, being an exploration stage company, is not subject to any other market risks including commodity price risk.

17. RELATED PARTY TRANSACTIONS

For the six months ended 31 July 2013, the Company had transactions with Pacific North West Capital Corp. ("PFN"), a company with management and directors in common with the Company. PFN provides office and consulting services to the Company.

El Niño Ventures Inc.

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17.1 Related party expenses

The Company's related party expenses paid and/or accrued to PFN are as follows:

	Three months ended 31 July 2013	Three months ended 31 July 2012	Six months ended 31 July 2013	Six months ended 31 July 2013
	\$	\$	\$	\$
Consulting fees	19,400	56,952	65,623	221,833
Shared office costs	16,367	46,659	38,635	87,826
Total related party expenses	35,767	103,611	104,258	309,659

17.2 Due from/to related parties

The assets and liabilities of the Company include the following amounts due to related parties:

	31 July 2013	31 January 2013
Key management personnel	81,900	82,880
PFN	153,205	224,927
Total amount due to related parties	235,105	307,807

The amounts due to/from related parties are non-interest bearing, unsecured and due on demand.

17.3 Key management personnel compensation

The remuneration of directors and other members of key management were as follows:

	Three months ended 31 July 2013	Three months ended 31 July 2012	Six months ended 31 July 2013	Six months ended 31 July 2012
	\$	\$	\$	\$
Short-term benefits – management and consulting fees	9,682	108,449	46,776	299,176
Share-based payments	-	3,592	-	14,957
Total key management personnel compensation	9,682	112,041	46,776	314,133

El Niño Ventures Inc.

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18. SUPPLEMENTAL CASH FLOW INFORMATION

18.1 Cash payments for interest and taxes

The Company made the following cash payments for interest and income taxes:

	Three months ended 31 July 2013	Three months ended 31 July 2012	Six months ended 31 July 2013	Six months ended 31 July 2012
	\$	\$	\$	\$
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-
Total cash payments	-	-	-	-

19. CONTINGENCIES

The Company is in dispute with its former Country Manager and GCP (collectively, the "Plaintiffs") related to the Kasala Mineral Research Permits and the Company's interest in Infinity (Notes 2, 7 and 9). The Company continues to take the position that the actions of the Plaintiffs are both spurious and without merit. The Company served a Notice of Dispute and petitioned the Supreme Court of British Columbia in response to two alleged defaults. The Company is claiming US\$1,445,064, for the right to set-off, as against any sums which may be due and owing to the Plaintiffs, as well as unspecified damages for breach of the agreements and for further damages for fraud and fraudulent misrepresentation by the Plaintiffs. In January 2011, the decision of the Supreme Court was to defer all decisions to arbitration.

20. COMMITMENT

For the six-month period ended 31 July 2013, the Company had the following commitment:

	< 1 year	2-3 years	> 3 years	Total
	\$	\$	\$	\$
Office rent	25,727	162,432	305,265	493,424

El Niño Ventures Inc.

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21. EVENTS AFTER THE REPORTING PERIOD

On 26 August 2013, the Company announced that it intends to complete a non-brokered flow-through and non flow-through private placement of up to a combined 25,000,000 units for gross proceeds up to \$500,000.

Each non flow-through unit ("NFT Unit") will consist of one common share and one-half of one non-transferable share purchase warrant ("Warrant") at a price of \$0.02 per NFT Unit. Each Warrant will entitle the holder thereof to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of \$0.05 per share during the first year and \$0.10 per share during the second year.

Each flow-through unit ("FT Unit") will consist of one common share and one-half of one non flow-through, non-transferable share purchase warrant ("Warrant") at a price of \$0.02 per FT Unit. Each Warrant will entitle the holder thereof to purchase one additional non flow-through common share of the Company for a period of 24 months from the closing date at a price of \$0.05 per share during the first year and \$0.10 per share during the second year.

The pricing of the Offering is in reliance on the temporary relief measures established by the TSX Venture Exchange (the "Exchange"), and therefore the Offering and pricing of the Offering require approval of the Exchange having regard to the temporary relief criteria set out in the Exchange's bulletin of April 12, 2013, in relation to the extension and modification of temporary relief from certain pricing requirements (the "Temporary Relief Measures").

On 12 September 2013, the Company completed the first tranche closing of its non-brokered flow-through and non flow-through private placement for gross proceeds of \$54,000.

The Company issued 2,500,000 non flow-through units (NFT Units) at a price of \$0.02 per NFT Unit. Each NFT Unit consists of one common share and one-half of one non-transferable share purchase warrant ("Warrant"). Each Warrant will entitle the holder thereof to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of \$0.05 per share during the first year and \$0.10 per share during the second year.

In addition, the Company issued 200,000 flow-through units ("FT Unit") at \$0.02 per FT Unit. Each FT Unit consists of one common flow-through share and one-half of one non-transferable, non flow-through, share purchase warrant. Each Warrant will entitle the holder thereof to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of \$0.05 per share during the first year and \$0.10 per share during the second year.

The Company paid \$280.00 and 14,000 warrants in finder's fees in connection with this first tranche closing. This private placement has been approved by the Company's board of directors, excluding those directors that may have a direct interest in the private placement.

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22. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Company for the six-month period ended 31 July 2013 were approved and authorized by the Board of Directors on 30 September 2013.

FORM 52-109FV2
CERTIFICATION OF INTERIM FILINGS
VENTURE ISSUER BASIC CERTIFICATE

I, **Robert Guanzon, Chief Financial Officer, of EL NINO VENTURES INC.**, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of **EL NINO VENTURES INC.** (the "issuer") for the interim period ended **July 31, 2013**.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: **September 30, 2013**

"Robert Guanzon"

Robert Guanzon, Chief Financial Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**FORM 52-109FV2
CERTIFICATION OF INTERIM FILINGS
VENTURE ISSUER BASIC CERTIFICATE**

I, **Harry Barr, Chairman and Chief Executive Officer, of EL NINO VENTURES INC.**, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of **EL NINO VENTURES INC.** (the "issuer") for the interim period ended **July 31, 2013**.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: **September 30, 2013**

"*Harry Barr*"

Harry Barr, Chairman and Chief Executive Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.