ABERDEEN
INTERNATIONAL

FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED

OCTOBER 31, 2010 AND 2009

UNAUDITED

ABERDEEN INTERNATIONAL INC.

BALANCE SHEET

As at,

(Unaudited)

	October 31, 2010	January 31, 2010
	$	$
ASSETS		
Current		
Cash and cash equivalents	**4,968,479**	3,266,356
Investments, at fair value (Notes 3(a) and 12)	**74,793,121**	56,227,559
Equity accounted investments (Note 3(b))	**-**	800,000
Amounts receivable (Notes 5 and 12)	**3,591,402**	2,206,775
Income taxes recoverable	**-**	1,727,615
Loan - Simmer & Jack (Note 5)	**10,202,000**	10,693,000
Loans receivable (Note 4)	**4,829,643**	8,246,565
Prepaid expenses	**573,625**	14,508
	98,958,270	83,182,378
Long-term		
Loans receivable (Note 4)	**1,896,103**	-
Royalty interests on mineral properties, net (Note 6)	**32,877,295**	35,045,928
Equipment, net	**41,452**	54,000
	133,773,120	118,282,306
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 12)	**1,558,974**	1,716,233
Taxes payable	**1,514,088**	-
Deferred revenue (Note 4)	**-**	414,400
Future income taxes	**7,538,000**	4,468,000
	10,611,062	6,598,633
Long-term		
Future income taxes	**7,704,000**	8,516,000
	18,315,062	15,114,633
SHAREHOLDERS' EQUITY		
Common shares (Note 7)	**43,794,316**	44,174,159
Warrants (Note 8)	**15,750,000**	15,750,000
Contributed surplus (Note 10)	**12,634,900**	12,016,560
Retained earnings	**48,827,870**	35,501,715
Comprehensive loss (Note 6)	**(5,549,028)**	(4,274,761)
	115,458,058	103,167,673
	133,773,120	118,282,306

COMMITMENTS AND CONTINGENCIES (Notes 5 and 13)

SUBSEQUENT EVENTS (Notes 4, 11, and 16)

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME AND LOSS

For the three and nine months ended October 31, 2010 and 2009

(Unaudited)

	Three months		Nine months	
		Restated		*Restated*
	2010	2009	**2010**	2009
	$	$	**$**	$
Net investment gains (losses)				
Realized gain (loss) on investments, net	**(53,511)**	(3,490,464)	**6,985,133**	(4,538,487)
Unrealized gain on investments, net	**25,166,131**	12,981,523	**12,805,682**	28,173,908
Loss from equity accounted investments	**-**	(95,500)	**(353,189)**	(125,854)
	25,112,620	9,395,559	**19,437,626**	23,509,567
Other revenue				
Royalties	**503,585**	481,828	**1,457,374**	1,343,936
Unrealized gain (loss) on Simmer & Jack convertible royalty loan (Note 5)	**-**	44,000	**-**	(1,317,015)
Provision for loan receivable (Note 4)	**-**	(1,317,676)	**-**	(1,317,676)
Interest income (Note 12)	**153,257**	142,443	**539,150**	649,856
Advisory service fees (Note 12)	**87,381**	-	**462,840**	179,500
Other	**20,000**	-	**20,000**	-
	764,223	(649,405)	**2,479,364**	(461,399)
Expenses				
General and administration (Note 12)	**494,532**	393,515	**2,148,315**	2,144,436
Stock-based compensation (Note 9)	**22,596**	96,795	**555,371**	96,795
Transaction costs	**7**	38,713	**2,403**	98,595
Interest expenses	**193,438**	-	**215,547**	-
Depletion on royalty interests on mineral properties (Note 6)	**182,375**	221,859	**566,402**	640,340
Amortization	**3,554**	3,349	**12,548**	9,892
	896,502	754,231	**3,500,586**	2,990,058
Income before the undernoted	**24,980,341**	7,991,923	**18,416,404**	20,058,110
Foreign exchange gain (loss)	**(12,548)**	125,300	**(666,105)**	(351,371)
Income before income taxes	**24,967,793**	8,117,223	**17,750,299**	19,706,739
Income taxes				
Current income tax recovery (provision)	**(431,856)**	158,067	**(1,834,143)**	822,176
Future income tax provision	**(6,535,000)**	(3,022,459)	**(2,590,000)**	(7,577,719)
Net income for the period	**18,000,937**	5,252,831	**13,326,156**	12,951,196
Other comprehensive income items				
Currency translation adjustment, net of taxes (Note 6)	**(282,464)**	(155,236)	**(1,274,267)**	(4,358,491)
Comprehensive income for the period	**17,718,473**	5,097,595	**12,051,889**	8,592,705
Basic income (loss) per share	**0.21**	0.06	**0.15**	0.14
Diluted income (loss) per share	**0.20**	0.06	**0.15**	0.14
Weighted average common shares outstanding				
- basic	**87,092,953**	87,503,839	**87,365,372**	90,516,685
- diluted	**90,261,442**	87,503,839	**90,354,449**	90,516,685

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.

STATEMENTS OF CASH FLOWS

For the three and nine months ended October 31, 2010 and 2009

(Unaudited)

	Three months		Nine months	
		Restated		*Restated*
	2010	2009	**2010**	2009
	$	$	**$**	$
CASH AND CASH EQUIVALENTS (USED IN) PROVIDED BY				
OPERATING ACTIVITIES:				
Net income for the period	**18,000,937**	$ 5,252,831	**13,326,156**	12,951,196
Adjustments to reconcile net income to cash provided from operating activities:				
Unrealized gain on investments, net	**(25,166,131)**	(12,981,523)	**(12,805,682)**	(28,173,908)
Realized (gain) loss on investments, net	**53,511**	3,490,464	**(6,985,133)**	4,538,487
Loss from equity accounted investments	**-**	95,500	**353,189**	125,854
Unrealized (gain) loss on Simmer & Jack convertible royalty loan	**-**	(44,000)	**-**	1,317,015
Provision for loan receivable	**-**	1,317,676	**-**	1,317,676
Depletion on royalty interests on mineral properties	**182,375**	221,859	**566,402**	640,340
Arrangement fee income	**(185,942)**	(4,085)	**(729,376)**	(6,083)
Stock-based compensation (Note 9)	**22,596**	96,795	**555,371**	96,795
Amortization	**3,554**	3,349	**12,548**	9,892
Unrealized foreign exchange	**(28,752)**	(8,498)	**550,625**	173,002
Future income tax	**6,535,000**	3,022,459	**2,590,000**	7,577,719
Net change in non-cash working capital	**1,003,571**	(1,115,886)	**1,140,677**	(1,098,432)
	420,719	(653,059)	**(1,425,223)**	(530,447)
FINANCING ACTIVITIES:				
Shares repurchased and cancelled (Note 11)	**(344,474)**	-	**(344,474)**	(1,782,057)
Shares issued through options exercised	**27,600**	-	**27,600**	-
	(316,874)	-	**(316,874)**	(1,782,057)
INVESTING ACTIVITIES:				
Purchase of investments	**(1,146,000)**	(2,574,987)	**(17,379,390)**	(9,906,522)
Disposal of investments	**2,692,231**	8,189,189	**23,123,110**	16,326,190
Short-term loans provided	**(500,000)**	(232,410)	**(5,688,500)**	(933,825)
Short-term loans repaid	**200,000**	-	**3,389,000**	1,550,000
Deferred charges	**-**	(260,567)	**-**	(260,567)
Purchase of equipment	**-**	(703)	**-**	(10,943)
	1,246,231	5,120,522	**3,444,220**	6,764,333
CHANGE IN CASH AND CASH EQUIVALENTS	**1,350,076**	4,467,463	**1,702,123**	4,451,829
CASH AND CASH EQUIVALENTS, beginning of period	**3,618,403**	1,340,802	**3,266,356**	1,356,436
CASH AND CASH EQUIVALENTS, end of period	**4,968,479**	5,808,265	**4,968,479**	5,808,265
				-
Cash and cash equivalents consist of :				
Cash	**4,968,479**	5,808,265	**4,968,479**	5,808,265
Cash equivalents	**-**	-	**-**	-
	4,968,479	5,808,265	**4,968,479**	5,808,265
SUPPLEMENTAL INFORMATION				
Special warrants received in conversion of debenture receivable (Note 4)	**-**	-	**2,160,000**	-
Shares received for extension and settlement of loan receivable (Note 4)	**1,558,943**	-	**1,700,818**	-
Shares received in conversion of special warrants	**1,694,549**	-	**1,694,549**	-
Warrants received on debt financing (Note 4)	**7,180**	-	**24,130**	-
Income taxes paid, net of refund	**(190,406)**	119,169	**(77,684)**	545,395
Interest paid	**193,439**	-	**215,548**	-

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.
STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited)

	Common shares		Share purchase warrants	Contributed surplus	Retained earnings	Other Comprehensive income Item	Shareholders' equity
	#	$	$	$	$	$	$
Balance - January 31, 2009	**94,874,339**	**47,894,974**	**17,203,500**	**8,503,997**	**13,886,722**	-	**87,489,193**
Cancellation of repurchased common shares	(7,370,500)	(3,720,815)	-	1,938,758	-	-	(1,782,057)
Warrants expired unexercised	-	-	(1,453,500)	1,453,500	-	-	-
Stock-based compensation expense	-	-	-	120,305	-	-	120,305
Net income for the year	-	-	-	-	21,614,993	-	21,614,993
Currency translation adjustment (Note 6)	-	-	-	-		(4,274,761)	(4,274,761)
Balance - January 31, 2010	**87,503,839**	**44,174,159**	**15,750,000**	**12,016,560**	**35,501,715**	**(4,274,761)**	**103,167,673**
Option exercised	230,000	42,366	-	(14,766)	-	-	27,600
Cancellation of repurchased common shares	(836,500)	(422,209)	-	77,735	-	-	(344,474)
Stock-based compensation expense	-	-	-	555,371	-	-	555,371
Net income (loss) for the period	-	-	-	-	13,326,156	-	13,326,156
Currency translation adjustment (Note 6)	-	-	-	-	-	(1,274,267)	(1,274,267)
Balance - October 31, 2010	**86,897,339**	**43,794,316**	**15,750,000**	**12,634,900**	**48,827,871**	**(5,549,028)**	**115,458,059**

The accompanying notes are an integral part of the financial statements

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

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 foreign capital markets; and, (iii) operate in jurisdictions with low to moderate local political risk.

These interim financial statements are unaudited and have not been reviewed by the Company's auditors.

The Company's management has prepared these unaudited interim financial statements in accordance with generally accepted accounting principles in Canada ("GAAP"). These unaudited interim financial statements have incorporated new accounting standards, the impact of which is summarized in Note 2. The disclosures in these unaudited interim financial statements do not include the full disclosure required under GAAP for annual financial reporting. These unaudited interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended January 31, 2010.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these unaudited interim financial statements. Operating results for the three and nine months ended October 31, 2010 are not indicative of the results that may be expected for the full year ending January 31, 2011.

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

2. SIGNIFICANT ACCOUNTING POLICIES

Except as disclosed below, these unaudited interim financial statements are prepared using the same accounting policies and methods of application as those disclosed in Note 2 to the Company's annual audited financial statements for the year ended January 31, 2010.

Future accounting pronouncements

(a) In January 2009, the CICA issued Handbook Section 1582, *Business Combinations*, replacing Section 1581, *Business Combinations*. The previous Section was removed in order to adopt the relevant extracts of the International Financial Reporting Standard, IFRS 3, *Business Combinations*. The new Section establishes standards for the recognition, measurement, presentation and disclosure of business combinations.

This new standard is applicable to business combinations realized during fiscal years beginning on or after January 1, 2011. The Company expects to implement this standard in its first quarter of fiscal year 2012. This new Section requires that most identifiable assets, liabilities, non-controlling interests and goodwill acquired in a business combination be recorded at "full fair value" and that liabilities associated with restructuring or exit activities be recognized only if they meet the definition of a liability as of the acquisition date. In addition, direct acquisition costs must be expensed when incurred. As a result, if the Company realizes significant business combinations, this new Section could have a material impact on its consolidated financial statements because the Company's current policy is to include these costs in the purchase price of the acquired business.

At October 31, 2010, the Company does not believe the adoption of this standard will have a material impact on the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New accounting pronouncements (Continued)

(b) Section 1601, *Consolidated Financial Statements*, replaces and carries forward existing guidance from Section 1600, *Consolidated Financial Statements*, on the aspects of the preparation of consolidated financial statements subsequent to a business combination other than non-controlling interests. Section 1602, *Non-controlling interests*, provides guidance on accounting for non-controlling interests subsequent to a business combination. This Section replicates the provisions of IAS 27, *Consolidated and Separate Financial Statements*, other than the disclosure requirements. Under this new Section, non-controlling interests in subsidiaries must be presented in the consolidated balance sheet with equity, but separated from the parent shareholders' equity. In the statements of operations, a non-controlling interest must not be deducted in arriving at the consolidated net income, but must be allocated to the controlling interest and the non-controlling interest according to their percentage of ownership.

Sections 1601 and 1602 must be implemented concurrently with Section 1582, *Business Combinations*, discussed above. Both Sections are applicable for fiscal years beginning on or after January 1, 2011 with earlier adoption permitted as of the beginning of a fiscal year. Section 1602 is to be applied retrospectively, with certain exceptions. Entities planning business combinations for the years beginning on or after January 1, 2010 should consider adopting these new standards in or before that year to avoid restatement on transition to IFRS in 2011. The Company is currently assessing the impact of these standards on any future acquisitions.

(c) In 2005, the Accounting Standards Board of Canada ("AcSB") announced that accounting standards in Canada are to converge with IFRS. In May 2007, the CICA published an updated version of its "Implementation Plan for Incorporating International Financial Reporting Standards into Canadian GAAP". This plan includes an outline of the key decisions that the CICA will need to make as it implements the Strategic Plan for publicly accountable enterprises that will converge Canadian generally accepted accounting standards with IFRS. In April 2008, the AcSB published the exposure draft: *Adopting IFRS in Canada* ("Exposure Draft"). The AcSB proposes to incorporate the IFRS as set out in this Exposure Draft into the CICA Handbook – Accounting ("Handbook"). The Handbook will be updated as necessary thereafter so that, at any point in time, it includes the full body of IFRS then in effect. Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, IFRS will replace current Canadian GAAP for most publicly accountable enterprises. Companies will be required to provide comparative IFRS information for the previous fiscal year. The Company will implement these standards in its first quarter of fiscal year 2012 (April 30, 2011) and is currently evaluating the impact of their adoption on its financial statements.

3. INVESTMENTS

(a) At October 31, 2010, the Company's investments consisted of the following:

Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
2248964 Ontario Inc.*	(iii)	4,000,000 common shares	1,100,000	2,000,000	2.7%
Aguia Res Fpo	(iv)	1,521,583 common shares	141,875	911,124	1.2%
		4,145,556 performance shares A			
		3,318,763 performance shares B			
Alderon Resources Corp.	(iii)	500,000 common shares	500,000	825,000	1.1%
Alder Resources Ltd.	(iii)	1,000,000 common shares	250,000	415,000	0.6%
Allana Potash Corp.	(i,iii)	3,001,414 common shares	727,223	2,190,478	2.9%
		2,000,000 w arrants expire May 22, 2011			
		2,375,000 w arrants expire June 16, 2011			
Apogee Minerals Ltd.	(i,iii)	9,850,000 common shares	1,851,977	2,235,978	3.0%
		1,175,000 w arrants expire April 30, 2011			
		1,250,000 w arrants expire Dec 22, 2011			
Auger Resources Ltd.*	(iii)	2,000,000 common shares	1,000,000	200,000	0.3%
Avion Gold Corporation	(iii)	5,524,400 common shares	2,518,458	5,412,234	7.2%
		2,500,000 w arrants expire May 8, 2011			
Belo Sun Mining Corp.**	(iii)	4,042,000 common shares	1,147,245	3,561,800	4.8%
		3,000,000 w arrants expire March 3, 2012			
Brazil Potash Corp.*	(iii)	1,650,062 common shares	2,500,000	1,683,393	2.3%
Castillian Resources Corp.	(iii)	11,660,000 common shares	2,051,620	1,059,850	1.4%
		500,000 w arrants expire June 30, 2011			
Crocodile Gold Corp.	(iii)	3,700,866 common shares	2,765,780	7,940,007	10.6%
		2,500,000 w arrants expire June 15, 2012			
Dacha Strategic Metals Inc.***	(i,iii)	4,530,362 common shares	2,079,484	2,969,153	4.0%
		2,501,551 w arrants expire June 16, 2014			
Eurocontrol Technics Inc.	(iii)	1,333,333 common shares	200,000	307,467	0.4%
		1,333,333 w arrants expire Sep 27,2012			
Forbes & Manhattan (Coal) Corp.	(iii)	1,705,196 common shares	2,641,360	5,371,367	7.2%
		1,100,000 performance shares			
Kria Resources Ltd.	(iii)	2,599,000 common shares	2,606,180	506,910	0.7%
		200,000 w arrants expire Aug 16,2011			
Largo Resources Ltd.	(iii)	3,983,333 common shares	551,000	1,155,167	1.5%
Longford Energy Inc.	(iii)	3,259,869 common shares	1,109,331	749,776	1.0%
Pitchblack Resources Ltd.	(iii)	3,030,303 common shares	500,000	3,493,636	4.7%
		3,030,303 w arrants expire Oct 29, 2012			
Potash Atlantico Corp.*	(iii)	2,586,612 common shares	1,058,943	1,058,943	1.4%
Rodinia Lithium Inc.	(iii)	3,833,333 common shares	1,750,000	1,921,958	2.6%
		416,667 w arrants expire Sep 10, 2012			
Scandinavian Metals Inc.*	(ii,iii)	2,000,000 common shares	1,000,000	200,000	0.3%
Stetson Oil & Gas Ltd.	(iii)	10,000,000 preferred shares	0	50,000	0.1%
Sulliden Gold Corporation Ltd.	(iii)	11,877,195 common shares	5,878,313	17,021,184	22.8%
		769,231 w arrants expire April 23, 2011			
		1,361,946 w arrants expire October 6, 2012			
Temujin Mining Corp*	(ii,iii)	11,000,909 common shares	5,657,000	6,157,000	8.2%
		9,090,909 performance shares A			
		9,090,909 performance shares B			
		1,910,000 w arrants expire Nov 26, 2011			
		600,000 w arrants expire Jan 14, 2012			
		4,545,455 w arrants expire Jan 29, 2012			
Vast Exploration Inc.	(iii)	1,350,000 common shares	600,402	881,100	1.2%
		1,000,000 w arrants expire June 5, 2011			
Total of 11 other investments	(iv)		3,987,730	4,514,596	5.8%
Total investments			$ 46,173,921	$ 74,793,121	100.0%

* Private company

** Formerly Verena Minerals Corp.

*** Exercise price at $0.42 until June 16, 2012, $0.50 after June 16, 2012

(i) The Company has issued a Section 101 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 October 31, 2010.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation.
(iv) Total other investments held by the Company, which are not individually listed as at October 31, 2010. Directors and officers may hold investments personally.

3. INVESTMENTS (Continued)

At January 31, 2010, the Company's investments consisted of the following:

Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Allana Resources Inc.	(iii)	**6,750,000 common shares**	1,220,000	3,348,300	6.0%
		2,000,000 warrants expire May 22, 2011			
		2,375,000 warrants expire June 16, 2011			
Apogee Minerals Ltd.	(I,ii,iii)	9,850,000 common shares	2,391,000	1,226,528	2.2%
		5,000,000 warrants expire May 23, 2010			
		1,175,000 warrants expire April 30, 2011			
		1,250,000 warrants expire Dec 22, 2011			
Auger Resources Ltd.*	**(ii,iii)**	2,000,000 common shares	1,000,000	500,000	0.9%
		1,000,000 warrants expire Sept 16, 2010			
Avion Gold Corporation	(iii)	8,774,400 common shares	3,631,919	6,002,634	10.7%
		2,500,000 warrants expire May 8, 2011			
Brazil Potash Corp.*	**(iii)**	**1,650,062 common shares**	2,500,000	1,776,127	3.2%
Castillian Resources Corp.	**(iii)**	11,660,000 common shares	2,034,670	1,179,350	2.1%
		500,000 warrants expire June 30, 2010			
Crocodile Gold Inc.	(ii,iii)	6,319,478 common shares	3,546,424	16,929,174	30.1%
		2,500,000 warrants expire June 15, 2012			
		317,460 warrants expire Feb 9, 2010			
		1,017,429 warrants expire Feb 9, 2010			
Crowflight Minerals Inc.	**(iii)**	3,379,724 common shares	1,508,039	607,682	1.1%
		1,470,612 warrants expire April 30, 2011			
Dacha Capital Inc.**	**(i,ii,iii)**	2,501,551 common shares	825,512	2,345,204	4.2%
		2,501,551 common shares expire June 16, 2014			
Kria Resources Inc.	**(iii)**	2,599,000 common shares	2,599,000	561,880	1.0%
		375,000 warrants expire November 19, 2009			
		1,000,000 warrants expire June 9, 2010			
		50,000 warrants expire June 16, 2010			
Largo Resources Inc.	**(iii)**	3,983,333 common shares	551,000	896,250	1.6%
Longford Energy Inc.	(iii)	3,659,869 common shares	1,941,090	1,207,170	2.2%
		3,296,296 warrants expire February 28, 2010			
		1,000,000 warrants expire June 5, 2011			
Scandinavian Metals Inc*	(ii,iii)	2,000,000 common shares	1,000,000	500,000	0.9%
		1,000,000 warrants expire Sept 12, 2010			
Stetson Oil & Gas Ltd.	(i,ii,iii)	10,000,000 preferred shares	740,290	177,000	0.3%
		10,000,000 warrants expire Sept 17, 2010			
Sulliden Gold Corporation Ltd.	(iii)	10,403,303 common shares	4,920,283	7,621,216	13.6%
		769,231 warrants expire April 23, 2011			
		625,000 warrants expire October 6, 2012			
Temujin Mining Corp*	**(ii,iii)**	7,364,545 common shares	3,667,200	3,758,400	6.7%
		7,364,545 warrants expire Nov 26, 2011			
		600,000 warrabts expire Jan 14, 2012			
Vast Exploration Inc.	**(iii)**	1,350,000 common shares	1,062,686	1,518,170	2.7%
		2,050,000 warrants expire June 12, 2010			
		1,000,000 warrants expire June 5, 2011			
Total of 11 other investments	(iv)		5,274,928	6,072,471	10.8%
Total investments			$ 40,414,041	$ 56,227,556	100.0%

* Private company
** Exercise price at $0.42 until June 16, 20**12, $0.50 after June 16, 2012**

(i) The Company has issued a Section 101 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, 2010.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2010. Directors and officers may hold investments personally.

3. INVESTMENTS (Continued)

(b) The Company's equity accounted investment is its ownership in Tucano Exploration Inc. ("Tucano") prior to Tucano's combination with Castillian Resources Corp. ("Castillian"), whereby Castillian acquired all of the issued and outstanding common shares of Tucano. Prior to the combination, Aberdeen held 4,000,000 shares of Tucano which represent an equity interest of approximately 36.7%. Following the completion of the combination on January 29, 2010, in which shareholders of Tucano received 2.29 Castillian shares for each share Tucano, the Company's ownership was reduced below 20% and the investment was no longer accounted for using the equity method.

Through the fourth quarter of 2010 and the first quarter of 2011, the Company made an investment of $800,000 and $500,000 respectively for a total of 40.7% interest in Forbes & Manhattan (Coal) Inc. ("Forbes Coal"). The investment has been accounted for as an equity investment. Following the acquisition of 100% of Slater Coal (Pty) Ltd., a South African coal company on July 30, 2010, by Forbes Coal through issuing of shares, the Company's ownership was reduced to 16.57%. The Company also purchased 605,196 special warrants of Forbes Coal in July 2010 for $1,694,549, which will further reduce the Company's ownership to 8.3% upon conversion. As of October 31, 2010, the investment in Forbes Coal was no longer accounted for using the equity method.

The following is a schedule of the Company's equity accounted investments as at October 31, 2010 and January 31, 2010:

	Nine months ended October 31, 2010	Twelve months ended January 31, 2010
Equity accounted investment – carrying value – beginning of period	**$ 800,000**	$ 1,924,387
Acquisition of equity accounted investment	**500,000**	800,000
Loss on equity investment	**(353,189)**	(972,268)
Reclassification of equity accounted investment to portfolio investment	**(946,811)**	(952,119)
Equity accounted investment – carrying value – end of period	**$ -**	$ 800,000

Directors of Aberdeen are also directors of Castillian.

Directors of Aberdeen also serve as directors of Forbes Coal.

4. LOANS RECEIVABLE

Kria Resources Ltd.
In June 2009, the Company entered into a secured debenture agreement with Kria Resources Inc. ("Kria Resources") to loan up to $600,000, with any amounts drawn being due and repayable on December 31, 2010 and shall be subject to interest at a rate of 10% per annum. Kria Resources is a base metals exploration and development company whose properties are located in Manitoba and in New Brunswick. In July 2009, Kria Resources completed the acquisiton of Beartooth Platinum Corporation ("Beartooth") by way of reverse take-over and began trading on the TSX Venture Exchange under the name Kria Resources Ltd. Consideration provided to the Company by Kria Resources for entering into the secured debenture agreement included a $25,000 fee plus up to 250,000 share purchase warrants, of which 50,000 have been issued, with each share purchase warrant entitling Aberdeen to purchase one common share for a period of one year from the date of grant. The grant date fair value of the warrants issued was determined to be nominal and no value was recorded. These warrants expired unexercised on June 16, 2010. Kria Resources paid the $25,000 fee in April 2010 and drew down $500,000 under the secured debenture agreement in August, 2010. The $25,000 fee was recorded as deferred revenue and is being recognized as income over the term of the agreement. An additional 200,000 warrants were issued to the Company upon the drawn-down to acquire Kria Resources' common shares for a period of one year from the date of grant. The grant date fair value of the warrants issued was estimated to be $7,180, which was discounted to the loan and will be recognized as income over the term of the agreement.

Directors of Aberdeen serve as directors and an officer of Kria Resources. Also, a director of Aberdeen served as a director of Beartooth.

Castillian Resources Corp.
In January 2010, the Company entered into a secured debenture agreement with Castillian Resources Corp. to loan up to $500,000, with any amounts drawn being due and repayable on June 30, 2010 and shall be subject to interest at a rate of 10% per annum. The debenture was previously secured against Castillian's interest in the Kagera property in Tanzania. Castillian paid Aberdeen an advisory service fee in the amount of $25,000 and issued 500,000 share purchase warrants to Aberdeen, which entitle the Company to acquire one Castillian common share at a price of $0.10 at any time prior to June 30, 2010. Castillian shall also issue 100,000 of the same share purchase warrants per $100,000 subsequent drawn against the line of credit. The warrants are subject to a statutory four month hold period. The grant date fair value of the warrants issued was estimated to be $7,550. The $25,000 advisory service fee and the $7,550 fair value of the warrants was discounted to the loan and recognized as income over the term of the agreement. During the three months ended April 30, 2010, Castillian drew down the $500,000 under the secured debenture agreement with an additional 500,000 share purchase warrants issued.

Castillian did not repay the loan on June 30, 2010. The Company entered into an amending agreement with Castillian whereby the term of the loan was extended to December 31, 2012 with a conversion right granted to the Company to convert the loan into units consisting of one common share and one-half of one common share purchase warrants of Castillian at a conversion price of $0.06 per unit at anytime on or before the maturity date. Each of the warrants will entitle the Company to acquire one common share of Castillian at $0.10 until December 31, 2012. In addition, the security interest with respect to the loan was amended to Castillian's Mangabal property, located in Brazil. At July 31, 2010, the Company adjusted the fair value of the 500,000 share purchase warrants issued based on the extended term. An additional $16,950 fair value of the warrants was discounted to the loan and is being recognized as income over the term of the amended agreement. The terms of the amended loan remain subject to receipt of all regulatory approvals.

Directors of Aberdeen serve as directors of Castillian.

4. LOANS RECEIVABLE (Continued)

Temujin Mining Corp.
On January 14, 2010, the Company entered into a loan agreement with Temujin Mining Corp. ("Temujin"). The Company loaned Temujin US$6,000,000 ($6,121,200), repayable on or before January 14, 2011 with 10% interest per annum calculated monthly and payable on maturity. As consideration for arranging the loan, Temujin agreed to pay the Company advisory service fees of US$360,000 ($367,272), repayable on demand, and issued 600,000 warrants to purchase the common shares of Temujin at an exercise price of $0.55 per share until January 14, 2012. On February 11, 2010, US$3,000,000 ($3,060,600) of the loan was repaid. At October 31, 2010, the balance of the loan of US$3,000,000 ($3,060,600) and the advisory service fees of US$360,000 ($367,272) remained outstanding.

A director and an officer of Aberdeen serve as directors of Temujin.

Pitchblack Resources Ltd. (formerly Cash Minerals Ltd.)
On February 2, 2010, the Company entered into a secured debenture subscription agreement with Pitchblack Resources Ltd. ("Pitchblack"), a Canadian based energy company focused on uranium and coal exploration and development, which owns the Division Mountain Coal Deposit and other prospective coal properties in the Yukon, and owns a 100% interest in the Mike Lake Gold Project, also in the Yukon. The Company loaned Pitchblack $500,000, which will mature and become due and repayable on February 2, 2013. The debenture bears interest at a rate of 10% calculated and payable semi-annually on the last day of June and December commencing June 30, 2010 until full and complete payment of this debenture. This debenture is secured against all of the assets of Pitchblack and shall rank senior in priority to any and all other debts of the Pitchblack subsequently incurred subject to applicable laws. On October 31, 2010, the Company acquired 3,030,303 units of Pitchblack through private placement financing. The $500,000 loan outstanding was applied against the settlement of the Pitchblack units. Accrued interests totaling $36,986 was paid to the Company subsequent to October 31, 2010.

A director of Aberdeen serves as a director of Pitchblack.

Dacha Strategic Metals Inc. (Formerly Dacha Capital Inc.)
On February 8, 2010, the Company entered into a secured convertible debenture agreement with Dacha Capital Inc. ("Dacha"), a global investment company focused on the purchase, storage and trading of certain strategic metals. The Company loaned to Dacha $2,156,830, which matured and was repayable on March 31, 2010. Dacha agreed to pay a 5% advisory service fee in consideration of the debenture and 10% interest per annum calculated monthly and payable on maturity. The Company had the option to convert the principal and interest outstanding, in whole or in part, into funds to be used for a participation in Dacha's private placement announced on March 1, 2010.

On March 24, 2010, the Company exercised its conversion right in the participation of Dacha's private placement. The Company converted the debenture plus interest totaling $2,160,000 in exchange of 4,800,000 special warrants of Dacha at $0.45 per warrant. The advisory service fees plus the remaining balance of accrued interest totaling $132,593 were repaid to the Company. The specials warrants were converted to common shares of dacha on July 23, 2010.

A director of Aberdeen serves as a director of Dacha.

Rodinia Lithium Inc.
On July 20, 2010, the Company entered into a short term bridge loan agreement with Rodinia Lithium Inc. ("Rodinia"), a Canadian mineral exploration company with a primary focus on lithium exploration and development in North and South America. The Company loaned Rodinia $200,000, which was due and repayable on September 30, 2010. Rodinia agreed to a 10% interest per annum calculated monthly and payable on maturity. The loan plus accrued interest totalling $202,904 was repaid to the Company on September 10, 2010.

Directors and an officer of Aberdeen also serve as directors and an officer of Rodinia.

4. LOANS RECEIVABLE (Continued)

Avion Gold Corporation. (formerly Avion Resources Corp.)
On March 20, 2008, the Company entered into a short-term loan agreement with Avion Gold Corporation ("Avion"). The Company loaned Avion US$1,000,000 ($1,009,500) which was repayable on or before September 30, 2008 with interest payable monthly commencing April 30, 2008 at an annual rate of 10%. In addition, Avion provided, as consideration, 250,000 common share purchase warrants with an exercise price of $0.38 per common share and an expiry date of September 30, 2008. The grant date fair value of the warrants was estimated to be $36,100 which was applied against the carrying value of the loan receivable and was recognized as income over the term of the loan. The 250,000 common share purchase warrants expired unexercised.

Avion did not repay the loan by September 30, 2008. The Company and Avion agreed to an extension of the loan receivable to September 30, 2009. As consideration for extending the note receivable the Company received US$50,000 (C$62,285) cash and 2,000,000 common share purchase warrants entitling Aberdeen to purchase one common share of Avion at a price of $0.20 per share until September 30, 2009. The grant date fair value of the warrants was estimated to be $96,000, which was applied against the carrying value of the loan receivable to be recognized as income over the remaining term of the loan. In September 2009, the Company exercised its options to acquire 2,000,000 Avion common shares at a cost of $400,000.

Pursuant to the sale of Ethiopian property rights to Avion completed during the year ended January 31, 2008 for $2,000,000, the instalment payments of $750,000 and $1,000,000 due on June 30 and December 31, 2008 respectively were not received by the Company. Following discussions between Aberdeen and Avion, the $1,750,000 owed was added to the US$1,000,000 loan. At January 31, 2009, Avion had aggregate loans outstanding payable to Aberdeen of $1,750,000 and US$1,000,000, plus accrued interest.

Avion Gold Corporation. (Assignment of Amazon Potash loan)
On May 6, 2009, Avion acquired all of the issued and outstanding common shares of Dynamite Resources Ltd. ("Dynamite") at an exchange ratio of 0.75 Avion common shares for each Dynamite common share. Following the acquisition, Avion repaid all of its outstanding loans to Aberdeen through a cash payment of $1,550,000, plus accrued interest of $38,004, and the assignment of the rights to a secured note receivable from Amazon Potash Corp. ("Amazon Potash") for US$1,250,000. Amazon Potash is a private company with potash properties in Brazil. The note receivable was due June 30, 2009 with an annual interest rate of 12%, calculated monthly and payable upon maturity and was secured by Amazon Potash's assets. In addition, the note agreement also provided Aberdeen with the option to convert the principal, in whole or in part, into common shares of Amazon Potash on or before June 30, 2009 at $1.00 per share. The secured note receivable was recorded on Aberdeen's books at a discounted value of US$1,170,488 ($1,373,100) against a face value of US$1,250,000 and no gain or loss was recorded on the retirement of loans outstanding from Avion to the Company in exchange for cash and the Amazon Potash secured note receivable.

Amazon Potash Corp.
On May 27, 2009, the Company loaned an additional US$250,000 that was added to the existing secured note receivable balance from Amazon Potash of US$1,250,000. As consideration, the Company received a US$25,000 advisory service fee and 100,000 shares of Amazon Potash. Interest receivable accrued between assuming the secured note receivable on May 6, 2009 and May 27, 2009, totalling US$8,630, was capitalized as part of the loan. Amazon Potash did not repay the loan on June 30, 2009. The Company and Amazon Potash agreed to four separate quarterly extensions to the secured note receivable to June 30, 2010. As consideration for extending the note receivable the Company received an aggregate of US$100,000 and 200,000 Amazon Potash shares.

4. LOANS RECEIVABLE (Continued)

Amazon Potash Corp. (Continued)
In September 2009, Amazon Potash spun out some of its potash claims in Brazil to a wholly-owned subsidiary named Brazil Potash Corp. ("Brazil Potash"). The shares in Brazil Potash were distributed to its Amazon Potash shareholders. Aberdeen, as a shareholder of Amazon Potash, received 1,650,062 shares of Brazil Potash. Subsequent to the distribution of the shares, Brazil Potash completed a private placement equity financing for gross proceeds of US$25,000,000 at a price of US$1.00 per common share.

In June 2010, Falcon Metais Ltda., a 100% owned subsidiary of Amazon Potash, sold its 100% ownership in Aguia Metais Ltda. to Aguia Resources Limited ("Aguia") (formerly Newport Mining Corp.), an Australian mining company. The transaction included the conversion of 50% of the Amazon Potash loan to be paid in common shares, Performance A Shares and Performance B Shares of Newport. Through this transaction, the Company received 477,845 common shares, 666,426 Performance A Shares and 883,375 Performance B Shares of Aguia given its holding of 2,800,000 shares of Amazon Potash. As for the conversion of 50% of the Amazon Potash loan plus interests outstanding (US$927,390 or AUD$1,043,738), Aguia issued 1,043,738 common shares at a price of AUD$0.15 per share, and 3,479,130 Performance A Shares and 2,435,388 Performance B Shares of Aguia. Consequently, the value of the 1,043,738 shares in the amount of US$135,974 (AUD$156,561) was applied as reduction to the Amazon Potash loan. The remaining balance of the loan (US$791,416 or AUD$887,178) will be carried by the Company interest free and redeemed upon the conversion of the Performance A and B Shares at any time prior to June 22, 2013. All the Aguia shares are to be held in escrow until June 22, 2011. The Performance A Shares will convert to common shares upon the completion of a technical report evidencing a combined Mineral Resource Estimate (including all categories of resources) of not less than 30,000,000 tonnes with a grade of not less than 10% P_2O_5 at the Mata da Corda or Lucena Project within 3 years of being issued. The Performance B Shares will convert to common shares upon the completion of a technical report evidencing a combined Mineral Resource Estimate (including all categories of resources) of not less than 70,000,000 tonnes with a grade of not less than 10% P_2O_5 at the Mata da Corda or Lucena Project within 3 years of being issued.

In June 2010, Amazon Potash sold the 100% ownership of its subsidiary Potassio do Atlantico Ltda. to Potash Atlantico Corp. in exchange for shares that were issued to the shareholders of Amazon Potash (including Aberdeen), assumption of certain obligations and the issuance of an additional 1,005,965 shares of Potash Atlantico Corp. to the Company. This represents 50% of the Amazon Potash loan (US$926,797) owed to the Company. The proposed financing for Potash Atlantico Corp. is being done at a valuation that would represent US$1.00 per share minimum. Consequently, the 50% of the Amazon Potash loan outstanding and due June 30, 2010 was extended to September 30, 2010 with an annual interest rate of 12%. Pursuant to the financing, the Company received 1,580,647 shares of Potash Alantico Corp. given its holding of 2,800,000 shares of Amazon Potash. The Company also received 1,005,965 shares of Potash Atlantico from the conversion of 50% of Amazon Potash loan plus interests outstanding.

Directors of Aberdeen hold director positions in Avion. Directors of Aberdeen hold a director and an officer position in Amazon Potash and Brazil Potash and held director positions in Dynamite. Aberdeen officers and directors also may hold, or have held, investments personally in Amazon Potash, Avion, Brazil Potash and Dynamite.

4. LOANS RECEIVABLE (Continued)

Russo-Forest Corporation
Through August 2008 to August 2009, the Company loaned an aggregate total of US$663,710 ($709,705) and CDN$500,000 to Russo-Forest Corporation ("Russo-Forest"), a privately held company with timber operations in the Russian northwest. These loans were repayable on or before August 18, 2009 with interest payable on maturity at an annual rate of 15%. The loan is secured against all of the assets of Russo-Forest and its subsidiaries.

On February 2, 2009, Russo-Forest entered into a share exchange agreement with Nyah Resources Corp. ("Nyah"), a junior resource company traded on the TSX Venture exchange. On October 13, 2009, Nyah's shareholders voted in favour of the share exchange agreement; however; the finalization of the acquisition was delayed past October 31, 2009 which triggered a required payment from Russo-Forest to Nyah for $500,000, as outlined in the agreement. In December 2009, Nyah exercised its right to terminate the share exchange agreement.

As a result of Russo-Forest's inability to finalize it share exchange agreement with Nyah and its difficulties executing its business plans and securing financing, the Company has recorded a provision against loans of $1,209,705 and accrued interest of $107,971 outstanding from Russo-Forest.

In May 2010, the Company issued a legal letter to Russo-Forest demanding a repayment of the loan and interest owed to the Company by Russo-Forest by May 31, 2010. Russo-Forest has not responded and the Company is examining its options with respect to the receivable.

A director of Aberdeen is also a director of Russo-Forest. A director and an officer of Aberdeen also hold a director and an officer position in Nyah. Aberdeen officers and directors may hold investments personally in Russo-Forest and Nyah.

5. SIMMER & JACK LOAN

During the fourth quarter of fiscal year 2006, the Company loaned US$10,000,000 to Simmer and Jack Mines, Limited ("Simmers"). The loan had a three-year term maturing December 31, 2008, a 3% coupon at gold prices up to US$400 per ounce (2.5% at gold prices above US$400 per ounce) and a net smelter royalty ("NSR"), tied to the price of gold, ranging from a 0.5% NSR at US$300 per ounce to a 4.75% NSR at gold prices of US$750 per ounce or higher, on a graduated scale. The NSR was payable against gold produced from Simmers' northwest assets and included First Uranium Corporation's (First Uranium") Mine Waste Solutions tailings recovery operation.

The loan also had an option that allowed Aberdeen to call for its conversion into equity of Simmers at, ZAR 0.80 per share at any time from January 1, 2007 to December 31, 2008, subject to Simmers' shareholders' approval. On October 16, 2008, the Company called for conversion to equity and a shareholder vote was held on February 16, 2009, where the Simmers' shareholders voted against the conversion as unanimously recommended by Simmers' board of directors. As a result, it is Aberdeen's position that the US$10,000,000 loan was due, as of its maturity date of December 31, 2008, and Aberdeen was entitled to a 1% NSR on the gold produced on the underlying assets starting October 16, 2008. In addition, it is the Company's position that a payment of approximately US$1,363,000 is due from Simmers which is the interest and graduated royalty calculated at a rate of 4.75% on the gold produced between October 16, 2008 and December 31, 2008, the maturity date of the loan, in addition to a 1% NSR royalty on gold produced starting October 16, 2008.

5. SIMMER & JACK LOAN (Continued)

However, it is Simmers' position that the request for conversion into equity has caused the loan facility to terminate, ending the remaining graduated royalty payment and forfeiting repayment on the US$10,000,000 principal and remaining interest payments. Accordingly, Simmers' management contends that the shareholder vote to deny the conversion request has resulted in Aberdeen receiving only the 1% NSR, but not the US$10,000,000 principal.

Aberdeen's balance sheet, as at October 31, 2010, reflects Aberdeen's interpretation of the agreement. As a result, the US$10,000,000 ($10,202,000) loan was still outstanding at October 31, 2010 and is recorded on the balance sheet. In addition, as at October 31, 2010, the Company had recorded receivables from Simmers and First Uranium totaling US$1,633,709 ($1,666,710). This includes the amount related to the interest and graduated royalty for the period between October 16, 2008 and December 31, 2008. It is Simmers' contention that these amounts are not due.

Management's interpretation is that, pursuant to section 2.6 of the Convertible Royalty Loan Agreement (the "Agreement"), the graduated royalty is calculated on production until December 31, 2008, notwithstanding Aberdeen's request for conversion. In addition, pursuant to section 2.10 of the Agreement, if the Simmers' shareholders do not approve the loan conversion, the 1% NSR would be in addition to the repayment of the US$10,000,000 principal and, pursuant to section 2.4 of the Agreement, the principal is repayable in cash until shareholders approve the equity conversion. Aberdeen intends to aggressively contest any alternative interpretation of the Agreement. The Company provided Simmers' management and directors with a demand letter and a letter from Aberdeen's legal counsel outlining Aberdeen's interpretation of the Agreement in advance of the February 16, 2009 Simmers' shareholder meeting. Aberdeen has also filed the Agreement between the Company and Simmers on SEDAR (www.sedar.com) under the Company's profile. Following the vote by Simmers' shareholders not to allow for the conversion, the Company provided Simmers' board and management with a letter reiterating Aberdeen's understanding of Simmers' obligations under the Agreement. Aberdeen was informed by Simmers' board and management that their position regarding the Agreement, as described above, had not changed. As a result, the Company engaged a leading South African law firm and in July 2009 filed a claim against Simmers and First Uranium to recover the outstanding US$10,000,000 principal and balance payable on the graduated gold royalty from the fourth quarter of calendar 2008. The aggregate amount of damages claimed by the Company is approximately US$11,400,000. Aberdeen firmly believes that its interpretation of the Agreement is correct and expects to realize the values attached to the royalty and loan on the balance sheet as of October 31, 2010. In November 2009, Simmers filed a statement of defense. The description of the Agreement herein is subject to, and qualified in all respects by, the provisions of the Agreement. The case moves forward and the trial date was originally set for November 18, 2010 but has been postponed until 2011. The Company is still waiting to confirm a new hearing date.

In connection with the Agreement, Aberdeen holds a notarial special covering bond in the amount of US$10,000,000 plus ZAR5,000,000 ($730,000) over the assets of the North Plant on Simmers' greater Buffels property.

Aberdeen's balance sheet, as at October 31, 2010, reflects the Simmers' shareholders' February 16, 2009 vote to deny the conversion requested by Aberdeen, along with the Company's interpretation of the Agreement. At October 31, 2010, the Simmers' loan was carried at US$10,000,000 ($10,202,000), excluding accrued interest, based on a US/Cdn dollar foreign exchange rate of 1.0202 (January 31, 2010 – 1.0693).

6. ROYALTY INTERESTS ON MINERAL PROPERTIES

The following table summarizes the Company's royalty interests as at October 31, 2010 and January 31, 2010:

	October 31, 2010		
	Cost	Accumulated Depletion	Net
Royalty interests			
Simmer and Jack Mines, Limited	$ 23,323,442	$ (725,383)	$ 22,598,059
First Uranium Corporation	10,884,297	(605,061)	10,279,236
Total	$ 34,207,739	$ (1,330,444)	$ 32,877,295

	January 31, 2010		
	Cost	Accumulated Depletion	Net
Royalty interests			
Simmer and Jack Mines, Limited	$ 24,445,948	$ (501,983)	$ 23,943,965
First Uranium Corporation	11,408,134	(306,171)	11,101,963
Total	$ 35,854,082	$ (808,154)	$ 35,045,928

The Company owns a 1% NSR royalty interest on gold production from Simmers' producing Northwest assets and on First Uranium's Mine Waste Solutions tailings recovery operation. The Company received both the Simmers and First Uranium royalties as a result of the Simmers' shareholder February 16, 2009 voted against the conversion of the US$10,000,000 loan outstanding as more fully described above in Note 5, Simmer & Jack Loan". Prior to the vote to deny the conversion of the loan into shares of Simmers, the Company had carried the convertible loan on its balance sheet at its estimated fair market value based on a discounted cash flow analysis. Following the vote to deny conversion, the Company began accounting for the resulting 1% NSR royalties as tangible assets with the carrying value being the estimated fair market value of the royalty portion on February 16, 2009. The fair value was estimated using the following assumptions: 1) life of mines and gold production estimates as per Simmers and First Uranium; 2) US$850 gold price through fiscal 2010, and US$700 thereafter; and, 3) 5% discount rate. The carrying value of royalty interests are depleted using the units-of-production method over the life of the property to which the royalty interest relates.

The functional currency of the Company's royalty interests on mineral properties is the US dollar. All assets and liabilities are translated at the exchange rate in effect at the balance sheet 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 separate component of other comprehensive income or loss. During the nine months ended October 31, 2010, a translation adjustment loss of $1,606,267 (net of taxes - $1,274,267), (2009 - $5,792,761 (net of taxes - $4,276,761)) was recorded.

7. COMMON SHARES

Authorized: Unlimited common shares with no par value

Issued and outstanding:

	Number of shares		Amount
Balance, January 31, 2009	**94,874,339**	**$**	**47,894,974**
Shares repurchased and cancelled (NCIB) [1]	(7,370,500)		(3,720,815)
Balance, January 31, 2010	**87,503,839**	**$**	**44,174,159**
Shares issued on exercise of options	230,000		27,600
Option valuation on options exercised	-		14,766
Shares repurchased and cancelled (NCIB) [1]	(836,500)		(422,209)
Balance, October 31, 2010	**86,897,339**	**$**	**43,794,316**

[1] See Note 11.

8. WARRANTS

	Nine months ended October 31, 2010		Twelve months January 31, 2010	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Balance, beginning of period	**37,500,000**	**$1.00**	42,000,000	$0.98
Granted	**-**	**-**	-	-
Expired *	**-**	**-**	(4,500,000)	$0.80
Balance, end of period	**37,500,000**	**$1.00**	37,500,000	$1.00

* Compensation Options were exercisable into Units at a price of $0.80 per Unit consisting of one common share of the Company and one-half of one common share purchase warrant. Compensation Options expired unexercised June 6, 2009.

The following is a summary of the outstanding warrants as of October 31, 2010:

Estimated grant date fair value	Number of Warrants	Exercise price	Expiry date
$ 15,750,000	37,500,000	$1.00	June 6, 2012

9. STOCK-BASED COMPENSATION

The following are the stock option transactions during the nine months ended October 31, 2010 and the year ended January 31, 2010:

	Nine months ended October 31, 2010		Twelve months ended January 31, 2010	
	Number of stock option	**Weighted average exercise price**	Number of stock option	Weighted average exercise price
Balance, beginning of period	**6,900,000**	**$0.31**	5,850,000	$0.34
Granted	**1,885,000**	**$0.44**	1,300,000	$0.27
Exercised	**(230,000)**	**$0.12**	-	-
Expired	**(550,000)**	**$0.70**	-	-
Forfeited/Cancelled	**(50,000)**	**$0.44**	(250,000)	$0.71
Balance, end of period	**7,955,000**	**$0.32**	6,900,000	$0.31

As of October, 31, 2010, the following stock options were outstanding:

Estimated grant date fair value	**Number of options outstanding**	**Number of options exercisable**	**Exercise price**	**Expiry date**	**Weighted Average Remaining Contractual Life**
62,500	100,000	100,000	$0.80	January 20, 2011	0.22
32,100	50,000	50,000	$0.82	February 28, 2011	0.33
437,400	900,000	900,000	$0.80	October 4, 2012	1.93
30,640	100,000	100,000	$0.48	August 11, 2013	2.78
11,890	50,000	50,000	$0.35	September 5, 2013	2.85
39,400	200,000	200,000	$0.29	October 1, 2013	2.92
234,330	3,420,000	3,650,000	$0.12	January 14, 2014	3.21
200,125	1,250,000	781,250	$0.27	September 1, 2014	3.84
76,000	250,000	250,000	$0.47	February 1, 2015	4.26
13,320	50,000	18,750	$0.45	February 23, 2015	4.32
390,407	1,485,000	1,485,000	$0.43	February 25, 2015	4.32
25,650	100,000	12,500	$0.48	October 5, 2015	4.93
1,553,762	7,955,000	7,597,500	$0.32		3.36

During the nine months ended October 31, 2010, 1,885,000 stock options were granted to certain directors, officers and consultant of the Company (October 31, 2009 – 1,250,000). Of the total options granted, 1,735,000 vest immediately. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model, with the weighted average assumptions of expected dividend yield – 0%; expected volatility – ranging from 70% to 79%; risk free interest rate – ranging from 2.47% to 2.49%: expected life – 5 years. Additional 150,000 options were granted to consultants of the Company. These options vest quarterly in eight equal tranches with the first tranche vesting on the date of grant. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model, with the weighted average assumptions of expected dividend yield – 0%; expected volatility ranging from 64% to 70%; risk free interest rate ranging from 2% to 2.51%: expected life – 5 years.

During the nine months ended October 31, 2010, 230,000 options were exercised,

10. CONTRIBUTED SURPLUS

	Nine months ended October 31, 2010	Twelve months ended January 31, 2010
Balance, beginning of period	**$ 12,016,561**	$ 8,503,997
Stock options granted and/or vested during the period:		
Consultant	**70,461**	2,978
Officers and directors	**458,619**	117,327
Advisory board member	**26,290**	-
Options exercised, reallocation of valuation	**(14,766)**	-
Warrants expired, reallocation of valuation	**-**	1,453,500
Cancellation of repurchased common shares (Note 11)	**77,735**	1,938,758
Balance, end of period	**$ 12,634,900**	$ 12,016,560

11. NORMAL COURSE ISSUER BID

On February 4, 2010, the Company announced its intention to make a Normal Course Issuer Bid ("NCIB"), subject to TSX approval, to buy back its common shares through the facilities of the Exchange.

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 on the date that the Exchange approves the NCIB. Based on the 75,350,006 common shares in the public float as at January 29, 2010, the maximum number of shares would be 7,535,000. The number of shares in the Company's public float is less than the 87,503,839 issued and outstanding Aberdeen common shares as of January 29, 2010, because the public float number does not include common shares held by Aberdeen insiders. Daily purchases will be limited to 70,144 common shares other than block purchase exceptions. The actual number of common shares that would be purchased, if any, and the timing of such purchases will be determined by Aberdeen considering market conditions, stock prices, its cash position, and other factors.

Purchases under the NCIB were permitted to commence on February 5, 2010 and will terminate on February 4, 2011 or the date upon which the maximum number of common shares have been purchased by Aberdeen pursuant to the NCIB. Aberdeen intends to cancel any shares acquired pursuant to the NCIB.

Any purchases made pursuant to the NCIB will be made in accordance with the rules of the TSX and will be made at the market price of the common shares at the time of the acquisition. Aberdeen will make no purchases of common shares other than open market purchases that may be made during the period that the NCIB is outstanding.

During the nine months ended October 31, 2010, the Company purchased and cancelled 836,500 common shares available under the NCIB at an average price of $0.41 per share. Subsequent to October 31, 2010, the Company purchased and cancelled 140,000 additional shares at an average price of $0.59 per share.

12. RELATED PARTY TRANSACTIONS

All of the related party transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

The Company's officers and directors 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 investments and the nature of the relationship of the Company's officers or directors with the investment:

Investment	Nature of relationship		Estimated Fair value
2248964 Ontario Inc.*	Directors and shareholders	$	2,000,000
Alderon Resources Corp.	Directors and shareholders		825,000
Alder Resources Ltd.	Directors, officers and shareholders		415,000
Allana Potash Corp.	Shareholders		2,190,478
Apogee Minerals Ltd.	Directors and shareholders		2,235,978
Auger Resources Ltd.*	Directors and shareholders		200,000
Avion Gold Corporation	Directors and shareholders		5,412,234
Belo Sun Mining Corp.**	Directors, officer and shareholders		3,561,800
Brazil Potash Corp.*	Directors and shareholders		1,683,393
Castillian Resources Corp.	Directors and shareholders		1,059,850
Crocodile Gold Corp.	Directors, officers and shareholders		7,940,007
Dacha Strategic Metals Inc.	Directors, officers and shareholders		2,969,153
Eurocontrol Technics Inc.	Directors and shareholders		307,467
Forbes & Manhattan (Coal) Corp.	Directors and shareholders		5,371,367
Kria Resources Ltd.	Directors, officers and shareholders		506,910
Largo Resources Ltd.	Directors and shareholders		1,155,167
Longford Energy Inc.	Directors and shareholders		749,776
Pitchblack Resources Ltd.	Directors and shareholders		3,493,636
Potash Atlantico Corp.*	Directors, officers and shareholders		1,058,943
Rodinia Lithium Inc.	Directors, officers and shareholders		1,921,958
Scandinavian Metals Inc.*	Directors and shareholders		200,000
Stetson Oil & Gas Ltd.	Directors and shareholders		50,000
Sulliden Gold Corporation Ltd.	Directors and shareholders		17,021,184
Temujin Mining Corp*	Directors and shareholders		6,157,000
Vast Exploration Inc.	Directors and shareholders		881,100
Total of 12 other investments	Shareholders/w arrant holders		5,425,720
Total Investments		$	74,793,121

* Private company
** Formerly Verena Minerals Corp.

In addition to the investments listed above, at October 31, 2010 Aberdeen has loans receivable from Amazon Potash Corp., Temujin Mining Corp., Castillian Resources Corp., and Kria Resources Ltd. Directors and officers of Aberdeen hold director and officer positions in these companies and may hold investments.

The Company was charged $67,500 during the nine months ended October 31, 2010 (2009 - $67,500) by a corporation controlled by Stan Bharti, a director of the Company for administration services.

During the nine months ended October 31, 2010, the Company earned advisory service fees and other revenue of $482,840 (2009 - $179,500) from corporations with common directors and officers. These companies included:

12. RELATED PARTY TRANSACTIONS (Continued)

Nine months ended October 31, 2010

- Amazon Potash Corp. - $43,138 in advisory fees;
- Castillian Resources Corp. - $25,000 in advisory fees;
- Dacha Strategic Metals Inc. - $107,842 in advisory fees;
- Kria Resources Ltd. - $11,812 in advisory fees;
- Rodinia Lithium Inc. - $20,000 other revenue; and
- Temujin Mining Corp. - 275,048 in advisory fees.

Nine months ended October 31, 2009

- Allana Potash Corp. - $13,500 in advisory fees;
- Crowflight Minerals Inc. - $50,000 in advisory fees;
- Dacha Strategic Metals Inc. - $41,000 in advisory fees;
- Largo Resources Ltd. - $10,000 in advisory fees;
- Sulliden Gold Corporation Ltd. - $25,000 in advisory fees; and
- Vast Exploration Inc. - $40,000 in advisory fees.

Of the total service fees earned, $293,192 were receivable at October 31, 2010 (January 31, 2010 - $12,500). In addition, the Company earned or accrued interest income and debt arrangement fees of $449,053 during the nine months ended October 31, 2010 from Amazon Potash Corp., Castillian Resources Corp., Dacha Stragetic Metals Inc., Kria Resources Ltd., Pitchblack Resources Ltd., (formerly Cash Minerals Limited) Rodinia Lithium Inc., and Temujin Mining Corp., (2009 – $571,364 from Amazon Potash Corp., Avion Gold Corp., Kria Resources Ltd., and Russo-Forest Corporation), all of which have certain common directors and officers with Aberdeen. Of the total interest earned or accrued, $333,318 was receivable at October 31, 2010 (January 31, 2010 - $584,921).

At October 31, 2010 and January 31, 2010, the Company has a provision of $1,317,676 against the outstanding loan and interest receivable from Russo-Forest.

The Company shares its premises with other corporations that have common directors and/or officers. The Company reimburses and recovers from the related corporation for their proportional share of expenses. Included in accounts payable at October 31, 2010 is $Nil (January 31, 2010 - $44,282) owing to, $54,951 (January 31, 2010 - $2,320) owing from, and $23,276 (January 31, 2010 - $2,862) advanced to such corporations. Such amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

13. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $495,000 and additional contingent payments of approximately $3,600,000 upon the occurrence of a change of control. As the likelihood of a change of control is not determinable, the contingent payments have not been reflected in these financial statements.

As outlined in Note 5, “Simmer & Jack Loan”, Simmers’ management has adopted an interpretation of the Convertible Royalty Loan Agreement different to that of Aberdeen’s interpretation. The amounts under dispute on the balance sheet as at October 31, 2010 include the Simmers’ loan valued at $10,202,000 and a receivable for $1,666,710. While the Company is confident that its interpretation of the agreement is correct and has filed a claim against Simmers and First Uranium to recover the outstanding US$10,000,000 principal and balance payable on the graduated gold royalty, some uncertainty surrounds the timing and actual collectability of these amounts.

13. COMMITMENTS AND CONTINGENCIES (Continued)

In June 2009, the Company entered into a secured debenture agreement to loan up to $600,000 to Kria Resources with any amounts drawn being due and payable on December 31, 2010. In August, 2010, $500,000 was drawn down under the debenture agreement. Additional details are provided under Note 4, “Loans Receivable”.

14. CAPITAL DISCLOSURE

The Company considers its capital to consist of its common shares, warrants and contributed surplus balances. 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. Aberdeen is not subject to any capital requirements imposed by a regulator and there were no changes to capital management since January 31, 2010. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current balance sheet date. Aberdeen does not currently pay a dividend and does not expect to pay one in the foreseeable future.

15. FINANCIAL INSTRUMENTS

Aberdeen’s operations involve the purchase and sale of securities and, in addition, the Company has loans 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, interest rate, credit and currency risks. There have been no changes in the risks, objectives, policies and procedures from the previous period. 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 favourable prices. In addition, most of the Company’s investments are in the resource sector. The Company manages this risk by having a portfolio which is not singularly exposed to any one issuer.

For the nine months ended October 31, 2010, a 10% decrease in the closing prices on its portfolio investments would result in an estimated increase in net after-tax loss of $5.2 million, or $0.06 per share This estimated impact on net after-tax loss includes the estimated value of the non-traded warrants held, as determined using the Black-Scholes option pricing model.

15. FINANCIAL INSTRUMENTS (Continued)

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 royalty interests, interest on loans, financing activities and proceeds from the disposition of its investments, in addition to interest income and advisory service fees. As the Company currently has no debt, 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.

Commodity price risk

Commodity price risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in commodity prices. The estimated fair market value of the Company's investments are sensitive to the prevailing and expected commodity prices and changes in commodity prices could have a significant adverse effect on the value of the Company's investment.

The estimated fair value of the Company's royalty assets and related royalty income are sensitive to the prevailing and expected gold price.

Interest rate risk

The Company's interest rate risk is primarily related to the Company's loans receivable. The loans were extended based partially on interest rates in effect at the time. Changes in market interest rates affect the fair market value of the loans receivable. However, as substantially all of the loans are short-term in nature, the impact of changes in market interest rates would likely not be significant.

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. The Company's largest credit risk is the counterparty to its loan outstanding with Simmers. Security was obtained against specific assets of the counterparty, in case of non-performance.

The Company also has credit risk in the form of other loans receivable and amount receivable. The total carrying value of these financial instruments at October 31, 2010 was $20,519,148.

At October 31, 2010, the Company has a provision of $1,317,676 against the outstanding loan and interest receivable from Russo-Forest.

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 and South African Rand.

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 as of October 31, 2010 and January 31, 2010.

	October 31 2010	January 31, 2010
Denominated in U.S dollars:		
Cash	$ 448,783	$ 7,928
Amounts receivables	2,404,320	2,124,913
Loans receivable	5,143,253	8,246,565
Simmer & Jack loan	10,202,000	10,693,000
Accounts payable	(5,433)	(472)
Denominated in Australian dollars:		
Amounts receivables	-	397,794
Denominated in South African Rand:		
Income taxes recoverable	-	1,329,877
Accounts payable and accrued liabilities	(26,800)	(8,767)
	$ 18,166,123	$ 22,790,838

A 10% increase in the value of the Canadian dollar against all foreign currencies in which the Company had financial instrument exposure as of October 31, 2010 would result in an estimated increase in net after-tax loss of approximately $1.3 million or $0.01 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 value of cash equivalents, amounts receivable, loans receivable and accounts payable approximate their fair values due to the short-term nature of these instruments.
ii. Investments are carried at amounts in accordance with the Company's accounting policy as set out in Note 2 of the annual audited financial statements.
iii. Prior to maturity, the outstanding loans receivable are carried at their discounted value. Following their maturity, loans receivable are carried at their estimate realizable value.

15. FINANCIAL INSTRUMENTS (Continued)

The following table illustrates the classification of the Company's financial instruments, measured at fair value on the balance sheet as at October 31, 2010, categorized into levels of the fair value hierarchy in accordance with Section 3862 of the CICA Handbook.:

	Level 1 *(Quoted Market price)*	**Level 2** *(Valuation technique- observable market Inputs)*	**Level 3** *(Valuation technique- non-observable market inputs)*
Cash and cash equivalents	$ 4,968,479	$ -	$ -
Investments			
Publicly traded investments	$ 52,053,920	$ -	$ -
Non-trading warrants on public investments	$ -	$ 8,542,991	$ -
Private investments	$ -	$ -	$ 14,196,210

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the nine months ended October 31, 2010. 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 statement of operations and comprehensive income and loss.

Investments, fair value	
Opening balance, January 31, 2010	$ 6,934,527
Net purchases	9,320,936
Change in unrealized gains, net	2,715,296
Transfer of investment from private to public, net	(4,774,549)
Ending balance October 31, 2010	$ 14,196,210

16. SUBSEQUENT EVENTS

Subsequent to October 31, 2010, the Company purchased and cancelled 140,000 of its common shares under NCIB at an average price of $0.59 per share.

On November 30, 2010, the Company issued 200,000 options to a director and an officer of the Company to purchase shares of the Company at $0.64 until November 30, 2015.