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MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR AND QUARTER ENDED 31 JANUARY 2014

29 May 2014

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 2014. 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 January 2014, the Company had 30,647,224 common shares outstanding after the stock consolidation on 25 November 2013, with a total market capitalization of approximately $1.9 million. The Company shares trade on the TSX Venture Exchange ("ELN"), OTC Pink ("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 originally consisted of 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 million over a period of seven years. Following a sixmonth 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 million and no more than $2.5 million per year for three years, for a maximum, total, GNB contribution of up to $7.5 million. GNB expenditures together with VM Canada's expenditures would therefore result in exploration expenditures of up to $15 million 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 million 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 blocks7,727 km Completed in May 2011	Results received from contractor

2012-2013 Exploration update for BOJV project:

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 commerce 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 million 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 $1.6 million 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.

The BOJV includes 920 units in 26 claims totalling 20,019 hectares. The amount changes as some claims are dropped and others staked. El Nino maintains a 50% interest in another 1,177 units in 8 claims totalling 25,612 hectares.

2013 Exploration update for BOJV project:

During 2013, fifteen holes were drilled for a total of 4780.7 metres at a cost of roughly $1.5 million. The holes were drilled to test prospective DIAGNOS CARDS, airborne and ground geophysical and stratigraphic targets in the BOJV Project area. The drill targets are distributed throughout the Bathurst Mining Camp.

Table-3 Summary of Exploration Activities Performed during the period Q2 and Q3, 2012

Diamond Drilling	15 Holes	4780.7 m

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 11 May 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 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).

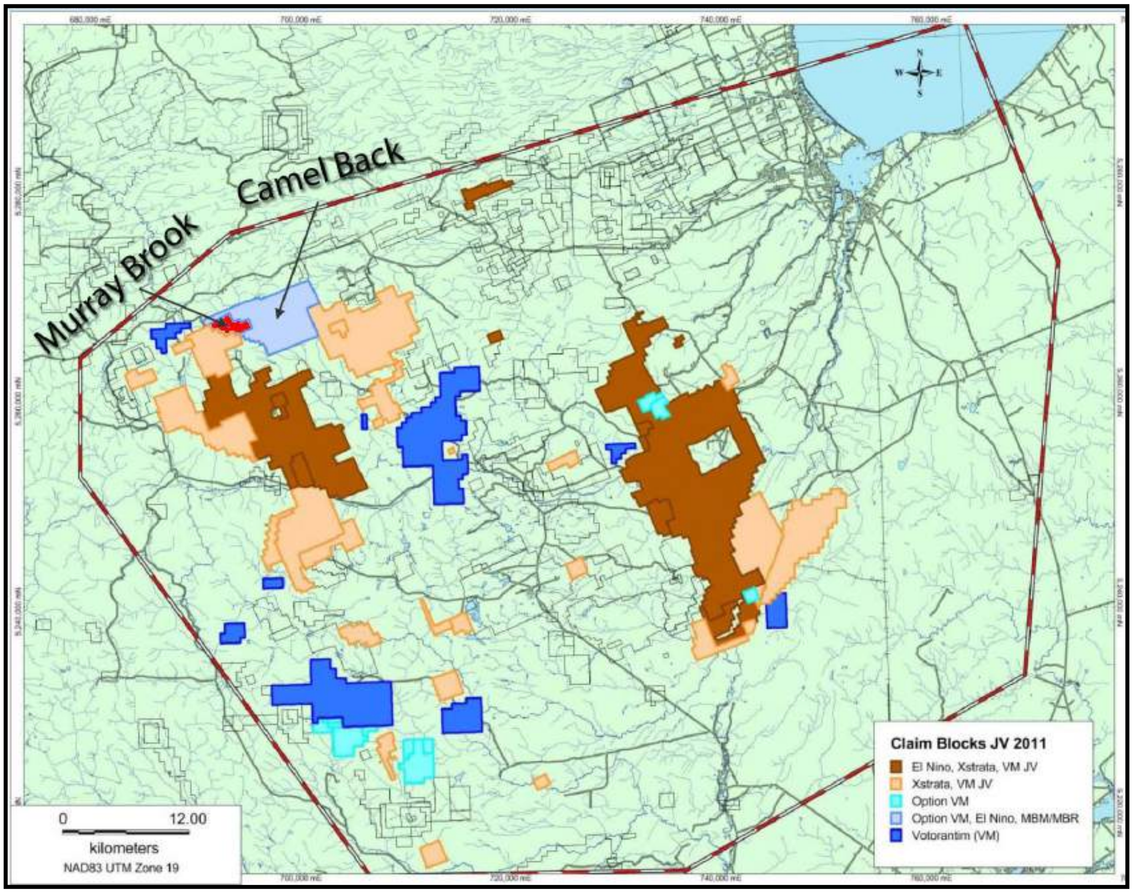

Figure 1-Land tenure map showing the location of the Murray Brook Project in the BMC

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 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 4 and 5** 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
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 4- Significant drill results from 2011 drilling program

Table 5- 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
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 6 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 6- 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.

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 7):

- 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 7-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.

2013 Exploration 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*

On 5 June 2013, the Preliminary Economic Assessment ("PEA") results are as follows:

Positive Preliminary Economic Assessment for Murray Brook Zn-Cu-Pb-Ag Deposit, Bathurst Mining Camp, New Brunswick

Overview

- Pre-production capital requirements $261 million
- Mill throughput of 2 million tonnes of ore per annum- 6,000 tonnes per day
- Life of Mine 9.5 years
- Life of Mine Production: 239,000 tonnes of copper concentrate, 122,000 tonnes of lead concentrate and 770,000 tonnes of zinc concentrate
- Total FNet Smelter Return Revenue $1,246 million
- Further metallurgical studies planned
- Excellent exploration upside with additional drilling plans on adjacent Camel Back Claims

The results of the PEA demonstrate the potential technical and economic viability of establishing a new mine and mill complex on the Murray Brook property. The projected cash flows indicate an after-tax NPV at a 5% discount rate of $96.4 million, an IRR of 11.4%, and a payback period of 5.4 years (see table 1). An NI 43-101 Technical Report will be filed on SEDAR within 45 days of the date of this press release.

Unless otherwise noted, all amounts in the PEA are expressed in Canadian currency. The PEA is prepared for 100% ownership of the project revenues and expenditures. As noted below, ELN holds a 35% interest in the project. The PEA includes Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

The PEA was prepared by P&E Mining Consultants Inc. and the full results of the study were disclosed in an NI 43-101 Technical Report on SEDAR. The PEA was prepared under the supervision of Eugene Puritch, P. Eng. of P&E Mining Consultants Inc. Mr. Puritch is an independent QP in accordance with NI 43-101 and has reviewed and approved the technical information in this release.

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 93,333 (post-consolidated) shares to which 80,000 (post-consolidated) shares were issued. The remaining US$100,000 and 13,333 (post consolidated) shares (reduced from 40,000 due to the 3:1 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 33,333 (post-consolidated) 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. As of the date of this filing the arbitration was completed in late 2013 and the results will be forthcoming.

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

<u>Kasala historical exploration/drilling</u>

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 January 2014, the Company's working capital, defined as current assets less current liabilities, was a deficit of $565,974 compared to a working capital of $10,938 at 31 January 2013. The funds on hand at 31 January 2014 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 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 has10% 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.

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.

On 5 December 2013, the Company received notice from the Arbitrator that it was successful in winning its arbitration proceedings against both George Kavvadias and GC, a company controlled at the time by George Kavvadias. The arbitrator has overwhelmingly found El Nino's claims to be valid and in making his award to El Nino, the Arbitrator has declared the following in favour of El Nino:

- Georges Kavvadias and GCP must return all assets of Infinity Resources SPRL (Infinity is 70% owned by El Nino Ventures) to the control of the El Nino which include but is not limited to the mining permits and site, vehicles, equipment, drill core, data and all records financial or otherwise.

- Georges Kavvadias and GCP have no right to participate in the activities of Infinity Resources Sprl beyond the rights as a minority shareholder.

- The request by Georges Kavvadias for the DRC Mining Exploration Permits 5214/5215/5216/5217 to be transferred into Mikuba Mining is denied.

- The DRC Mining Exploration Permits (Kasala); 5214/5215/5216 and 5217 are the property of Infinity Resources Sprl.

- GCP shall forthwith deliver and endorse 20% of its shares in Infinity Resources Sprl over to Hassan Sabra (original holder of the Kasala permits).

- El Nino did not breach either of the Joint Venture Agreement or the Option Agreement from a failure to pay the final instalments of USD$100,000 and 100,000 shares to fully earn its 70% interest in the Kasala claims or by not paying exploration and development costs in the amount of USD$296,626.70 up to May 18, 2010 as claimed by Mr. Kavvadias and GCP.

- GCP must pay El Nino Ventures Inc. damages in the amount of USD$101,850.32.

- El Nino may set off the USD$100,000 final instalment under the Joint Venture Agreement and Option Agreement.

3. Selected Annual and Quarterly Financial Information

Selected Annual Information

Unless otherwise noted, all currency amounts are stated in Canadian dollars. The following table summarizes selected financial data for ELN for each of the three most recently completed financial years. These information set forth below should be read in conjunction with the consolidated audited financial statements, prepared in accordance with IFRS, and related notes.

	Years Ended 31 January (audited)		
	2014	2013	2012
Total revenues	$ -	$ -	$ -
General and administrative expenses	647,601	1,348,018	1,572,696
Mineral property cash costs incurred	212,630	1,648,059	1,531,768
Income (loss) before other items in total	(647,601)	(1,348,018)	(1,572,696)
Net income (loss)	(621,259)	(1,706,805)	(1,906,562)
Net Loss per share – Basic & fully diluted	(0.023)	(0.082)	(0.040)
Totals assets	8,531,872	8,899,826	7,187,137
Total long term liabilities	Nil	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil

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 Jan 2014	31 Oct 2013	31 Jul 2013	30 Apr 2013	31 Jan 2013	31 Oct 2012	31 Jul 2012	30 Apr 2012
Total revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net loss	(90,662)	(252,538)	(125,416)	(152,643)	(404,237)	(356,521)	(351,859)	(594,188)
Net loss per share	(0.004)	(0.004)	(0.002)	(0.002)	(0.030)	(0.030)	(0.010)	(0.030)
Total assets	8,531,872	8,680,543	8,474,506	8,551,486	8,899,826	8,851,151	8,212,524	8,254,735

Results of Operations

For the year ended 31 January 2014

The year ended 31 January 2014, resulted in a loss from operations of $621,259 which compares with a loss of $1,706,805 for the same period in 2013. The decrease of $1,085,546 was mainly attributable to the net effect of the following:

- Decrease of $8,698 in accounting and audit. Cost of $16,992 for the year ended 31

January 2014 compared to $25,690 for the same period in 2013.

- Decrease of $370,608 in consulting fees. Cost of $137,560 for year ended 31 January 2014 compared to $508,168 for the same period in 2013.

- Decrease of $19,965 in information technology. Cost of $3,562 for the year ended 31 January 2014 compared to $23,527 for the same period in 2013.

- Decrease of $8,100 in insurance, license and fees. Cost of $24,079 for the year ended 31 January 2014 compared to $32,179 for the same period in 2013.

- Decrease of $322,770 in investor and shareholder relations. Cost of $22,657 for the year ended 31 January 2014 compared to $345,427 for the same period in 2013.

- Increase of $221,073 in legal fees due to litigation expenses associated with the DRC property. Cost of $282,731 for the year ended 31 January 2014 compared to $61,658 for the same period in 2013.

- Decrease of $68,000 in management fees. Cost of $16,000 for the year ended 31 January 2014 compared to $84,000 for the same period in 2013.

- Decrease of $15,785 in office and miscellaneous. Cost of $18,196 for the year ended 31 January 2014 compared to $33,981 for the same period in 2013.

- Decrease of $31,267 in share-based payments. Cost of $Nil for the year ended 31 January 2014 compared to $31,267 for the same period in 2013.

- Decrease of $62,261 in travel, lodging and food. Cost of $11,957 for the year ended 31 January 2014 compared to $74,218 for the same period in 2013.

4. Cash flow, Liquidity and Capital Resources

During the year ended 31 January 2014, the Company's working capital, defined as current assets less current liabilities, was a deficit of $565,974 compared with the working capital of $10,938 as at 31 January 2013. The Company has a total 30,647,224 common shares issued and outstanding as at 31 January 2014.

Cash outflows for operating activities for the year ended 31 January 2014 were $618,988 (31 January 2013: $831,108) and consist of corporate costs.

Cash outflows for investing activities for the year ended 31 January 2014 were $252,730 (31 January 2013: $1,733,734) which were primarily related to exploration and evaluation expenditures.

Cash flows from financing activities for the year ended 31 January 2014 resulted in cash inflows of $311,330 (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.

6. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

7. Related Party Transactions

The related party transactions during the year ended 31 January 2014, 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 year ended 31 January 2014, the Company paid and/or accrued $100,425 and $77,184 (31 January 2013: $427,897 and $246,116) for consulting and shared office costs, respectively to Pacific North West Capital Corp. ("PFN"), a company with common directors and officers.

b. During the year ended 31 January 2014, the Company accrued $16,000 (31 January 2013: 96,308) for management fees and benefits, to a company controlled by the Chairman, Chief Executive Officer and director.

c. During the year ended 31 January 2014, the Company accrued $12,000 (31 January 2013: $78,308) for consulting fees and benefits, to a company controlled by the Chief Operating Officer and director.

d. During the year ended 31 January 2014, the Company paid $18,776 (31 January 2013: $60,000) for consulting fees and benefits, to the Chief Financial Officer.

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 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 year ended 31 January 2014, 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 year ended 31 January 2014. As a result, the Company's financial statements at 31 January 2014 and 2013 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 year ended 31 January 2014, 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 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 year ended 31 January 2014, the Company had a deficit working capital of $565,974 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 25 February 2014, the Company provided an update on the exploration program for the Bathurst Option Joint Venture Project (BOJV) with Votorantim Metals Canada Inc. and Glencore Canada Corporation (formerly Xstrata Canada Corporation). The BOJV area of interest covers much of the world-class Bathurst Mining Camp in north-central New Brunswick (Figure 1). Votorantim Metals Canada Inc. is Project Operator.

2013 Exploration Program Results

During 2013, fifteen holes were drilled for a total of 4780.7 metres at a cost of roughly $1.5 million. The holes were drilled to test prospective DIAGNOS CARDS, airborne and ground geophysical and stratigraphic targets in the BOJV Project area (Figure 2). The drill targets are distributed throughout the Bathurst Mining Camp.

Significant results were obtained from two diamond drill holes, MB-13-01 and SA-13-21, both of which intersected mineralization of interest. MB-13-01 was drilled to test a ground gravity target just to the west of the Murray Brook polymetallic massive sulphide property, in the northwest corner of the BOJV. The hole intersected 248 metres of weak mineralization consisting of pyrrhotite + pyrite ± chalcopyrite from 230 metres to end of hole at 578 metres, entirely in sedimentary rocks. As a result, the hole was extended from 578 metres to 821 metres. It remained in sedimentary rocks and commonly carried 5-10% disseminated pyrrhotite. The best assayed interval was 13 metres grading 0.18% Zn, 0.08% Pb, 0.10% Cu and 1.74 g/t Ag from 428 metres down hole (Table 1). The hole was down-hole surveyed with an electromagnetic probe for off-hole conductors. The results indicated a couple of deeper responses which might reflect weak stringer mineralization. No off-hole response was received that could be interpreted as massive sulphide.

The other hole of interest, SA-13-21, was drilled to test a CARDs/geophysical target at Sevogle Airstrip in the south central part of the BOJV. The hole intersected felsic volcanics from 45 metres to 300 metres down hole, with several short intervals of quartz + chalcopyrite + sphalerite + galena mineralization between 60 metres and 300 metres down hole. The best assay result is 0.5 metres grading 2.9% Zn, 2.4% Pb and 0.04% Cu from 60 metres down hole (Table 1).

Table 1: Assay results for 2013 BOJV Project Drill Program

Best Assay Intervals for DDH MB-13-1 - Mt. Fowler								
Cut-off 0.05% Zn								
DDH	From	To	Interval	Ag g/t	Au g/t	Cu%	Pb%	Zn%
MB-13-01	408.00	409.00	1.00	0.35	<0.001	0.02	0.38	0.55
MB-13-01	428.00	441.00	13.00	1.74	0.037	0.10	0.08	0.18
MB-13-01	450.00	459.00	9.00	1.98	0.028	0.02	0.07	0.19
MB-13-01	460.00	462.00	2.00	1.23	0.110	0.01	0.01	0.15
MB-13-01	468.00	471.00	3.00	2.56	0.031	0.05	0.08	0.17
MB-13-01	568.00	569.00	1.00	6.40	<0.001	0.02	0.39	0.67
Best Assays for DDH SA-13-21 - Sevogle Airstrip								
Sample	From	To	Interval	Ag g/t	Au g/t	Cu%	Pb%	Zn%
578513	60.00	60.50	0.50	20.5	0.046	0.04	2.38	2.87
578555	137.30	137.65	0.35	2.1	0.003	0.02	0.08	0.45
578562	150.95	151.40	0.45	2.3	0.001	0.01	0.12	0.20
578570	169.00	169.50	0.50	0.7	<0.001	0.10	0.01	0.04
578575-6	184.70	185.00	0.30	2.8	0.273	0.03	0.16	0.37
578581	213.00	214.00	1.00	2.4	0.002	0.02	0.21	0.24
578583	214.44	215.00	0.56	4.3	0.052	0.08	0.10	0.11
578612	292.00	293.00	1.00	1.0	0.017	0.05	0.01	0.14

Note: no significant assay results for the other 13 holes drilled in the 2013 program.

2014 Exploration Program Plans

After a holiday hiatus, drilling resumed on the BOJV with a single rig in January. The program planned is for up to thirteen holes to be drilled for a total of 3000 metres at a cost of approximately $350,000. Two holes are to be drilled at Sevogle Airstrip, and six holes in the area between the Murray Brook and Restigouche massive sulphide deposits and the remaining four or five holes to be drilled elsewhere. The drill program will be in two phases: a winter program to end in the second half of February where drill holes are close to existing infrastructure and the remainder in the spring. Subject to outcomes and results, the next steps in follow-up exploration could be continued direct drilling of targets, and ground and borehole geophysical surveys performed to optimize drill set-ups. The five year option earn-in period for Votorantim Metals Canada Inc. currently ends in July 2014

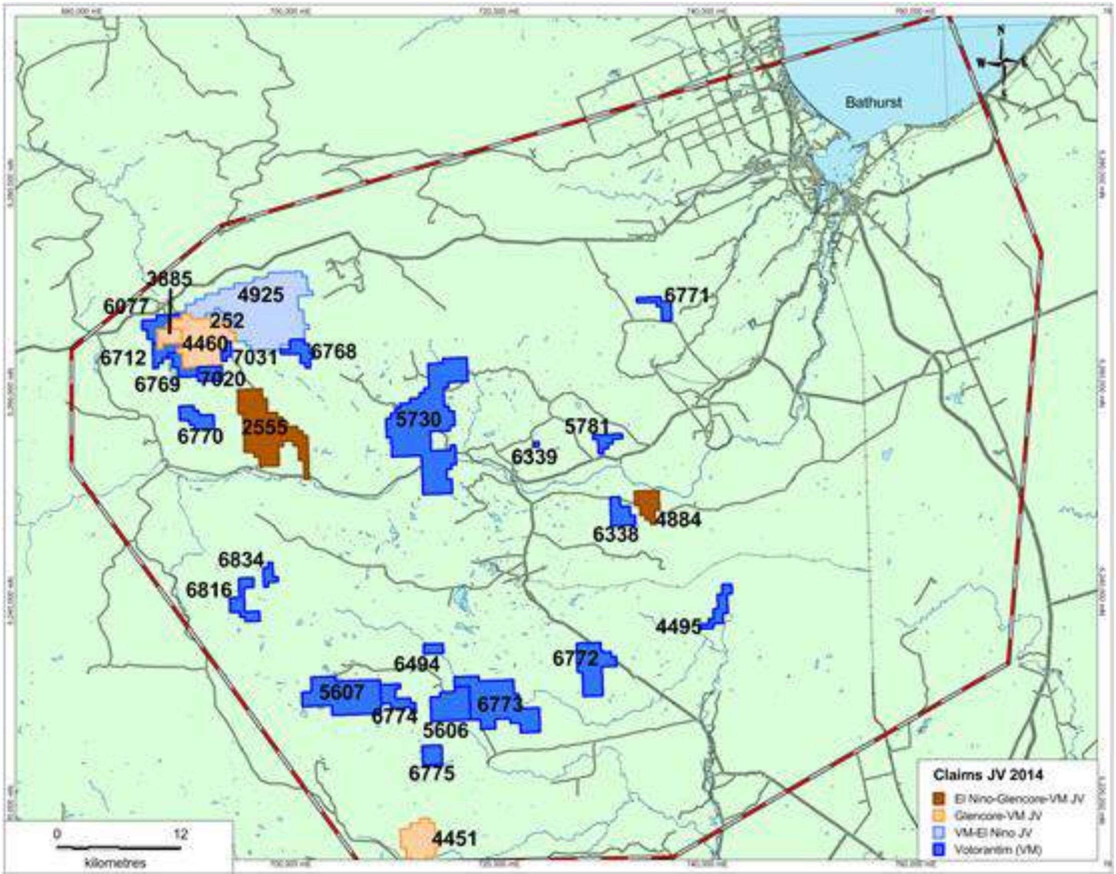

Figure 1. Land tenure map showing the location of properties in the Bathurst Option Joint Venture Project as of 21 February 2014. The BOJV includes 920 units in 26 claims totalling 20,019 hectares. The amount changes as some claims are dropped and others staked. El Nino maintains a 50% interest in another 1,177 units in 8 claims totalling 25,612 hectares.

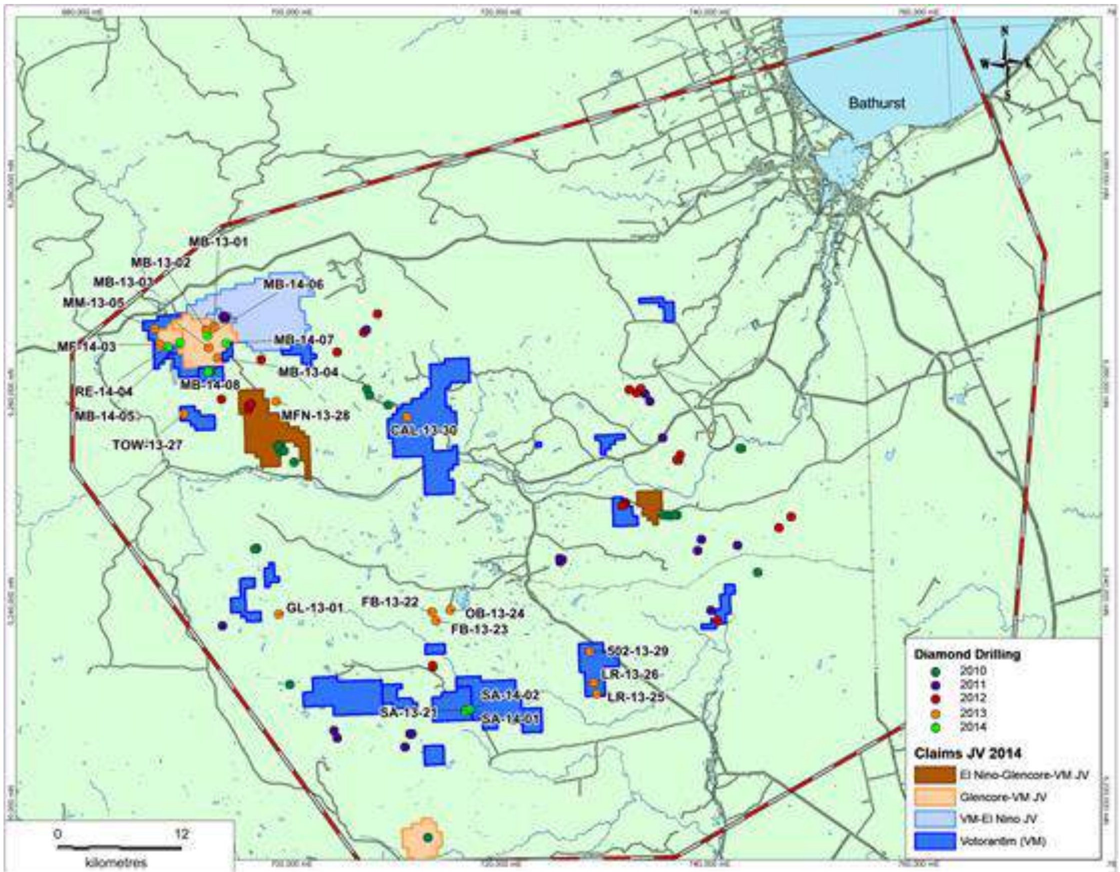

Figure 2. Collar locations for diamond drill holes drilled on the BOJV Project area in 2013 and 2014. Note the location of MB-13-1 in the northwest corner or the area, which is in the Mt. Fowler area near the Murray Brook Project, and SA-13-21 in the south central part of the area.

On 19 March 2014, the Company has granted incentive stock options to directors, officers, consultants and employees to purchase 3,000,000 common shares at $0.07 per share, exercisable for a period of five years in accordance with the company's stock option plan. The options are subject to acceptance for filing by the TSX Venture Exchange.

On 21 March 2014, the Company has now received the Final Award from the International Commercial Arbitration between the Company and GCP, a company controlled by the country manager at the time of the initial proceedings. The Company was successful in its submission for its costs of the arbitration and was awarded $431,532. All submissions in opposition to the awards by the Plaintiff were denied.

On 2 April 2014, 1,533,033 warrants with an exercise price of $0.48 and 861,023 warrants with an exercise price of $0.45 expired.

20 May 2014, the Company entered into an Option Agreement (the "Agreement") with MMG Limited ("MMG"), whereby MMG can acquire ELN`s 70% interest in the Kasala copper project in the Democratic Republic of the Congo (DRC) for a total consideration of USD$6,000,000.

Option Agreement:

As consideration for the exclusive right to acquire El Nino`s 70% interest in Infinity Resources Sprl, the joint venture company that owns the Kasala permits, MMG has agreed to pay a non-refundable USD$350,000. Under the terms of the Agreement, once certain conditions have been satisfied (the "Satisfaction Date"), in order to maintain the option, MMG:

1. Is required to make staged payments of up to a total USD$3,000,000 consisting of an initial payment of $250,000 on the Satisfaction Date and three annual payments of $916,666; and

2. Must incur a total of USD$15,000,000 in exploration expenditures over the three option year period.

If MMG exercises the option, the consideration payable by MMG to ELN is;

3. USD$6,000,000 less the amounts set out above to maintain the Option (up to a total USD$3,000,000); plus

4. 1.5% NSR.

On 21 May 2014, the Company announced a non-brokered flow-through and non flow-through private placement of up to a combined 10,000,000 units for gross proceeds up to $1,000,000. Both the non flow-through unit and the flow-through unit at a price of $0.10 per unit will consist of one common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant will entitle the holder to purchase one common share of the Company at a price of $0.20 per share for 12 months from closing, subject to an accelerated expiry, such expiry being accelerated to 30 days in the event the Company's shares having closed at or above a price of $0.30 per share for 10 consecutive trading days on the TSX Venture Exchange.

On 23 May 2014, the Company announced that Votorantim Metals Canada Inc. has relinquished its option to earn up to a 50% interest in the Bathurst Option Joint Venture zinc-lead-silver project (BOJV), northeastern New Brunswick. The BOJV Project is centred on the world-class Bathurst Mining Camp and is owned 50:50 by ELN and Glencore Canada Corporation (formerly Xstrata Canada Corporation)

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.

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, 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.

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.

TSX.V: ELN OTCQX: ELNOF FRANKFURT: E7Q

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650 - 555 West 12th Avenue, City Square, West Tower, Vancouver, B.C. Canada V5Z 3X7

FINANCIAL STATEMENTS

31 January 2014

(An Exploration Stage Company)

(Expressed in Canadian dollars)

JAMES STAFFORD

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of El Niño Ventures Inc.

We have audited the accompanying financial statements of El Niño Ventures Inc., which comprise the statements of financial position as at 31 January 2014 and 2013, and the statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of El Niño Ventures Inc. as at 31 January 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the ability of El Niño Ventures Inc. to continue as a going concern.

James Stafford

Chartered Accountants
Vancouver, Canada
29 May 2014

El Niño Ventures Inc.
(An Exploration Company)
Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	As at 31 January 2014	As at 31 January 2013
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**30,642**	591,030
Amounts receivable	5	**13,327**	24,566
Marketable securities		**1**	1
Prepaid expenses	6	**3,173**	41,983
		47,143	657,580
Exploration and evaluation properties	7	**8,379,737**	8,167,107
Property, plant and equipment	8	**64,891**	75,138
Investments	9	**40,101**	1
Total assets		**8,531,872**	8,899,826
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	10	**613,117**	643,944
Flow-through tax liabilities		**-**	2,698
Total liabilities		**613,117**	646,642
Equity			
Common shares	11	**25,029,912**	24,891,582
Reserves		**7,222,679**	7,074,179
Deficit		**(24,333,836)**	(23,712,577)
Total equity		**7,918,755**	8,253,184
Total equity and liabilities		**8,531,872**	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.

(An Exploration Stage Company)

Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Notes	Years ended 31 January 2014	2013
		$	$
Administration expenses			
Accounting and audit		**16,992**	25,690
Bank charges and interest		**963**	1,574
Consulting fees	18	**137,560**	508,168
Corporate development		**-**	2,500
Depreciation	8	**10,247**	19,386
Information technology		**3,562**	23,527
Insurance, licenses and fees		**24,079**	32,179
Investor & shareholder relations		**22,657**	345,427
Legal		**282,731**	61,658
Management fees	18	**16,000**	84,000
Office and miscellaneous		**18,196**	33,981
Rent		**52,035**	51,568
Share-based payments	12	**-**	31,267
Telephone and utilities		**5,604**	9,846
Transfer agent and regulatory fees		**45,018**	43,029
Travel, lodging and food		**11,957**	74,218
Net loss before other items		**(647,601)**	(1,348,018)
Other items			
Foreign exchange gain (loss)		**(856)**	5,582
Finance income	13	**27,198**	153,747
Provision for legal and other costs		**-**	(200,000)
Write-down of exploration and evaluation properties	7	**-**	(318,116)
Net loss and comprehensive loss for the year		**(621,259)**	(1,706,805)
Loss per share – basic and diluted	15	**(0.023)**	(0.082)

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

El Niño Ventures Inc.
(An Exploration Stage Company)
Statements of Cash Flows
(Expressed in Canadian dollars)

		Year ended 31 January	
	Notes	**2014**	2013
		$	$
OPERATING ACTIVITIES			
Loss for the year		**(621,259)**	(1,706,805)
Adjustments for:			
Depreciation	8	**10,247**	19,386
Share-based payments	12	**-**	31,267
Flow-through share premium income	13	**(27,198)**	(153,235)
Write-down of exploration and evaluation properties		**-**	318,116
Changes in operating working capital			
Decrease in amounts receivable		**11,239**	4,828
Decrease in prepaid expenses		**38,810**	82,685
Increase (decrease) in trade payables and accrued liabilities		**(30,827)**	572,650
Cash used in operating activities		**(618,988)**	(831,108)
INVESTING ACTIVITIES			
Exploration and evaluation expenditures		**(212,630)**	(1,648,059)
Investment in Infinity	9	**(40,100)**	-
Purchase of property, plant and equipment	8	**-**	(85,675)
Cash used in investing activities		**(252,730)**	(1,733,734)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares	10	**317,000**	3,060,452
Share issue costs	10	**(5,670)**	(91,640)
Cash from financing activities		**311,330**	2,968,812
Increase (decrease) in cash and cash equivalents		**(560,388)**	403,970
Cash and cash equivalents, beginning of year		**591,030**	187,060
Cash and cash equivalents, end of year		**30,642**	591,030

Supplemental cash flow information (Note 19)

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

El Niño Ventures Inc.
(An Exploration Stage Company)
Statements of Changes in Equity
(Expressed in Canadian dollars)

	Number of shares	Common shares	Shares to be issued	Stock option reserve	Warrant reserve	Deficit	Total
		$	$	$	$	$	$
Balances, 1 February 2012	15,877,872	22,727,285	105,400	1,726,703	4,562,227	(22,005,772)	7,115,843
Shares issued for							
Cash	9,486,019	3,165,852	(105,400)	-	-	-	3,060,452
Share-based payments	-	-	-	31,267	-	-	31,267
Share issue costs	-	(123,684)	-	-	32,044	-	(91,640)
Flow-through share liability	-	(155,933)	-	-	-	-	(155,933)
Fair value allocated to warrants	-	(721,938)	-	-	721,938	-	-
Net loss for the year	-	-	-	-	-	(1,706,805)	(1,706,805)
Balances, 31 January 2013	25,363,891	24,891,582	-	1,757,970	5,316,209	(23,712,577)	8,253,184
Shares issued for							
Cash	5,283,333	317,000	-	-	-	-	317,000
Share issue costs	-	(11,309)	-	-	5,639	-	(5,670)
Flow-through share liability	-	(24,500)	-	-	-	-	(24,500)
Fair value allocated to warrants	-	(142,861)	-	-	142,861	-	-
Net loss for the year	-	-	-	-	-	(621,259)	(621,259)
Balances, 31 January 2014	**30,647,224**	**25,029,912**	-	**1,757,970**	**5,464,709**	**(24,333,836)**	**7,918,755**

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

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 25 November 2013, the Company consolidated its share capital on a one (1) new common share without par value for every three (3) 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.

The Company had cash and cash equivalents of $30,642 at 31 January 2014 (2013: $591,030), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures or cease operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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

2. 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 17 and are presented in Canadian dollars except where otherwise indicated.

For the years ended 31 January 2014 and 2013, the Company accounted for its investments in Infinity Resources SPRL ("Infinity") as available-for-sale financial assets rather than on a consolidation basis as the Company did not exercise control or significant influence over its investments in Infinity during the years ended 31 January 2014 and 2013 (Notes 9, 20 and 22).

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 year ended 31 January 2014.

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 year ended 31 January 2014.

- 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 Standing Interpretations Committee ("SIC") -12. New amendments include an exception to specific consolidation requirements for investment entities and are effective for annual periods beginning on or after 1 January 2014, with earlier adoption permitted.

- 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. New amendments include an exception to specific consolidation requirements for investment entities and are effective for annual periods beginning on or after 1 January 2014, with earlier adoption permitted.

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

- 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. New amendments include an exception to specific consolidation requirements for investment entities and are effective for annual periods beginning on or after 1 January 2014, with earlier adoption permitted.

- 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.

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.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

3.3 Foreign currencies

The Company's presentation currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which they operate.

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

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

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

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of property, plant and equipment, less their estimated residual value, using the straight-line method over the following expected useful lives:

- Computer equipment 3 years
- Furniture and fixtures 5 years
- Software 1 year
- Leasehold improvements 10 years

3.5 Exploration and evaluation properties

Exploration and evaluation expenditures, including the costs of acquiring licenses, costs associated with exploration and evaluation assets acquired in a business combination, are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of the mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and reclassified to mining property and development assets within property, plant and equipment.

3.6 Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

3.7 Taxation

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

3.8 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash and cash equivalents are included in this category of financial assets.

3.8 Financial assets, continued

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Amounts receivables are classified as loans and receivables.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset. Available-for-sale assets include investments in equities of other entities.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.9 Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

3.9 Financial liabilities, continued

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade payables are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.10 Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss.

3.11 Impairment of non-financial assets

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

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

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

3.12 Flow-through shares

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability and included in trade payables and accrued liabilities. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

3.13 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.14 Changes in accounting policies

The Company has adopted the following new and revised accounting standards, amendments and interpretations, effective 1 February 2013.

- 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. The adoption of IFRS 10 did not have a material impact on the Company's financial statements.

- 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. The adoption of IFRS 12 did not have a material impact on the Company's financial statements.

- 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. The adoption of IFRS 13 did not have a material impact on the Company's financial statements.

- 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 adoption of IAS 1 did not have a material impact on the Company's financial statements.

- 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. The adoption of IAS 27 did not have a material impact on the Company's financial statements.

- IAS 28 (Amendment) *'Investments in Associates and Joint Ventures'* is effective for annual periods beginning on or after 1 January 2013 that prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The adoption of IAS 28 did not have a material impact on the Company's financial statements.

(Expressed in Canadian dollars)

4. SEGMENTED INFORMATION

For the year ended 31 January 2014, 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 year ended 31 January 2014	**621,259**	**-**	**621,259**
For the year ended 31 January 2013	1,471,258	235,547	1,706,805
Current assets			
As at 31 January 2014	**47,143**	**-**	**47,143**
As at 31 January 2013	657,580	-	657,580
Exploration and evaluation properties			
As at 31 January 2014	**8,379,737**	**-**	**8,379,737**
As at 31 January 2013	8,167,107	-	8,167,107
Property, plant and equipment			
As at 31 January 2014	**64,891**	**-**	**64,891**
As at 31 January 2013	75,138	-	75,138
Investments			
As at 31 January 2014	**1**	**40,101**	**40,102**
As at 31 January 2013	1	1	2

5. AMOUNTS RECEIVABLE

The Company's amounts receivable arises from Goods and Services Tax / Harmonized Sales Tax ("GST/HST") receivable due from the government taxation authorities:

	As at 31 January 2014	As at 31 January 2013
	$	$
GST/HST receivable	**13,327**	24,566
Total amounts receivable	**13,327**	24,566

(Expressed in Canadian dollars)

6. PREPAID EXPENSES

The Company's prepaid expenses are as follows:

	As at 31 January 2014	As at 31 January 2013
	$	$
Insurance	**1,667**	19,843
Prepaid administration expenses	**1,506**	22,140
Total prepaid expenses	**3,173**	41,983

7. EXPLORATION AND EVALUATION PROPERTIES

The Company's exploration and evaluation properties expenditures for the year ended 31 January 2014 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	-	2,603	-	-	2,603
Payments received	-	-	-	-	-
Impairment	-	-	-	-	-
Balance, 31 January 2014	**169,631**	**152,603**	**-**	**-**	**322,234**
EXPLORATION AND EVALUATION COSTS					
Balance, 31 January 2013	5,445,306	2,402,170	-	-	7,847,476
Claims/Staking	-	54	-	-	54
Drilling	-	7,389	-	-	7,389
Assaying	-	994	-	-	994
Engineering and consulting	-	120,173	-	-	120,173
Geological and field expenses	-	19,189	-	-	19,189
Geophysics and environment	-	49,160	-	-	49,160
Metallurgical Studies	-	13,068	-	-	13,068
Balance, 31 January 2014	**5,445,306**	**2,612,197**	**-**	**-**	**8,057,503**
TOTAL	**5,614,937**	**2,764,800**	**-**	**-**	**8,379,737**

(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**

7.1 Bathurst Option JV Base Metals Project (the "BOJV Project") (Previously Bathurst Mining Camp Project);

The BOJV Project is a Tri-Party Agreement with Xstrata Canada Corporation (now Glencore Canada Corporation ("Glencore")) and Votorantim Metals Canada Inc. ("VM Canada") covering much of the area of the Bathurst Mining Camp in northeastern New Brunswick. The BOJV project originally consisted of 4,712 claims owned 50% by the Company and 50% by Glencore and 2,907 claims owned 100% by Glencore, together with an Area of Interest in which the Company and Glencore hold equal interest. The project commenced in July 2009. VM Canada can earn 50% by spending $10 million over 5 years. VM Canada can further increase its interest to 70% by spending an additional $10 million over 2 more years. Exploration expenditures to date by VM Canada total about $5.6 million.

7.2 Murray Brook Project

VM Canada entered into an 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 consisting of the Murray Brook Mining Lease No. 252 and the Camel Back Claims Block No. 4925 (the "Properties").

Under the Option and Joint Venture Agreement, VM Canada can earn a 50% interest in the Properties by funding $2,250,000 in exploration expenditures and making payments totalling $300,000 over a three-year period that commenced 1 November 2011. 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 and VM Canada earned the 50% interest from MBM. The Company 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 The Company and VM Canada each having a 35% interest in the Properties.

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.

(Expressed in Canadian dollars)

8. PROPERTY, PLANT AND EQUIPMENT

A summary of changes in the Company's property, plant and equipment for the years ended 31 January 2014 and 2013 are as follows:

	Leasehold improvements	Computer equipment	Furniture and fixtures	Software	Total
	$	$	$	$	$
COST					
As at 31 January 2012	-	16,754	50,019	8,325	75,098
Additions	76,870	4,592	2,755	1,458	85,675
As at 31 January 2013	76,870	21,346	52,774	9,783	160,773
Additions	-	-	-	-	-
As at 31 January 2014	**76,870**	**21,346**	**52,774**	**9,783**	**160,773**
DEPRECIATION AND IMPAIRMENT					
As at 31 January 2012	-	15,466	42,458	8,325	66,249
Depreciation	7,687	2,175	8,066	1,458	19,386
As at 31 January 2013	7,687	17,641	50,524	9,783	85,635
Depreciation	7,687	1,960	600	-	10,247
As at 31 January 2014	**15,374**	**19,601**	**51,124**	**9,783**	**95,882**
NET BOOK VALUE					
As at 31 January 2012	-	1,288	7,561	-	8,849
As at 31 January 2013	69,183	3,705	2,250	-	75,138
As at 31 January 2014	**61,496**	**1,745**	**1,650**	**-**	**64,891**

9. INVESTMENTS

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 93,333 (post-consolidated) shares to which 80,000 (post-consolidated) shares were issued. The remaining US$100,000 and 13,333 (post consolidated) shares (reduced from 40,000 due to the 3:1 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 33,333 (post-consolidated) 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 (Notes 2, 20 and 22).

In February 2008, the Kasala Mineral Research Permits were transferred by GCP into 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 year ended 31 January 2014, the Company recorded a provision for write-down of $Nil (2013: $235,547) related to the Kasala Project.

For the years ended 31 January 2014 and 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 years ended 31 January 2014 and 2013 (Notes 2, 7, 20 and 22).

(Expressed in Canadian dollars)

The Company's available-for-sale investments are as follows:

As at 31 January	**2014**		2013	
	Cost **$**	**Fair Value** **$**	Cost (Audited) $	Fair Value (Audited) $
Infinity Resources SPRL	40,101	40,101	1	1
Total investments	**40,101**	**40,101**	1	1

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:

	A at 31 January 2014	As at 31 January 2013
	$	$
Trade payables	**403,117**	428,944
Accrued liabilities (Note 20)	**210,000**	215,000
Total	**613,117**	643,944

Included in trade payables and accrued liabilities are amounts due to related parties which are disclosed in Note 18.

During the year ended 31 January 2014, the Company issued 950,000 flow-through units (2013: 4,222,778 flow-through units) for total proceeds of $57,000 (2013: $1,434,500). This issuance of flow-through units resulted in a flow-through share premium liability of $Nil (2013: $2,698) (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 January 2014, the Company had 30,647,224 common shares outstanding (2013: 25,363,891) and no preferred shares outstanding (2013: Nil).

11.2 Shares issuances

During the years ended 31 January 2014 and 2013, the Company issued common shares as follows:

On 16 February 2012, gross proceeds of $361,450 were raised in a 926,795 non flow-through unit non-brokered private placement at a price of $0.39 per unit, consisting of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.69 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 $1.20 per share for 10 consecutive trading days on the TSX Venture Exchange. The Company paid $18,823 and issued 38,150 warrants in finder's fees.

On 16 February 2012, gross proceeds of $81,000 were raised in a 180,000 flow-through unit non-brokered private placement at a price of $0.45 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 $0.75 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 $1.20 per share for 10 consecutive trading days on the TSX Venture Exchange. The Company paid $1,050 and issued 2,333 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 (Notes 10 and 13).

On 30 March 2012, gross proceeds of $577,940 were raised in a 1,481,897 non flow-through unit non-brokered private placement at a price of $0.39 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 $0.69 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 $1.20 per share for 10 consecutive trading days on the TSX Venture Exchange. The Company paid $17,115 and issued 36,517 warrants in finder's fees.

On 30 March 2012, gross proceeds of $343,250 were raised in a 762,778 flow-through unit non-brokered private placement at a price of $0.45 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 $0.75 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 $1.20 per share for 10 consecutive trading days on the TSX Venture Exchange. The Company paid $12,232 and issued 27,183 warrants in finder's fees. This issuance of flow-through shares resulted in a flow-through share liability of $22,883 at the date of issue (Notes 10 and 13).

11.2 Shares issuances, continued

On 17 April 2012, gross proceeds of $69,010 were raised in a 176,949 non flow-through unit non-brokered private placement at a price of $0.39 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 $0.69 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 $1.20 per share for 10 consecutive trading days on the TSX Venture Exchange. The Company paid $701 and issued 1,797 warrants in finder's fees.

On 17 April 2012, gross proceeds of $78,750 were raised in a 175,000 flow-through unit non-brokered private placement at a price of $0.45 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 $0.75 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 $1.20 per share for 10 consecutive trading days on the TSX Venture Exchange. The Company paid $7,002 and issued 12,250 warrants in finder's fees. This issuance of flow-through shares resulted in a flow-through share liability of $21,000 at the date of issue (Notes 10 and 13).

On 2 October 2012, gross proceeds of $464,952 were raised in a 1,722,044 non flow-through unit non-brokered private placement at a price of $0.27 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 $0.45 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 $0.75 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 2,955,000 flow-through unit non-brokered private placement at a price of $0.30 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 $0.48 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 $0.78 per share for 10 consecutive trading days on the TSX Venture Exchange. The Company paid $23,660 and issued 55,533 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 (Notes 10 and 13).

On 31 December 2012, gross proceeds of $258,000 were raised in a 955,556 non flow-through unit non-brokered private placement at a price of $0.27 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 $0.45 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 $0.75 per share for 10 consecutive trading days on the TSX Venture Exchange.

11.2 Shares issuances, continued

On 31 December 2012, gross proceeds of $45,000 were raised in a 150,000 flow-through unit non-brokered private placement at a price of $0.30 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 $0.48 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 $0.78 per share for 10 consecutive trading days on the TSX Venture Exchange. The Company paid $3,150 and issued 10,500 warrants in finder's fees. This issuance of flow-through shares resulted in a flow-through share liability of $18,000 at the date of issue (Notes 10 and 13).

On 12 September 2013, gross proceeds of $50,000 were raised in a 833,333 non flow-through units at a price of $0.06 per unit, consisting of one common share and one-half of non-transferable purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of $0.15 per share during the first year and $0.30 per share during the second year.

On 12 September 2013, gross proceeds of $4,000 were raised in a 66,667 flow-through units at a price of $0.06 per unit consisting of one common flow-through share and one-half of one non-transferable, non flow-through, share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of $0.15 per share during the first year and $0.30 per share during the second year. The Company paid $280 and issued 4,667 warrants in finder's fees.

On 4 October 2013, gross proceeds of $210,000 were raised in a 3,500,000 non flow-through units at a price of $0.06 per unit, consisting of one common share and one-half of non-transferable purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of $0.15 per share during the first year and $0.30 per share during the second year. The Company paid $2,240 and 37,333 warrants in finder's fees.

On 4 October 2013, gross proceeds of $53,000 were raised in a 883,333 flow-through units at a price of $0.06 per unit consisting of one common flow-through share and one-half of one non-transferable, non flow-through, share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of $0.15 per share during the first year and $0.30 per share during the second year. The Company paid $3,150 and issued 52,500 warrants in finder's fees.

On 25 November 2013, the Company consolidated its share capital on a one (1) new common share without par value for every three (3) 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 1).

(Expressed in Canadian dollars)

11.3 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the year ended 31 January 2014 and 2013:

	2014		2013	
	Number of warrants	**Weighted average Exercise price**	Number of warrants	Weighted average Exercise price
Outstanding, beginning of year	**7,065,273**	**$0.62**	4,021,961	$0.81
Granted	**2,736,167**	**$0.23**	4,927,273	$0.57
Exercised	**-**	**-**	-	-
Forfeited	**(4,107,939)**	**$0.73**	(1,883,961)	$0.87
Outstanding, end of year	**5,693,501**	**$0.35**	7,065,273	$0.62

The following table summarizes information regarding share purchase warrants outstanding as at 31 January 2014.

Date issued	**Number of warrants**	**Exercise price**	**Expiry date**
2 October 2012 (Note 22)	1,533,033	$0.48	2 April 2014
2 October 2012 (Note 22)	861,023	$0.45	2 April 2014
31 December 2012	75,000	$0.48	30 June 2014
31 December 2012	477,778	$0.45	30 June 2014
31 December 2012	10,500	$0.48	30 June 2014
12 September 2013	450,000	$0.15/$0.30	12 September 2015
12 September 2013	4,667	$0.15/$0.30	12 September 2015
4 October 2013	1,750,000	$0.15/$0.30	4 October 2015
4 October 2013	441,667	$0.15/$0.30	4 October 2015
4 October 2013	52,500	$0.15/$0.30	4 October 2015
4 October 2013	37,333	$0.15/$0.30	4 October 2015
Balance – 31 January 2014	**5,693,501**		

(Expressed in Canadian dollars)

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

The following is a summary of the changes in the Company's stock option plan for the years ended 31 January 2014 and 2013:

Year ended 31 January	**2014**		2013	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding, beginning of year	**478,000**	**$1.23**	681,333	$1.29
Granted	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Forfeited	**(30,667)**	**$1.26**	(203,333)	$1.44
Outstanding, end of year	**447,333**	**$1.23**	478,000	$1.23

The Company did not grant any stock options during the years ended 31 January 2014 and 2013.

The following table summarizes information regarding stock options outstanding and exercisable as at 31 January 2014:

Exercise price	**Number of options outstanding**	**Weighted-average remaining contractual life (years)**	**Weighted average exercise price**
Options outstanding			
$0.60 - $1.17	186,667	1.40	$1.14
$1.18 - $1.77	260,666	2.31	$1.29
Total options outstanding	**447,333**	**1.93**	**$1.23**
Options exercisable			
$0.60 - $1.17	186,667	1.40	$1.14
$1.18 - $1.77	260,666	2.31	$1.29
Total options exercisable	**447,333**	**1.93**	**$1.23**

(Expressed in Canadian dollars)

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 year ended 31 January 2014 (2013: $31,267):

Grant date	Fair value	Amount vested in 2014	Amount vested in 2013
	$	**$**	$
24 May 2011	390,746	-	31,267
Total	390,746	-	31,267

13. FINANCE INCOME

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

Year ended 31 January	**2014**	2013
	$	$
Interest income	-	512
Flow-through share premium income (Notes 10 and 11)	**27,198**	153,235
Total	**27,198**	153,747

14. TAXES

14.1 Provision for income taxes

Applying the Company's Canadian federal and provincial statutory income tax rates of 25.83% (2013: 25.00%):

Year ended 31 January	**2014**	2013
	$	$
Loss before tax	**621,259**	1,706,805
Expected tax recovery	**160,492**	426,701
Non-deductible items	**7,263**	(4,810)
Change in prior year provision to actual	**30,156**	(342,875)
Change in tax rates	**(17,070)**	-
Change in valuation allowance	**(180,746)**	(79,016)
Tax recovery for the year	-	-

(Expressed in Canadian dollars)

14.2 Deferred tax balances

The tax effects of temporary differences that give rise to deferred tax assets and liabilities are as follows:

	As at 31 January 2014	As at 31 January 2013
	$	$
Tax loss carry-forwards	**2,328,353**	2,085,217
Exploration and evaluation properties	**(1,161,924)**	(1,102,984)
Share issue costs	**19,450**	28,899
Other	**106,913**	100,914
	1,292,792	1,112,046
Valuation allowance	**(1,292,792)**	(1,112,046)
Deferred tax assets	**-**	-

14.3 Expiry dates

The Company's recognized and unrecognized deferred tax assets related to unused tax losses have the following expiry dates:

As at 31 January	**2014**
	$
Non-capital losses	
2015	**84,502**
2026	**88,428**
2027	**961,396**
2028	**538,135**
2029	**914,962**
2030	**1,249,677**
2031	**1,484,856**
2032	**1,329,820**
2033	**1,525,375**
2034	**682,617**
Total non-capital losses	**8,859,768**
Total net capital losses, no expiry	**190,874**
Total resource-related deduction, no expiry	**3,910,800**

(Expressed in Canadian dollars)

15. LOSS PER SHARE

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

Year ended 31 January	**2014**	2013
Net loss for the year	**$ 621,259**	$ 1,706,805
Weighted average number of shares – basic and diluted	**27,155,124**	20,819,693
Loss per share, basic and diluted	**$ (0.023)**	$ (0.082)

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 year, if dilutive. All of the stock options and share purchase warrants were anti-dilutive for the years ended 31 January 2014 and 2013.

16. 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.

(Expressed in Canadian dollars)

17. FINANCIAL INSTRUMENTS

17.1 Categories of financial instruments

	As at 31 January 2014	As at 31 January 2013
FINANCIAL ASSETS	**$**	$
FVTPL, at fair value		
Cash and cash equivalents	**30,642**	591,030
Available-for-sale, at fair value		
Marketable securities	**1**	1
Investments	**40,101**	1
Total financial assets	**70,744**	591,032
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	**403,117**	428,944
Total financial liabilities	**403,117**	428,944

17.2 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.

- 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.

(Expressed in Canadian dollars)

17.2 Fair value, continued

As at 31 January 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets at fair value				
Cash and cash equivalents	30,642	-	-	30,642
Marketable securities	1	-	-	1
Investments	-	-	40,101	40,101
Total financial assets at fair value	**30,643**	**-**	**40,101**	**70,744**

There were no transfers between Level 1, 2 and 3 during the year ended 31 January 2014.

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.

17.3 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.

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.

(Expressed in Canadian dollars)

17.3 Management of financial risks, continued

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 January 2014, the Company had a working capital deficit of $565,974 (2013: working capital of $10,938).

Currency risk

For the years ended 31 January 2014 and 2013, a portion of the Company's operation was in the DRC (Note 4). 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.

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.

18. RELATED PARTY TRANSACTIONS

For the year ended 31 January 2014, 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.

18.1 Related party expenses

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

Year ended 31 January	2014	2013
	$	$
Consulting fees	100,425	427,897
Shared office costs	77,184	246,116
Total related party expenses	**177,609**	674,013

(Expressed in Canadian dollars)

18.2 Due from/to related parties

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

	As at 31 January 2014	As at 31 January 2013
	$	$
Key management personnel	**81,900**	82,880
PFN	**179,163**	224,927
Total amount due to related parties	**261,063**	307,807

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

18.3 Key management personnel compensation

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

Year ended 31 January	**2014**	2013
	$	$
Short-term benefits – management and consulting fees	**46,776**	251,947
Share-based payments	**-**	14,957
Total key management personnel compensation	**46,776**	266,904

19. SUPPLEMENTAL CASH FLOW INFORMATION

19.1 Cash payments for interest and taxes

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

Year ended 31 January	**2014**	2013
	$	$
Interest paid	**-**	-
Income taxes paid	**-**	-
Total cash payments	**-**	-

20. 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, 9 and 22). 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 alleged fraud and fraudulent misrepresentation by the Plaintiffs. In January 2011, the decision of the Supreme Court was to defer all decisions to arbitration.

On 5 December 2013, the Company has been successful in winning its arbitration proceedings (the "Arbitration Findings") against both George Kavvadias and GCP, a company controlled by George Kavvadias (the "Plaintiff") and received a partial award. The arbitrator has found the Company's claims to be valid and in making his award to the Company, the arbitrator has declared the following in favour of the Company:

- The Plaintiff must return all assets of Infinity (Infinity is 70% owned by the Company) to the control of the Company which include but is not limited to the mining permits and site, vehicles, equipment, drill core, data and all records financial or otherwise.

- The Plaintiff has no rights to participate in the activities of Infinity beyond the rights as a minority shareholder.

- The request by the country manager for the DRC Mining Exploration Permits 5214/5215/5216/5217 to be transferred into Mikuba Mining is denied.

- The DRC Mining Exploration Permits (Kasala); 5214/5215/5216 and 5217 are the property of Infinity.

- GCP shall forthwith deliver and endorse 20% of its shares in Infinity over to Hassan Sabra (original holder of the Kasala permits).

- The Company did not breach either of the Joint Venture Agreement or the Option Agreement from a failure to pay the final instalments of USD$100,000 and 13,333 shares to fully earn its 70% interest in the Kasala claims or by not paying exploration and development costs in the amount of USD$296,627 up to 18 May 2010 as claimed by the Plaintiff.

- GCP must pay the Company damages in the amount of USD$101,850.32.

- The Company may set off the USD$100,000 final instalment under the Joint Venture Agreement and Option Agreement.

(Expressed in Canadian dollars)

20. CONTINGENCIES, continued

The Company is engaged in legal actions aimed at establishing the Arbitration Findings within the DRC and establishing effective control over Infinity.

During the year ended 31 January 2014, the Company recorded a provision for legal and other costs of $Nil related to the ongoing legal disputes which were not settled till after year end (2013: $200,000) (Notes 10 and 22).

21. COMMITMENT

As at 31 January 2014, the Company had the following commitment:

	< 1 year	2-5 years	> 5 years	**Total**
	$	$	$	$
Office rent	56,607	226,262	205,626	**488,495**

22. EVENTS AFTER THE REPORTING PERIOD

On 19 March 2014, the Company has granted incentive stock options to directors, officers, consultants and employees to purchase 3,000,000 common shares at $0.07 per share, exercisable for a period of five years in accordance with the Company's stock option plan. The options are subject to acceptance for filing by the TSX Venture Exchange.

On 21 March 2014, the Company received an award from the International Commercial Arbitration between the Company and GCP, a company controlled by the country manager at the time of the initial proceedings. The Company was successful in its submission for its costs of the arbitration and was awarded $431,532. All submissions in opposition to the awards by the Plaintiff were denied (Notes 2, 9, and 20).

On 2 April 2014, 1,533,033 warrants with an exercise price of $0.48 and 861,023 warrants with an exercise price of $0.45 expired (Note 11.3).

On 20 May 2014, the Company entered into an Option Agreement (the "Agreement") with MMG Limited ("MMG"), whereby MMG can acquire ELN's 70% interest in the Kasala copper project in the DRC for a total consideration of USD$6,000,000.

On 21 May 2014, the Company announced a non-brokered flow-through and non flow-through private placement of up to a combined 10,000,000 units for gross proceeds up to $1,000,000. Both the non flow-through unit and the flow-through unit at a price of $0.10 per unit will consist of one common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant will entitle the holder to purchase one common share of the Company at a price of $0.20 per share for 12 months from closing, subject to an accelerated expiry, such expiry being accelerated to 30 days in the event the Company's shares having closed at or above a price of $0.30 per share for 10 consecutive trading days on the TSX Venture Exchange.

23. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 31 January 2014 were approved and authorized by the Board of Directors on 26 May 2014.