ANNUAL FINANCIAL STATEMENTS

For the years ended January 31, 2013 and 2012
(expressed in Canadian dollars)

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Aberdeen International Inc.

We have audited the accompanying financial statements of Aberdeen International Inc., which comprise the statements of financial position as at January 31, 2013 and 2012, and the statements of comprehensive loss, statements of cash flows, and statements of 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 Aberdeen International Inc. as at January 31, 2013 and 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
April 29, 2013

ABERDEEN INTERNATIONAL INC.

Statements of Financial Position
As at
(In Canadian dollars)

	Notes	January 31, 2013 $	January 31, 2012 $
Assets			
Cash		**322,185**	7,372,118
Amounts receivable	4, 16	**14,903,734**	1,762,134
Public investments, at fair value through profit and loss	3, 16	**32,292,172**	56,001,973
Loans receivable	5, 16	**3,116,040**	2,456,978
Prepaid expenses		**72,700**	153,769
Private investments, at fair value through profit and loss	3, 16	**21,039,834**	16,325,377
Preferred shares, at fair value through profit and loss	6	**3,000,000**	-
Royalty interests on mineral properties, net	7	**-**	22,101,813
Equipment, net		-	23,581
Deferred tax assets	9	**1,043,000**	-
Total assets		**75,789,665**	106,197,743
Liabilities			
Due to broker	14	**4,243,515**	-
Accounts payable and accrued liabilities	8	**599,856**	664,242
Income taxes payable		**5,496,236**	1,578,328
Deferred tax liability	9	**-**	7,874,000
Total liabilities		**10,339,607**	10,116,570
Shareholders' equity			
Share capital	10	**42,974,278**	43,311,233
Equity reserve	11	**4,576,922**	20,337,970
Retained earnings		**17,898,858**	34,062,645
Accumulated other comprehensive loss	7	**-**	(1,630,675)
Total shareholders' equity		**65,450,058**	96,081,173
Total liabilities and shareholders' equity		**75,789,665**	106,197,743
Commitments and contingencies	17		
Subsequent events	4, 5,10,18		

Approved on behalf of the Board of Directors:

"Bernard Wilson" (signed)
Bernard Wilson, Director

"George Faught" (signed)
George Faught, Director

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.

Statements of Comprehensive Loss

(In Canadian dollars)

	Notes	Years ended January 31 2013 $	2012 $
Net investment gains (losses)			
Realized (loss) gain on investments, net		**(8,370,001)**	9,828,111
Unrealized (loss) on investments, net		**(13,986,629)**	(50,018,891)
Total investment (losses)		**(22,356,630)**	(40,190,780)
Other revenue			
Royalties	7	**559,503**	2,409,543
Interest and dividend income	16	**1,143,251**	839,733
Advisory service fees	16	**240,000**	57,797
Total other revenue		**1,942,754**	3,307,073
Expenses			
Operating, general and administration	11,12,16	**8,959,879**	4,602,138
Transaction costs		**110,479**	198,400
Interest expenses		**7,646**	19,003
Write-down of royalty interests on mineral properties	7	**-**	5,428,640
Provision for loan, interest and investment receivable	5, 15	**3,974,015**	1,796,650
Loss on loan settlement	5	**-**	2,399,198
Loss on disposal of royalty interests	7	**1,526,194**	-
Depletion on royalty interests on mineral properties	7	**151,700**	682,030
Amortization		**23,581**	14,213
Total expenses		**14,753,494**	15,140,272
(Loss) before foreign exchange (loss) gain		**(35,167,370)**	(52,023,979)
Foreign exchange (loss) gain		**(1,561,646)**	216,818
(Loss) before income taxes		**(36,729,016)**	(51,807,161)
Income tax recovery	9	**6,098,597**	13,993,525
Net (loss) for the year		**(30,630,419)**	(37,813,636)
Other comprehensive income			
Currency translation adjustment, net of taxes	7	**1,630,675**	91,984
Total comprehensive (loss) for the year		**(28,999,744)**	(37,721,652)
(Loss) per common share based on net (loss) for the year			
Basic and diluted	13	**(0.35)**	(0.44)
Weighted average number of common shares outstanding			
Basic and diluted		**86,418,499**	86,759,149

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.

Statements of Cash Flows

(In Canadian dollars)

	Notes	Years ended January 31	
		2013	2012
		$	$
Cash flows from operating activities			
(Loss) before income taxes for the year		**(36,729,016)**	(51,807,161)
Income tax (paid)		**(167,178)**	(2,914,858)
Income tax recovered		**722,682**	1,907,093
Adjustments to reconcile net (loss) to cash used in operating activities:			
Realized loss (gain) on investments, net		**8,370,001**	(9,828,111)
Unrealized loss on investments, net		**13,986,629**	50,018,891
Loss on disposal of royalty interests	7	**1,526,194**	-
Provision for loan, interest and investment receivable	5	**3,974,015**	1,796,650
Write-down of royalty interests on mineral properties	7	**-**	5,428,640
Loss on loan settlement	5	**-**	2,399,198
Depletion on royalty interests on mineral properties		**151,700**	682,030
Arrangement fee income		**-**	(14,766)
Share-based compensation	11,12	**402,947**	517,589
Amortization		**23,581**	14,213
Foreign exchange loss (gain)		**1,509,163**	(36,721)
		(6,229,282)	(1,837,313)
Adjustments for:			
Purchase of investments		**(21,146,168)**	(25,002,874)
Disposal of investments		**11,100,130**	28,499,159
Short-term loans provided		**(5,901,844)**	(8,343,471)
Short-term loans repaid		**1,896,585**	10,050,500
Sale of royalty interests	7	**11,837,020**	-
Prepaid and other amounts receivable		**(864,301)**	(1,176,004)
Due to broker		**4,243,515**	-
Accounts payable and accrued liabilities		**48,730**	(5,838,362)
Net cash (used) in operating activities		**(5,015,615)**	(3,648,365)
Cash flows from financing activities			
Dividend paid	10	**(1,734,088)**	(1,742,297)
Shares repurchased and cancelled	10	**(408,230)**	(1,898,050)
Shares issued through options exercised	10	**108,000**	610,974
Net cash (used) in financing activities		**(2,034,318)**	(3,029,373)
Change in cash for the year		**(7,049,933)**	(6,677,738)
CASH, beginning of year		**7,372,118**	14,049,856
CASH, end of year		**322,185**	7,372,118
Supplemental cash flow information			
Convertible debenture received as consideration for sale of royalty interests	5, 7	**9,400,000**	-
Shares received on conversion of loans receivable	5	**1,198,996**	7,246,732
Units received on conversion of loans receivable	5	**9,789,820**	1,345,000
Shares received on conversion of special warrants	5	**500,000**	-
Interest paid		**7,646**	13,828

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.
Statements of Changes in Equity
(In Canadian dollars)

	Number of common shares	Share capital	Equity reserve	Treasury shares	Retained earnings	Accumulated other comprehensive loss	Total shareholders' equity
	#	$	$	$	$	$	$
Balance - January 31, 2012	**86,100,139**	**43,311,233**	**20,337,970**	**-**	**34,062,645**	**(1,630,675)**	**96,081,173**
Repurchase of common shares	-	-	-	(408,230)	-	-	(408,230)
Cancellation of repurchased common shares	(1,005,500)	(502,735)	94,505	408,230	-	-	-
Cancellation of shares at registry	(37)	-	-	-	-	-	-
Options exercised	900,000	165,780	(57,780)	-	-	-	108,000
Options expired unexercised	-	-	(450,720)	-	450,720	-	-
Share-based compensation expense	-	-	402,947	-	-	-	402,947
Warrants expired unexercised	-	-	(15,750,000)	-	15,750,000	-	-
Dividends declared and paid	-	-	-	-	(1,734,088)	-	(1,734,088)
Net loss for the year	-	-	-	-	(30,630,419)	-	(30,630,419)
Currency translation adjustment	-	-	-	-	-	1,630,675	1,630,675
Balance - January 31, 2013	**85,994,602**	**42,974,278**	**4,576,922**	**-**	**17,898,858**	**-**	**65,450,058**
Balance - January 31, 2011	**86,677,339**	**43,600,623**	**20,818,067**	-	**73,618,578**	**(1,722,659)**	**136,314,609**
Repurchase of common shares	-	-	-	(1,898,050)	-	-	(1,898,050)
Cancellation of repurchased common shares	(2,544,700)	(1,280,015)	(618,035)	1,898,050	-	-	-
Options exercised	1,967,500	990,625	(379,651)	-	-	-	610,974
Share-based compensation expense	-	-	517,589	-	-	-	517,589
Dividends declared and paid	-	-	-	-	(1,742,297)	-	(1,742,297)
Net loss for the year	-	-	-	-	(37,813,636)	-	(37,813,636)
Currency translation adjustment	-	-	-	-	-	91,984	91,984
Balance - January 31, 2012	**86,100,139**	**43,311,233**	**20,337,970**	**-**	**34,062,645**	**(1,630,675)**	**96,081,173**

The accompanying notes are an integral part of the financial statements

1. Nature of operations

Aberdeen International Inc. ("Aberdeen", or the "Company") operates as a publicly traded global investment and merchant banking company focused on small capitalization companies in the resource sector. Aberdeen seeks to acquire equity participation in pre-IPO and early stage public resource companies with undeveloped or undervalued high-quality resources. Aberdeen focuses on companies that: (i) are in need of managerial, technical and financial resources to realize their full potential; (ii) are undervalued in capital markets; or, (iii) operate in jurisdictions with low to moderate local political risk. The Company is a publicly listed company incorporated in the Province of Ontario. The Company's shares are listed on the Toronto Stock Exchange ("TSX"). The Company's head office is located at 65 Queen Street West, Suite 815, Toronto, Ontario M5H 2M5.

2. Significant accounting policies

Statement of compliance

The annual financial statements of the Company have been prepared in accordance with International Financial Reporting standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies as set out below were consistently applied to all the periods presented unless otherwise noted.

The annual financial statements were authorized for issue by the Board of Directors on April 29, 2013.

Basis of preparation

The financial statements have been prepared using the historical cost convention except for certain financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("$").

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies

Significant accounting judgments, estimates and assumptions

The preparation of these annual financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such 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. Actual outcomes can differ from these estimates. The impacts of such estimates are pervasive throughout the annual financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the annual financial statements are as follows:

(i) Fair value of investment in securities not quoted in an active market or private company investments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Refer to Note 3 for further details.

(ii) Fair value of financial derivatives

Investments in options and warrants which are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants and options are valued at intrinsic value. Refer to Note 3 for further details.

2. Significant accounting policies (continued)

Significant accounting judgments, estimates and assumptions (continued)

(iii) Fair value / impairment of loans receivable

Secured debentures are carried at cost. The recoverability of the secured debentures is assessed when events occur indicating impairment. Recoverability is based on factors such as failure to pay interest on time and failure to pay the principal. An impairment loss is recognized in the period when it is determined that the carrying amount of the assets will not be recoverable. Convertible debentures and convertible notes issued to publicly traded companies are carried at the higher of the loan receivable value or the fair value of the common shares or units receivable from the conversion assuming the conversion can be done at the Company's option. Refer to Note 3 for further details.

(iv) Fair value / impairment of preferred shares

Preferred shares are designated at fair value through profit or loss, with changes in fair value reported in the statement of comprehensive (loss). The preferred shares are initially recorded at cost, being the fair value at the time of acquisition. Upward or downward adjustments to carrying values are made when there is evidence of a change in value as indicated by the assessment of the financial condition of the investment.

(v) Fair value / impairment of royalty interests

Assessment of impairment of royalty interests requires the use of judgments, assumptions and estimates when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Company's royalty interests. The assessment of fair values requires the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, reserve/resource conversion, net asset value ("NAV") multiples, foreign exchange rates, future capital expansion plans and the associated production implications. Changes in any of the assumptions and estimates used in determining the fair value of the royalty interests could impact the impairment analysis. Refer to Note 7 for further details.

(vi) Recognition of deferred taxes

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. Refer to Note 9 for further details.

(vii) Share-based payments

The Company uses the Black-Scholes option pricing model to fair value options in order to calculate share-based compensation expense. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price of share at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share based compensation expense. Refer to Note 11 for further details.

(viii) Contingencies

See Note 17 for details.

Information about assumptions and estimation uncertainties that have risk of resulting in a material adjustment within the next financial year are included in the following notes:

(i) Fair value of investment in securities not quoted in an active market or private company investments
(ii) Fair value / impairment of loans receivable
(iii) Share-based payments
(iv) Contingencies

2. Significant accounting policies (continued)

Functional and presentation currency

The functional currency for each division within the Company is the currency of the primary economic environment in which it operates. The Company's financial statements are presented in Canadian dollars. The Canadian dollar is the functional currency of the Company's global investment and merchant banking operations. The United States dollar was the functional currency of the Company's royalty division, which was disposed of on May 31, 2012.

Foreign currency translation

Monetary assets and liabilities denominated in other than the functional currency are translated at the exchange rate in effect at the statement of financial position date. Non-monetary assets and liabilities are translated using historical rates. Revenues and expenses denominated in other than the functional currency are translated at rates of exchange in effect at the time of the transaction. Gains and losses on translation are included in the statements of comprehensive (loss).

The results and financial position of the Company's royalty division that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

All assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Revenues and expenses are translated at rates of exchange in effect during the period. Gains and losses on translation are included in equity as a separate component of equity under accumulated other comprehensive income or loss.

When a foreign division is disposed of, a proportionate share of the cumulative exchange differences previously recognized in equity is recognized in the statement of comprehensive (loss), as part of the gain or loss on sale where applicable.

Financial instruments

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company's financial instruments consist of cash, amounts receivable, public and private investments, loans receivable, preferred shares, due to broker, accounts payable and accrued liabilities.

(i) Investments

Purchases and sales of investments are recognized on a trade date basis. Public and private investments at fair value through profit or loss are initially recognized at fair value, with changes in fair value reported in profit (loss). At each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and reflects such valuations in the financial statements.

Transaction costs are expensed as incurred in the statements of comprehensive (loss). The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in the statements of comprehensive (loss). The Company is also required to present its investments (and other financial assets and liabilities reported at fair value) into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (see Note 15, "Financial instruments"). The three levels are defined as follows:

Level 1 – investment with quoted market price;
Level 2 – investment which valuation technique is based on observable market inputs; and
Level 3 – investment which valuation technique is based on non-observable market inputs.

2. Significant accounting policies (continued)

Financial instruments (continued)

Publicly-traded investments:

1. Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the statement of financial position date or the closing price on the last day the security traded if there were no trades at the statement of financial position date. These are included in Level 1 as disclosed in Note 15.

2. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted. In determining the discount for such investments, the Company considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. These are included in Level 2 in Note 15.

3. Warrants or options of publicly-traded securities which do not have a quoted price are carried at an estimated fair value calculated using the Black-Scholes option pricing model if sufficient and reliable observable market inputs are available. If no such market inputs are available or reliable, the warrants and options are valued at intrinsic value. These are included in Level 2 as disclosed in Note 15.

4. Performance shares are convertible into common shares if or when the investee companies meet certain milestones. Performance shares are recorded at fair value when the certainty of meeting these milestones is probable. These are included in Level 3 as disclosed in Note 15.

The amounts at which the Company's publicly-traded investments could be disposed of may differ from carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.

Privately-held investments:

1. Securities in privately-held companies (other than options and warrants) are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements. These are included in Level 3 as disclosed in Note 15. Options and warrants of private companies are carried at nil.

   With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable. In addition to the events described below, which may affect a specific investment, the Company will take into account general market conditions when valuing the privately-held investments in its portfolio. In the absence of occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

2. An upward adjustment is considered appropriate and supported by pervasive and objective evidence such as a significant subsequent equity financing by an unrelated, professional investor at a transaction price higher than the Company's carrying value; or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a positive impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

2. Significant accounting policies (continued)

Financial instruments (continued)

Privately-held investments (continued):

- political changes in a country in which the investee company operates which, for example, reduce the corporate tax burden, permit mining where, or to an extent that, it was not previously allowed, or reduce or eliminate the need for permitting or approvals;
- receipt by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed with its project(s);
- filing by the investee company of a National Instrument 43-101 technical report in respect of a previously non-compliant resource;
- release by the investee company of positive exploration results, which either proves or expands their resource prospects; and
- important positive management changes by the investee company that the Company's management believes will have a very positive impact on the investee company's ability to achieve its objectives and build value for shareholders.

3. Downward adjustments to carrying values are made when there is evidence of a decline in value as indicated by the assessment of the financial condition of the investment based on third party financing, operational results, forecasts, and other developments since acquisition, or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and therefore its fair value. The amount of the change to the fair value of the investment is based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

   - political changes in a country in which the investee company operates which increases the tax burden on companies, which prohibit mining where it was previously allowed, which increases the need for permitting or approvals, etc.;
   - denial of the investee company's application for environmental, mining, aboriginal or similar approvals which prohibit the investee company from proceeding with its projects;
   - the investee company releases negative exploration results;
   - changes to the management of the investee company take place which the Company believes will have a negative impact on the investee company's ability to achieve its objectives and build value for shareholders;
   - the investee company is placed into receivership or bankruptcy; and
   - based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.

   The resulting values may differ from values that would be realized had a ready market existed. The amounts at which the Company's privately-held investments could be disposed of may differ from the carrying value assigned. Such differences could be material.

Preferred shares:

Preferred shares are designated at fair value through profit or loss, with changes in fair value reported in the statement of comprehensive (loss). The preferred shares are initially recorded at cost, being the fair value at the time of acquisition. Upward or downward adjustments to carrying values are made when there is evidence of a change in value as indicated by the assessment of the financial condition of the investment. Cumulative dividends expected to be received are included in the fair value of each investment. These are included in level 3 as described in Note 15.

2. Significant accounting policies (continued)

Financial instruments (continued)

Investments in associates:

Investments in associates are those entities over which the Company has or is deemed to have significant influence, but not control over, the financial and operating policies. Investments in associates are held as part of the Company's investment portfolio and carried in the statement of financial position at fair value even though the Company may have significant influence over the companies. This treatment is permitted by IAS 28, Investment in Associates ("IAS 28"), which allows investments held by venture capital or similar organizations to be excluded from its scope where those investments are measured at fair value through profit or loss in accordance with IFRS 9, with changes in fair value recognized in the statement of comprehensive (loss) within unrealized gains or losses on investments.

Loans receivable:

1. Secured debentures are carried at cost. The recoverability of the secured debentures is assessed when events occur indicating impairment. Recoverability is based on factors such as failure to pay interest on time and failure to pay the principal. An impairment loss is recognized in the period when it is determined that the carrying amount of the assets will not be recoverable. At that time the carrying amount is written down to fair value. Secured debentures are financial instruments classified as loans and receivables.

2. Convertible debentures and convertible notes issued from publicly traded companies are carried at the higher of the value of the loan or the fair value of the common shares or units receivable from the conversion assuming the conversion can be done at the Company's option. The conversion feature of convertible debentures and convertible notes issued from private companies are carried at nominal value.

(ii) Amounts receivable

Receivables are classified as loans and receivables and are initially recorded at the fair value of the amount expected to be received and subsequently measured at amortized cost less any provision for impairment. Individual significant receivables are considered for recoverability when they are past due or when other objective evidence is received that a specific counterparty will default.

(iii) Financial liabilities

All financial liabilities are classified as at amortized cost except for financial derivatives and any financial liabilities from inception classified as at fair value through profit or loss. All financial liabilities are recognized initially at fair value plus directly attributable transaction costs except for those designated at fair value through profit and loss.

Financial liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive (loss). Financial liabilities at amortized cost are measured at initial cost plus interest calculated using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2. Significant accounting policies (continued)

Financial assets other than investments at fair value

Financial assets which are managed to collect contractual cash flows made up of principal and interest are designated as at amortized cost. All other financial assets are designated as at fair value through profit or loss. All financial assets are recognized initially at fair value plus, in the case of financial assets designated at amortized cost, directly attributable transaction costs. Financial assets at amortized cost are measured at initial cost plus interest calculated using the effective interest rate method less cumulative repayments and cumulative impairment losses.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred substantially all the risks and rewards of the asset. The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. For amounts deemed to be impaired, the impairment provision is based upon the expected loss.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and deposits that generally mature within 90 days from the date of acquisition. Deposits are held in Canadian chartered banks or in a financial institution controlled by a Canadian chartered bank. At January 31, 2013 and 2012, the Company had no cash equivalents.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Financial assets are considered to be impaired if objective evidence indicates that a change in the market, economic or legal environment in which the Company invested has had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale investment is calculated by reference to its fair value.

Impairment losses are recognized in the statement of comprehensive (loss). For financial assets measured at amortized cost, any reversal of impairment is recognized in the statement of comprehensive (loss).

Due to broker

Due to brokers consists of margin borrowings collateralized by the Company's investments held at brokers.

Revenue recognition

Realized gains and losses on the disposal of investments and unrealized gains and losses in the value of investments are reflected in the statement of comprehensive (loss) on a trade date basis. Upon disposal of an investment, previously recognized unrealized gains or losses are reversed, so as to recognize the full realized gain or loss in the period of disposition. All transaction costs are expensed as incurred. Dividend income is recorded on the ex-dividend date. Interest income and other income are recorded on an accrual basis. Deferred revenue is recognized over the period for which the revenue is earned.

The Company earns royalty income and interest income. Such revenue is recognized based on contractual obligations and when collection is reasonably assured.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to the translation gain or loss on the royalty division, in which case, it is recognized directly in other comprehensive income or (loss).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2. Significant accounting policies (continued)

Income taxes (continued)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

Basic (loss) per share is calculated by dividing the net (loss) by the weighted-average number of the Company's common shares outstanding during the period. Diluted earnings per share is calculated by dividing the applicable net (loss) by the sum of the weighted-average number of common shares outstanding if dilutive common shares had been issued during the period. The calculation of diluted earnings per share assumes that outstanding stock options and warrants with an average exercise price below market price of the underlying shares are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average market price for the period. Diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

Share-based payments

Share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For options that expire unexercised, the recorded value is transferred to retained earnings.

Prior year financial information

The presentation of certain financial statement items has been reclassified to conform to the presentation adopted in the current year. The Company has presented the statement of financial position in order of liquidity. The Company also reclassified investments and royalty interests from investing activities to operating activities in the statements of cash flows.

2. Significant accounting policies (continued)

New accounting policies

The Company has early adopted the following standards, amendments and interpretations during the year ended January 31, 2013:

Investment Entities: IFRS 10, *Consolidated Financial Statements* ("IFRS 10"), IFRS 12, *Disclosure of Interests in Other Entities* ("IFRS 12"), and IAS 27, *Separate Financial Statements* ("IAS 27") – effective for annual periods beginning on or after January 1, 2014, with early adoption permitted, defines an investment entity and introduces an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9, *Financial Instruments* in its financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27. Management has reviewed the guidance and has determined that the Company qualifies for the exemption from consolidation given that the Company has the following typical characteristics of an investment entity:

(a) The Company has more than one investment;
(b) The Company has more than one investor;
(c) The Company has investors that are not related parties of the entity; and
(d) The Company has ownership interests in the form of equity or similar interests.

IFRS 9 – *Financial Instruments* ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The adoption of IFRS 9 did not have a significant impact on the Company's financial statements.

IFRS 11 *Joint Arrangements* ("IFRS 11") provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The adoption of IFRS 11 did not have a significant impact on the Company's financial statements.

IFRS 12 requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with an entity's interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The adoption of IFRS 12 did not have a significant impact on the Company's financial statements.

As a result of the issue of the new consolidation suite of standards, IAS 27 has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The adoption of IFRS 27 did not have a significant impact on the Company's financial statements.

IAS 28, *Investments in Associates and Joint Ventures* ("ISA 28"), as a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee. The adoption of IAS 28 did not have a significant impact on the Company's financial statements.

2. Significant accounting policies (continued)

Future accounting changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after February 1, 2013 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 7 — Financial Instruments: Disclosures ("IFRS 7") was amended by the IASB in December 2011 to amend the disclosure requirements in IFRS 7 to require information about all recognized financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The amendments to IFRS 7 are effective for annual periods beginning on or after January 1, 2013.

IFRS 13 – Fair Value Measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRS. IFRS 13 clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. It also establishes disclosures about fair value measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended by the IASB in June 2011. As a result of the amendment, items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. Earlier adoption is permitted.

IAS 19 – Employee Benefits ("IAS 19") was amended by the IASB in June 2011 to include revised requirements for pension and other post-retirement benefits, termination benefits and other changes. IAS 19 requires the recognition of all changes in the net defined benefit liability (asset) when they occur such that service costs and net interest is recognized in profit or loss while re-measurements are recorded in other comprehensive income. The amendments to IAS 19 are effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted.

IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted.

3. Investments at fair value through profit and loss

At January 31, 2013, the Company's investment portfolio consisted of 34 publicly-traded investments and 14 privately-held investments for a total fair value of $53,332,006.

At January 31, 2012, the Company's investment portfolio consisted of 31 publicly-traded investments and 12 privately-held investments for a total fair value of $72,327,350.

(Expressed in Canadian dollars unless otherwise noted)

3. Investments at fair value through profit and loss (continued)

Public investments

At January 31, 2013, the 34 Company's publicly-traded investments had a total fair value of $32,292,172.

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Aguia Resources Ltd.*		4,144,232 common shares	$ 2,262,886	$ 697,112	2.2%
		277,393 option expire Dec 31, 2014			
		4,145,556 performance shares A			
		3,318,763 performance shares B			
		1,917,074 performance rights - class A			
		2,875,615 performance rights - class B			
		2,875,615 performance rights - class C			
Alderon Iron Ore Corp.		446,100 common shares	466,100	801,692	2.5%
Alder Resources Ltd.	(iii)	1,816,000 common shares	192,544	115,960	0.4%
		1,250,000 warrants expire Feb 1, 2014			
Allana Potash Corp.		2,853,500 common shares	1,006,690	1,655,030	5.1%
Antofagasta Gold Inc. **	(iii)	480,000 common shares	79,911	370,152	1.1%
		45,000 warrants expire Oct 14, 2014			
Black Iron Inc.	(iii)	6,000,000 common shares	3,504,812	2,700,000	8.4%
Cap-Ex Ventures Limited		1,313,500 common shares	1,089,209	625,175	1.9%
		1,175,000 warrants expire Jan 13, 2014			
Castillian Resources Corp.	(iii)	6,321,000 common shares	1,072,560	158,025	0.5%
		2,273,000 warrants expire Jun 21, 2013			
Desert Eagle Resources Ltd.***	(ii)	938,889 common shares	845,000	49,667	0.2%
		938,889 warrants expire Sep 15, 2013			
East Asia Minerals Corporation	(iii)	4,000,000 common shares	1,990,180	1,240,460	3.8%
		3,800,000 warrants expire Dec 15, 2013			
Emerita Gold Corp.	(iii)	1,470,588 common shares	250,000	250,000	0.8%
Ferro Iron Ore Corp.	(ii)	2,100,000 common shares	105,000	536,970	1.7%
		1,050,000 warrants expire Sep 26, 2014			
Forbes & Manhattan (Coal) Corp.	(iii)	2,415,907 common shares	3,458,263	1,386,953	4.3%
		550,000 performance shares			
Goldstar Minerals Inc.****	(iii)	1,874,000 common shares	937,000	46,850	0.1%
Kincora Copper Limited		6,668,558 common shares	1,667,140	433,456	1.3%
Portex Minerals Inc.	(i,ii)	21,249,315 common shares	1,062,466	1,062,466	3.3%
Premier Royalty Inc.	(iii)	3,884,849 warrants expire Dec 4, 2014	266,501	1,679,032	5.2%
Mason Graphite Inc.		350,000 common shares	259,291	394,950	1.2%
		500,000 warrants expire Oct 30, 2013			
Ridgemont Iron Ore Corp.		3,320,000 common shares	902,600	221,080	0.7%
		660,000 warrants expire Jun 14, 2014			
Rodinia Lithium Inc.	(iii)	3,978,333 common shares	2,426,646	777,725	2.4%
		1,500,000 warrants expire Dec 26, 2013			
Sagres Energy Inc.	(iii)	16,666,667 warrants expire Sep 9, 2013	250,000	43,333	0.1%
Silver Bear Resources Inc.	(iii)	4,019,780 common shares	2,077,191	1,634,024	5.1%
		1,449,275 warrants expire Jun 7, 2015			
Sulliden Gold Corporation Ltd.	(iii)	15,398,672 common shares	11,789,861	14,474,752	44.8%
Valenica Ventures Inc.	(ii,iii)	1,038,444 common shares	93,460	170,409	0.5%
		1,038,444 warrants expire Nov 1, 2014			
Total of 10 other investments	(iv)		1,289,573	766,899	2.4%
Total public investments			$ 39,344,884	$ 32,292,172	100.0%

* Formerly Newport Mining Ltd.,
** Formerly Windamere Ventures Ltd.
*** Formerly Garrison International Ltd.
**** Formerly Auger Resources Ltd.

Note
(i) The Company has issued a Section 102 report under the Ontario Securities Act for this investment.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2013.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2013.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2013. Directors and officers may hold investments personally.

(Expressed in Canadian dollars unless otherwise noted)

3. Investments at fair value through profit and loss (continued)

Public investments (continued)

At January 31, 2012, the Company's 31 publicly-traded investments had a total fair value of $56,001,973.

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Aguia Resources Ltd.*		3,438,659 common shares	$ 2,267,976	$ 1,773,478	3.2%
		277,393 options expire Dec 31, 2014			
		4,145,556 performance shares A			
		3,318,763 performance shares B			
		1,917,074 performance rights - class A			
		2,875,615 performance rights - class B			
		2,875,615 performance rights - class C			
Alderon Iron Ore Corp.	(iii)	446,100 common shares	466,100	1,500,842	2.7%
Alder Resources Ltd.	(iii)	2,500,000 common shares	250,000	712,750	1.3%
		1,250,000 warrants expire Feb 1, 2014			
QMX Gold Corporation *****		2,500,000 common shares	250,000	112,500	0.2%
Allana Potash Corp.		3,375,000 common shares	1,190,671	2,666,250	4.8%
Bell Copper Corp.	(iii)	1,150,000 common shares	230,000	93,150	0.2%
		1,150,000 warrants expire Nov 25, 2012			
Belo Sun Mining Corp.**	(iii)	1,053,667 common shares	813,796	3,081,844	5.5%
		3,000,000 warrants expire March 3, 2012			
Black Iron Inc.	(iii)	6,000,000 common shares	3,504,812	3,900,000	7.0%
Cap-Ex Ventures Limited		1,175,000 common shares			
		1,175,000 warrants expire Jan 13, 2014	998,750	1,684,833	3.0%
Castillian Resources Corp.	(iii)	18,374,000 common shares	2,969,075	1,426,692	2.5%
		2,273,000 warrants expire June 21, 2013			
Dacha Strategic Metals Inc.	(iii)	392,951 common shares	220,789	204,335	0.4%
Desert Eagle Resources Ltd.****		938,889 common shares	845,000	301,383	0.5%
		938,889 warrants expire Sep 15, 2013			
East Asia Minerals Corporation	(iiii)	3,800,000 common shares	1,890,180	2,993,840	5.3%
		3,600,000 warrants expire Dec 15, 2013			
Eurocontrol Technics Group Inc.	(iii)	1,333,333 warrants expire Sep 27, 2012	75,546	26,000	0.0%
Forbes & Manhattan (Coal) Corp.	(iii)	2,406,797 common shares	3,443,875	4,413,259	7.9%
		550,000 performance shares			
Largo Resources Ltd.	(iii)	2,063,333 common shares	285,413	598,367	1.1%
Longford Energy Inc.	(iii)	1,250,000 warrants expire Jun 8, 2013	55,250	48,250	0.1%
Pitchblack Resources Ltd.***	(ii)	2,180,303 common shares	410,988	342,220	0.6%
		3,030,303 warrants expire Oct 29, 2012			
Rodinia Lithium Inc.	(iii)	3,978,333 common shares	1,831,925	843,992	1.5%
		416,667 warrants expire Sep 10, 2012			
Silver Bear Resources Inc.	(iii)	1,674,230 common shares	1,339,384	987,796	1.8%
Stetson Oil & Gas Ltd.		9,724,000 preferred shares	-	97,240	0.2%
Sulliden Gold Corporation Ltd.	(iii)	15,904,572 common shares	12,109,150	25,288,269	45.0%
United Silver Corp.		1,215,050 common shares	644,860	614,679	1.1%
		1,372,550 warrants expire Aug 2, 2014			
Vast Exploration Inc.	(iii)	10,000,000 common shares	805,770	550,000	1.0%
Total of 7 other investments	(iv)		2,508,992	1,740,004	3.1%
Total public investments			$ 39,408,302	$ 56,001,973	100.0%

* Formerly Newport Mining Ltd.
** Formerly Verena Minerals Corp., 3,000,000 warrants exercised subsequent to January 31, 2012.
*** Formerly Cash Minerals Ltd.
**** Formerly Garrison International Ltd.
***** Formerly Alexis Minerals Corp.

Note
(i) The Company has issued a Section 102 report under the Ontario Securities Act for this investment.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2012.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2012.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2012. Directors and officers may hold investments personally.

(Expressed in Canadian dollars unless otherwise noted)

3. Investments at fair value through profit and loss (continued)

Private investments

At January 31, 2013, the 14 Company's privately-held investments had a total fair value of $21,039,384.

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Brazil Potash Corp.	(iii)	1,650,062 common shares	2,500,000	3,291,214	15.6%
DT Plantations Inc.		2,770,000 common shares	200,000	277,000	1.3%
Forbes Ram Holdings Inc.	(ii,iii,v)	8,000,000 common shares	8,000,000	8,000,000	38.0%
Indo Gold Limited	(ii,iii)	7,500,000 common shares	1,560,000	1,560,000	7.4%
Irati Energia Corp.		2,213,179 common shares	1,994,975	3,873,063	18.5%
Legacy Platinum Corp.	(ii,iii)	3,115,000 common shares	2,231,174	1,557,500	7.4%
Ram River Coal Corp.		750,000 common shares	37,500	750,000	3.6%
Raven Minerals Corp.*	(ii)	1,600,000 common shares	400,000	720,000	3.4%
		800,000 w arrants			
Scandinavian Metals Inc.	(ii,iii)	22,762,765 common shares	2,038,139	569,069	2.7%
Tag Recources (Pty) Ltd.	(ii)	7,005,141 common shares	341,530	364,968	1.7%
Total of 4 other investments	(iv)		135,365	77,020	0.4%
Total private investments			$ 19,438,683	$ 21,039,834	100.0%

* Warrants expire 12 months after listing date

Note
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2013.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2013.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2013. Directors and officers may hold investments personally.
(v) The Company owns 80% of the outstanding common shares and voting rights of Forbes Ram Holdings Inc. (a Canadian corporation) as at January 31, 2013. There are no contractual arrangements, financial support, or other restrictions with Forbes Ram Holdings Inc. Refer to "New accounting policies" under Note 2 relating to the exemption to consolidating particular subsidiaries for investment entities.

At January 31, 2012, the 12 Company's privately-held investments had a total fair value of $16,325,377.

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Auger Resources Ltd.	(iii)	2,000,000 common shares	$ 1,000,000	$ 100,000	0.6%
Brazil Potash Corp.	(iii)	1,650,062 common shares	2,500,000	3,309,364	20.3%
Irati Energy Corp.		1,641,750 common shares	994,975	3,283,500	20.1%
Legacy Platinum Corp.	(ii,iii)	3,015,000 common shares	2,166,174	1,507,500	9.2%
Raven Minerals Corp.*	(ii)	1,600,000 common shares	400,000	720,000	4.4%
		800,000 w arrants			
Scandinavian Metals Inc.	(ii,iii)	22,762,765 common shares	2,038,139	569,069	3.5%
Temujin Mining Corp.**	(ii,iii)	33,695,289 common shares	14,416,529	6,739,058	41.3%
		9,090,909 penalty shares B			
Total of 5 other investments	(iv)		215,365	96,886	0.6%
Total private investments			$ 23,731,182	$ 16,325,377	100.0%

* Warrants expire 12 months after listing date
** Penalty shares B w ill convert to common shares if future IPO or RTO issuance price is below the subscription price of $0.55 per share

Note
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2012.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2012.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2012. Directors and officers may hold investments personally.

(Expressed in Canadian dollars unless otherwise noted)

4. Amounts receivable

		January 31, 2013		January 31, 2012
Simmers settlement (Note 5)	$	-	$	1,002,800
Interest receivable (Note 5, 16)		**123,932**		135,964
Royalty receivable		**-**		181,960
Investment settlement receivable (i)		**14,503,051**		394,259
Other receivable (Note 16)		**276,751**		47,151
	$	**14,903,734**	$	1,762,134

(i) The Company sold its holding of Premier Royalty Corporation (See note 5) on January 31, 2013 for proceeds of $14.3 million, which was reported as investment settlement receivable. The proceeds were subsequently received by the Company on February 4, 2013.

5. Loans receivable

			January 31, 2013		January 31, 2012
Desert Eagle Resources Ltd.*	Unsecured		**-**		635,170
Legacy Platinum Corp.	Convertible		**1,367,338**		862,808
Metal Prospecting AS	Convertible		**219,120**		-
Other loans	Convertible		**80,000**		-
Pitchblack Resources Ltd.	Unsecured		**107,476**		100,000
Scandinavian Metals Inc.	Convertible		**-**		859,000
Temujin Mining Corp.	Convertible		**1,342,106**		-
		$	**3,116,040**	$	2,456,978

* Formerly Garrison International Ltd.

Temujin Mining Corp.

On October 1, 2010, the Company entered into a secured debenture agreement with Temujin Mining Corp. ("Temujin"), whereby the term of a previous loan was extended to July 14, 2011 with a conversion right granted to the Company to convert the loan into common shares of Temujin at a conversion price of US$0.50 per share at anytime on or before the maturity date. The debenture was secured against all of the assets of Temujin and ranked *pari-passu* in priority and preference to any other indebtedness or other encumbrance of Temujin. Furthermore, the advisory service fees along with accrued interest totalling US$624,523 ($625,460) were discounted to the loan and recognized as income over the term of the agreement. This brought the total outstanding principal to US$3,624,523 ($3,612,562). Temujin did not repay the loan on maturity, and an amendment to the secured debenture was made to further extend the maturity date to January 31, 2012.

During the year ended January 31, 2012, the Company also loaned US$2,438,622 ($2,441,793) and $579,937 to Temujin pursuant to a loan agreement dated January 27, 2012, whereby loans will be provided to Temujin from time to time at the sole discretion of the Company. The principal of the loan will mature, and become due and payable on December 31, 2012, subsequently extended to December 31, 2013. The loan is unsecured and earned interest of 10% per annum calculated and payable semi-annually. Temujin has an option to either repay the loan plus accrued interest any time prior to the maturity date in cash, or issue shares of Temujin that equal the total value of the principal plus accrued interest to the Company at a price per common share agreeable between both parties at the time of conversion.

5. Loans receivable (continued)

Temujin Mining Corp. (continued)

On January 27, 2012, the Company exercised the conversion right and converted the principal plus accrued interest of the secured convertible debenture in the amount of US$4,105,145 ($4,110,482) into 10,276,205 shares of Temujin at $0.40 per share. The Company also converted the principal plus accrued interest of the unsecured loan in the sum of US$2,529,511 ($2,532,800) and $616,397 into 7,872,993 shares of Temujin at $0.40 per share. Upon conversion, and as of January 31, 2012, no debt was outstanding from Temujin, and the Company owned a total of 33,695,289 shares of Temujin.

During the year-ended January 31, 2013, the Company loaned an additional $88,400 and US$1,257,100 ($1,253,706) to Temujin. As of January 31, 2013, the loan principal and accrued interest totaling $95,592 and US$1,337,434 ($1,333,823) remained outstanding. A director and an officer of Aberdeen, Stan Bharti and David Stein, serve as directors of Temujin.

Legacy Platinum Corp.

On June 10, 2011, the Company entered into a loan agreement with Legacy Platinum Corp. (“Legacy”). The Company loaned Legacy $320,000 (the “First Loan”), which was originally due and payable on June 10, 2012, subsequently extended to December 31, 2013. The loan is unsecured and earns interest of 10% per annum calculated and payable semi-annually in kind by an increase to the principal amount owing. Legacy has an option to either repay the loan plus accrued interest any time prior to the maturity date in cash, or issue shares of Legacy that equal the total value of the principal outstanding plus accrued interest based on the share value of its most recent equity financing.

On June 21, 2011, the Company entered into a second loan agreement with Legacy for an additional loan of US$500,000, which was originally due and payable on June 21, 2012, subsequently extended to December 31, 2013. This loan is unsecured and carries the same terms and conditions as the First Loan.

On April 16, 2012, the Company loaned an additional US$400,000 to Legacy, which is due and payable on demand. This loan is unsecured and carries the same terms and conditions as the First Loan.

As of January 31, 2013, the loan principal and accrued interest totaling $375,963 and US$1,017,602 ($1,014,854) remained outstanding. An officer of Aberdeen, Richard Bishop, serves as a director of Legacy.

Desert Eagle Resources Ltd. (formerly Garrison International Ltd.)

During the year ended January 31, 2012, the Company provided a working capital facility to Desert Eagle Resources Ltd. (“Desert Eagle”) interest free, unsecured and due on demand. The Company continued to advance funds to Desert Eagle. On September 16, 2011, the Company participated in Desert Eagle’s equity financing and acquired 16,900,000 units (now 938,889 units because of an 18:1 consolidation) of Desert Eagle at $0.05 per unit. A sum of $845,000 owed by Desert Eagle was applied against the subscription of the units.

On January 31, 2012, the Company entered into a loan agreement with Desert Eagle, whereby loans will be provided to Desert Eagle from time to time at the sole discretion of the Company. The principal of the loan will mature, and become due and payable on December 31, 2012, subsequently extended to June 30, 2013. Interest is calculated and payable semi-annually at the rate of 10% per annum. As of January 31, 2012, an amount of $670,791 consisting of $635,171 in principal and $35,620 in accrued and unpaid interest was owed to the Company.

During the year-ended January 31, 2013, the Company loaned an additional $157,000 and US$316,500 to Desert Eagle. At the end of fiscal 2013, the Company reviewed the recoverability of the loan and determined an impairment provision on the loan principal of $830,031 and US$278,300 ($277,549) and accrued interest of $107,106 and US$34,274 ($34,181) was required.

5. Loans receivable (continued)

Pitchblack Resources Ltd. (formerly Cash Minerals Ltd.)

On October 7, 2011, Pitchblack Resources Ltd. ("Pitchblack") issued a promissory note to the Company for $100,000. The note bears interest at a rate of 10% per annum, compounded annually. The outstanding principal amount and interest accrued are due and payable on demand anytime after March 1, 2012.

On March 1, 2012, the Company extended the term of the loan to be due on demand after June 30, 2012. As of January 31, 2013, loan principal plus accrued interest totalling $111,286 remained outstanding.

Scandinavian Metals Inc.

The Company entered into a loan agreement with Scandinavian Metals Inc. ("SMI") whereby loans will be provided to SMI from time to time at the sole discretion of the Company. The principal of the loan will mature, and become due and payable on December 31, 2012. The loans are unsecured and earn 10% interest per annum calculated and payable semi-annually. SMI has an option to either repay the loan plus accrued interest any time prior to the maturity date in cash, or issue shares of SMI that equal the total value of the principal plus accrued interest to the Company at a price per common share agreeable between both parties at the time of conversion.

Through fiscal 2011 and 2012, the Company loaned a total of $1,897,138 to SMI, of which, $1,038,138 was converted into 20,762,765 shares of SMI at $0.05 per share during the year ended January 31, 2012.

During the year ended January 31, 2013, the Company loaned an additional $1,020,622 to SMI. At the end of fiscal 2013, the Company reviewed the recoverability of the loan and determined an impairment provision on the loan principal of $1,879,622 and accrued interest of $224,878 was required. A director of Aberdeen, Stan Bharti, also serves as a director of SMI.

Premier Royalty Corporation

On May 31, 2012, the Company sold its Village Main Reef, Limited's and First Uranium Corporation's Mine royalties to Premier Royalty Corporation ("Premier Royalty") for consideration of $11,500,000 cash and a $9,400,000 convertible debenture bearing interest at a rate of 8% per annum.

On December 5, 2012, Premier Gold Mines Ltd. ("Premier Gold"), its wholly owned subsidiary, Premier Royalty and Bridgeport Ventures Inc. ("Bridgeport") completed their previously announced arrangement whereby Bridgeport acquired 100% of the issued and outstanding common shares of Premier Royalty which was accounted for as a reverse take-over, with the resulting publicly traded entity, Premier Royalty continuing under the symbol TSX:NSR. As a result of the merger, the Company converted the $9,400,000 convertible debenture plus $389,820 of interest into 7,769,698 common shares and 3,884,849 warrants (priced at $1.75) of Premier Royalty. The 7.8 million common shares of Premier Royalty were subsequently sold on January 31, 2013 for proceeds of $14.3 million. (See Note 4)

A director of Aberdeen, George Faught, serves as a director of Premier Royalty.

Tag Resources Pty Ltd.

On July 16, 2012, the Company entered into a loan agreement with Tag Resources Pty Ltd. ("Tag") whereby the Company agreed to loan Tag AU$100,000 and $32,500. The loan is interest free, due on demand and secured against all the assets of Tag. On October 22, 2012, the Company participated in the financing of Tag and applied the entire loan receivable towards the share subscription of Tag.

Simmer & Jack Mines, Limited (acquired by Village Main Reef Limited) ("Village Main Reef")

During fiscal 2012, the Company settled an outstanding claim of US$10,000,000 loan principal plus balance payable on the graduated gold royalty with Village Main Reef through arbitration. Village Main Reef agreed to pay the Company US$9,000,000 in cash. (See Note 7 for details) Consequently, the Company recognized a loss of $2,399,198 on the settlement during the year ended January 31, 2012. Village Main Reef paid US$4,000,000 up front and the remaining balance plus interest of 10% per annum in five equal instalments. The last instalment of US$1,000,000 plus accrued interest outstanding as at January 31, 2012 was repaid on February 25, 2012.

5. Loans receivable (continued)

Portex Minerals Inc.

On June 6, 2012, the Company entered into a senior unsecured convertible debenture with Portex Minerals Inc. ("Portex") whereby the Company agreed to loan Portex $500,000 ("First Debenture"). The principal will be due and payable on the earlier of (a) March 6, 2013; (b) the date on which Portex completes $3,000,000 of equity financing; or (c) the Company declaring the principal due; (d) the conversion of the debenture into common shares; and (e) the redemption of the debenture. Interest on principal is calculated at 1% per month and payable on maturity. In the event of a default, Portex will be required to pay an additional 2% per annum on any overdue and unpaid amount. Such interest is calculated daily and compounded monthly and is payable on demand. In the event of a conversion, the price shall be the greater of (1) the 60 day volume weighted average price per common share on the CNSX System or the TSX Venture Exchange, as calculated on the last business day immediately preceding the conversion date and (2) $0.05. The debenture ranks senior in priority to any other indebtedness that Portex may have.

On September 12, 2012, the Company entered into a second senior unsecured convertible debenture agreement with Portex for an additional loan of $500,000 ("Second Debenture"). The Second Debenture ranks senior in priority to any other indebtedness that Portex may have and carries the same terms and conditions as the First Debenture.

On January 30, 2013, the Company exercised the conversion right of the First and Second Debentures. The outstanding principal plus accrued interest totalling $1,062,466 was converted to 21,249,315 shares of Portex at $0.05 per share.

Forbes & Manhattan West Africa Resources Inc.

On July 23, 2012, the Company entered into an unsecured loan agreement with Forbes & Manhattan West Africa Resources Inc. ("Forbes West Africa"), whereby the Company agreed to advance Forbes West Africa up to $100,000 at any time on or before December 31, 2012. Each advance will mature and be due and payable on its anniversary date. Interest on principal as well as overdue and unpaid accrued interest is calculated and payable annually at 20% per annum. The first advance plus any unpaid interest accrued will be converted to shares of Forbes West Africa on maturity date at $0.10 per share. The second advance plus any unpaid interest accrued will be converted to shares of Forbes West Africa on maturity date at $0.12 per share. On July 19, 2012, the Company advanced $50,000 to Forbes West Africa. As of January 31, 2013, principal plus accrued interest totaling $55,397 remained outstanding.

QMX Gold Corporation

On August 14, 2012, the Company entered into a debenture agreement with QMX Gold Corporation ("QMX") whereby the Company agreed to loan $500,000 to QMX. The loan accrued interest at 15% per annum and became mature, due and payable on the the date QMX closed its sale of assets to Druk Capital Partners. The loan ranked senior to all other debts that QMX subsequently incurred. QMX paid a $25,000 cash commission upon drawing down the loan on August 16, 2012. On September 24, 2012, the loan principal plus interest totaling $508,219 was repaid to the Company.

Sagres Energy Inc.

On October 18, 2012, Sagres Energy Inc. ("Sagres") issued a promissory note to the Company for a principal amount of US$350,000. The note bears interest at 8% per annum, calculated monthly and payable on maturity. The principal and accrued interest will mature, become due and payable on October 18, 2013. Overdue and unpaid principal and interests are subject to an additional 2% interest per annum, calculated daily and compounded monthly. The loan is secured against all assets of Sagres but ranks second in priority and preference to other debt owed to Canacol Energy Ltd.

At the end of fiscal 2013, the Company reviewed the recoverability of the loan and determined that an impairment provision on the loan principal of US$350,000 ($349,055) and accrued interest of US$7,825 ($7,804) was required.

A director of Aberdeen, Stan Bharti, was a former director and is a current advisor of Sagres.

5. Loans receivable (continued)

Sable Platinum Holdings (Pty) Ltd.

On October 23, 2012, the Company entered into a working capital bridge loan financing agreement with Sable Platinum Holdings (Pty) Ltd. ("Sable") whereby the Company agreed to loan $200,000 to Sable. The loan bears interest at 1% per annum, calculated and payable in quarterly instalments. The principal of the loan will mature, become due and payable on the earlier of (a) November 25, 2012, (b) the date which Sable closes the transaction with New CorpCapital Limited, and (c) in the event of a default, when the Company declares the principal to be due and owing. The loan ranks senior in priority and preference to any other indebtedness or any encumbrance that Sable subsequently incurs.

On December 15, 2012, the outstanding principal plus accrued interest totaling $200,250 was repaid to the Company.

Sable is a wholly owned subsidiary of Legacy Platinum Corp. An officer of Aberdeen, Richard Bishop, serves as an officer of Legacy. Directors of Aberdeen, George Faught and David Stein, also serve as directors of Sable.

Metal Prospecting AS

On November 12, 2012, the Company entered into an unsecured loan agreement with Metal Prospecting AS ("Metpro"), whereby the Company agreed to advance Metpro Norwegian Krone ("NOK") 1,200,000 ($219,120). The principal of the loan will mature, to be due and payable in cash on the earlier of (a) December 31, 2013, and (b) the date when Portex completes its acquisition of Metpro, or (c) at any time when the Company declares the principal to be due in the event of a default, or (d) the Company exercises the option to convert the outstanding loans into shares of Metpro at NOK2.40 ($0.44) per share in the event of default. Interest on the principal is calculated at a rate of 1.5% per month, compounded monthly and payable quarterly commencing January 1, 2013. The loans rank senior in priority and preference to any other indebtedness of Metpro.

As of January 31, 2013, principal plus accrued interest totalling NOK1,218,000 ($222,407) remained outstanding. An officer of Aberdeen, David Stein, serves as a director of Metpro.

Forbes & Manhattan (Russia) Inc.

On November 14, 2012, the Company entered into an unsecured loan agreement with Forbes & Manhattan (Russia) Inc. ("Forbes Russia"), and Forbes & Manhattan, Inc. ("Forbes"), the second lender, whereby each lender agreed to advance Forbes Russia (A) $30,000 on the date of the loan and, (B) additional funds from time to time up to a maximum of $250,000. Each advance will mature and be due and payable on its anniversary date. Interest on principal as well as overdue and unpaid accrued interest is calculated and payable annually at 10% per annum. Each lender may convert the outstanding loan plus interest into shares of Forbes Russia at $0.05 per common shares at any time before the maturity date.

As of January 31, 2013, principal plus accrued interest totaling $30,649 was owed to Aberdeen. Subsequent to the year end, Forbes Russia repaid $24,000 of the outstanding principal.

China Railway Mining Corp.

On April 12, 2010, the Company entered into an agreement with Forbes & Manhattan, Inc. ("Forbes") to acquire 50% of the convertible debenture issued by China Railway Mining Corp ("China Railway") on March 9, 2009 to Forbes in return for a cash payment to Forbes in the amount of US$1,250,000. In addition, as return for the consideration, the Company received (a) 40,000 common shares of China Railway which represented 40% of the common shares that were issued and outstanding; and (b) 80,000 warrants of China Railway that were issued, which expired unexercised on December 15, 2010. The loan was convertible at the option of the lender on or before November 30, 2010 for common shares of Crystallex International Corporation ("Crystallex") at a price equal to the greater of $0.20 per share or 95% of the 5 day volume weighted average trading price of the common shares ending on the date of conversion.

The principal of the debenture plus interest of 6% per annum was repayable on December 31, 2010. On December 31, 2010, China Railway did not repay the loan and interest owed. In February 2011, the Company issued a demand letter to China Railway requesting repayment of the principal plus interest in full. The Company also made a provision for the loan and interest receivable totaling $1,258,688 in April 2011. The Company has been pursuing the collection of the loan, and has not been successful to date.

(Expressed in Canadian dollars unless otherwise noted)

6. Preferred shares

On June 27, 2012, the Company acquired 3,000,000 units of Rodinia Lithium Inc. ("Rodinia") at a price of $1.00 per unit. Each unit consists of one cumulative rate reset non-voting potash stream preferred share and one-half of a common share purchase warrant. Each whole warrant will entitle the Company to acquire one common share of Rodinia at a price of $0.45 until December 26, 2013. Holders of the potash stream preferred shares are entitled to receive a 9% cumulative, preferential cash dividend and a price adjustment subject to certain market conditions ranging between an additional 0-2.5% dividend, payable annually on the last day of January following the relevant completed fiscal year ending December 31 of the first year of initial potash production. After the first year of potash production, the dividend rate will be reset such that quarterly dividends equal the total amount of net potash revenue for the quarter divided by 20,000,000, payable on the last day of the month following the quarter. Net potash revenue shall be calculated based on the quantity of potash sold and the potash sales price realized less a potash production cost of US$185 per tonne of potash sold. The potash stream preferred shares are not retractable, convertible or redeemable by the holder thereof. They are redeemable by Rodinia in certain circumstances.

An officer of Aberdeen, Ryan Ptolemy, serves as an officer of Rodinia.

7. Royalty interests on mineral properties

On May 31, 2012, the Company sold its Village Main Reef Limited and First Uranium Corporation's Mine royalties to Premier Royalty for consideration of $11,500,000 cash and a $9,400,000 convertible debenture. (See Note 5 for details)

Upon closing of the sale transaction on May 31, 2012, the Company received the pre-closing 1% NSR on gold produced from the Buffelsfontein mine of $337,020 in addition to the proceeds and recognized a $1,526,194 loss (net after tax loss of $1,121,753) on disposal of its royalty interests. The Company also recognized a $2,502,081 loss (net after tax loss of $1,839,030) on accumulated currency translation in the statement of comprehensive loss as a result of the sale of the royalty interests.

As at January 31, 2012, the Company's royalty interests are summarized as follows:

Village Main Reef, Limited (1)	Cost	Accumlated Depletion	Impairment	Net
Balance, January 31, 2011	22,895,929	(791,189)	(3,904,772)	18,199,968
Depletion / impairment	-	(185,430)	(3,556,398)	(3,741,828)
CTA adjustment	23,625	(2,476)	-	21,149
Balance, January 31, 2012	$ 22,919,554	$ (979,095)	$ (7,461,170)	$ 14,479,289

First Uranium Corporation	Cost	Accumulated Depletion	Impairment	Net
Balance, January 31, 2011	10,684,790	(701,258)	-	9,983,532
Depletion / impairment	-	(496,601)	(1,872,242)	(2,368,843)
CTA adjustment	12,959	(5,124)	-	7,835
Balance, January 31, 2012	$ 10,697,749	$ (1,202,983)	$ (1,872,242)	$ 7,622,524
Total Royalty Interests	**$ 33,617,303**	**$ (2,182,078)**	**$ (9,333,412)**	**$ 22,101,813**

(1) Formerly Simmer and Jack Mines, Limited

8. Accounts payable and accrued liabilities

	January 31, 2013	January 31, 2012
Trade payables	**$ 310,430**	$ 137,327
Investment settlement payable	**-**	120,473
Accrued expenses	**289,426**	406,442
	$ 599,856	$ 664,242

(Expressed in Canadian dollars unless otherwise noted)

9. Income taxes

Significant component of income tax recovery (expense)

		January 31, 2013	January 31, 2012
Current tax (expense)	$	**(3,362,403)**	(770,475)
Deferred tax recovery		**9,461,000**	14,764,000
Income tax recovery	$	**6,098,597**	13,993,525

Provision for income taxes

For the year ended January 31, 2013, the federal tax rate decreased from 16.4% to 15.0% and the provincial tax rate decreased from 11.7% to 11.5%. The following are major items causing the Company's income tax rate to differ from the Canadian combined federal and provincial statutory rate of approximately 26.5% (2012 – 28.1%) during the years ended:

		January 31, 2013		January 31, 2012
(Loss) before income taxes	$	**(36,729,016)**		(51,807,161)
Expected income tax expense	$	**(9,626,000)**		(14,553,000)
Adjustments to benefit resulting from:				
Share-based compensation		**106,000**		145,000
Net realized gain on foreign exchange		**(190,000)**		(309,000)
Change in expected tax rate		**50,106**		(167,893)
Other		**3,561,297**		891,368
Provision for income tax (recovery)	$	**(6,098,597)**	$	(13,993,525)

Deferred taxes as at:

		January 31, 2013		January 31, 2012
Deferred tax assets (liabilities)				
Investments	$	**3,443,000**	$	(2,438,000)
Premier royalty convertible debenture		**(2,238,000)**		-
Royalty interest in mineral properties		**-**		(5,525,000)
Simmers Loan		**-**		44,000
Resource properties		**86,000**		97,000
Other		**(248,000)**		(52,000)
Deferred tax asset (liability)	$	**1,043,000**	$	(7,874,000)

(Expressed in Canadian dollars unless otherwise noted)

10. Share capital

Authorized: Unlimited common shares with no par value

Common shares

Issued and outstanding common shares	Number of shares		Amount
Balance, January 31, 2011	**86,677,339**	**$**	**43,600,623**
Shares issued on exercise of options	1,967,500		610,974
Option valuation on options exercised	-		379,651
Shares repurchased and cancelled (NCIB)	(2,544,700)		(1,280,015)
Balance, January 31, 2012	**86,100,139**	**$**	**43,311,233**
Shares issued on exercise of options	900,000		108,000
Option valuation on options exercised	-		57,780
Shares cancelled through registry	(37)		-
Shares repurchased and cancelled (NCIB)	(1,005,500)		(502,735)
Balance, January 31, 2013	**85,994,602**	**$**	**42,974,278**

Dividends

On March 12, 2012, the Company declared a semi-annual dividend payment of $0.01 per share payable on March 31, 2012 and September 30, 2012 respectively.

On March 30, 2012 and September 28, 2012, 86,928,739 and 86,480,102 shares were recorded for the first and second semi-annual dividend respectively. Dividend payments totaling $1,734,088 (2012 - $1,742,297) were paid to shareholders during the years ended January 31, 2013 and 2012.

Subsequent to January 31, 2013, the Company announced it is suspending its dividend policy in fiscal 2014.

Normal course issuer bid ("NCIB")

On February 8, 2011, the Company instituted a NCIB, in respect of its common shares. Pursuant to the terms of the NCIB, and in accordance with the policies of the TSX, during the period commencing February 9, 2011 and ending on February 8, 2012, the Company could purchase up to 7,442,350 representing 10% of the common shares in the public float as at February 4, 2011. Daily purchases were limited to 66,652 common shares other than block purchase exceptions. Purchases were made in open market transactions through the facilities of the TSX and on other published markets at market prices prevailing at the time of acquisition. All common shares purchased under the NCIB were cancelled. During the year ended January 31, 2012, the Company purchased and cancelled 2,544,700 common shares at an average price of $0.75 per share under the NCIB approved by the TSX.

On February 23, 2012, the Company instituted a NCIB, in respect of its common shares. Pursuant to the terms of the NCIB, and in accordance with the policies of the TSX, during the period commencing February 27, 2012 and ending on February 26, 2013, the Company may purchase up to 7,474,230 representing 10% of the common shares in the public float as at February 22, 2012. Daily purchases will be limited to 30,714 common shares other than block purchase exceptions. Purchases will be made in open market transactions through the facilities of the TSX and on other published markets at market prices prevailing at the time of acquisition. All common shares purchased under the NCIB will be cancelled.

During the year ended January 31, 2013, the Company purchased and cancelled 1,005,500 common shares at an average price of $0.41 per share under the new NCIB.

(Expressed in Canadian dollars unless otherwise noted)

11. Equity reserve

	Number of warrants	Weighted average exercise price	Value of warrants	Number of options	Weighted average exercise price	Value of options	Treasury shares adjustment	Total Value
January 31, 2011	37,500,000	$ 1.00	**$ 15,750,000**	7,795,000	$ 0.33	**$ 1,510,042**	**$ 3,558,025**	**$ 20,818,067**
Granted and vested	-	-	**-**	1,045,000	0.85	**517,589**	-	**517,589**
Exercised	-	-	**-**	(1,967,500)	0.31	**(379,651)**	-	**(379,651)**
NCIB allocation	-	-	**-**	-	-	-	**(618,035)**	**(618,035)**
January 31, 2012	37,500,000	$ 1.00	**$ 15,750,000**	6,872,500	$ 0.41	**$ 1,647,980**	**$ 2,939,990**	**$ 20,337,970**
Granted and vested	-	$ -	**$ -**	2,500,000	$ 0.44	**$ 402,947**	$ -	**$ 402,947**
Exercised	-	-	**-**	(900,000)	0.12	**(57,780)**	-	**(57,780)**
Expired	(37,500,000)	1.00	**(15,750,000)**	(950,000)	0.45	**(450,720)**	-	**(16,200,720)**
NCIB allocation	-	-	**-**	-	-	-	**94,505**	**94,505**
January 31, 2013	-	$ -	**$ -**	7,522,500	$ 0.41	**$ 1,542,427**	**$ 3,034,495**	**$ 4,576,922**

Employee share option plan

The Company has adopted a stock option plan (the "Plan"). Pursuant to the Plan, the Company may grant stock options to acquire up to 10% of the number of issued and outstanding common shares of the Company. The Plan provides that the Company cannot grant stock options to any one person representing more than 5% of the outstanding common shares of the Company. Directors, officers, employees and certain consultants are eligible to receive stock options under the Plan in accordance with the terms and conditions determined by the Board, upon the recommendations of the Compensation Committee. Vesting terms will be determined at the discretion of the Board. The Board also determines the term of stock options granted under the Plan, provided that no stock option shall be outstanding for a period greater than five years.

During the year ended January 31, 2013, 2,500,000 options (2012 – 1,045,000) were granted to certain directors, officers and employees of the Company with a weighted-average grant date fair value of $0.19 (2012 - $0.50) per option. These options vested immediately (2012 – 845,000 vested immediately; 200,000 vested over eight quarters). Share based compensation expense of $402,947 (2012 - $517,589) relating to these options and others that vested during the year ended January 31, 2013 was recorded in operating, general and administration expenses. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, expected forfeiture rate, and behavioral considerations. Expected volatility is based on the historical share price volatility over the expected life of the option. The expected life of the options was calculated based on the history of options exercised.

(Expressed in Canadian dollars unless otherwise noted)

11. Equity reserve (continued)

The following share-based payment arrangements were in existence as at January 31, 2013:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Expected Volatility	Risk-free Rate	Expected Life (years)	Expected Dividend Yield
100,000	100,000	11-Aug-08	11-Aug-13	$ 0.48	$ 30,640	83%	3.11%	5	0%
50,000	50,000	5-Sep-08	5-Sep-13	$ 0.35	$ 11,890	84%	3.00%	5	0%
200,000	200,000	1-Oct-08	1-Oct-13	$ 0.29	$ 39,400	74%	2.04%	5	0%
2,080,000	2,080,000	14-Jan-09	14-Jan-14	$ 0.12	$ 133,536	68%	1.52%	5	0%
62,500	62,500	1-Feb-10	1-Feb-15	$ 0.47	$ 19,000	79%	2.47%	5	0%
1,185,000	1,185,000	25-Feb-10	25-Feb-15	$ 0.43	$ 311,537	70%	2.49%	5	0%
100,000	100,000	5-Oct-10	5-Oct-15	$ 0.48	$ 25,650	64%	2.00%	5	0%
200,000	200,000	30-Nov-10	30-Nov-15	$ 0.64	$ 70,880	64%	2.35%	5	0%
845,000	845,000	20-Apr-11	20-Apr-16	$ 0.87	$ 347,295	70%	2.65%	5	3%
200,000	175,000	30-Jun-11	30-Jun-16	$ 0.79	$ 68,400	63%	2.30%	5	3%
2,500,000	2,500,000	12-Jun-12	12-Jun-17	$ 0.44	$ 485,000	66%	1.21%	5	3%
7,522,500	7,497,500				$ 1,543,228				

The weighted average exercise price of stock options outstanding and exercisable as at January 31, 2013 was $0.41 (2012 - $0.40). The weighted average remaining contractual life of options outstanding and exercisable as at January 31, 2013 was 2.65 years (2012 – 2.37 years).

12. Expenses by nature

Included in operating, general and administration expenses for the years ended January 31, were:

	2013	2012
Salaries, consulting, benefits and bonus	**$ 6,743,816**	$ 1,525,946
Stock options granted to directors, officers, employees and consultants (Note 11)	**402,947**	517,589
Legal, accounting and professional fees	**698,880**	736,453
Filing and transfer agent fees	**41,578**	46,657
Shareholders communication and promotion	**230,590**	374,769
Travel	**341,291**	426,620
General office and administration costs	**205,523**	188,581
Charitable donation	**25,000**	-
Unrecoverable HST	**270,254**	785,523
	$ 8,959,879	$ 4,602,138

13. (Loss) per share

During the year ended January 31, 2013, the total shares issuable from 7,522,500 options were excluded from the calculation of diluted loss per share because their effect would be anti-dilutive. During the year ended January 31, 2012, 6,872,500 options and 37,500,000 warrants were excluded from the diluted weighted average number of common shares calculation as their effect would be anti-dilutive.

(Expressed in Canadian dollars unless otherwise noted)

14. Capital disclosure

The Company considers its capital to consist of share capital, equity reserve, and retained earnings. The Company's objectives when managing capital are:

a) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments;
b) to give shareholders sustained growth in value by increasing shareholders' equity; while
c) taking a conservative approach towards financial leverage and management of financial risks.

The Company's management reviews its capital structure on an on-going basis and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying investments. The Company's current capital is composed of its shareholders' equity and, to-date, has adjusted or maintained its level of capital by:

a) raising capital through equity financings;
b) realizing proceeds from the disposition of its investments; and
c) repurchasing the Company's own shares for cancellation pursuant to its normal course issuer bid.

The Company may on occasion utilize leverage in the form of broker margin or bank indebtedness. As at January 31, 2013 there was a margin loan of $4,243,515 (2012 - $Nil) outstanding. Aberdeen is not subject to any capital requirements imposed by a regulator and there were no changes to capital management during the years ended January 31, 2013 and 2012. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

On March 12, 2012, the Company declared a semi-annual dividend payment of $0.01 per share payable on March 31, 2012 and September 30, 2012 respectively. Dividend payments totaling $1,734,088 (2012 - $1,742,297) were paid to shareholders during the years ended January 31, 2013 and 2012.

15. Financial instruments

Financial assets and financial liabilities as at January 31, 2013 and January 31, 2012 were as follows:

	Assets & liabilities at amortized cost	liabilities at fair value through profit or loss	TOTAL
January 31, 2013			
Cash	$ 322,185	$ -	$ 322,185
Amounts receivables	14,903,734	-	14,903,734
Loans receivable	107,476	3,008,564	3,116,040
Public investments	-	32,292,172	32,292,172
Private investments	-	21,039,834	21,039,834
Preferred shares	-	3,000,000	3,000,000
Due to broker	(4,243,515)	-	(4,243,515)
Accounts payable and accrued liabilities	(599,856)	-	(599,856)
January 31, 2012			
Cash	$ 7,372,118	$ -	$ 7,372,118
Amounts receivables	1,762,134	-	1,762,134
Loans receivable	735,170	1,721,808	2,456,978
Public investments	-	56,001,973	56,001,973
Private investments	-	16,325,377	16,325,377
Accounts payable and accrued liabilities	(664,242)	-	(664,242)

(Expressed in Canadian dollars unless otherwise noted)

15. Financial instruments (continued)

Aberdeen's operations involve the purchase and sale of securities and in addition, the Company has loans receivable outstanding. Accordingly, the majority of the Company's assets are currently comprised of financial instruments which can expose it to several risks, including market, liquidity, credit and currency risks. There have been no significant changes in the risks, objectives, policies and procedures from the previous year. A discussion of the Company's use of financial instruments and their associated risks is provided below:

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favorable prices. In addition, most of the Company's investments are in the resource sector. The Company mitigates this risk by attempting to have a portfolio which is not singularly exposed to any one issuer, with exception to the Company having one position as at January 31, 2013, which made up of approximately 27% (January 31, 2012 – 35%) of the total equity portfolio.

For the year ended January 31, 2013, a 10% decrease in the closing prices of its portfolio investments would result in an estimated increase in after-tax net loss of $4 million, or $0.05 per share (January 31, 2012 - $5.1 million, or $0.06 per share). This estimated impact on the statement of comprehensive (loss) includes the estimated value of the non-traded warrants held, as determined using the Black-Scholes option pricing model.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. In addition, some of the investments the Company holds are lightly traded public corporations or not publicly traded and may not be easily liquidated. The Company generates cash flow from its interest on loans receivable, and proceeds from the disposition of its investments, in addition to interest income and advisory service fees. Aberdeen believes that it has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions. All of the Company's liabilities and obligations are due within one year.

The following table shows the Company's source of liquidity by assets as at January 31, 2013 and 2012.

Liquidity by period

Assets	Total	Less than 1 year	1-3 years	After 4 years	Non-liquid assets
Cash	$ 322,185	$ 322,185	$ -	$ -	$ -
Amount receivable	14,903,734	14,903,734	-	-	-
Public Investments	32,292,172	32,292,172	-	-	-
Loans receivable	3,116,040	3,116,040	-	-	-
Prepaid expenses	72,700	72,700	-	-	-
Private investments	21,039,834	-	21,039,834	-	-
Preferred shares	3,000,000	-	-	-	3,000,000
Deferred tax assets	1,043,000	-	-	-	1,043,000
Total assets - January 31, 2013	$ 75,789,665	$ 50,706,831	$ 21,039,834	$ -	$ 4,043,000

(Expressed in Canadian dollars unless otherwise noted)

15. Financial instruments (continued)

Liquidity risk (continued)

Liquidity by period

Assets		Total		Less than 1 year		1-3 years		After 4 years		Non-liquid assets
Cash	$	7,372,118	$	7,372,118	$	-	$	-	$	-
Amount receivable		1,762,134		1,762,134		-		-		-
Public Investments		56,001,973		56,001,973		-		-		-
Loans receivable		2,456,978		2,456,978		-		-		-
Prepaid expenses		153,769		153,769		-		-		-
Private investments		16,325,377		-		16,325,377		-		-
Royalty Interests		22,101,813		-		-		22,101,813		-
Equipment, net		23,581		-		-		-		23,581
Total assets - January 31, 2012	$	106,197,743	$	67,746,972	$	16,325,377	$	22,101,813	$	23,581

Credit risk

Credit risk is the risk associated with the inability of a third party to fulfill its payment obligations. The Company is exposed to the risk that third parties that owe it money or securities will not perform their underlying obligations. Security was obtained against specific assets of the counterparty, in case of non-performance. The total carrying value of these financial instruments at January 31, 2013 was $18,019,774 (January 31, 2012 - $4,219,112). Subsequent to January 31, 2013, the Company received $14.5 million cash from the settlement of securities sold.

The following summarized provisions made on loan impairment during the years ended:

Provisions on loan and amount receivables		**January 31, 2013**		January 31, 2012
China Railway Mining Corp.	**$**	**-**	$	1,258,688
Desert Eagle Resources Ltd.*		**1,248,867**		-
Recoverable investment pool expenses, net		**263,789**		537,962
Scandinavian Metals Inc.		**2,104,500**		-
Sagres Energy Inc.		**356,859**		-
	$	**3,974,015**	$	1,796,650

* Formerly Garrison International Ltd.

15. Financial instruments (continued)

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's operations are exposed to foreign exchange fluctuations, which could have a significant adverse effect on its results of operations from time to time. The Company currently has financial instruments denominated in U.S. dollars, Australian dollars, Norwegian Krone, South African Rand and UK Pound Sterling.

A change in the foreign exchange rate of the Canadian dollar versus another currency may change the value of its financial instruments.

The following assets and liabilities were denominated in foreign currencies presented in Canadian dollars as of January 31, 2013 and 2012:

	2013	2012
Denominated in U.S dollars:		
Cash	**$ 7,436**	$ 1,113,707
Amounts receivables	**98,315**	1,218,807
Loans receivable	**2,250,362**	648,316
Accounts payable	**(1,015)**	(4,710)
Denominated in Australian dollars:		
Cash	**75,060**	-
Denominated in South African Rand:		
Cash	**82,391**	78,804
Accounts payable and accrued liabilities	**-**	(31,266)
Denominated in Norwegian Krone:		
Amounts receivables	**3,287**	-
Loans receivable	**219,120**	-
Denominated in UK Pound Sterling:		
Accounts payable	**(9,553)**	-
	$ 2,725,403	$ 3,023,658

A 10% increase in the value of the Canadian dollar against all foreign currencies in which the Company held financial instruments as of January 31, 2013 would result in an estimated increase in after-tax net loss of approximately $0.2 million or $0.002 per share (January 31, 2012 – after-tax net loss of approximately $0.2 million or $0.002 per share). The Company does not currently hedge its foreign currency exposure.

Fair value of financial instruments

The Company has determined the carrying values of its financial instruments as follows:

i. The carrying values of cash, amounts receivable, due to broker, and accounts payable and accrual liabilities approximate their fair values due to the short-term nature of these instruments.
ii. Loans receivable, public investments, private investments and preferred shares are carried at amounts in accordance with the Company's accounting policy as set out in Note 2.
iii. Prior to maturity, the outstanding loans receivable are carried at their discounted value. Following their maturity, loans receivable are carried at their estimated realizable value.

(Expressed in Canadian dollars unless otherwise noted)

15. Financial instruments (continued)

Fair value of financial instruments (continued)

The following table illustrates the classification of the Company's financial instruments, measured at fair value in the statements of financial position as at January 31, 2013 and 2012 categorized into levels of the fair value hierarchy.

Investments, fair value	**Level 1** *(Quoted Market price)*	**Level 2** *(Valuation technique- observable market Inputs)*	**Level 3** *(Valuation technique- non-observable market inputs)*	Total
Publicly traded investments	$ 29,844,392	$ -	$ -	$ 29,844,392
Non-trading warrants on public investments	-	2,447,780	-	2,447,780
Private investments, performance and preferred shares	-	-	24,039,834	24,039,834
Convertible debentures	-	-	3,008,564	3,008,564
January 31, 2013	$ 29,844,392	$ 2,447,780	$ 27,048,398	$ 59,340,570
Publicly traded investments	$ 51,916,759	$ -	$ -	$ 51,916,759
Non-trading warrants on public investments	-	4,085,214	-	4,085,214
Private investments and performance shares	-	-	16,325,377	16,325,377
Convertible debentures	-	-	1,721,808	1,721,808
January 31, 2012	$ 51,916,759	$ 4,085,214	$ 18,047,185	$ 74,049,158

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the years ended January 31, 2013 and 2012. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized losses and net unrealized gains are recognized in the statements of comprehensive loss.

Investments, fair value	**Year ended January 31, 2013**	**2012**
Balance, beginning of year	**$ 18,047,185**	$ 24,903,640
Net purchases - shares	**11,905,128**	5,771,063
Disposal - shares	**(12,831,765)**	(222,198)
Unrealized and realized loss net	**8,106,955**	(11,123,935)
Transfer of investment from private to public, net	**(2,465,862)**	(3,003,193)
Conversion of debenture to public company shares	**(10,400,000)**	-
Preferred shares net additions	**3,000,000**	-
Convertible debenture net additions, net of write-down	**11,686,757**	1,721,808
Balance, end of year	**$ 27,048,398**	$ 18,047,185

(Expressed in Canadian dollars unless otherwise noted)

16. Related party disclosures

The Company's directors and officers may have investments in and hold management and/or director and officer positions in some of the investments that the Company holds. The following is a list of the public and private investments and the nature of the relationship of the Company's directors or officers with the investment as of January 31, 2013 and 2012.

Investment	Nature of relationship		Estimated Fair value	% of FV
Alder Resources Ltd.	Director (Pierre Pettgrew), officer (Ryan Ptolemy), and shareholders	$	115,960	0.2%
Antofagasta gold Inc. **	Officer (Ryan Ptolemy) and shareholders		370,152	0.7%
Black Iron Inc.	Director (Pierre Pettigrew), officer (Stan Bharti), and shareholders		2,700,000	5.1%
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy), and shareholders		3,291,214	6.2%
Castillian Resources Corp.	Director (Michael Hoffman) and shareholders		158,025	0.3%
Goldstar Minerals Inc.***	Major shareholder (Stan Bharti) and shareholders		46,850	0.1%
East Asia Minerals Ltd.	Director (David Stein) and shareholders		1,240,460	2.3%
Emerita Gold Corp.	Major shareholder (Stan Bharti) and shareholders		250,000	0.5%
Forbes & Manhattan (Coal) Corp.	Directors (Stan Bharti, Bernard Wislon) and shareholders		1,386,953	2.6%
Forbes Ram Holidngs Inc.*	Director (Stan Bharti) and shareholders		8,000,000	15.0%
Indo Gold Limited *	Officer (Stan Bharti) and shareholders		1,560,000	2.9%
Legacy Platinum Inc.*	Officer (Richard Bishop) and shareholders		1,557,500	2.9%
Premier Royalty Inc.	Director (George Faught) and shareholders		1,679,032	3.1%
Rodinia Lithium Inc.	Officer (Ryan Ptolemy) and shareholders		777,725	1.5%
Sagres Energy Inc.	Advisor (Stan Bharti) and shareholders		43,333	0.1%
Scandinavian Metals Inc.*	Director (Stan Bharti) and shareholders		569,069	1.1%
Silver Bear Resources Inc.	Director (Stan Bharti) and shareholders		1,634,024	3.1%
Sulliden Gold Corporation Ltd.	Directors (Stan Bharti,George Faught, Pierre Pettigrew), and shareholders		14,474,752	27.1%
Valenica Ventures Inc.	Director (Bernard Wislon) and shareholders		170,409	0.3%
Total of 29 other investments	Shareholders/warrant holders		13,306,548	24.9%
Total Investments - January 31, 2013		**$**	**53,332,006**	100.0%

* Private company

** Formerly Windamere Ventures Ltd.

*** Formerly Auger Resources Ltd.

(Expressed in Canadian dollars unless otherwise noted)

16. Related party disclosures (continued)

Investment	Nature of relationship		Estimated Fair value	% of FV
Alderon Iron Ore Corp.	Director (Stan Bharti) and shareholders	$	1,500,842	2.1%
Alder Resources Ltd.	Director (Pierre Pettgrew), officer (Ryan Ptolemy) and shareholders		712,750	1.0%
QMX Gold Corporation ****	Director (Stan Bharti+) and shareholders		112,500	0.1%
Auger Resources Ltd.*	Director (Stan Bharti) and shareholders		100,000	0.1%
Bell Copper Corp.	Director (Stan Bharti+) and shareholders		93,150	0.1%
Belo Sun Mining Corp.**	Director (Stan Bharti), officers (Ryan Ptolemy, Michael Hoffman) and shareholders		3,081,844	4.3%
Black Iron Inc.	Director (Pierre Pettigrew), officer (Stan Bharti) and shareholders		3,900,000	5.4%
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy) and shareholders		3,309,364	4.6%
Castillian Resources Corp.	Director (Michael Hoffman) and shareholders		1,426,692	2.0%
Dacha Strategic Metals Inc.***	Directors (Stan Bharti, George Faught,Jean-Guy Lambert), officer (Ryan Ptolemy) and shareholders		204,335	0.3%
East Asia Minerals Ltd.	Directors (David Stein) and shareholders		2,993,840	4.1%
Eurocontrol Technics Group Inc.	Directors (Stan Bharti, Pierre Pettgrew) and shareholders		26,000	0.0%
Forbes & Manhattan (Coal) Corp.	Directors (Stan Bharti, David Stein) and shareholders		4,413,259	6.1%
Legacy Platinum Inc.*	Officer (Richard Bishop) and shareholders		1,507,500	2.1%
Largo Resources Ltd.	Directors (Stan Bharti+, Michael Hoffman) and shareholders		598,367	0.8%
Longford Energy Inc.	Directors (Stan Bharti, Pierre Pettgrew) and shareholders		48,250	0.1%
Rodinia Lithium Inc.	Director (David Stein), officer (Ryan Ptolemy) and shareholders		843,992	1.2%
Scandinavian Metals Inc.*	Director (Stan Bharti) and shareholders		569,069	0.8%
Silver Bear Resources Inc.	Director (Stan Bharti) and shareholders		987,796	1.4%
Stetson Oil & Gas Ltd.	Director (Stan Bharti+) and shareholders		97,240	0.1%
Sulliden Gold Corporation Ltd.	Directors (Stan Bharti,George Faught) and shareholders		25,288,269	35.0%
Temujin Mining Corp.*	Directors (Stan Bharti, David Stein) and shareholders		6,739,058	9.3%
Vast Exploration Inc.	Director (Stan Bharti) and shareholders		550,000	0.8%
Total of 18 other investments	Shareholders/warrant holders		13,223,233	18.2%
Total Investments - January 31, 2012		**$**	**72,327,350**	100.0%

+ Resigned as director subsequent to January 31, 2012

* Private company

** Formerly Verena Minerals Corp.

*** Formerly Dacha Capital Inc.

**** Alexis Mineral Corp.

(Expressed in Canadian dollars unless otherwise noted)

16. Related party disclosures (continued)

In addition to the investments listed above, the Company also provided loans to companies of which directors and officers are also directors and officers of Aberdeen. Directors and officers of Aberdeen may also hold investments in these companies. Below are transactions and balances outstanding at the end of each reporting period:

	Loans provided to related parties Years ended January 31,		Loans receivable from related parties As at January 31,	
	2013	2012	2013	2012
Legacy Platinum Corp.*	$ 399,160	$ 818,350	$ 1,367,338	$ 862,808
Longford Energy Inc.	$ -	$ 500,000	$ -	$ -
Metal Prospecting AS	$ 211,256	$ -	$ 219,120	$ -
Sagres Energy Inc.**	$ 347,620	$ -	$ -	$ -
Scandinavian Metals Inc.**	$ 1,020,622	$ 1,454,767	$ -	$ 859,000
Temujin Mining Corp.	$ 1,342,106	$ 3,021,729	$ 1,342,106	$ -
United Silver Corp.	$ -	$ 1,000,000	$ -	$ -

* loan receivable included capitalized interest
** loan written off

The Company earned or accrued interest and dividend income, and debt arrangement fees from the following companies. Below are transactions and balances outstanding at the end of each reporting period:

	Interest/dividend earned from related parties Years ended January 31,		Interest/dividend receivable from related parties As at January 31,	
	2013	2012	2013	2012
Castillian Resources Corp.*	$ -	$ 60,345	$ -	$ -
Legacy Platinum Corp.**	$ 121,442	$ 51,869	$ 23,479	$ 10,705
Metal Prospecting AS	$ 3,287	$ -	$ 3,287	$ -
Rodinia Lithium Inc.	$ 162,000	$ -	$ 162,000	$ -
Sable Platinum Holidngs (Pty.) Ltd.	$ 250	$ -	$ -	$ -
Sagres Energy Inc.***	$ 7,805	$ -	$ -	$ -
Scandinavian Metals Inc.***	$ 159,505	$ 65,372	$ -	$ 65,372
Temujin Mining Corp.*	$ 87,432	$ 475,439	$ 87,309	$ -
Trevali Mining Corp.*	$ -	$ 44,767	$ -	$ -
Longford Energy Inc.	$ -	$ 3,630	$ -	$ -
United Silver Corp.	$ -	$ 38,219	$ -	$ -

* interest and debt arrangement fees earned partially capitalized to loan receivable
** overdue interest was capitalized to loan receivable
*** interest written off

In addition, the Company also earned financing advisory service fees from companies of which directors and officers are also directors and officers of Aberdeen. Directors and officers of Aberdeen may also hold investments in these companies. Below are transactions and balances outstanding at the end of each reporting period:

	Advisory service fees earned from related parties Years ended January 31,		Advisory service fees due from related parties As at January 31,	
	2013	2012	2013	2012
Castillian Resources Corp.	$ 165,000	$ 15,000	$ 105,000	$ 15,000
Longford Energy Inc.	$ -	$ 41,370	$ -	$ -

(Expressed in Canadian dollars unless otherwise noted)

16. Related party disclosures (continued)

During the years ended January 31, 2013 and 2012, the Company entered into the following transactions in the ordinary course of business with related parties.

	Sales of goods and services				Purchases of goods and services			
	Years ended January 31,				Years ended January 31,			
	2013		2012		2013		2012	
Forbes & Manhattan, Inc.	$	24,469	$	79,845	$	300,000	$	180,807
Legacy Platinum Corp.	$	-	$	97,083	$	-	$	-
Other miscellaneous	$	220	$	-	$	-	$	11,374

The Company shares office space with other companies who may have common officers or directors. The costs associated with this space are administered by an unrelated company. Mr. Stan Bharti, a director of the Company, is an officer and director of Forbes & Manhattan, Inc. An administration fee of $25,000 per month is charged by Forbes & Manhattan, Inc. to Aberdeen pursuant to a consulting agreement.

The amounts outstanding on advisory service fees and other fees are unsecured, non-interest bearing, with no fixed terms of repayment. No guarantees have been given or received. No expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties on these fees.

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. See also Notes 17 and 18.

The remuneration of directors and other members of key management personnel during the years ended January 31, 2013 and 2012 were as follows:

	Years ended January 31,			
	2013		2012	
Short-term benefits*	$	4,644,560	$	1,030,294
Share-based payments	$	440,112	$	294,626

* Benefits include fees paid to Forbes & Manhattan Inc.

During the year ended January 31, 2013, a director of the Company exercised 900,000 options at $0.12 per share.

During the year ended January 31, 2012, a director and an officer of the Company exercised a total of 1,730,000 options at an average price of $0.28 per share.

17. Commitments and contingencies

Management contracts

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $1,600,000 (2012 - $1,000,000) ranging from 30 days to 19 months and additional contingent payments of up to approximately $13,300,000 (2012 - $6,500,000) upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

Tax positions

In assessing the probability of realizing income tax assets and the valuation of income tax liabilities, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

18. Subsequent events

Subsequent to January 31, 2013, the Company approved the adoption of a Restricted Share Unit ("RSU") Incentive Plan and a Deferred Share Unit ("DSU") Incentive Plan. Upon adoption of the new plans, the Company is authorized to grant and issue an aggregate of 8,600,000 RSUs to directors and officers of the Company. Each RSU shall entitle the director or officer to receive one common share of the Company upon completion of certain terms. The common shares will be repurchased from open market and held in trust for subsequent issuance. The Company will also grant and issue an aggregate of 800,000 DSUs to the Company's independent directors. The DSUs are deferred and will be issued in the form of cash in an amount that represents the value of one common share of the Company for each DSU held on the date upon which the director ceases to be a director of the Company.

See also note 10.