
Update on Activities in the DRC

Charges of Fraud, Fraudulent Misrepresentation, Misappropriation of Funds, Breach of Agreement and Claims for USD\$ 850,000 + damages against Georges Kavvadias and GCP Group have been filed in the Supreme Court of British Columbia by El Nino. The Hearing is now set for November 24th, 2010.

October 1, 2010. El Nino Ventures Inc. ("ELN" and the "Company") (TSX.V: ELN; Frankfurt: E7Q) reports that previous claims commenced in the Democratic Republic of the Congo, (DRC) were dismissed by the Tribunal of Commerce of Lubumbashi. (News Release dated June 24/10) El Nino successfully argued that the jurisdiction for hearing the claims is in British Columbia, Canada and not the DRC.

Subsequently, the Company served Mr. Kavvadias and GCP Group Ltd. a Notice of Dispute and petitioned the Supreme Court of British Columbia on June 18th, 2010 in response to two alleged defaults of the Joint Venture Agreement.

The Company has stated in its Notice of Dispute and is prepared to prove that;

- **A claim of USD \$850,349**, for the right to set-off, as against any sums which may be due and owing to Georges Kavvadias and GCP Group Ltd., as well as unspecified damages for breach of the agreements by Georges Kavvadias and GCP Group Ltd. and for further damages for fraud and fraudulent misrepresentation by Georges Kavvadias and GCP Group Ltd.
- The amounts claimed are not due and owing by ELN and that Mr. Kavvadias and GCP Group Ltd., despite repeated requests are unable to provide an accounting of the funds entrusted with him for the advancement of exploration works in the DRC. See "Other Matters" below.
- GCP Group Ltd. is in breach of the Representations and Warranty contained in the Agreements.
- The Company is claiming that Georges Kavvadias breached the Joint Venture Agreement, in addition to the breach of warranty, **by purloining funds** provided to him, by denying the Company access to financial information and the Company's leased premises, equipment and property in the DRC and refusing to follow the budgetary decisions of El Nino.

Other Matters

El Nino Ventures Inc. and GCP Group formed Infinity Resources Sprl, a Congolese corporation, as its joint venture Company whose shareholders are **ELN (70%) and GCP Group (30%)** consisting of **(10% GCP, 20% Fonaco Sprl)**

The KPMG Congo-R.D.C. audit dated May 10, 2010, was conducted in denial of generally accepted auditing standards. The Congolese auditors were given access to material prepared only by Mr. Kavvadias, who as well, denied ELN access to all corporate/financial materials for its joint venture company, Infinity Resources Sprl. James Stafford, Inc. Chartered Accountants, ELN's Canadian auditors, identified certain irregularities in the audit prepared by KPMG Congo which invalidates the audit. Subsequently, ELN's management asked KPMG Congo to clarify and provide an explanation in regards to these irregularities and which to date have gone unanswered or acknowledged. In brief, the Canadian Auditors stated that; **both the Infinity Financial Statements prepared by Georges Kavvadias and the Congo Auditors Report are not relevant to the preparation or audit of El Nino's financial statements for the year ended 31 January 2010 and remain invalid because they do not adhere to the Generally Accepted Accounting Principles (GAAP).** In view of this, a formal complaint with the accounting supervisory authorities against KPMG Congo-R.D.C. is being introduced in the DRC and in Canada by ELN. It is to be noted that ELN has been systematically denied access to all corporate/financial documentation in the DRC by Georges Kavvadias which goes against the basic rights of the shareholders under the laws of the DRC.

ELN is taking all possible measures to rid the company of Mr. Kavvadias who has now proved to be incapable of working for the furtherance of the project held by Infinity Resources Sprl.

Response to misleading and defamatory information released by George Kavvadias and GCP Group Ltd. regarding El Nino Ventures Inc.

On or about September 15th, 2010, Management and Mr. Barr, President, became aware of a private press release being selectively spread by GCP Group and its principal, Mr. Georges Kavvadias. It is now known that on June 1st, 2010, Mr. Georges Kavvadias falsely claimed that he was the "Statutory Manager" of Infinity Resources Sprl (70% owned by ELN and 30% by GCP Group), (10% GCP, 20% Fonaco Sprl) and without authority from the shareholders of Infinity Resources Sprl introduced by way of "direct citation" an action for fraud against Mr. Harry Barr using false and misleading information. An affidavit by Mr. Kavvadias was filed by a DRC local bailiff in support of such court action which claimed that Mr. Barr had received notice of hearing of such action for fraud at the offices of ELN in Vancouver, British Columbia. **There is no proof that such notice of hearing which was allegedly sent by Congolese post was ever received in Vancouver and, indeed to date, none has ever been received. Congolese post has notoriously been dysfunctional for quite a number of years and is not used in any legitimate action brought before and heard by a judge in the proper court for hearing such petitions.**

A “direct citation”, as opposed to a citation by the “Ministère Public” or the “Parquet” (the equivalent of the Solicitor General in Canada), can be brought by an individual before a judge, without preliminary inquiry or any shred of proof and as in the present circumstances, the judgement can be rendered ex-parte without actual proof of a notice of hearing having been served against the defendant.

Use of this procedure does not meet the most basic definition of the rule of law within the DRC.

As well, such judgement rendered by a Justice of the Peace (as opposed to a judge of the Tribunal de Grande Instance) does not carry any weight and cannot be executed until it has been issued and served on the individual against whom it has been rendered, and until all three recourses available to such individual have been exercised or the delays to do so have expired. ELN is vigorously pursuing all avenues available and is currently filing an opposition to the judgement which will void the judgement as if it had never been issued and oblige the Justice of the Peace to properly instruct the case before him.

In fact, Mr. Barr is being attacked by Mr. Kavvadias under a bizarre theory by virtue of which he would have used funds raised on the Canadian public markets by ELN, such funds being alleged by Mr. Kavvadias to be assets of Infinity Resources Sprl, for purposes other than exploration programmes on the Kasala properties.

It is to be noted that the funds raised on the Canadian public markets were not assets of Infinity Resources Sprl but of ELN and that the directors of a public corporation have fiduciary duties towards the corporation and its shareholders and will make their decisions guided by applicable Canadian laws.

Management and Mr. Barr are taking whatever steps are necessary to address this issue which has apparently been submitted without preliminary inquiry or any shred of proof and as in the present circumstances, would have been rendered ex-parte without actual proof of a notice of hearing having been served against Mr. Barr.

Further, in Managements opinion, the purpose of Mr. Kavvadias fraudulent attempts to discredit Mr. Barr and to undermine El Nino is to illegally acquire the permits to the Company’s Kasala project in the DRC. **And is in fact, in retaliation for the Company having filed criminal charges against Mr. Kavvadias, his partner Mr. Alexander Voukovitch and GCP Group for attempting to illegally transfer the Kasala permits to MIKUBA MINING Sprl, a newly formed company whose sole purpose was to be the transferee of the permits held by Infinity. Our letter of opposition was accepted thus preventing the transfer of the permits and denouncing the fraud and asking for a criminal investigation by the Attorney General in the DRC.**

Management believes the action taken by Mr. Georges Kavvadias and GCP Group against Mr. Barr is frivolous and vexatious and all means available is being put in motion to reverse and put an end to what is so obviously a parody.

About El Nino Ventures Inc.

El Nino Ventures Inc. is a mineral exploration company focusing its efforts on developing and growing its asset base. On May 4th, 2010 the Company with its Partner Xstrata Zinc Canada optioned its extensive claims in the Bathurst Mining Camp, New Brunswick, to Votorantim Metals Canada Inc. Votorantim can earn up to 70% of the claims by spending \$20 million on exploration. In the Democratic Republic of Congo (DRC) our discovery on the Kasala Copper Project gives the Company a bona fide development project going forward. **The Company is aggressively pursuing acquisitions globally.**

On behalf of the Board,

John Oness, Director, CFO
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