ABERDEEN INTERNATIONAL

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six months ended
July 31, 2013 and 2012
(expressed in Canadian dollars)

UNAUDITED

ABERDEEN INTERNATIONAL INC.

Condensed Interim Statements of Financial Position
As at
(Unaudited)
(In Canadian dollars)

	Notes	July 31, 2013	January 31, 2013
		$	$
Assets			
Cash	11	**1,929,014**	322,185
Public investments, at fair value through profit and loss	3,11	**20,475,277**	32,292,172
Amounts receivable	4,11	**1,144,895**	14,903,734
Loans receivable	5,11	**4,913,532**	3,116,040
Prepaid expenses	11	**62,980**	72,700
Private investments, at fair value through profit and loss	3,11	**20,409,748**	21,039,834
Preferred shares, at fair value through profit and loss	11	**3,000,000**	3,000,000
Deferred tax assets	7,11	**3,520,000**	1,043,000
Total assets		**55,455,446**	75,789,665
Liabilities			
Due to broker		**-**	4,243,515
Accounts payable and accrued liabilities	6,9,11	**1,120,030**	599,856
Deferred revenue	5	**20,000**	-
Income taxes payable		**2,496,688**	5,496,236
Total liabilities		**3,636,718**	10,339,607
Shareholders' equity			
Share capital	8	**42,696,389**	42,974,278
Equity reserve and treasury shares	9	**2,955,445**	4,576,922
Retained earnings		**6,166,894**	17,898,858
Total shareholders' equity		**51,818,728**	65,450,058
Total liabilities and shareholders' equity		**55,455,446**	75,789,665
Commitments and contingencies	13		
Subsequent events	5,8,9,14		

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.

Condensed Interim Statements of Comprehensive Loss

(Unaudited)

(In Canadian dollars)

	Notes	Three months ended July 31,		Six months ended July 31,	
		2013	2012	**2013**	2012
		$	$	**$**	$
Net investment (losses)					
Realized (loss) gain on investments, net		**(2,749,407)**	464,207	**(3,167,045)**	128,554
Unrealized gain (loss) on investments, net		**390,920**	(7,824,668)	**(8,309,378)**	(26,669,780)
Total investment (losses)		**(2,358,487)**	(7,360,461)	**(11,476,423)**	(26,541,226)
Other revenue					
Royalties		**-**	-	**-**	559,503
Interest and dividend income	12	**224,754**	287,531	**405,467**	370,905
Advisory service fees	12	**-**	95,000	**24,000**	140,000
Total other revenue		**224,754**	382,531	**429,467**	1,070,408
Expenses					
Operating, general and administration	9,10	**2,741,612**	3,899,650	**3,869,870**	6,832,518
Interest expense		**-**	116	**94**	755
Provision for loan, interest and investment receivable		**168,688**	-	**171,626**	-
Loss on disposal of royalty interests		**-**	1,525,144	**-**	1,525,144
Depletion of royalty interests on mineral properties		**-**	-	**-**	151,700
Amortization		**-**	5,893	**-**	11,788
Total expenses		**2,910,300**	5,430,803	**4,041,590**	8,521,905
(Loss) before foreign exchange gain (loss)		**(5,044,033)**	(12,408,733)	**(15,088,546)**	(33,992,723)
Foreign exchange gain (loss)		**30,639**	(1,504,536)	**39,280**	(1,546,410)
(Loss) before income taxes		**(5,013,394)**	(13,913,269)	**(15,049,266)**	(35,539,133)
Income tax recovery	7	**1,193,762**	3,771,191	**3,848,684**	9,516,904
Net (loss) for the period		**(3,819,632)**	(10,142,078)	**(11,200,582)**	(26,022,229)
Other comprehensive income					
Currency translation adjustment, net of taxes		**-**	1,846,081	**-**	1,630,675
Total comprehensive (loss) for the period		**(3,819,632)**	(8,295,997)	**(11,200,582)**	(24,391,554)
(Loss) per common share based on net (loss) for the period					
Basic and diluted		**(0.04)**	(0.12)	**(0.13)**	(0.30)
Weighted average number of common shares outstanding					
Basic and diluted		**85,968,008**	86,418,616	**85,981,084**	86,572,337

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.
Condensed Interim Statements of Cash Flows
(Unaudited)
(In Canadian dollars)

	Notes	Six months ended July 31, 2013 $	2012 $
Cash flows from operating activities			
(Loss) before income taxes for the year		**(15,049,266)**	(35,539,133)
Income tax (paid)		**(1,627,864)**	(83,592)
Adjustments to reconcile net (loss) to cash used in operating activities:			
Realized loss (gain) on investments, net		**3,167,045**	(128,554)
Provision for loan, interest and investment receivable		**160,326**	-
Loss on disposal of royalty interests		**-**	1,525,144
Unrealized loss on investments, net		**8,309,378**	26,669,780
Depletion on royalty interests on mineral properties		**-**	151,700
Deferred revenue		**(40,000)**	-
Share-based compensation	9,10	**537,801**	624,742
Amortization		**-**	11,788
Foreign exchange (gain) loss		**(63,393)**	1,527,922
		(4,605,973)	(5,240,203)
Adjustments for:			
Sale of royalty interests		**-**	11,835,233
Purchase of investments		**(1,385,698)**	(9,824,021)
Disposal of investments		**16,921,154**	3,679,305
Short-term loans provided		**(2,032,131)**	(3,520,101)
Short-term loans repaid		**42,524**	1,100,610
Prepaid and other amounts receivable		**(641,158)**	(375,852)
Due to broker		**(4,243,515)**	-
Accounts payable and accrued liabilities		**520,175**	54,574
Net cash provided by (used) in operating activities		**4,575,378**	(2,290,455)
Cash flows from financing activities			
Repurchase of common shares relating to RSU	9	**(2,884,145)**	-
Dividend paid	8	**-**	(869,287)
Shares repurchased and cancelled	8	**(106,004)**	(246,627)
Shares issued through options exercised	8	**21,600**	108,000
Net cash (used in) financing activities		**(2,968,549)**	(1,007,914)
Change in cash for the period		**1,606,829**	(3,298,369)
CASH, beginning of period		**322,185**	7,372,118
CASH, end of period		**1,929,014**	4,073,749
Supplemental cash flow information			
Convertible debenture received as consideration for sale of royalty interests		**-**	9,400,000
Shares received on conversion of amount receivable		**118,650**	-
Units received on conversion of loans receivable	5	**369,000**	-
Interest paid		**94**	639

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.

Condensed Interim Statements of Changes in Equity

(Unaudited)

(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, 2013	**85,994,602**	**42,974,278**	**4,576,922**	**-**	**17,898,858**	**-**	**65,450,058**
Repurchase of common shares	-	-	-	(106,004)	-	-	(106,004)
Cancellation of repurchased common shares	(623,180)	(311,045)	205,041	106,004	-	-	-
Options exercised	180,000	33,156	(11,556)	-	-	-	21,600
Share-based compensation expense	-	-	537,801	-	-	-	537,801
Restricted share units	-	-	(430,000)	(1,922,763)	(531,382)	-	(2,884,145)
Net loss for the period	-	-	-	-	(11,200,582)	-	(11,200,582)
Balance - July 31, 2013	**85,551,422**	**42,696,389**	**4,878,208**	**(1,922,763)**	**6,166,894**	**-**	**51,818,728**
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	-	-	-	(246,627)	-	-	(246,627)
Cancellation of repurchased common shares	(520,000)	(260,096)	13,469	246,627	-	-	-
Options exercised	900,000	165,780	(57,780)	-	-	-	108,000
Share-based compensation expense	-	-	624,742	-	-	-	624,742
Warrants expired unexercised	-	-	(15,750,000)	-	15,750,000	-	-
Dividend declared and paid	-	-	-	-	(869,287)	-	(869,287)
Net loss for the period	-	-	-	-	(26,022,229)	-	(26,022,229)
Currency translation adjustment	-	-	-	-	-	1,630,675	1,630,675
Balance - July 31, 2012	**86,480,139**	**43,216,917**	**5,168,401**	**-**	**22,921,129**	**-**	**71,306,447**

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

These condensed interim financial statements are unaudited and prepared on a condensed basis in accordance with the International Accounting Standards ("IAS") 34, *Interim Financial Reporting* issued by the International Accounting Standard Board ("IASB"). These condensed interim financial statements have been prepared in accordance with the accounting policies described in Note 2 of the Company's annual financial statements as at and for the year ended January 31, 2013 except as disclosed below. Accordingly, these condensed interim statements for the three and six month periods ended July 31, 2013 and 2012 should be read together with the annual financial statements as at and for the year ended January 31, 2013.

These condensed interim financial statements of the Company were approved by the Board of Directors on September 12, 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 ("$"). In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Certain comparative amounts have been reclassified to conform to the current year's presentation.

New accounting policies

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods effective beginning February 1, 2013. Updates that are not applicable or are not consequential to the Company have been excluded thereof.

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 Company has determined that the adoption of IFRS 7 did not result in any material change to the condensed interim financial statements.

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. The Company has determined that the adoption of IFRS 13 did not result in any material change to the condensed interim financial statements.

2. Significant accounting policies (continued)

New accounting policies (continued)

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 Company has determined that that the adoption of IAS 1 did not result in any material change to the condensed interim financial statements.

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 Company has determined that the adoption of IAS 19 did not result in any material change to the condensed interim financial statements.

Deferred share unit ("DSU") incentive plan

The initial fair value of the DSU compensation liability is calculated as of the grant date. Subsequently, the Company's DSU compensation liability is accounted for based on the number of units outstanding and the quoted market value of the Company's common shares at the financial position date. The Company recognizes the compensation cost in the condensed interim statements of comprehensive loss on the date of grant and makes adjustment for changes in fair value until the end of the performance date.

Restricted share unit ("RSU") incentive plan

The Company purchases shares of the Company from the open market to distribute to management as compensation. These shares are restricted and reserved in trust for issuances. The restricted share units vest in three tranches, 1/3 vesting on the date of grant, 1/3 vesting six months from the date of grant and the remaining vesting twelve months from the date of grant. The restricted share units are measured at the fair value at the grant date. The Company recognizes the compensation cost in the condensed interim statements of comprehensive loss over the appropriate vesting periods using the graded vesting method.

Future accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after February 1, 2014 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.

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 July 31, 2013, the Company's investment portfolio consisted of 30 publicly-traded investments and 16 privately-held investments for a total fair value of $40,885,025.

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.

(Expressed in Canadian dollars unless otherwise noted)

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

Public investments

At July 31, 2013, the 30 Company's publicly-traded investments had a total fair value of $20,475,277.

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Aguia Resources Ltd.*		2,976,465 common shares	$ 291,231	$ 137,266	0.8%
		277,393 option expire Dec 31, 2014			
Alderon Iron Ore Corp.		446,100 common shares	466,100	536,015	2.6%
Allana Potash Corp.		630,000 common shares	222,259	286,650	1.4%
Antofagasta Gold Inc. **	(iii)	480,000 common shares	79,911	214,310	1.0%
		45,000 w arrants expire Oct 14, 2014			
Apogee Silver Ltd.		8,000,000 common shares	400,000	308,320	1.5%
		4,800,000 w arrants expire Apr 5, 2016			
Black Iron Inc.	(iii)	5,616,000 common shares	3,280,504	1,123,200	5.5%
East Asia Minerals Corporation	(iii)	4,000,000 common shares	1,990,180	320,000	1.7%
		3,800,000 w arrants expire Dec 15, 2013			
Forbes & Manhattan (Coal) Corp.	(iii)	2,415,907 common shares	3,458,263	822,891	4.1%
Kincora Copper Limited		6,443,558 common shares	1,610,890	193,307	0.9%
Mason Graphite Corp.		762,500 common shares	467,260	442,125	2.2%
		500,000 w arrants expire Oct 15, 2013			
		250,000 w arrants expire Jun 28, 2015			
Portex Minerals Inc.	(i,ii,iii)	21,249,315 common shares	1,062,466	424,986	2.1%
Premier Royalty Inc.		3,884,849 w arrants expire Dec 4, 2014	266,501	282,429	1.4%
Rodinia Lithium Inc.	(iii)	3,978,333 common shares	2,426,646	437,917	2.1%
		1,500,000 w arrants expire Dec 26, 2013			
Savary Gold Corp.	(ii)	4,492,000 common shares	466,669	336,900	1.6%
Silver Bear Resources Inc.	(iii)	6,020,500 common shares	2,428,214	968,926	4.7%
		1,449,275 w arrants expire Jun 7, 2015			
		1,025,000 w arrants expire Jun 4, 2016			
Sulliden Gold Corporation Ltd.	(iii)	14,500,000 common shares	11,084,289	13,195,000	64.4%
Total of 14 other investments	(iv)		3,490,261	445,035	2.0%
Total public investments			$ 33,491,644	$ 20,475,277	100.0%

* Formerly New port Mining Ltd.,

** Formerly Windamere Ventures Ltd.

Note

(i) The Company has filed a Section 102 report pursuant to the Ontario Securities Act for this investment and has filed this early warning report on SEDAR.

(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at July 31, 2013.

(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at July 31, 2013.

(iv) Total other investments held by the Company, which are not individually listed as at July 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, 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			
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			
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%
Rodinia Lithium Inc.	(iii)	3,978,333 common shares	2,426,646	777,725	2.4%
		1,500,000 warrants expire Dec 26, 2013			
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%
Valencia 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 15 other investments	(iv)		4,483,464	1,522,779	4.7%
Total public investments			$ 39,344,884	$ 32,292,172	100.0%

* Formerly Newport Mining Ltd.,
** Formerly Windamere Ventures Ltd.

Note

(i) The Company has filed a Section 102 report pursuant to the Ontario Securities Act for this investment and has filed this early warning report on SEDAR.
(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)

Private investments

At July 31, 2013, the 16 Company's privately-held investments had a total fair value of $20,409,748.

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Brazil Potash Corp.	(iii)	1,650,062 common shares	$ 2,500,000	$ 4,237,359	20.8%
DT Plantations Limited*	(ii)	2,770,000 common shares	200,000	277,000	1.4%
		500,000 w arrants			
Forbes Ram Holidngs Inc.	(ii,iii,v)	8,000,000 common shares	8,000,000	8,000,000	39.2%
Indo Gold Limited	(ii,iii)	7,500,000 common shares	1,560,000	1,382,400	6.8%
Irati Energy Ltd.		2,213,179 common shares	1,994,975	3,873,063	19.0%
Legacy Platinum Corp.	(ii,iii)	3,115,000 common shares	2,231,174	1,557,500	7.6%
Metal Prospecting AS	(iii)	202,310 common shares	179,752	176,212	0.9%
Ram River Coal Corp.		750,000 common shares	37,500	750,000	3.7%
Total of 8 other investments	(iv)		4,450,921	156,214	0.7%
Total private investments			$ 21,154,322	$ 20,409,748	100.1%

* 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 July 31, 2013.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at July 31, 2013.
(iv) Total other investments held by the Company, which are not individually listed as at July 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 July 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 of the Company's annual financial statements as at and for the year ended January 31, 2013 relating to the exemption to consolidating particular subsidiaries for investment entities.

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 Energy Ltd.		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 Resources (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%

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 of the Company's annual financial statements as at and for the year ended January 31, 2013 relating to the exemption to consolidating particular subsidiaries for investment entities.

(Expressed in Canadian dollars unless otherwise noted)

4. Amounts receivable

		July 31, 2013		January 31, 2013
Interest receivable (Note 5)	**$**	**251,156**	$	123,932
Investment recoverable expenses		**290,694**		-
Investment settlement receivable		**307,153**		14,503,051
Other receivable		**295,892**		276,751
	$	**1,144,895**	$	14,903,734

5. Loans receivable

			July 31, 2013		January 31, 2013
Brookwater Venture Inc.	Unsecured	**$**	**100,000**	$	-
Coastal Gold Corp*	Unsecured		**118,650**		-
DT Plantations Inc.	Unsecured		**308,160**		-
Irati Energy Ltd.	Convertible		**600,000**		-
Legacy Platinum Corp.	Convertible		**1,512,846**		1,367,338
Metal Prospecting AS	Convertible		**209,040**		219,120
Pitchblack Resources Ltd.	Unsecured		**118,224**		107,476
Rodinia Lithium, Inc.	Secured LOC		**410,192**		-
Silver Bear Resources Inc.	Convertible		**31,000**		-
Temujin Mining Corp.	Convertible		**1,505,420**		1,342,106
Other loans	Convertible		**-**		80,000
		$	**4,913,532**	$	3,036,040

* formerly Castillian Resources Corp.

Temujin Mining Corp.

Pursuant to a loan agreement dated January 27, 2012, the Company agreed to provide loan facility to Temujin from time to time at the sole discretion of the Company. The principal of the loan was to mature, and become due and payable on December 31, 2012, and was 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.

During the year-ended January 31, 2013, the Company loaned $88,400 and US$1,257,100 ($1,253,706) to Temujin. As of January 31, 2013, the loan principal and accrued interest totalling $95,592 and US$1,337,434 ($1,333,823) remained outstanding.

During the six months ended July 31, 2013, the Company loaned an additional $19,620 and US$121,298 ($124,301) to Temujin, and received repayment of US$18,000 ($18,490). As of July 31, 2013, the loan principal and accrued interest totaling $120,552 and US$1,509,626 ($1,550,688) remained outstanding. Directors 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.

5. Loans receivable (continued)

Legacy Platinum Corp. (continued)

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. On August 15, 2013, the term of the agreement was amended to include a) a loan to a maximum amount of US$1,000,000, b) the loan is secured against the issued and outstanding common shares of Legacy and ranks senior in priority and preference to any unsecured indebtedness of Legacy.

During the six months ended July 31, 2013, the Company loaned an additional US$52,100 ($53,022) to Legacy. As of July 31, 2013, the loan principal and accrued interest totaling $394,603 and US$1,113,438 ($1,143,724) remained outstanding. An officer of Aberdeen, Richard Bishop, serves as a director of Legacy.

Pitchblack Resources 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.

On May 8, 2013, the Company extended the maturity date of the loan to July 31, 2014. As of July 31, 2013, loan principal plus accrued interest totalling $119,228 remained outstanding.

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.

During the six months ended July 31, 2013, the Company reviewed the recoverability of the loan and determined an impairment provision is required. Consequently, a provision on loan principal of $50,000 and accrued interest of $10,356 was made.

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 Minerals Inc. ("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 July 31, 2013, principal plus accrued interest totalling NOK1,338,937 ($233,243) remained outstanding. An officer of Aberdeen, David Stein, serves as a director of Metpro.

5. Loans receivable (continued)

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.

On February 13, 2013, Forbes Russia repaid $24,000. During the six months ended July 31, 2013, the Company reviewed the recoverability of the loan and determined an impairment provision is required. Consequently, a provision on loan principal of $6,000 and accrued interest of $1,032 was made.

Brookwater Venture Inc.

On February 7, 2013, Brookwater Venture Inc. ("Brookwater") issued a promissory note to the Company for $100,000. The principal of the note will mature, be due and payable on February 7, 2014. The note is unsecured and earns interest at 13% per annum calculated monthly and payable on maturity. In the event of default, interest at 15% will be charged on overdue and unpaid principal and accrued interest calculated daily and compounded monthly.

As of July 31, 2013, principal plus accrued interest totalling $106,197 remained outstanding.

Rodinia Lithium Inc.

On February 25, 2013, the Company entered into a secured loan agreement with Rodinia Lithium Inc. ("Rodinia") whereby the Company agreed to make available to Rodinia a secured line of credit up to a maximum of $2,000,000 ("Line of Credit"). Rodinia made an initial drawdown of $300,000 on February 27, 2013. All subsequent drawdown requests from Rodinia are subject to approval by the Company. Interest on each drawdown shall be accrued at 10% per annum, calculated and payable quarterly with the first quarterly interest payment due on June 30, 2013. The principal and accrued interest of the final drawdown will mature and become due and payable on demand on the third anniversary, or in an event of default, the Company may declare the Principal due. The Line of Credit is secured against each of the properties that Rodinia owns in Salar de Centenario and shall rank senior in priority and preference to any unsecured indebtedness of Rodinia. On July 30, 2013, the term of the agreement was amended to include a monthly drawdown of $100,000 per month up to $600,000 until December 31, 2013. The overdue and unpaid quarterly interest installment was capitalized to loan principal.

As of July 31, 2013, principal plus accrued interest totalling $420,312 remained outstanding. An officer of Aberdeen, Ryan Ptolemy, serves as an officer of Rodinia.

DT Plantations Inc.

On March 12, 2013, DT Plantations Limited ("DT") issued a promissory note to the Company for US$300,000 ($308,040). The note will mature, be due and payable on the earlier of (a) March 7, 2014, or (b) the date upon which DT completes a financing for greater than USD$1,000,000. The note is unsecured and earns interest at 10% per annum. In the event of default, interest at 12% will be charged on overdue and unpaid principal and accrued interest calculated daily and compounded monthly. In consideration of the debt financing, the Company received 500,000 DT warrants to purchase shares of DT at $0.15 per share for a period of 12 months from the date DT becomes publicly listed.

As of July 31, 2013, principal plus accrued interest totalling US$314,301 ($322,850) remained outstanding.

5. Loans receivable (continued)

Silver Bear Resources Inc.

On April 2, 2013, Silver Bear Resources Inc. ("Silver Bear") issued a promissory note to the Company for $400,000. The note will mature and be due and payable on the earlier of (a) October 2, 2013; (b) the date upon which Silver Bear completes a financing for an amount equal or greater than $2,000,000; and (c) any other date when the Company declares the principal due in the event of a default. In the event of (b), the Company is only entitled to interest accrued as of the date of repayment on a pro rata basis, except in the event when the Company chooses to convert the principal into shares of Silver Bear. In such case, the principal and full amount of interest payable shall be repaid in the form of shares on the closing date of Silver Bear's equity financing. The note is unsecured and earns interest at 30% per annum calculated bi-annually and payable upfront in the amount of $60,000 upon the date of signing the promissory note.

The Company loaned $400,000 to Silver Bear and received $60,000 interest on April 3, 2013. On June 4, 2013, the Company converted $369,000 of its loan into units of Silver Bear through Silver Bear's financing, leaving an outstanding balance of $31,000 as at July 31, 2013.

As at July 31, 2013, $40,000 was recorded as interest and dividend income and $20,000 remained as deferred revenue. A director of Aberdeen, Stan Bharti, serves as a director of Silver Bear.

Coastal Gold Corp. (formerly Castillian Resources Corp.)

On April 11, 2013, the Company entered into a term loan agreement with Coastal Gold Corp. ("Coastal") and converted the outstanding receivable of $118,650 to a term loan. The loan is unsecured and earns 10% interest per annum. Principal of the loan plus accrued interest will mature, be due and payable in cash on December 31, 2014. In the event of a change of control that occurs to Coastal, the outstanding principal and all interest accrued will become due and payable in cash on the date on which such change of control occurs.

As of July 31, 2013, principal plus accrued interest totalling $122,291 remained outstanding. A director of Aberdeen, Michael Hoffman, serves as a director of Coastal.

Irati Energy Ltd.

During the six months ended July 31, 2013, the Company loaned Irati Energy Ltd. ("Irati") $600,000. The loan is interest free and will either be repaid in cash minus expenses, or converted into shares of a subsidiary of Irati with terms to be defined at the conversion date.

As of July 31, 2013, principal of $600,000 remained outstanding.

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

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.

During the six months ended July 31, 2013, the Company loaned $2,938 to Desert Eagle. This amount was written off.

(Expressed in Canadian dollars unless otherwise noted)

5. Loans receivable (continued)

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.

During the six months ended July 31, 2013, the Company loaned $90,000 to SMI. This amount was written off.

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.

6. Accounts payable and accrued liabilities

		July 31, 2013		January 31, 2013
Trade payables	**$**	**204,051**	$	310,430
Accrued expenses (Note 9)		**915,979**		289,426
	$	**1,120,030**	$	599,856

7. Income taxes

Significant component of income tax recovery

		July 31, 2013		July 31, 2012
Current tax recovery (expense)	$	1,371,684	$	(3,171,096)
Deferred tax recovery		2,477,000		12,688,000
Income tax recovery	$	3,848,684	$	9,516,904

(Expressed in Canadian dollars unless otherwise noted)

7. Income taxes (continued)

Provision for income taxes

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 – 26.5%) during the periods ended:

		July 31, 2013		July 31, 2012
(Loss) before income taxes	$	(15,049,266)	$	(35,539,133)
Expected income tax (recovery)	$	(3,988,000)	$	(9,314,000)
Adjustments to benefit resulting from:				
Share-based compensation		143,000		164,000
Net realized gain on foreign exchange		239,000		(194,000)
Change in expected tax rate		(145,408)		132,584
Other		(97,276)		(305,488)
Provision for income tax (recovery)	$	(3,848,684)	$	(9,516,904)

Deferred taxes as at:

		July 31, 2013		January 31, 2013
Deferred tax assets				
Investments	$	3,453,000	$	3,443,000
Premier royalty convertible debenture		-		(2,238,000)
Resource properties		86,000		86,000
Other		(19,000)		(248,000)
Deferred tax assets	$	3,520,000	$	1,043,000

8. Share capital

Authorized: Unlimited common shares with no par value

Common shares

Issued and outstanding common shares	Number of shares		Amount
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**
Shares issued on exercise of options	180,000		21,600
Option valuation on options exercised	-		11,556
Shares repurchased and cancelled (NCIB)	(623,180)		(311,045)
Balance, July 31, 2013	**85,551,422**	**$**	**42,696,389**

(Expressed in Canadian dollars unless otherwise noted)

8. Share capital (continued)

Dividends

The Company has suspended its dividend policy in fiscal 2014. During the six months ended July 31, 2013, the Company did not declare or pay any dividends (July 31, 2012 - $869,287).

Normal course issuer bid ("NCIB")

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 could purchase up to 7,474,230 representing 10% of the common shares in the public float as at February 22, 2012. Daily purchases were limited to 30,714 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, 2013, the Company purchased and cancelled 1,005,500 common shares at an average price of $0.41 per share.

On May 28, 2013, the Company announced its intention to make a NCIB, subject to TSX approval, to buy back its common shares through the facilities of the TSX. Any purchases made pursuant to the NCIB will be made in accordance with the rules of the TSX. The maximum number of common shares that may be purchased for cancellation pursuant to the NCIB is that number of common shares that represents 10% of the common shares in the public float. Based on the 70,739,102 common shares in the public float as at May 27, 2013, the maximum number of shares to be purchased and cancelled would be 7,073,910. Daily purchases will be limited to 50,036 common shares other than block purchase exceptions. Purchases under the NCIB are permitted to commence on May 30, 2013 and will terminate on May 29, 2014 or the date upon which the maximum number of common shares have been purchased by Aberdeen pursuant to the NCIB. Aberdeen intends that any shares acquired pursuant to the NCIB will be cancelled.

During the six months ended July 31, 2013, the Company purchased and cancelled 623,180 shares (2012 – 520,000) at an average price of $0.17 per share (2012 – $0.47).

9. Equity reserve

	Number of warrants	Weighted average exercise price	**Value of warrants**	Number of options	Weighted average exercise price	**Value of options/RSU**	**Treasury shares adjustment**	**Total Value**
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	-	$ 0.00	**$ -**	7,522,500	$ 0.41	**$ 1,542,427**	**$ 3,034,495**	**$ 4,576,922**
Vested	-	-	**-**	-	-	**537,801**	-	**537,801**
RSUs	-	-	**-**	-	-	**(430,000)**	**(1,922,763)**	**(2,352,763)**
Exercised	-	-	**-**	(180,000)	0.12	**(11,556)**	-	**(11,556)**
NCIB allocation	-	-	**-**	-	-	**-**	**205,041**	**205,041**
July 31, 2013	-	$ -	**$ -**	7,342,500	$ 0.41	**$ 1,638,672**	**$ 1,316,773**	**$ 2,955,445**

(Expressed in Canadian dollars unless otherwise noted)

9. Equity reserve (continued)

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.

The Company did not grant any options during the six months ended July 31, 2013. During the six months ended July 31, 2012, 2,500,000 options were granted to certain directors, officers and employees of the Company with a weighted-average grant date fair value of $0.24 per option. These options vested immediately. Share based compensation expenses of $503,742 relating to these options and others that vested during the six months ended July 31, 2012 was recorded in operating, general and administration fees. 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 effectors of non-transferability, exercise restriction, 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.

The following share-based payment arrangements were in existence as at July 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)
*	100,000	100,000	11-Aug-08	11-Aug-13	$ 0.48	$ 30,640	83%	3.11%	5
*	50,000	50,000	5-Sep-08	5-Sep-13	$ 0.35	$ 11,890	84%	3.00%	5
	200,000	200,000	1-Oct-08	1-Oct-13	$ 0.29	$ 39,400	74%	2.04%	5
	1,900,000	1,900,000	14-Jan-09	14-Jan-14	$ 0.12	$ 121,980	68%	1.52%	5
	62,500	62,500	1-Feb-10	1-Feb-15	$ 0.47	$ 19,000	79%	2.47%	5
	1,185,000	1,185,000	25-Feb-10	25-Feb-15	$ 0.43	$ 311,537	70%	2.49%	5
	100,000	100,000	5-Oct-10	5-Oct-15	$ 0.48	$ 25,650	64%	2.00%	5
	200,000	200,000	30-Nov-10	30-Nov-15	$ 0.64	$ 70,880	64%	2.35%	5
	845,000	845,000	20-Apr-11	20-Apr-16	$ 0.87	$ 347,295	70%	2.65%	5
	200,000	200,000	30-Jun-11	30-Jun-16	$ 0.79	$ 68,400	63%	2.30%	5
	2,500,000	2,500,000	12-Jun-12	12-Jun-17	$ 0.44	$ 485,000	66%	1.21%	5
	7,342,500	7,342,500				$ 1,531,672			

* expired unexercised subsequent to July 31, 2013

The weighted average exercise price of stock options outstanding and exercisable as at July 31, 2013 was $0.42 (January 31, 2013 - $0.41). The weighted average remaining contractual life of options outstanding and exercisable as at July 31, 2013 was 2.19 years (January 31, 2013 – 2.65 years).

On April 24, 2013, the Company approved the adoption of a RSU and a DSU 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 are to be purchased from the open market and held in trust for subsequent conversion of RSUs. The Company has granted and issued 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 director of the Company.

As at and for the six months ended July 31, 2013, in relation to the DSU, $124,000 was recorded under operating, general and administration expenses and included in accounts payable and accrued liabilities.

(Expressed in Canadian dollars unless otherwise noted)

9. Equity reserve (continued)

Restricted share unit incentive plan

During the six months ended July 31, 2013, 8,600,000 common shares of the Company were purchased from the open market for an aggregate cost of $2,884,145. These shares are restricted and reserved in trust for future issuances.

On July 1, 2013, the Company granted and issued 2,866,667 restricted shares units to certain directors and officers of the Company. The restricted shares units vest in three tranches, 1/3 on vesting on the date of grant, 1/3 vesting six months from the date of grant and the remaining vesting twelve months from the date of grant. The grant date fair value of these restricted shares units was determined to be $1,290,000. Compensation cost of $537,000 was recognized in the condensed interim statements of comprehensive loss using the graded vesting method and a $531,382 loss on the issuance was charged to retained earnings.

10. Expenses by nature

Details included in operating, general and administration expenses for the periods ended July 31, 2013 and 2012 are as follows:

	Three months ended July 31,		Six months ended July 31,	
	2013	2012	2013	2012
Salaries, consulting, benefits, bonus and DSUs	$ 529,859	$ 2,950,827	$ 1,366,788	$ 5,459,052
Stock options and RSUs granted to directors, officers, employees and consultants (Note 9)	537,000	613,576	537,801	624,742
Legal, accounting and professional fees	109,872	16,278	182,632	73,340
Filing and transfer agent fees	7,320	3,140	35,533	38,002
Shareholders communication and promotion	46,097	97,133	100,009	137,417
Travel	60,537	116,031	109,390	186,261
General office and administration costs	99,253	102,665	186,043	288,704
Charitable donation	-	-	-	25,000
Business development costs	1,351,674	-	1,351,674	-
	$ 2,741,612	$ 3,899,650	$ 3,869,870	$ 6,832,518

11. Financial instruments

Financial assets and financial liabilities as at July 31, 2013 and January 31, 2013 are as follows:

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit or loss	TOTAL
July 31, 2013			
Cash	$ 1,929,014	$ -	$ 1,929,014
Public investments	-	20,475,277	20,475,277
Amounts receivables	1,144,895	-	1,144,895
Loans receivable	1,055,226	3,858,306	4,913,532
Private investments	-	20,409,748	20,409,748
Preferred shares	-	3,000,000	3,000,000
Accounts payable and accrued liabilities	(1,120,030)	-	(1,120,030)

(Expressed in Canadian dollars unless otherwise noted)

11. Financial instruments (continued)

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit or loss	TOTAL
January 31, 2013			
Cash	$ 322,185	$ -	$ 322,185
Public investments	-	32,292,172	32,292,172
Amounts receivables	14,903,734	-	14,903,734
Loans receivable	107,476	3,008,564	3,116,040
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)

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 July 31, 2013, which made up of approximately 30% (January 31, 2013 – 27%) of the total equity portfolio.

For the six months ended July 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 $3 million, or $0.04 per share (January 31, 2013 - $4 million, or $0.05 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.

(Expressed in Canadian dollars unless otherwise noted)

11. Financial instruments (continued)

Liquidity risk (continued)

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

Liquidity by period

Assets	Total	Less than 1 year	1-3 years	After 4 years	Non-liquid assets
Cash	$ 1,929,014	$ 1,929,014	$ -	$ -	$ -
Public investments	20,475,277	20,475,277	-	-	-
Amount receivable	1,144,895	1,144,895	-	-	-
Loans receivable	4,913,532	4,194,882	718,650	-	-
Prepaid expenses	62,980	62,980	-	-	-
Private investments	20,409,748	-	20,409,748	-	-
Preferred shares	3,000,000	-	-	-	3,000,000
Deferred tax assets	3,520,000	-	-	-	3,520,000
Total assets - July 31, 2013	$ 55,455,446	$ 27,807,048	$ 21,128,398	$ -	$ 6,520,000

Liquidity by period

Assets	Total	Less than 1 year	1-3 years	After 4 years	Non-liquid assets
Cash	$ 322,185	$ 322,185	$ -	$ -	$ -
Public investments	32,292,172	32,292,172	-	-	-
Amount receivable	14,903,734	14,903,734	-	-	-
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

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 July 31, 2013 was $7,519,054 (January 31, 2013 - $18,019,774).

Management has considered the potential impairment of loan and amount receivables. The following summarized provisions made on loan impairment during the periods ended July 31, 2013 and 2012.

	Six months ended	
Provisions on loan and amount receivables	**July 31, 2013**	July 31, 2012
Recoverable investment pool expenses, net	**$ 11,300**	$ -
Desert Eagle Resources Ltd.*	**2,938**	-
Forbes & Manhattan West Africa Resources Inc	**60,356**	**-**
Forbes & Manhattan (Russia) Inc.	**7,032**	**-**
Scandinavian Metals Inc.	**90,000**	**-**
	$ 171,626	$ -

11. 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:

July 31, 2013

	US Dollars	Australian Dollars	South African Rand	Norwegian Krone	UK Pound Sterling
Cash	$ 20,851	$ 106,418	$ 77,956	$ -	$ -
Amounts receivables	198,466	-	-	24,203	-
Public investment	-	137,266	23,131	-	-
Loans receivable	2,829,241	-	-	209,040	-
Private investment	4,237,359	1,382,400	-	176,212	56,214
Accounts payable and accrued liabilities	(1,294)	-	-	-	-
	$ 7,284,623	$ 1,626,084	$ 101,087	$ 409,455	$ 56,214

January 31, 2013

	US Dollars	Australian Dollars	South African Rand	Norwegian Krone	UK Pound Sterling
Cash	$ 7,436	$ 75,060	$ 82,391	$ -	$ -
Amounts receivables	98,315	-	-	3,287	-
Public investment	-	697,112	46,549	-	-
Loans receivable	2,250,362	-	-	219,120	-
Private investment	3,291,214	1,924,968	-	-	57,021
Accounts payable and accrued liabilities	(1,015)	-	-	-	(9,553)
	$ 5,646,312	$ 2,697,140	$ 128,940	$ 222,407	$ 47,468

A 10% increase in the value of the Canadian dollar against all foreign currencies in which the Company held financial instruments as of July 31, 2013 would result in an estimated increase in after-tax net loss of approximately $0.7 million or $0.01 per share (January 31, 2013 – after-tax net loss of approximately $0.6 million or $0.01 per share). The Company does not currently hedge its foreign currency exposure.

(Expressed in Canadian dollars unless otherwise noted)

11. Financial instruments (continued)

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 of the annual financial statements as at and for the year ended January 31, 2013.

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.

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at July 31, 2013:

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	$ 19,985,560	$ -	$ -	$ 19,985,560
Non-trading warrants on public investments	-	489,717	-	489,717
Private investments, performance and preferred shares	-	-	23,409,748	23,409,748
Convertible debenture	-	-	3,858,306	3,858,306
July 31, 2013	$ 19,985,560	$ 489,717	$ 27,268,054	$ 47,743,331

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

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 debenture	-	-	3,008,564	3,008,564
January 31, 2013	$ 29,844,392	$ 2,447,780	$ 27,048,398	$ 59,340,570

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the periods ended July 31, 2013 and January 31, 2013. 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.

(Expressed in Canadian dollars unless otherwise noted)

11. Financial instruments (continued)

Investments, fair value	Six months ended July 31, 2013	Year ended January 31, 2013
Balance, beginning of year	**$ 27,048,398**	$ 18,047,185
Net purchases - shares	**229,752**	11,905,128
Disposal - shares	**-**	(12,831,765)
Unrealized and realized loss net	**(2,345,725)**	8,106,955
Transfer of investment from pubic to private, net	**1,485,887**	(2,465,862)
Conversion of debenture to public company's shares	**-**	(10,400,000)
Preferred shares net additions	**-**	3,000,000
Convertible debenture net additions	**849,742**	11,686,757
Balance, end of period	**$ 27,268,054**	$ 27,048,398

12. 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 total investments and the nature of the relationship of the Company's directors or officers with the investment as of July 31, 2013 and January 31, 2013.

Investment	Nature of relationship	Estimated Fair value	% of FV
Antofagasta gold Inc. **	Director (Bruce Humphrey),officer (Ryan Ptolemy) and shareholders	$ 214,310	0.5%
Black Iron Inc.	Directors (Bruce Humphrey,Pierre Pettigrew), officer (Stan Bharti) and shareholders	1,123,200	2.6%
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy) and shareholders	4,237,359	9.7%
Coastal Gold Corp. ***	Director (Michael Hoffman) and shareholders	45,317	0.1%
East Asia Minerals Ltd.	Director (David Stein) and shareholders	320,000	0.7%
Emerita Gold Corp.	Major shareholder (Stan Bharti) and shareholders	61,676	0.1%
Forbes & Manhattan (Coal) Corp.	Directors (Stan Bharti, Bernard Wilson) and shareholders	822,891	1.9%
Forbes Ram Holdings Inc.*	Director (Stan Bharti) and shareholders	8,000,000	18.2%
Indo Gold Limited *	Officer (Stan Bharti) and shareholders	1,382,400	3.2%
Legacy Platinum Inc.*	Officer (Richard Bishop) and shareholders	1,557,500	3.5%
Metal Prospecting AS	Director (David Stein) and shareholders	176,212	0.4%
Portex Minerals Inc.	Officer (Richard Bishop) and shareholders	424,986	1.0%
Rodinia Lithium Inc.	Officer (Ryan Ptolemy) and shareholders	3,437,917	7.8%
Silver Bear Resources Inc.	Director (Stan Bharti) and shareholders	968,926	2.2%
Sulliden Gold Corporation Ltd.	Directors (Stan Bharti,George Faught, Pierre Pettigrew, Bruce Humphrey) and shareholders	13,195,000	30.1%
Valencia Ventures Inc.	Director (Bernard Wilson) and shareholders	35,935	0.1%
Wolf Resource Development Corp. ****	Director (George Faught) and shareholders	32,130	0.1%
Total of 30 other investments	Shareholders/warrant holders	7,849,266	17.9%
Total Investments - July 31, 2013		$ 43,885,025	100.0%

* Private company

** Formerly Windamere Ventures Ltd.

*** Formerly Castillian Resources Corp.

**** Formerly Ferro Iron Ore Corp.

(Expressed in Canadian dollars unless otherwise noted)

12. Related party disclosures (continued)

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	4.8%
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy), and shareholders		3,291,214	5.8%
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	2.2%
Emerita Gold Corp.	Major shareholder (Stan Bharti) and shareholders		250,000	0.4%
Forbes & Manhattan (Coal) Corp.	Directors (Stan Bharti, Bernard Wilson) and shareholders		1,386,953	2.5%
Forbes Ram Holdings Inc.*	Director (Stan Bharti) and shareholders		8,000,000	14.2%
Indo Gold Limited *	Officer (Stan Bharti) and shareholders		1,560,000	2.8%
Legacy Platinum Inc.*	Officer (Richard Bishop) and shareholders		1,557,500	2.8%
Premier Royalty Inc.	Director (George Faught) and shareholders		1,679,032	3.0%
Rodinia Lithium Inc.	Officer (Ryan Ptolemy) and shareholders		3,777,725	6.7%
Sagres Energy Inc.	Advisor (Stan Bharti) and shareholders		43,333	0.1%
Scandinavian Metals Inc.*	Director (Stan Bharti) and shareholders		569,069	1.0%
Silver Bear Resources Inc.	Director (Stan Bharti) and shareholders		1,634,024	2.9%
Sulliden Gold Corporation Ltd.	Directors (Stan Bharti,George Faught, Pierre Pettigrew), and shareholders		14,474,752	25.7%
Valenicia Ventures Inc.	Director (Bernard Wilson) and shareholders		170,409	0.3%
Total of 29other investments	Shareholders/warrant holders		13,306,548	23.6%
Total Investments - January 31, 2013		**$**	**56,332,006**	100.0%

* Private company
** Formerly Windamere Ventures Ltd.
*** Formerly Auger Resources Ltd.

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				Loans receivable from related parties	
	Three months ended July 31,		Six months ended July 31,		As at July 31,	As at January 31,
	2013	2012	2013	2012	2013	2013
Coastal Gold Corp.***	$ 118,650	$ -	$ 118,650	$ -	$ 118,650	$ -
Legacy Platinum Corp.*	$ 53,022	$ -	$ 53,022	$ 399,160	$ 1,512,846	$ 1,367,338
Metal Prospecting AS	$ -	$ -	$ -	$ -	$ 209,040	$ 219,120
Rodinia Lithium Inc.	$ 100,000	$ -	$ 400,000	$ -	$ 410,192	$ -
Scandinavian Metals Inc.**	$ 90,000	$ 355,000	$ 90,000	$ 825,000	$ -	$ -
Silver Bear Resources Inc.	$ -	$ -	$ 400,000	$ -	$ 31,000	$ -
Temujin Mining Corp.	$ 67,987	$ 700,557	$ 143,921	$ 1,084,843	$ 1,505,420	$ 1,342,106
	$ 429,659	$ 1,055,557	$ 1,205,593	$ 2,309,003	$ 3,787,148	$ 2,928,564

* loan receivable includes capitalized interest
** loan written off
*** formerly Castillian Resources Corp.

(Expressed in Canadian dollars unless otherwise noted)

12. Related party disclosures (continued)

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 and dividend earned from related parties				Interest and dividend receivable from related parties	
	Three months ended July 31,		Six months ended July 31,		As at July 31,	As at January 31,
	2013	2012	2013	2012	2013	2013
Coastal Gold Corp.***	$ 3,641	$ -	$ 3,641	$ -	$ 3,641	$ -
Legacy Platinum Corp.*	$ 35,801	$ 32,499	$ 64,968	$ 54,663	$ 25,481	$ 23,479
Metal Prospecting AS	$ 11,137	$ -	$ 21,090	$ -	$ 24,203	$ 3,287
Rodinia Lithium Inc.*	$ 83,188	$ 25,890	$ 154,202	$ 25,890	$ 306,010	$ 162,000
Scandinavian Metals Inc.**	$ -	$ 38,325	$ -	$ 65,734	$ -	$ -
Silver Bear Resources Inc.	$ 30,000	$ -	$ 40,000	$ -	$ -	$ -
Temujin Mining Corp.	$ 40,286	$ 20,386	$ 75,469	$ 24,155	$ 165,820	$ 87,309
	$ 204,053	$ 117,100	$ 359,370	$ 170,442	$ 525,155	$ 276,075

* overdue interest was capitalized to loan receivable
** interest written off
*** formerly Castillian Resources Corp.

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				Advisory service fees due from related parties	
	Three months ended July 31,		Six months ended July 31,		As at July 31,	As at January 31,
	2013	2012	2013	2012	2013	2013
Coastal Gold Corp.*	$ -	$ 45,000	$ -	$ 90,000	$ -	$ 105,000
	$ -	$ 45,000	$ -	$ 90,000	$ -	$ 105,000

* formerly Castillian Resources Corp.

During the three and six months ended July 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			
	Three months ended July 31,		Six months ended July 31,		Three months ended July 31,		Six months ended July 31,	
	2013	2012	2013	2012	2013	2012	2013	2012
Forbes & Manhattan, Inc.	$ -	$ 832	$ -	$ 18,593	$ 75,000	$ 75,000	$ 150,000	$ 150,000
Other miscellaneous	$ -	$ -	$ -	$ 220	$ -	$ -	$ -	$ -
	$ -	$ 832	$ -	$ 18,813	$ 75,000	$ 75,000	$ 150,000	$ 150,000

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.

(Expressed in Canadian dollars unless otherwise noted)

12. Related party disclosures (continued)

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.

The remuneration of directors and other members of key management personnel during the three and six months ended July 31, 2013 and 2012 were as follows:

	Three months ended July 31,		Six months ended July 31,	
	2013	2012	2013	2012
Short-term benefits*	$ 228,500	$ 2,400,303	$ 709,000	$ 4,313,539
Share-based payments	$ 385,000	$ 546,584	$ 385,000	$ 556,915
	$ 613,500	$ 2,946,887	$ 1,094,000	$ 4,870,454

* Benefits include fees paid to Forbes & Manhattan Inc.

During the six months ended July 31, 2013, no options were exercised by directors or officers of the Company. During the six months ended July 31, 2012, a director of the Company exercised 900,000 options at $0.12 per share.

13. Commitments and contingencies

Management contracts

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $1,350,000 (January 31, 2013 - $1,600,000) ranging from 30 days to 16 months and additional contingent payments of up to approximately $12,500,000 (January 31, 2013 - $13,300,000) 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.

13. Commitments and contingencies (continued)

Strategic advisor

The Company has engaged a strategic advisor to provide the Company with advice regarding potential strategic financing alternatives. The Company will pay the strategic advisor $500,000 with $250,000 paid on May 23, 2013 and $250,000 payable on November 23, 2013. In addition, the Company will pay the strategic advisor a monthly retainer at the end of each month starting December 23, 2013 if the agreement is not terminated at the Company's option. In addition, the Company is committed to paying success fees to the strategic advisor on the occurrence of certain successful events.

14. Subsequent events

Subsequent to July 31, 2013, the Company purchased and cancelled an additional 102,000 common shares at average price of $0.17 per share.

Subsequent to July 31, 2013, the Company paid $34,000 to a director who retired as director from the Company.

See also Note 5 and 9.