ABERDEEN INTERNATIONAL

# ANNUAL FINANCIAL STATEMENTS

For the years ended January 31, 2012 and 2011
(expressed in Canadian dollars)

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

2005 Sheppard Avenue East, Suite 300
Toronto, Ontario
M2J 5B4, Canada
Phone 416-496-1234
Fax 416-496-0125
Web www.mhc-ca.com

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Aberdeen International Inc.

We have audited the accompanying financial statements of Aberdeen International Inc., which comprise the statements of financial position as at January 31, 2012, January 31, 2011 and February 1, 2010, and the statements of comprehensive loss (income), statements of cash flows, and statements of changes in equity for the years ended January 31, 2012 and 2011, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

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

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

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

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Aberdeen International Inc. as at January 31, 2012, January 31, 2011 and February 1, 2010, and its financial performance and its cash flows for the years ended January 31, 2012 and 2011 in accordance with International Financial Reporting Standards.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
April 20, 2012, except as to Notes 8 and 19,
which are as of April 25, 2012

## ABERDEEN INTERNATIONAL INC.
### Statements of Financial Position
### As at
*(In Canadian dollars)*

| | Notes | **January 31, 2012 $** | January 31, 2011 $ | February 1 2010 $ |
|---|---|---|---|---|
| | | | (Note 20) | (Note 20) |
| ASSETS | | | | |
| Current | | | | |
| Cash | | **7,372,118** | 14,049,856 | 3,266,356 |
| Investments, at fair value through profit and loss | 4 | **72,327,350** | 105,827,444 | 57,027,559 |
| Amounts receivable | 5, 7 | **1,762,134** | 2,695,725 | 2,206,775 |
| Income taxes recoverable | | **-** | - | 1,727,615 |
| Loans receivable | 6 | **2,456,978** | 7,023,452 | 8,246,565 |
| Loan - Simmer & Jack | 7 | **-** | 10,015,000 | 10,693,000 |
| Prepaid expenses | | **153,769** | 461,931 | 14,508 |
| Total current assets | | **84,072,349** | 140,073,408 | 83,182,378 |
| Long-term | | | | |
| Royalty interests on mineral properties, net | 8 | **22,101,813** | 28,183,500 | 35,045,928 |
| Equipment, net | | **23,581** | 37,794 | 54,000 |
| Total assets | | **106,197,743** | 168,294,702 | 118,282,306 |
| LIABILITIES | | | | |
| Current | | | | |
| Securities sold short | 4 | **-** | 1,017,704 | - |
| Accounts payable and accrued liabilities | 9 | **664,242** | 6,445,771 | 1,716,233 |
| Income taxes payable | 10 | **1,578,328** | 1,815,618 | - |
| Deferred revenue | | **-** | - | 414,400 |
| Total current liabilities | | **2,242,570** | 9,279,093 | 2,130,633 |
| Long-term | | | | |
| Deferred tax liability | 10 | **7,874,000** | 22,701,000 | 12,984,000 |
| Total liabilities | | **10,116,570** | 31,980,093 | 15,114,633 |
| SHAREHOLDERS' EQUITY | | | | |
| Share capital | 11 | **43,311,233** | 43,600,623 | 44,174,159 |
| Equity reserve | 12 | **20,337,970** | 20,818,067 | 20,540,769 |
| Total share capital and equity reserve | | **63,649,203** | 64,418,690 | 64,714,928 |
| Retained earnings | | **34,062,645** | 73,618,578 | 38,452,745 |
| Accumulated other comprehensive loss | 8 | **(1,630,675)** | (1,722,659) | - |
| Total shareholders' equity | | **96,081,173** | 136,314,609 | 103,167,673 |
| Total liabilities and shareholders' equity | | **106,197,743** | 168,294,702 | 118,282,306 |
| Commitments and contingencies | 18 | | | |
| Subsequent events | 7, 8,11,19 | | | |

Approved on behalf of the Board of Directors:

*"Bernard Wilson" (signed)*
Bernard Wilson, Director

*"George Faught" (signed)*
George Faught, Director

The accompanying notes are an integral part of the financial statements

## ABERDEEN INTERNATIONAL INC.

**Statements of Comprehensive (Loss) Income**

*(In Canadian dollars)*

| | Notes | Years ended January 31 | |
|---|---|---|---|
| | | **2012** | 2011 |
| | | **$** | $ |
| | | | (Note 20) |
| Net investment gains (losses) | | | |
| Realized gain on investments, net | | **9,828,111** | 17,498,258 |
| Unrealized (loss) gain on investments, net | | **(50,018,891)** | 43,393,240 |
| Total investment (losses) gains | | **(40,190,780)** | 60,891,498 |
| Other revenue | | | |
| Royalties | 8 | **2,409,543** | 2,009,725 |
| Interest income | | **839,733** | 764,177 |
| Advisory service fees | | **57,797** | 539,344 |
| Other | | **-** | 20,000 |
| Total other revenue | | **3,307,073** | 3,333,246 |
| Expenses | | | |
| Operating, general and administration | 12,14,17 | **4,602,138** | 9,243,360 |
| Transaction costs | | **198,400** | 273,404 |
| Interest expenses | | **19,003** | 217,043 |
| Write-down of royalty interests on mineral properties | 8 | **5,428,640** | 3,904,772 |
| Provision for loan, interest and investment receivable | 6 | **1,796,650** | 1,758,018 |
| Loss on loan settlement | 7 | **2,399,198** | - |
| Depletion on royalty interests on mineral properties | 8 | **682,030** | 753,995 |
| Amortization | | **14,213** | 16,206 |
| Total expenses | | **15,140,272** | 16,166,798 |
| (Loss) income before foreign exchange gain (loss) | | **(52,023,979)** | 48,057,946 |
| Foreign exchange gain (loss) | | **216,818** | (884,071) |
| (Loss) income before income taxes | | **(51,807,161)** | 47,173,875 |
| Income tax recovery (provision) | 10 | **13,993,525** | (12,333,673) |
| **Net (loss) income for the year** | | **(37,813,636)** | 34,840,202 |
| **Other comprehensive income (loss)** | | | |
| Currency translation adjustment, net of taxes | 8 | **91,984** | (1,722,659) |
| **Total comprehensive (loss) income for the year** | | **(37,721,652)** | 33,117,543 |
| (Loss) earnings per common shares based on (loss) income for the year | | | |
| Basic | 13 | **(0.44)** | 0.40 |
| Diluted | 13 | **(0.44)** | 0.37 |
| Weighted average number of common shares outstanding | | | |
| Basic | 13 | **86,759,149** | 87,238,597 |
| Diluted | 13 | **86,759,149** | 92,961,542 |

The accompanying notes are an integral part of the financial statements

# ABERDEEN INTERNATIONAL INC.

## Statements of Cash Flows

*(In Canadian dollars)*

| | Notes | Years ended January 31 2012 $ | 2011 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| (Loss) income before income taxes for the year | | **(51,807,161)** | 47,173,875 |
| Income tax (paid) recovered | | **(1,007,765)** | 77,684 |
| Adjustments to reconcile net (loss) income to cash used in operating activities: | | | |
| Realized (gain) on investments, net | | **(9,828,111)** | (17,498,258) |
| Unrealized loss (gain) on investments, net | | **50,018,891** | (43,393,240) |
| Provision for loan, interest and investment receivable | 6 | **1,796,650** | 1,758,018 |
| Write-down of royalty interests on mineral properties | 8 | **5,428,640** | 3,904,772 |
| Loss on loan settlement | 7 | **2,399,198** | - |
| Depletion on royalty interests on mineral properties | 8 | **682,030** | 753,995 |
| Arrangement fee income | | **(14,766)** | (502,665) |
| Share-based compensation | 12 | **517,589** | 644,683 |
| Amortization | | **14,213** | 16,206 |
| Unrealized foreign exchange | | **(36,721)** | 735,001 |
| | | **(1,837,313)** | (6,329,929) |
| Adjustments for: | | | |
| Prepaid and other amounts receivable | | **(1,176,004)** | (1,272,429) |
| Accounts payable and accrued liabilities | | **(5,838,362)** | 5,165,594 |
| Income taxes (payable) recoverable | | **-** | 1,329,876 |
| **Net cash used in operating activities** | | **(8,851,679)** | (1,106,888) |
| **Cash flows from financing activities** | | | |
| Dividend paid | 11, 15 | **(1,742,297)** | - |
| Shares repurchased and cancelled | 11 | **(1,898,050)** | (674,090) |
| Shares issued through options exercised | | **610,974** | 58,800 |
| **Net cash used in financing activities** | | **(3,029,373)** | (615,290) |
| **Cash flows from investing activities** | | | |
| Purchase of investments | | **(25,002,874)** | (22,911,789) |
| Disposal of investments | | **28,499,159** | 38,184,338 |
| Advanced for investment | | **-** | (442,371) |
| Short-term loans provided | | **(8,343,471)** | (5,713,500) |
| Short-term loans repaid | | **10,050,500** | 3,389,000 |
| **Net cash provided by investing activities** | | **5,203,314** | 12,505,678 |
| **CHANGE IN CASH** | | **(6,677,738)** | 10,783,500 |
| CASH, beginning of year | | **14,049,856** | 3,266,356 |
| CASH, end of year | | **7,372,118** | 14,049,856 |
| **Supplemental cash flow information** | | | |
| Special warrants / shares received on conversion of debenture receivable | 6 | - | 2,160,000 |
| Shares received on debt financing | 6 | **7,246,732** | 2,173,736 |
| Shares and warrants received in settlement of loan receivable | 6 | **1,345,000** | - |
| Shares received in conversion of special warrants | 6 | **-** | 1,694,549 |
| Warrants received on debt financing | 6 | **-** | 49,210 |
| Interest paid | | **13,828** | 215,548 |

The accompanying notes are an integral part of the financial statements

## ABERDEEN INTERNATIONAL INC.

### Statements of Changes in Equity

*(In Canadian dollars)*

| | Number of shares | Common shares | Equity payment reserve | Treasury shares | Retained earnings | Accumulated other comprehensive loss | Total equity |
|---|---|---|---|---|---|---|---|
| | # | $ | $ | $ | $ | $ | $ |
| **Balance - January 31, 2011** | **86,677,339** | **43,600,623** | **20,818,067** | **-** | **73,618,578** | **(1,722,659)** | **136,314,609** |
| Repurchase of common shares | - | - | - | (1,898,050) | - | - | (1,898,050) |
| Cancellation of repurchased common shares | (2,544,700) | (1,280,015) | (618,035) | 1,898,050 | - | - | - |
| Option exercised | 1,967,500 | 990,625 | (379,651) | - | - | - | 610,974 |
| Share-based compensation expense | - | - | 517,589 | - | - | - | 517,589 |
| Dividend declared and paid | - | - | - | - | (1,742,297) | - | (1,742,297) |
| Net loss for the year | - | - | - | - | (37,813,636) | - | (37,813,636) |
| Currency translation adjustment | - | - | - | - | - | 91,984 | 91,984 |
| **Balance - January 31, 2012** | **86,100,139** | **43,311,233** | **20,337,970** | **-** | **34,062,645** | **(1,630,675)** | **96,081,173** |
| **Balance - February 1, 2010** | **87,503,839** | **44,174,159** | **20,540,769** | - | **38,452,745** | - | **103,167,673** |
| Repurchase of common shares | - | - | - | (674,090) | - | - | (674,090) |
| Cancellation of repurchased common shares | (1,316,500) | (663,793) | 38,470 | 674,090 | (48,767) | - | - |
| Option exercised | 490,000 | 90,257 | (31,457) | - | - | - | 58,800 |
| Options expired unexercised | - | - | (374,398) | - | 374,398 | - | - |
| Share-based compensation expense | - | - | 644,683 | - | - | - | 644,683 |
| Net income for the year | - | - | - | - | 34,840,202 | - | 34,840,202 |
| Currency translation adjustment | - | - | - | - | - | (1,722,659) | (1,722,659) |
| **Balance - January 31, 2011** | **86,677,339** | **43,600,623** | **20,818,067** | **-** | **73,618,578** | **(1,722,659)** | **136,314,609** |

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. Basis of preparation and adoption of IFRS

These annual financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). As these financial statements represent the Company’s initial presentation of its results and financial position under IFRS, they were prepared in accordance with the International Auditing Standards (“IAS”) 1, Presentation of Financial Statements by IFRS 1, First-time Adoption of IFRS. These annual financial statements have been prepared in accordance with the accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations issued and outstanding as of April 20, 2012, the date the Board of Directors approved these annual financial statements. The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

The Company's financial statements were previously prepared in accordance with Canadian Generally Accepted Accounting Principles (“Canadian GAAP”). Canadian GAAP differs in some areas from IFRS. A description of the effect of the transition from Canadian GAAP to IFRS on equity, comprehensive (loss) income, and financial position and cash flows is disclosed in Note 20.

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

## 3. Significant accounting policies

### *Basis of presentation*

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 the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included.

### *Significant accounting judgments, estimates and assumptions*

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

## 3. Significant accounting policies (continued)

### *Significant accounting judgments, estimates and assumptions (continued)*

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

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

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Refer to Note 4 for further details.

(ii) Fair value of financial derivatives

Investments in options and warrants which are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants and options are valued at intrinsic value. Refer to Note 4 for further details.

(iii) Fair value / impairment of convertible debentures

Convertible debentures are separated into their liability and equity components on the statement of financial position. The liability component is initially recognized at fair value, calculated as the net present value of the liability, based upon non-convertible debt issued by comparable issuers, and accounted for at amortized cost using the effective interest rate method. The effective interest rate used is the estimated rate for debt with similar terms at the time of issue. Refer to Note 6 for further details.

(iv) Fair value / impairment of royalties

Assessment of impairment of royalties requires the use of judgments, assumptions and estimates when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Company’s royalties. The assessment of fair values requires the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, reserve/resource conversion, net asset value (“NAV”) multiples, foreign exchange rates, future capital expansion plans and the associated production implications. Changes in any of the assumptions and estimates used in determining the fair value of the royalty could impact the impairment analysis. Refer to Note 8 for further details.

(v) Recognition of deferred taxes

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. Refer to Note 10 for further details.

(vi) Share-based payments

The Company uses the Black-Scholes option pricing model to fair value options in order to calculate stock-based compensation expense. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company’s control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share based compensation expense. Refer to Note 12 for further details.

(vii) Contingencies

See Note 18 for details.

## 3. Significant accounting policies (continued)

### *Significant accounting judgments, estimates and assumptions (continued)*

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

(i) Fair value of investment in securities not quoted in an active market or private company investments
(ii) Fair value / impairment of loans receivable
(iii) Fair value / impairment of royalties
(iv) Share-based payments
(v) Contingencies
(vi) Depletion, depreciation and amortization

### *Functional and presentation currency*

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

### *Foreign currency translation*

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

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

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

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

### *Financial instruments*

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company's financial instruments consist of cash, amounts receivable, investments, loans receivable, Loan – Simmer & Jack, securities sold short, accounts payable and accrued liabilities.

## 3. Significant accounting policies (continued)

### *Financial instruments (continued)*

(i) Investments

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

Investments which are designated, based on management's intentions, as held-for-trading using the fair value option are reported at fair value. Transaction costs are expensed as incurred in the statements of comprehensive (loss) income. The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in the statements of comprehensive (loss) income. The Company is also required to present its investments (and other financial assets and liabilities reported at fair value) into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (see Note 16, "Financial instruments"). The 3 levels are defined as follows:

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

Publicly-traded investments:

1. Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the statement of financial position date or the closing price on the last day the security traded if there were no trades at the statement of financial position date. These are included in Level 1 as disclosed in Note 16.

2. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted. In determining the discount for such investments, the Company considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. These are included in Level 2 in Note 16.

3. Warrants or options of publicly-traded securities which do not have a quoted price are carried at an estimated fair value calculated using the Black-Scholes option pricing model based on the underlying security. These are included in Level 2 as disclosed in Note 16.

4. Performance shares are convertible into common shares if or when the investee companies meet certain milestones. Performance shares are recorded at fair value when the certainty of meeting these milestones is probable. These are included in Level 3 as disclosed in Note 16.

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

## 3. Significant accounting policies (continued)

### *Financial instruments (continued)*

(i) Investments (continued)
Privately-held investments:

1. Securities in privately-held companies (other than options and warrants) are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements. Options and warrants of private companies are carried at nil. These are included in Level 3 as disclosed in Note 16.

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

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

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

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

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

## 3. Significant accounting policies (continued)

### *Financial instruments (continued)*

(i) Investment (continued)

Investments in associates:

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

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

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

(ii) Amounts receivable

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

(iii) Financial liabilities

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

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

(iv) Offsetting of financial instruments

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

## 3. Significant accounting policies (continued)

### *Financial assets other than investments at fair value*

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

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

### *Impairment of financial assets*

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

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

### *Cash and cash equivalents*

Cash and cash equivalents are comprised of cash on hand and deposits that generally mature within 90 days from the date of acquisition. Deposits are held in Canadian chartered banks or in a financial institution controlled by a Canadian chartered bank. At January 31, 2012 and 2011, and February 1, 2010, the Company had no cash equivalents.

### *Royalty interests on mineral properties*

The Company holds royalty interests in production stage mineral properties. Royalty interests are recorded at cost and capitalized as tangible assets. The carrying value of royalty interests are depleted using the unit-of-production method over the life of the property to which the royalty interest relates, which is estimated using available estimates of proven and probable reserves specifically associated with the mineral properties.

The Company evaluates its royalty interests on mineral properties for impairment whenever events or changes in circumstances, which may include significant changes in commodity prices and publicly available information from operators of the producing assets, indicate that the related carrying value of the royalty interests may not be recoverable. The recoverability of royalty interests is evaluated based upon estimated future undiscounted net cash flows from each royalty interest property using estimates of proven and probable reserves. Impairments in the carrying value of each property are measured and recorded to the extent that the carrying value of each property exceeds its recoverable amount, which is the higher of fair value less costs to sell or value in use, which is generally calculated using estimated discounted future cash flows.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of comprehensive (loss) income to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

## 3. Significant accounting policies (continued)

### *Royalty interests on mineral properties (continued)*

Estimates of gold prices, operator's estimates of proven and probable reserves related to the royalty properties, and the operator's production profile are subject to certain risks and uncertainties which may affect the recoverability of the Company's investment in these royalty interests in mineral properties. Although the Company has made its best assessment of these factors based on current conditions, it is possible that changes could occur, which could adversely affect the net cash flows expected to be generated from these royalty interests.

### *Equipment*

Equipment is recorded at cost, less accumulated amortization. Amortization of equipment is calculated on an annual basis over the estimated useful lives of the equipment using the following rates and methods:

Computer equipment – 30% declining balance
Leasehold improvements – 20% straight line

### *Revenue recognition*

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

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

### *Income taxes*

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

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

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

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

## 3. Significant accounting policies (continued)

### *Earnings (loss) per share*

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

### *Share-based payments*

Share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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

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

### *Future accounting pronouncements*

IFRS 9 *Financial Instruments* ("IFRS 9") was issued in November 2009 and contains requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. On December 16, 2011, the IASB deferred the mandatory effective date of IFRS 9 to January 1, 2015. The amendments also provides relief from restating comparative information and requires disclosures (in IFRS 7) to enable users of financial statements to understand the effect of applying IFRS. The Company has not yet determined the impact of the amendments to IFRS 9 on its financial statements.

IFRS 7 *Financial instruments - Disclosures* ("IFRS 7") was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained. The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011. The Company has not yet determined the impact of the amendments to IFRS 7 on its financial statements.

IFRS 10 *Consolidated Financial Statements* ("IFRS 10") provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of SIC 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 *Consolidated and Separate Financial Statements*. This standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company has not yet determined the impact of the amendments to IFRS 10 on its financial statements.

## 3. Significant accounting policies (continued)

### *Future accounting pronouncements (continued)*

IFRS 11 *Joint Arrangements* ("IFRS 11") replaces the guidance in IAS 31 *Interests in Joint Ventures*. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previous jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for the liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11, joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method.

Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment's opening balance is tested for impairment in accordance with IAS 28 *Investments in Associates* and IAS 36 *Impairment of Assets*. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. The Company intends to adopt IFRS 11 in its financial statements for the annual period beginning on February 1, 2013. The Company has not yet determined the impact of the amendments to IFRS 11 on its financial statements.

IFRS 12 *Disclosure of Interests in Other Entities* ("IFRS 12") establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet determined the impact of this standard on its financial statements.

IFRS 13 *Fair Value Measurement* ("IFRS 13") converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company has not yet determined the impact of the amendments to IFRS 13 on its financial statements.

IAS 1 – *Presentation of Financial Statements* was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The Company has not yet determined the impact of this standard on its financial statements.

**(Expressed in Canadian dollars unless otherwise noted)**

## 4. Investments at fair value through profit and loss

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

| Private Issuer | Note | Security description | Cost | Estimated Fair value | % of FV |
|---|---|---|---|---|---|
| Auger Resources Ltd. | (iii) | 2,000,000 common shares | $ 1,000,000 | $ 100,000 | 0.1% |
| Brazil Potash Corp. | (iii) | 1,650,062 common shares | 2,500,000 | 3,309,364 | 4.6% |
| Irati Energy Corp. | | 1,641,750 common shares | 994,975 | 3,283,500 | 4.5% |
| Legacy Platinum Corp. | (ii,iii) | 3,015,000 common shares | 2,166,174 | 1,507,500 | 2.1% |
| Raven Minerals Corp.* | (ii) | 1,600,000 common shares | 400,000 | 720,000 | 1.0% |
| | | 800,000 warrants | | | |
| Scandinavian Metals Inc. | (ii,iii) | 22,762,765 common shares | 2,038,139 | 569,069 | 0.8% |
| Temujin Mining Corp.** | (ii,iii) | 33,695,289 common shares | 14,416,529 | 6,739,058 | 9.3% |
| | | 9,090,909 penalty shares B | | | |
| Total of 5 other investments | (iv) | | 215,365 | 96,886 | 0.1% |
| Total private investments | | | $ 23,731,182 | $ 16,325,377 | 22.6% |

* Warrants' expiry date extended to 12 months after Raven is publicly listed

** Penalty shares B will convert to common shares if future IPO or RTO issuance price is below the subscription price of $0.55 per share

| Public Issuer | Note | Security description | Cost | Estimated Fair value | % of FV |
|---|---|---|---|---|---|
| Aguia Resources Ltd.* | | 3,438,659 common shares | $ 2,267,976 | $ 1,773,478 | 2.5% |
| | | 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. | (iii) | 446,100 common shares | 466,100 | 1,500,842 | 2.1% |
| Alder Resources Ltd. | (iii) | 2,500,000 common shares | 250,000 | 712,750 | 1.0% |
| | | 1,250,000 warrants expire Feb 1, 2014 | | | |
| Alexis Mineral Corp. | | 2,500,000 common shares | 250,000 | 112,500 | 0.2% |
| Allana Potash Corp. | | 3,375,000 common shares | 1,190,671 | 2,666,250 | 3.7% |
| Bell Copper Corp. | (iii) | 1,150,000 common shares | 230,000 | 93,150 | 0.1% |
| | | 1,150,000 warrants expire Nov 25, 2012 | | | |
| Belo Sun Mining Corp.** | (iii) | 1,053,667 common shares | 813,796 | 3,081,844 | 4.3% |
| | | 3,000,000 warrants expire March 3, 2012 | | | |
| Black Iron Inc. | (iii) | 6,000,000 common shares | 3,504,812 | 3,900,000 | 5.4% |
| Cap-Ex Ventures Limited | | 1,175,000 common shares | | | |
| | | 1,175,000 warrants expire Jan 13, 2014 | 998,750 | 1,684,833 | 2.3% |
| Castillian Resources Corp. | (iii) | 18,374,000 common shares | 2,969,075 | 1,426,692 | 2.0% |
| | | 2,273,000 warrants expire June 21, 2013 | | | |
| Dacha Strategic Metals Inc. | (iii) | 392,951 common shares | 220,789 | 204,335 | 0.3% |
| Desert Eagle Resources Ltd.**** | | 938,889 common shares | 845,000 | 301,383 | 0.4% |
| | | 938,889 warrants expire Sep 15, 2013 | | | |
| East Asia Minerals Corporation | (iii) | 3,800,000 common shares | 1,890,180 | 2,993,840 | 4.1% |
| | | 3,600,000 warrants expire Dec 15, 2013 | | | |
| Eurocontrol Technics Group Inc. | (iii) | 1,333,333 warrants expire Sep 27,2012 | 75,546 | 26,000 | 0.0% |
| Forbes & Manhattan (Coal) Corp. | (iii) | 2,406,797 common shares | 3,443,875 | 4,413,259 | 6.1% |
| | | 550,000 performance shares | | | |

**(Expressed in Canadian dollars unless otherwise noted)**

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

| Public Issuer | Note | Security description | Cost | Estimated Fair value | % of FV |
|---|---|---|---|---|---|
| Largo Resources Ltd. | (iii) | 2,063,333 common shares | 285,413 | 598,367 | 0.8% |
| Longford Energy Inc. | (iii) | 1,250,000 w arrants expire Jun 8, 2013 | 55,250 | 48,250 | 0.1% |
| Pitchblack Resources Ltd.*** | (ii) | 2,180,303 common shares | 410,988 | 342,220 | 0.5% |
| | | 3,030,303 w arrants expire Oct 29, 2012 | | | |
| Rodinia Lithium Inc. | (iii) | 3,978,333 common shares | 1,831,925 | 843,992 | 1.2% |
| | | 416,667 w arrants expire Sep 10, 2012 | | | |
| Silver Bear Resources Inc. | (iii) | 1,674,230 common shares | 1,339,384 | 987,796 | 1.4% |
| Stetson Oil & Gas Ltd. | | 9,724,000 preferred shares | - | 97,240 | 0.1% |
| Sulliden Gold Corporation Ltd. | (iii) | 15,904,572 common shares | 12,109,150 | 25,288,269 | 35.0% |
| United Silver Corp. | | 1,215,050 common shares | 644,860 | 614,679 | 0.8% |
| | | 1,372,550 w arrants expire Aug 2, 2014 | | | |
| Vast Exploration Inc. | (iii) | 10,000,000 common shares | 805,770 | 550,000 | 0.8% |
| Total of 7 other investments | (iv) | | 2,508,992 | 1,740,004 | 2.3% |
| Total public investments | | | $ 39,408,302 | $ 56,001,973 | 77.4% |
| Total investments | | | $ 63,139,485 | $ 72,327,350 | 100.0% |

* Formerly New port Mining Ltd.

** Formerly Verena Minerals Corp., 3,000,000 w arrants exercised subsequent to January 31, 2012.

*** Formerly Cash Minerals Ltd.

**** Formerly Garrison International Ltd.

**Note**

(i) The Company has issued a Section 102 report under the Ontario Securities Act for this investment.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2012.
(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, 2012. Directors and officers may hold investments personally.

At January 31, 2011, the Company's investment portfolio consisted of 14 privately-held investments and 26 publicly-traded investments for a total fair value of $104,809,740, net investments held as financial liabilities.

| Private Issuer | Note | Security description | Cost | Estimated Fair value | % of FV |
|---|---|---|---|---|---|
| Auger Resources Ltd. | (iii) | 2,000,000 common shares | $ 1,000,000 | $ 200,000 | 0.2% |
| Black Iron Inc.* | (iii) | 4,000,000 common shares | 1,100,000 | 2,000,000 | 1.9% |
| Brazil Potash Corp. | (iii) | 1,650,062 common shares | 2,500,000 | 1,652,537 | 1.6% |
| Potash Atlantico Corp. | (ii,iii) | 3,186,612 common shares | 1,653,183 | 3,191,392 | 3.0% |
| Raven Minerals Corp. | (ii) | 1,600,000 common shares | 400,000 | 1,440,000 | 1.4% |
| | | 800,000 w arrants expire July 30, 2011 | | | |
| Scandinavian Metals Inc. | (ii,iii) | 2,000,000 common shares | 1,000,000 | 100,000 | 0.1% |
| Temujin Mining Corp.** | (ii,iii) | 12,819,091 common shares | 5,657,000 | 5,657,000 | 5.4% |
| | | 9,090,909 penalty shares B | | | |
| | | 1,410,000 w arrants expire Nov 26, 2011 | | | |
| | | 600,000 w arrants expire Jan 14, 2012 | | | |
| | | 4,545,455 w arrants expire Jan 29, 2012 | | | |
| Total of 7 other investments | (iv) | | 4,406,981 | 4,338,679 | 4.1% |
| Total private investments | | | $ 17,717,164 | $ 18,579,608 | 17.7% |

* publicly listed on March 29, 2011

** Penalty shares B w ill convert to common shares if future IPO or RTO issuance price is below the subscription price of $0.55 per share

**(Expressed in Canadian dollars unless otherwise noted)**

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

| Public Issuer | Note | Security description | Cost | Estimated Fair value | % of FV |
|---|---|---|---|---|---|
| Aguia Resources Ltd.* | | 1,521,583 common shares | $ 614,793 | $ 3,682,904 | 3.5% |
| | | 4,145,556 performance shares A | | | |
| | | 3,318,763 performance shares B | | | |
| Alderon Iron Ore Corp. | (iii) | 500,000 common shares | 500,000 | 1,775,000 | 1.7% |
| Alder Resources Ltd. | (iii) | 1,000,000 common shares | 250,000 | 175,000 | 0.2% |
| Apogee Silver Ltd. | (iii) | 5,350,000 common shares | 1,039,945 | 2,766,735 | 2.6% |
| | | 1,175,000 w arrants expire April 30, 2011 | | | |
| | | 1,250,000 w arrants expire Dec 22, 2011 | | | |
| Avion Gold Corporation | (iii) | 1,591,800 common shares | 1,171,137 | 5,013,216 | 4.8% |
| | | 2,500,000 w arrants expire May 8, 2011 | | | |
| Belo Sun Mining Corp.** | (iii) | 3,708,667 common shares | 2,297,428 | 4,407,980 | 4.2% |
| | | 3,000,000 w arrants expire March 3, 2012 | | | |
| Castillian Resources Corp. | (iii) | 11,410,000 common shares | 2,032,656 | 1,766,400 | 1.7% |
| | | 1,000,000 w arrants expire June 30, 2011 | | | |
| Crocodile Gold Corp. | (iii) | 1,245,866 common shares | 1,053,914 | 1,669,460 | 1.6% |
| Dacha Strategic Metals Inc.***** | (iii) | 3,680,362 common shares | 1,755,913 | 2,061,699 | 2.0% |
| | | 2,501,551 w arrants expire June 16, 2014 | | | |
| Eurocontrol Technics Group Inc. | (iii) | 1,333,333 common shares | 200,000 | 314,267 | 0.3% |
| | | 1,333,333 w arrants expire Sep 27,2012 | | | |
| Forbes & Manhattan (Coal) Corp. | (iii) | 1,705,196 common shares | 2,994,549 | 7,758,642 | 7.4% |
| | | 1,100,000 performance shares | | | |
| Largo Resources Ltd. | (iii) | 3,983,333 common shares | 551,000 | 2,111,166 | 2.0% |
| Longford Energy Inc. | (iii) | 3,259,869 common shares | 1,109,331 | 1,287,659 | 1.2% |
| Pitchblack Resources Ltd.*** | (ii,iii) | 3,030,303 common shares | 500,000 | 2,301,818 | 2.2% |
| | | 3,030,303 w arrants expire Oct 29, 2012 | | | |
| Rodinia Lithium Inc. | (iii) | 3,833,333 common shares | 1,750,000 | 2,360,000 | 2.3% |
| | | 416,667 w arrants expire Sep 10, 2012 | | | |
| Stetson Oil & Gas Ltd. | (ii,iii) | 10,000,000 preferred shares | - | 200,000 | 0.2% |
| Sulliden Gold Corporation Ltd. | (iii) | 13,239,141 common shares | 7,240,259 | 31,185,004 | 29.8% |
| | | 769,231 w arrants expire April 23, 2011 | | | |
| Trevali Mining Corp.**** | (iii) | 2,299,000 common shares | 2,163,278 | 977,075 | 0.9% |
| Vast Exploration Inc. | (iii) | 1,350,000 common shares | 600,402 | 1,100,000 | 1.0% |
| | | 1,000,000 w arrants expire June 5, 2011 | | | |
| Total of 7 other investments | (iv) | | 1,217,596 | 13,316,107 | 12.7% |
| Total public investments | | | $ 29,042,201 | $ 86,230,132 | 82.3% |
| Total investments | | | $ 46,759,365 | $ 104,809,740 | 100.0% |
| Reconciliation: | | | | | |
| Investments held as financial assets | | | $ 47,401,879 | $ 105,827,444 | |
| Investments held as financial liabilities | | | (642,514) | (1,017,704) | |
| Total investments | | | $ 46,759,365 | $ 104,809,740 | |

* Formerly New port Mining Ltd.,
** Formerly Verena Minerals Corp.
*** Formerly Cash Minerals Ltd.
**** Formerly Kria Resources Ltd.
***** Warrants have an exercise price of $0.42 until June 16, 2012, $0.50 after June 16, 2012

**Note**
(i) The Company has issued a Section 102 report under the Ontario Securities Act for this investment;
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2011
(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, 2011. Directors and officers may hold investments personally.

**(Expressed in Canadian dollars unless otherwise noted)**

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

At February 1, 2010, the Company's investment portfolio consisted of 6 privately-held investments and 23 publicly-traded investments for a total fair value of $57,027,559.

| Private Issuer | Note | Security description | Cost | Estimated Fair value | % of FV |
|---|---|---|---|---|---|
| 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 | | | |
| Brazil Potash Corp. | (iii) | 1,650,062 common shares | 2,500,000 | 1,776,127 | 3.1% |
| Raven Minerals Corp. | (ii) | 1,600,000 common shares | 400,000 | 400,000 | 0.7% |
| | | 800,000 warrants expire July 30, 2011 | | | |
| Forbes & Manhattan (Coal) Corp.* | (ii,iii) | 1,000,000 common shares | 800,000 | 800,000 | 1.4% |
| 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 | | | |
| Temujin Mining Corp. | (ii,iii) | 7,364,545 common shares | 3,667,200 | 3,758,400 | 6.6% |
| | | 7,364,545 warrants expire Nov 26, 2011 | | | |
| | | 600,000 warrants expire Jan 14, 2012 | | | |
| Amazon Potash Corp. | (iii) | 2,800,000 common shares | - | - | - |
| Total private investments | | | $ 9,367,200 | $ 7,734,527 | 13.6% |

* publicly listed on September 27, 2011

| Public Issuer | Note | Security description | Cost | Estimated Fair value | % of FV |
|---|---|---|---|---|---|
| Allana Potash Corp. | (iii) | 6,750,000 common shares | $ 1,220,000 | $ 3,348,300 | 5.9% |
| | | 2,000,000 warrants expire May 22, 2011 | | | |
| | | 2,375,000 warrants expire June 16, 2011 | | | |
| Apogee Silver Ltd. | (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 | | | |
| Avion Gold Corporation | (iii) | 8,774,400 common shares | 3,631,919 | 6,002,634 | 10.5% |
| | | 2,500,000 warrants expire May 8, 2011 | | | |
| 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. | (i,ii,iii) | 6,319,478 common shares | 3,546,424 | 16,929,174 | 29.6% |
| | | 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 Stragetic Metals Inc.** | (i,ii,iii) | 2,501,551 common shares | 825,512 | 2,345,204 | 4.1% |
| | | 2,501,551 warrants expire June 16, 2014 | | | |
| Largo Resources Ltd. | (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 | 2.1% |
| | | 3,296,296 warrants expire February 28, 2010 | | | |
| | | 1,000,000 warrants expire June 5, 2011 | | | |
| Stetson Oil & Gas Ltd. | (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. | (i,iii) | 10,403,303 common shares | 4,920,283 | 7,621,216 | 13.3% |
| | | 769,231 warrants expire April 23, 2011 | | | |
| | | 625,000 warrants expire October 6, 2012 | | | |

**(Expressed in Canadian dollars unless otherwise noted)**

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

| Public Issuer | Note | Security description | Cost | Estimated Fair value | % of FV |
|---|---|---|---|---|---|
| Trevali Mining Corp.* | (iii) | 2,599,000 common shares | 2,599,000 | 561,880 | 1.0% |
| | | 375,000 w arrants expire November 19, 2009 | | | |
| | | 1,000,000 w arrants expire June 9, 2010 | | | |
| | | 50,000 w arrants expire June 16, 2010 | | | |
| Vast Exploration Inc. | (iii) | 1,350,000 common shares | 1,062,686 | 1,518,170 | 2.7% |
| | | 2,050,000 w arrants expire June 12, 2010 | | | |
| | | 1,000,000 w arrants expire June 5, 2011 | | | |
| Total of 10 other investments | (iv) | | 4,874,928 | 5,672,474 | 9.9% |
| Total public investments | | | $ 31,846,841 | $ 49,293,032 | 86.4% |
| Total investments | | | $ 41,214,041 | $ 57,027,559 | 100.0% |

* Formerly Kria Resources Ltd.

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

**Note**
(i) The Company has issued a Section 102 report under the Ontario Securities Act for this investment;
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at February 1, 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 February 1, 2010. Directors and officers may hold investments personally.

## 5. Amounts receivable

| | **January 31, 2012** | January 31, 2011 | February 1, 2010 |
|---|---|---|---|
| Simmers settlement (Note 7) | **$ 1,002,800** | $ - | $ - |
| Interest receivable | **135,964** | 336,813 | 579,556 |
| Royalty receivable (Notes 7, 8) | **181,960** | 1,491,112 | 1,545,357 |
| Investment settlement receivable | **394,259** | 633,753 | 6,414 |
| Recoverable expenses | **-** | 115,350 | - |
| Other receivable | **47,151** | 118,696 | 75,447 |
| | **$ 1,762,134** | $ 2,695,725 | $ 2,206,775 |

## 6. Loans receivable

| | Nature of debt | **January 31, 2012** | January 31, 2011 | February 1, 2010 |
|---|---|---|---|---|
| Amazon Potash Corp. | Secured | **$ -** | $ - | $ 1,830,765 |
| Castillian Resources Corp. | Convertible | **-** | 1,641,617 | - |
| China Railway Mining Corp. | Convertible | **-** | 1,251,875 | - |
| Desert Eagle Resources Ltd.* | Unsecured | **635,170** | - | - |
| Legacy Platinum Corp. | Convertible | **862,808** | - | - |
| Pitchblack Resources Ltd. | Unsecured | **100,000** | - | - |
| Scandinavian Metals Inc. | Convertible | **859,000** | - | - |
| Temujin Mining Corp. + | Convertible | **-** | 3,629,960 | 6,415,800 |
| Trevali Mining Corp.** | Secured | **-** | 500,000 | - |
| | | **$ 2,456,978** | $ 7,023,452 | $ 8,246,565 |

+ Debenture changed from secured to secured convertible October 1, 2010

* Formerly Garrision International Ltd.

** Formerly Kria Resources Ltd.

## 6. Loans receivable (continued)

### *Kria Resources Ltd. (acquired by Trevali Mining Corp.)*

In June 2009, the Company entered into a secured debenture agreement with Kria Resources Ltd. ("Kria") to loan up to $600,000, with any amounts drawn being due and repayable on December 31, 2010 and subject to interest at a rate of 10% per annum. Consideration provided to the Company by Kria 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 of Kria at any time prior to June 16, 2010. The grant date fair value of the warrants issued was determined to be nominal and no value was recorded. These warrants expired unexercised. Kria 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 was recognized as income over the term of the agreement. An additional 200,000 warrants were issued to the Company upon the draw-down to acquire Kria's 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 $7,760, which was discounted to the loan and recognized as income over the term of the agreement. These warrants were exercised by the Company on December 31, 2010 for 200,000 common shares of Kria at a price of $0.135.

On December 31, 2010, Kria did not repay the loan. As a result, an amendment agreement was made whereby Kria agreed to pay the Company an annualized penalty fee at the rate of 10% per annum due and payable on the debenture redemption date. On January 14, 2011, the Company entered into a subordination and postponement agreement with Cardero Resource Corp. ("Cardero") and Kria. This debenture is secured against all the assets of Kria and ranks subordinate in priority to that of Cardero, the senior lender. On April 7, 2011, Kria was acquired by Trevali Mining Corp. ("Trevali") through the issuance of one Trevali common share for every five Kria common shares to Kria's existing shareholders. In July 2011, Kria repaid the principal and outstanding interest in full.

A director of Aberdeen, Michael Hoffman, serves as a director of Trevali. Directors of Aberdeen, Michael Hoffman and Stan Bharti, served as directors and an officer of Kria.

### *Castillian Resources Corp.*

In January 2010, the Company entered into a secured debenture agreement with Castillian Resources Corp. ("Castillian") to loan Castillian up to $500,000, with any amounts drawn being due and repayable on June 30, 2010 and subject to interest at a rate of 10% per annum. The debenture was initially 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 entitled 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 subsequently 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 to Aberdeen to acquire Castillian common shares at a price of $0.10 each at any time prior to June 30, 2011. The estimated grant date fair value of the warrants issued of $24,500 was discounted to the loan and recognized as income over the term of the loan.

Castillian did not repay the loan on June 30, 2010. The Company entered into an amendment 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 warrant of Castillian at a conversion price of $0.06 per unit at anytime on or before December 31, 2012. Each whole warrant 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 include 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 fair value of the warrants of $16,950 was discounted to the loan and is being recognized as income over the term of the amended agreement.

## 6. Loans receivable (continued)

### *Castillian Resources Corp. (continued)*

At January 31, 2011, the Company recognized an unrealized gain of $1,156,383 on the convertible loan based on the fair market value of Castillian's shares. This amount was reversed subsequent to the 2011 year-end due to longer than anticipated time delays for regulatory approval. In October 2011, the Company was informed that the TSX Venture Exchange did not approve the loan extension agreement and the 1,000,000 warrants granted. Consequently, the Company recognized a loss on these warrants. On December 30, 2011, Castillian repaid the principal plus interest in full.

A director of Aberdeen, Stan Bharti was a former director of Castillian. A director of Aberdeen, Michael Hoffman, is also a director of Castillian.

### *Temujin Mining Corp.*

On January 14, 2010, the Company entered into a loan agreement with Temujin Mining Corp. ("Temujin"), a privately held company. The Company loaned Temujin US$6,000,000 ($6,009,000), repayable on or before January 14, 2011, with 10% interest per annum calculated monthly and payable on maturity. The debenture was secured against all of the assets of Temujin and ranked *pari-passu* in priority and preference to any other indebtedness or other encumbrance of Temujin. As consideration for arranging the loan, Temujin agreed to pay the Company advisory service fees of US$360,000 ($360,540), payable on demand, and issued 600,000 warrants to purchase common shares of Temujin at an exercise price of $0.55 per share until January 14, 2012. These warrants expired unexercised. On February 11, 2010, US$3,000,000 ($3,189,000) of the loan was repaid.

On October 1, 2010, the Company entered into a secured debenture agreement with Temujin, whereby the term of the previous loan was extended to July 14, 2011 with a conversion right granted to the Company to convert the loan into common shares of Temujin at a conversion price of US$0.50 per share at anytime on or before the maturity date. The debenture was secured against all of the assets of Temujin and ranked *pari-passu* in priority and preference to any other indebtedness or other encumbrance of Temujin. Furthermore, the advisory service fees along with accrued interest totalling US$624,523 ($625,460) were discounted to the loan and recognized as income over the term of the agreement. This brought the total outstanding principal to US$3,624,523 ($3,612,562). Temujin did not repay the loan on maturity, and an amendment to the secured debenture was made to further extend the maturity date to January 31, 2012.
During the year ended January 31, 2012, the Company also loaned US$2,438,622 ($2,441,793) and $579,937 to Temujin pursuant to a loan agreement dated January 27, 2012. The principal of the loan will mature, due and payable on December 31, 2012. 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.

On January 27, 2012, the Company exercised the conversion right and converted the principal plus accrued interest of the secured convertible debenture in the amount of US$4,105,145 ($4,110,482) into 10,276,205 shares of Temujin at $0.40 per share. The Company also converted the principal plus accrued interest of the unsecured loan in the sum of US$2,529,511 ($2,532,800) and $616,397 into 7,872,993 shares of Temujin at $0.40 per share. Upon conversion, and as of January 31, 2012, no debt was outstanding from Temujin, and the Company owns a total of 33,698,289 shares of Temujin.

A director and an officer of Aberdeen, Stan Bharti and David Stein, respectively, serve as directors of Temujin.

## 6. Loans receivable (continued)

### *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"). The Company loaned Pitchblack $500,000, which was to mature and become due and payable 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, and continuing until the debenture is repaid in full. This debenture was secured against all of the assets of Pitchblack and ranked senior in priority to any and all other debts of Pitchblack subsequently incurred subject to applicable laws. On January 31, 2011, the Company acquired 3,030,303 units of Pitchblack through a private placement financing at a price of $0.165 per unit. The $500,000 loan outstanding was applied against the settlement of the Pitchblack units. Accrued interest totaling $36,986 was subsequently paid to the Company.

On October 7, 2011, 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. Currently, Pitchblack is negotiating with the Company to extend the loan to June 30, 2012.

A director of Aberdeen, Stan Bharti, was a former director of Pitchblack.

### *Dacha Strategic Metals Inc.*

On February 8, 2010, the Company entered into a secured convertible debenture agreement with Dacha Strategic Metals Inc. ("Dacha"). The Company loaned 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 for an aggregate amount of $2,160,000 into 4,800,000 special warrants of Dacha at $0.45 per special warrant. The advisory service fees plus the remaining balance of accrued interest totaling $132,593 were also repaid to the Company at this time. The special warrants were converted to common shares of Dacha on July 23, 2010.

A director and officers of Aberdeen, Stan Bharti, George Faught and Ryan Ptolemy, also serve as executive directors and an officer of Dacha.

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

On February 22, 2010, the Company entered into a secured debenture subscription agreement with Garrison International Ltd. ("Garrison"). The Company loaned Garrison $600,000, which will mature and becomes due and repayable on February 22, 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 and continuing until the debenture is repaid in full. This debenture is secured against all of the assets of Garrison and ranks senior in priority to any and all other debts of Garrison subsequently incurred subject to applicable laws. On December 31, 2010, Garrison did not make its semi-annual interest payment. The Company notified Garrison of default in writing. As a result of failing to receive a rectification of default from Garrison, the Company made a provision on the full principal amount of $600,000 and interest of $27,509.

During the year ended January 31, 2012, the Company provided a working capital facility to Desert Eagle Resources Ltd. ("Desert Eagle") interest free, unsecured and due on demand. The Company continued to advance funds to Desert Eagle. On September 16, 2011, the Company participated in Desert Eagle's equity financing and acquired 16,900,000 units (now 938,889 units because of 18:1 consolidation) of Desert Eagle at $0.05 per unit. A sum of $845,000 owed by Desert Eagle was applied against the subscription of the units. On January 31, 2012, the Company entered into a bridge loan agreement with Desert Eagle for the remaining balance of the working capital loan in the amount of $670,791 consisting of $635,171 in principal and $35,620 in accrued and unpaid interest. The principal of the loan will mature, and becomes due and payable on December 31, 2012. Interest is calculated and payable semi-annually at the rate of 10% per annum.

## 6. Loans receivable (continued)

### *China Railway Mining Corp.*

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

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

### *Rodinia Lithium Inc.*

On July 20, 2010, the Company entered into a short term bridge loan agreement with Rodinia Lithium Inc. ("Rodinia"). The Company loaned Rodinia $200,000, which was due and repayable on September 30, 2010. The loan included interest of 10% 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.

Officers of Aberdeen, David Stein and Ryan Ptolemy, also serve as a director and an officer of Rodinia.

### *Longford Energy Inc.*

On April 27, 2011, the Company entered into a loan agreement with Longford Energy Inc. ("Longford"). The Company loaned Longford $500,000, which matured and became due and repayable on the earlier of (i) the closing date of Longford's bought deal financing; and (ii) sixty days from the date of the agreement which is June 27, 2011. The loan was unsecured and included interest of 5% per annum calculated on the principal and unpaid interest. The loan was repaid on June 24, 2011 by the Company purchasing 2,500,000 units at $0.20 each in Longford's financing. The accrued interest was paid to the Company in August 2011.

Directors of Aberdeen, Stan Bharti and Pierre Pettigrew, also serve as directors of Longford.

### *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 is due and payable on June 10, 2012. 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 plus accrued interest based on the share value of its most recent equity financing.

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

An officer of Aberdeen, Richard Bishop, also serves as a director of Legacy.

## 6. Loans receivable (continued)

### *United Silver Corp.*

On July 20, 2011, the Company entered into an agreement with Forbes to acquire a 50% interest in and to all of Forbes' rights and obligations under the loan agreement issued by United Silver Corp. ("USC") to Forbes in return for a cash payment to Forbes in the amount of $1,000,000, equal to 50% of USC's loan obligations to Forbes. The loan was secured against all assets of USC. The principal of the loan plus interest of 9% calculated monthly was due and payable on December 31, 2011. Interest on overdue amounts was payable on demand. On December 22, 2011, the principal plus accrued interest was repaid by USC in full.

A director and an officer of Aberdeen, Stan Bharti and Ryan Ptolemy, were a former director and a former officer of USC.

### *Scandinavian Metals Inc.*

The Company entered into a loan agreement with Scandinavian Metals Inc. ("SMI"). The principal of the loan will mature, and becomes due and payable on December 31, 2012. The loan is unsecured and earns 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.

During the year ended January 31, 2012, the principal amount of $1,038,138 loaned during fiscal 2011 and 2012 was converted into 20,762,765 shares of SMI at $0.05 per share. As of January 31, 2012, a sum of principal plus accrued interest of $924,372 remained outstanding.

A director of Aberdeen, Stan Bharti, also serves as a director of SMI.

### *Amazon Potash Corp. / Loan assignment from Avion Gold Corporation*

On May 6, 2009, Avion Gold Corporation ("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 US$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 ($1,466,365) 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.
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 term of the note receivable, the Company received an aggregate fee of US$100,000 and 200,000 Amazon Potash shares.

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 the Amazon Potash shareholders. Aberdeen, as a shareholder of Amazon Potash, received 1,650,062 shares of Brazil Potash.

## 6. Loans receivable (continued)

### *Amazon Potash Corp. / Loan assignment from Avion Gold Corporation (continued)*

In June 2010, Falcon Metals 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 publicly traded mining company. The transaction included the conversion of 50% of the Amazon Potash loan into common shares, Performance A Shares and Performance B Shares of Aguia. 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 the balance of 50% of the Amazon Potash loan plus interest outstanding (US$927,390), 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) and the value of the 3,479,130 Performance A shares in the amount of US$453,247 (AUD$521,870) was applied as a reduction to the Amazon Potash loan.

A provision on the remaining balance of the loan US$338,169 (AUD$365,307) was taken on January 31, 2011. All the Aguia shares were 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 its 100% owned 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. ("Potash Atlantico") to the Company. This represented 50% of the Amazon Potash loan (US$926,797) owed to the Company. The proposed financing for Potash Atlantico was 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 Atlantico 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 the Amazon Potash loan and interest outstanding.

Directors and an officer of Aberdeen, Stan Bharti, Pierre Pettigrew and George Faught hold director positions in Avion. Directors and an officer of Aberdeen, Stan Bharti, Michael Hoffman and George Faught, are directors and an officer of Amazon Potash. A director of Aberdeen, Stan Bharti holds a director position in Brazil Potash. An officer of Aberdeen, Ryan Ptolemy holds an officer position in Brazil Potash and Potash Atlantico. Aberdeen officers and directors also may hold, or have held, investments personally in Amazon Potash, Avion, Brazil Potash, and Potash Atlantico.

## 7. Loan - Simmer & Jack (acquired by Village Main Reef Limited)

During the fourth quarter of fiscal 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 (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.

(Expressed in Canadian dollars unless otherwise noted)

## 7. Loan - Simmer & Jack (acquired by Village Main Reef Limited) (continued)

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, whereby the Simmers' shareholders voted against the conversion as unanimously recommended by Simmers' board of directors. As a result, it was 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 was the Company's position that a payment of approximately US$1,363,000 was due from Simmers which was 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 production starting October 16, 2008. However, it was 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 of the US$10,000,000 principal and remaining interest payments. Accordingly, Simmers' management contended that the shareholder vote to deny the conversion request had resulted in Aberdeen receiving only the 1% NSR, but not the US$10,000,000 loan principal.

On June 27, 2011, Simmers was acquired by Village Main Reef Limited ("Village Main Reef").

On October 8, 2011, through arbitration, a settlement agreement was reached for the outstanding claim of US$10,000,000 loan principal and balance payable on the graduated gold royalty from the fourth quarter of calendar 2008. Village Main Reef has agreed to pay Aberdeen an amount of US$9,000,000 in cash and will continue to pay Aberdeen in perpetuity, the 1% NSR on the gold produced from the Buffelsfontein mine. Accordingly, the Company has recognized a loss of $2,399,198 on the settlement during the year ended January 31, 2012.

The US$9,000,000 was received in installments as follows:

- US$4,000,000 - October 10, 2011 (received $3,986,800)
- US$1,000,000 plus interest of 10% per annum on remaining balance – October 25, 2011 (received $1,017,180)
- US$1,000,000 plus interest of 10% per annum on remaining balance – November 25, 2011 (received $1,071,191)
- US$1,000,000 plus interest of 10% per annum on remaining balance – December 25, 2011 (received $1,038,357)
- US$1,000,000 plus interest of 10% per annum on remaining balance – January 25, 2012 (received $1,022,327)
- US$1,000,000 plus interest of 10% per annum on remaining balance – February 25, 2012 (received $1,019,775 subsequent to January 31, 2012)

Village Main Reef has provided a corporate guarantee in respect of both the installment payments under the settlement and Aberdeen's continuing 1% NSR.

## 8. Royalty interests on mineral properties

The following tables summarize the Company's royalty interests as at January 31, 2012 and 2011 and February 1, 2011:

| Royalty Interests | | Cost | | Accumulated Depletion | | Impairment | | Net |
|---|---|---|---|---|---|---|---|---|
| Village Main Reef, Limited (1) | $ | 24,445,948 | $ | (501,983) | $ | - | $ | 23,943,965 |
| First Uranium Corporation | | 11,408,134 | | (306,171) | | - | | 11,101,963 |
| Total as of February 1, 2010 | $ | 35,854,082 | $ | (808,154) | $ | - | $ | 35,045,928 |
| | | | | | | | | |
| Village Main Reef, Limited (1) | $ | 22,895,929 | $ | (791,189) | $ | (3,904,772) | $ | 18,199,968 |
| First Uranium Corporation | | 10,684,790 | | (701,258) | | - | | 9,983,532 |
| Total as of January 31, 2011 | $ | 33,580,719 | $ | (1,492,447) | $ | (3,904,772) | $ | 28,183,500 |
| | | | | | | | | |
| Village Main Reef, Limited (1) | $ | 22,919,554 | $ | (979,095) | $ | (7,461,170) | $ | 14,479,289 |
| First Uranium Corporation | | 10,697,749 | | (1,202,983) | | (1,872,242) | | 7,622,524 |
| Balance, January 31, 2012 | $ | 33,617,303 | $ | (2,182,078) | $ | (9,333,412) | $ | 22,101,813 |

**(Expressed in Canadian dollars unless otherwise noted)**

## 8. Royalty interests on mineral properties (continued)

| Village Main Reef, Limited [1] | Cost | Accumlated Depletion | Impairment | Net |
|---|---|---|---|---|
| Balance, February 1, 2010 | $ 24,445,948 | $ (501,983) | $ - | $ 23,943,965 |
| Depletion / impairment | - | (329,040) | (3,904,772) | (4,233,812) |
| CTA adjustment | (1,550,019) | 39,834 | - | (1,510,185) |
| Balance, January 31, 2011 | 22,895,929 | (791,189) | (3,904,772) | 18,199,968 |
| Depletion / impairment | - | (185,430) | (3,556,398) | (3,741,828) |
| CTA adjustment | 23,625 | (2,476) | - | 21,149 |
| Balance, January 31, 2012 | $ 22,919,554 | $ (979,095) | $ (7,461,170) | $ 14,479,289 |

| First Uranium Corporation | Cost | Accumulated Depletion | Impairment | Net |
|---|---|---|---|---|
| Balance, February 1, 2010 | $ 11,408,134 | $ (306,171) | $ - | $ 11,101,963 |
| Depletion / impairment | - | (424,955) | - | (424,955) |
| CTA adjustment | (723,344) | 29,868 | - | (693,476) |
| Balance, January 31, 2011 | 10,684,790 | (701,258) | - | 9,983,532 |
| Depletion / impairment | - | (496,601) | (1,872,242) | (2,368,843) |
| CTA adjustment | 12,959 | (5,124) | - | 7,835 |
| Balance, January 31, 2012 | $ 10,697,749 | $ (1,202,983) | $ (1,872,242) | $ 7,622,524 |

[1] Formerly Simmer and Jack Mines, Limited

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 vote against the conversion of the US$10,000,000 loan outstanding as more fully described above in Note 7, "Loan - Simmer & Jack (acquired by Village Main Reef Limited). Prior to the vote to deny the conversion of the loan into shares of Simmers, the Company had carried the convertible loan on its statements of financial position 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 2012, and US$700 thereafter; and, 3) discount rate ranging from 2.5% to 5%. The carrying values of the royalty interests are depleted using the unit-of-production method over the life of the property to which the royalty interest relates.

At January 31, 2011, the Company impaired the carrying value of the Simmer and Jack Mines royalty as production was slower than originally estimated. As a result, the Company wrote-down the carrying value on the Simmers royalty interests by $3,904,772. In addition, the translation adjustment loss of $5,792,761 (net of taxes - $4,274,761) was reallocated from other comprehensive loss to retained earnings on the IFRS transition date.

The functional currency of the Company's royalty interests on mineral properties division is the US dollar. During the year ended January 31, 2012, a translation adjustment gain of $28,984 (after taxes - $91,984); 2011 – loss of $2,203,661 (net of taxes $1,722,659) was recorded.

On April 25, 2012, the Company entered into an agreement to sell its two royalty interests to Premier Royalty Corporation ("Premier Royalty") for cash consideration of $11.5 million and a convertible debenture in the amount of $9.4 million. Refer to Note 19, Subsequent events for details. As at January 31, 2012, the Company wrote-down the carrying value of the royalty interests by $5.4 million in anticipation of the sale to Premier Royalty.

Upon the close of the sale of the royalty interests, the Company's royalty division, which functional currency is the USD, will cease to exist. As a result, the Company will recognize the accumulated currency translation loss of the disposed royalty interests in the statement of comprehensive (loss) income, as part of the gain or loss on the sale.

(Expressed in Canadian dollars unless otherwise noted)

## 9. Accounts payable and accrued liabilities

| | **January 31, 2012** | January 31, 2011 | February 1, 2010 |
|---|---|---|---|
| Trade payables | **$ 137,327** | $ 72,647 | $ 89,720 |
| Investment settlement payable | **120,473** | 30,795 | 484,520 |
| Payroll liabilities | **2,933** | 2,591 | 4,699 |
| Bonus accruals | **-** | 5,788,935 | 1,005,000 |
| Accrued expenses | **403,509** | 550,803 | 132,294 |
| | **$ 664,242** | $ 6,445,771 | $ 1,716,233 |

## 10. Income taxes

### *Significant component of income tax benefit (expense)*

| | January 31, 2012 | January 31, 2011 |
|---|---|---|
| Current tax (expense) | $ (770,475) | $ (2,135,673) |
| Deferred tax benefit (expense) | 14,764,000 | (10,198,000) |
| Income tax benefit (expense) | $ 13,993,525 | $ (12,333,673) |

### *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 28% (2011 - 31%) during the year ended:

| | January 31, 2012 | January 31, 2011 |
|---|---|---|
| (Loss) income before income taxes | $ (51,807,161) | $ 47,173,875 |
| Expected income tax (recovery) expense | $ (14,553,000) | $ 14,624,000 |
| Adjustments to benefit resulting from: | | |
| Share-based compensation | 145,000 | 200,000 |
| Net realized gain on foreign exchange | (309,000) | (348,000) |
| Change in expected tax rate | (167,893) | (1,955,307) |
| Other | 891,368 | (187,020) |
| Provision for income tax (recovery) expense | $ (13,993,525) | $ 12,333,673 |

### *Deferred taxes as at:*

| | January 31, 2012 | January 31, 2011 | February 1, 2010 |
|---|---|---|---|
| Deferred tax assets (liabilities) | | | |
| Non capital losses | $ - | $ - | $ - |
| Investments | (2,438,000) | (16,746,000) | (4,877,000) |
| Royalty interests in mineral properties | (5,525,000) | (7,046,000) | (9,185,000) |
| Simmers loan | 44,000 | 445,000 | 288,000 |
| Resource properties | 97,000 | 120,000 | 79,000 |
| Share issue costs | - | 273,000 | 627,000 |
| Other | (52,000) | 253,000 | 84,000 |
| Deferred tax liability | $ (7,874,000) | $ (22,701,000) | $ (12,984,000) |

(Expressed in Canadian dollars unless otherwise noted)

## 11. Share capital

***Authorized***: Unlimited common shares with no par value

### *Common shares*

| Issued and outstanding common shares | Number of shares | | Amount |
|---|---|---|---|
| **Balance, February 1, 2010** | **87,503,839** | **$** | **44,174,159** |
| Shares issued on exercise of options | 490,000 | | 58,800 |
| Option valuation on options exercised | - | | 31,457 |
| Shares repurchased and cancelled (NCIB) | (1,316,500) | | (663,793) |
| **Balance, January 31, 2011** | **86,677,339** | **$** | **43,600,623** |
| Shares issued on exercise of options | 1,967,500 | | 610,974 |
| Option valuation on options exercised | - | | 379,651 |
| Shares repurchased and cancelled (NCIB) | (2,544,700) | | (1,280,015) |
| **Balance, January 31, 2012** | **86,100,139** | **$** | **43,311,233** |

### *Dividends*

On February 16, 2011, the Company declared a semi-annual dividend in the amount of $0.01 per share payable on March 31, 2011 and September 30, 2011, respectively.

On March 31, 2011 and September 30, 2011, 86,780,739 and 87,515,639 shares were recorded for the first and second semi-annual dividend, respectively. Dividend payments totaling $1,742,297 (2011 - $nil) were paid to shareholders during the year ended January 31, 2012.

Subsequent to January 31, 2012, the Company declared and paid its semi-annual dividend payment of $0.01 to shareholders of record as of the close of business on March 16, 2012 on March 30, 2012. This is the first of two semi-annual payments previously announced as part of the Company's annual dividend policy of $0.02 per common share.

### *Normal course issuer bid*

On February 4, 2010, the Company instituted a normal course issuer bid ("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 5, 2010 and ending on February 4, 2011, the Company could purchase up to 7,535,000 common shares, representing approximately 10% of the common shares in the public float as at January 29, 2010. Daily purchases were limited to 70,144 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.

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

During the year ended January 31, 2012, the Company purchased and cancelled 2,544,700 common shares (2011 – 1,316,500; 2010 – 7,370,500) at an average price of $0.75 (2011 - $0.51; 2010 - $0.24) per share under the NCIB approved by the TSX.

Subsequent to January 31, 2012, the Company announced its intention to institute another NCIB. Under the new NCIB, the Company purchased and cancelled 71,400 additional shares at an average price of $0.60 per share. See Note 19, Subsequent events for detail.

**(Expressed in Canadian dollars unless otherwise noted)**

## 12. Equity reserve

| | Number of warrants | Weighted average exercise price | Value of warrants | Number of options | Weighted average exercise price | Value of options | Treasury shares adjustment | Total Value |
|---|---|---|---|---|---|---|---|---|
| February 1, 2010 | 37,500,000 | $ 1.00 | **$ 15,750,000** | 6,900,000 | $ 0.31 | **$ 1,271,215** | **$ 3,519,554** | **$ 20,540,769** |
| Granted | - | - | **-** | 2,085,000 | 0.46 | **576,257** | - | **576,257** |
| Options unvested | | | **-** | - | - | **68,425** | - | **68,425** |
| Exercised | - | - | **-** | (490,000) | 0.12 | **(31,457)** | - | **(31,457)** |
| Expired | - | - | **-** | (650,000) | 0.72 | **(365,150)** | - | **(365,150)** |
| Forfeited | - | - | **-** | (50,000) | 0.43 | **(9,248)** | - | **(9,248)** |
| NCIB allocation | - | - | **-** | - | - | **-** | **38,471** | **38,471** |
| January 31, 2011 | 37,500,000 | $ 1.00 | **$ 15,750,000** | 7,795,000 | $ 0.33 | **$ 1,510,042** | **$ 3,558,025** | **$ 20,818,067** |
| Granted | - | - | **-** | 1,045,000 | $ 0.85 | **$ 524,098** | - | **524,098** |
| Options unvested | | | **-** | - | - | **(6,509)** | - | **(6,509)** |
| Exercised | - | - | **-** | (1,967,500) | 0.31 | **(379,651)** | - | **(379,651)** |
| Expired | - | - | **-** | - | - | **-** | - | **-** |
| Forfeited | - | - | **-** | - | - | **-** | - | **-** |
| NCIB allocation | - | - | **-** | - | - | **-** | **(618,035)** | **(618,035)** |
| January 31, 2012 | 37,500,000 | $ 1.00 | **$ 15,750,000** | 6,872,500 | $ 0.41 | **$ 1,647,980** | **$ 2,939,990** | **$ 20,337,970** |

### *Warrants*

| No. outstanding | No. exercisable | Grant date | Expiry date | Exercise price | Fair value at grant date | Expected Volatility | Risk-free Rate | Expected Life (years) | Expected Dividend Yield |
|---|---|---|---|---|---|---|---|---|---|
| 37,500,000 | 37,500,000 | 27-Jul-07 | 6-Jun-12 | $ 1.00 | $ 15,750,000 | 92% | 4.50% | 5.00 | 0% |

### *Employee share option plan*

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

During the year ended January 31, 2012, 1,045,000 stock options (2011 – 2,085,000) were granted to certain directors, officers and employees of the Company with a weighted-average grant date fair value of $0.50 per option (2011 - $0.28). Of the total options granted, 845,000 (2011 – 1,935,000) vested immediately, and 200,000 (2011 – 150,000) vest quarterly in eight equal tranches with the first tranche vesting on the date of grant. Share based compensation expense of $517,589 (2011 - $644,683) relating to these options and others that vested during the year ended January 31, 2012 and 2011 was recorded in operations, 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 effects of non-transferability, exercise restrictions, expected forfeiture rate, and behavioral considerations. Expected volatility is based on the historical share price volatility over the expected life of the option. The expected life of the options was calculated based on the history of options exercised.

(Expressed in Canadian dollars unless otherwise noted)

## 12. Equity reserve (continued)

### *Employee share option plan (continued)*

The following share-based payment arrangements were in existence as at January 31, 2012:

| No. outstanding | No. exercisable | Grant date | Expiry date | Exercise price | Fair value at grant date | Expected Volatility | Risk-free Rate | Expected Life (years) | Expected Dividend Yield |
|---|---|---|---|---|---|---|---|---|---|
| 900,000 | 900,000 | 4-Oct-07 | 4-Oct-12 | $ 0.80 | $ 437,400 | 89% | 4.50% | 5.00 | 0% |
| 100,000 | 100,000 | 11-Aug-08 | 11-Aug-13 | $ 0.48 | $ 30,640 | 83% | 3.11% | 5.00 | 0% |
| 50,000 | 50,000 | 5-Sep-08 | 5-Sep-13 | $ 0.35 | $ 11,890 | 84% | 3.00% | 5.00 | 0% |
| 200,000 | 200,000 | 1-Oct-08 | 1-Oct-13 | $ 0.29 | $ 39,400 | 74% | 2.04% | 5.00 | 0% |
| 2,980,000 | 2,980,000 | 14-Jan-09 | 14-Jan-14 | $ 0.12 | $ 191,316 | 68% | 1.52% | 5.00 | 0% |
| 62,500 | 62,500 | 1-Feb-10 | 1-Feb-15 | $ 0.47 | $ 19,000 | 79% | 2.47% | 5.00 | 0% |
| 50,000 | 50,000 | 23-Feb-10 | 23-Feb-15 | $ 0.45 | $ 13,320 | 70% | 2.51% | 5.00 | 0% |
| 1,185,000 | 1,185,000 | 25-Feb-10 | 25-Feb-15 | $ 0.43 | $ 311,537 | 70% | 2.49% | 5.00 | 0% |
| 100,000 | 75,000 | 5-Oct-10 | 5-Oct-15 | $ 0.48 | $ 25,650 | 64% | 2.00% | 5.00 | 0% |
| 200,000 | 200,000 | 30-Nov-10 | 30-Nov-15 | $ 0.64 | $ 70,880 | 64% | 2.35% | 5.00 | 0% |
| 845,000 | 845,000 | 20-Apr-11 | 20-Apr-16 | $ 0.87 | $ 438,978 | 70% | 2.65% | 5.00 | 0% |
| 200,000 | 75,000 | 30-Jun-11 | 30-Jun-16 | $ 0.79 | $ 85,120 | 63% | 2.30% | 5.00 | 0% |
| 6,872,500 | 6,722,500 | | | | $ 1,675,131 | | | | |

The weighted average exercise price of stock options outstanding and exercisable as at January 31, 2012 was $0.40 (2011 - $0.33). The weighted average remaining contractual life of options outstanding and exercisable as at January 31, 2012 was 2.37 years (2011 – 3.16 years).

## 13. (Loss) earnings per share

During the year ended January 31, 2012, the total shares issuable from 6,872,500 options and 37,500,000 warrants were excluded from the calculation of diluted loss per share because their effect would be anti-dilutive. During the year ended January 31, 2011, 950,000 options and 37,500,000 warrants were excluded from the diluted weighted average number of common shares calculation as their effect would be anti-dilutive.

## 14. Expenses by nature

Included in operating, general and administrative expenses for the years ended January 31 are:

| | Years ended January 31, 2012 | 2011 |
|---|---|---|
| Salaries, consulting and benefits | **$ 1,525,946** | $ 1,488,030 |
| Bonus | **-** | 5,788,935 |
| Stock options granted to directors, officers, employees and consultants | **517,589** | 644,683 |
| Legal, accounting and professional fees | **736,453** | 448,664 |
| Filing and transfer agent fees | **46,657** | 36,541 |
| Shareholders communication and promotion | **374,769** | 252,758 |
| Travel | **426,620** | 165,988 |
| General office and administration costs | **188,581** | 271,970 |
| Unrecoverable GST/HST | **785,523** | 145,791 |
| | **$ 4,602,138** | $ 9,243,360 |

**(Expressed in Canadian dollars unless otherwise noted)**

## 15. Capital disclosure

The Company considers its capital to consist of share capital and equity reserve. 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 during the years ended January 31, 2012 and 2011. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

On February 16, 2011, the Company declared a semi-annual dividend in the amount of $0.01 per share payable on March 31, 2011 and September 30, 2011, respectively. Dividend payments totaling $1,742,297 (2011 - $nil) were paid to shareholders during the years ended January 31, 2012 and 2011.

## 16. Financial instruments

Financial assets and financial liabilities as at January 31, 2012 and 2011, and February 1, 2010 were as follows:

| | Assets & liabilities at amortized cost | Assets & liabilities at fair value through profit or loss | TOTAL |
|---|---|---|---|
| ***January 31, 2012*** | | | |
| Cash | $ 7,372,118 | $ - | $ 7,372,118 |
| Investments | - | 72,327,350 | 72,327,350 |
| Amounts receivables | 1,762,134 | - | 1,762,134 |
| Loans receivable | 735,170 | 1,721,808 | 2,456,978 |
| Accounts payable and accrued liabilities | (664,242) | - | (664,242) |
| ***January 31, 2011*** | | | |
| Cash | $ 14,049,856 | $ - | $ 14,049,856 |
| Investments | - | 105,827,444 | 105,827,444 |
| Amounts receivables | 2,695,725 | - | 2,695,725 |
| Loans receivable | 500,000 | 6,523,452 | 7,023,452 |
| Loans receivable - Simmer & Jack | 10,015,000 | - | 10,015,000 |
| Securities sold short | - | (1,017,704) | (1,017,704) |
| Accounts payable and accrued liabilities | (6,445,771) | - | (6,445,771) |
| ***February 1, 2010*** | | | |
| Cash | $ 3,266,356 | $ - | $ 3,266,356 |
| Investments | - | 57,027,559 | 57,027,559 |
| Amounts receivables | 2,206,775 | - | 2,206,775 |
| Income tax recoverable | 1,727,615 | - | 1,727,615 |
| Loans receivable | 8,246,565 | - | 8,246,565 |
| Loans receivable - Simmer & Jack | 10,693,000 | - | 10,693,000 |
| Accounts payable and accrued liabilities | (1,716,233) | - | (1,716,233) |

## 16. Financial instruments (continued)

Aberdeen's operations involve the purchase and sale of securities and in addition, the Company has loans receivable outstanding. Accordingly, the majority of the Company's assets are currently comprised of financial instruments which can expose it to several risks, including market, liquidity, interest rate, 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 on January 31, 2012 made up of approximately 31% (January 31, 2011 and 2010 – 30%) of the portfolio.

For the year ended January 31, 2012, a 10% decrease in the closing prices on its portfolio investments would result in an estimated increase in net loss of $5.1 million, or $0.06 per share (2011 – decrease in net income of $7.3 million, or $0.08 per share). This estimated impact on the annual statement of comprehensive (loss) income 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 royalty interests, interest on loans receivable, 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. A 10% decrease in the gold price could result in after tax impairment to royalty interests on mineral properties, of up to $2.0 million.

### *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 are not expected to be significant.

## 16. Financial instruments (continued)

### *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 was due to the loan outstanding with Simmers in the prior years. Security was obtained against specific assets of the counterparty, in case of non-performance. The total carrying value of these financial instruments including Simmers at January 31, 2012 was $4,219,112 (January 31, 2011 - $19,734,177; February 1, 2010 - $21,146,340).

At January 31, 2012, the Company had a provision of $1,258,688 against the outstanding loans and interest receivable from China Railway Mining Corp.

At January 31, 2012 and 2011, the Company had a total provision of $1,072,866 against the outstanding loans and interest receivable from Desert Eagle and Amazon Potash.

At January 31, 2012 and 2011, the Company had a total provision of $537,962 and $685,152 respectively against recoverable investment pool expenses.

At January 31, 2012, 2011 and February 1, 2010 the Company had a provision of $1,317,676 against the outstanding loan and interest receivable from Russo-Forest.

### *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 January 31, 2012 and 2011, and February 1, 2010.

| | **January 31, 2012** | January 31, 2011 | February 1, 2010 |
|---|---|---|---|
| Denominated in U.S dollars: | | | |
| Cash | **$ 1,113,707** | $ 159,994 | $ 7,928 |
| Amounts receivables | **1,218,807** | 1,875,874 | 2,124,913 |
| Loans receivable | **648,316** | 4,881,835 | 8,246,565 |
| Simmer & Jack loan | **-** | 10,015,000 | 10,693,000 |
| Accounts payable | **(4,710)** | 10,894 | (472) |
| Denominated in Australian dollars: | | | |
| Loans receivable | **-** | - | 397,794 |
| Denominated in South African Rand: | | | |
| Cash | **78,804** | - | - |
| Amounts receivables | **-** | 6,302 | - |
| Income taxes recoverable | **-** | - | 1,329,877 |
| Accounts payable and accrued liabilities | **(31,266)** | - | (8,767) |
| | **$ 3,023,658** | $ 16,949,899 | 22,790,838 |

A 10% increase in the value of the Canadian dollar against all foreign currencies in which the Company held financial instruments as of January 31, 2012 would result in an estimated increase in net loss of approximately $0.2 million or $0.002 per share (January 31, 2011 – decrease in net income of $1.2 million; $0.01 per share). The Company does not currently hedge its foreign currency exposure.

(Expressed in Canadian dollars unless otherwise noted)

## 16. 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, and accounts payable approximate their fair values due to the short-term nature of these instruments.
ii. Loans receivable, and investments are carried at amounts in accordance with the Company's accounting policy as set out in Note 3.
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 of the Company's financial instruments, measured at fair value in the statements of financial position as at January 31, 2012 and 2011, and February 1, 2010, categorized into levels of the fair value hierarchy.

| **Investments, fair value** | **Level 1** *Quoted Market price* | **Level 2** *Valuation technique-observable market Inputs* | **Level 3** *Valuation technique-non-observable market Inputs* | Total |
|---|---|---|---|---|
| Publicly traded investments | $ 51,916,759 | $ - | $ - | $ 51,916,759 |
| Non-trading w arrants on public investments | - | 4,085,214 | - | 4,085,214 |
| Private investments and performance shares | - | - | 16,325,377 | 16,325,377 |
| Convertible debenture | - | - | 1,721,808 | 1,721,808 |
| January 31, 2012 | $ 51,916,759 | $ 4,085,214 | $ 18,047,185 | $ 74,049,158 |
| Publicly traded investments | $ 68,463,448 | $ - | $ - | $ 68,463,448 |
| Non-trading w arrants on public investments | - | 15,072,612 | - | 15,072,612 |
| Private investments and performance shares | - | - | 21,273,680 | 21,273,680 |
| Convertible debenture | - | 2,893,492 | 3,629,960 | 6,523,452 |
| January 31, 2011 | $ 68,463,448 | $ 17,966,104 | $ 24,903,640 | $ 111,333,192 |
| Publicly traded investments | $ 38,427,497 | $ - | $ - | $ 38,427,497 |
| Non-trading w arrants on public investments | - | 10,865,535 | - | 10,865,535 |
| Private investments and performance shares | - | - | 7,734,527 | 7,734,527 |
| February 1, 2010 | $ 38,427,497 | $ 10,865,535 | $ 7,734,527 | $ 57,027,559 |

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the years ended January 31, 2012 and 2011. 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) income.

| **Investments, fair value** | **January 31, 2012** | January 31, 2011 |
|---|---|---|
| Balance, beginning of year | **$ 24,903,640** | $ 7,734,527 |
| Net purchases | **5,771,063** | 11,344,514 |
| Disposal | **(222,198)** | |
| Realized loss, net | **-** | - |
| Unrealized and realized (losses) gains, net | **(11,123,935)** | 4,275,117 |
| Transfer of investment from private to public, net | **(3,003,193)** | (4,774,550) |
| Performance share additions | **-** | 2,694,072 |
| Convertible debenture additions | **1,721,808** | 3,629,960 |
| Balance, end of year | **$ 18,047,185** | **$ 24,903,640** |

(Expressed in Canadian dollars unless otherwise noted)

## 17. Related party disclosures

The Company's directors and officers may have investments in and hold management and/or director and officer positions in some of the investments that the Company holds. The following is a list of the investments and the nature of the relationship of the Company's directors or officers with the investment:

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

+ Resigned as director subsequent to January 31, 2012

* Private company

** Formerly Verena Minerals Corp.

**(Expressed in Canadian dollars unless otherwise noted)**

## 17. Related party disclosures (continued)

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

| | Loans provided to related parties Years ended January 31 | | Loans receivable from related parties as at | | |
|---|---|---|---|---|---|
| | 2012 | 2011 | January 31 2012 | January 31 2011 | February 1 2010 |
| Amazon Potash Corp.* | $ - | $ - | $ - | $ - | $ 1,830,765 |
| Castillian Resources Corp.* | $ - | $ 500,000 | $ - | $ 1,641,617 | $ - |
| Dacha Stragetic Metals Inc. | $ - | $ 2,160,000 | $ - | $ - | $ - |
| Legacy Platinum Corp.** | $ 818,350 | $ - | $ 862,800 | $ - | $ - |
| Longford Energy Inc. | $ 500,000 | $ - | $ - | $ - | $ - |
| Pitchblack Resources Ltd.*** | $ - | $ 500,000 | $ - | $ - | $ - |
| Rodinia Lithium Inc. | $ - | $ 200,000 | $ - | $ - | $ - |
| Scandinavian Metals Inc. | $ 1,454,767 | $ - | $ 859,000 | $ - | $ - |
| Temujin Mining Corp.* | $ 3,021,729 | $ - | $ - | $ 3,629,960 | $ 6,415,800 |
| Trevali Mining Corp.* | $ - | $ 500,000 | $ - | $ 500,000 | $ - |
| United Silver Corp.*** | $ 1,000,000 | $ - | $ - | $ - | $ - |

* loan receivable included capitalized interest, and advisory service fees
** loan receivable included capitalized interest
*** no longer related as of January 31, 2012

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

| | Interests earned from related parties Years ended January 31 | | Interests due from related parties as at | | |
|---|---|---|---|---|---|
| | 2012 | 2011 | January 31 2012 | January 31 2011 | February 1 2010 |
| Amazon Potash Corp* | $ - | $ 85,649 | $ - | $ - | $ - |
| Castillian Resources Corp.* | $ 60,345 | $ 83,187 | $ - | $ 7,858 | $ 18,840 |
| Dacha Strategic Metals Inc. | $ - | $ 27,921 | $ - | $ - | $ - |
| Legacy Platinum Corp.*** | $ 51,869 | $ - | $ 10,705 | $ - | $ - |
| Longford Energy Inc. | $ 3,630 | $ - | $ - | $ - | $ - |
| Pitchblack Resources Ltd.*** | $ - | $ 36,986 | $ - | $ - | $ - |
| Rodinia Lithium Inc. | $ - | $ 2,914 | $ - | $ - | $ - |
| Scandinavian Metals Inc. | $ 65,372 | $ - | $ 65,372 | $ - | $ - |
| Temujin Mining Corp.* | $ 475,439 | $ 361,889 | $ - | $ 122,325 | $ 416,588 |
| Trevali Mining Corp.* | $ 44,767 | $ 31,019 | $ - | $ 10,656 | $ - |
| United Silver Corp.*** | $ 38,219 | $ - | $ - | $ - | $ - |

* interest and debt arrangement fees earned partially capitalized to loan receivable
** overdue interest w as capitalized to loan receivable
*** no longer related as of January 31, 2012

**(Expressed in Canadian dollars unless otherwise noted)**

## 17. Related party disclosures (continued)

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 balance outstanding at the end of each reporting period:

| | Advisory service fees earned from related parties Years ended January 31 | | Advisory service fees due from related parties as at | | |
|---|---|---|---|---|---|
| | 2012 | 2011 | January 31 2012 | January 31 2011 | February 1 2010 |
| Amazon Potash Corp.* | $ - | $ 43,138 | $ - | $ - | $ - |
| Apogee Sliver Ltd. | $ - | $ - | $ - | $ - | $ 12,500 |
| Castillian Resources Corp. | $ 15,000 | $ 25,000 | $ 15,000 | $ - | $ - |
| Dacha Strategic Metals Inc. | $ - | $ 107,842 | $ - | $ - | $ - |
| Longford Energy Inc. | $ 41,370 | $ - | $ - | $ - | $ - |
| Temujin Mining Corp.* | $ - | $ 351,552 | $ - | $ - | $ - |
| Trevali Mining Corp. | $ - | $ 11,812 | $ - | $ - | $ - |

* advisory service fees earned w ere capitalized to loans receivable

At January 31, 2012 and 2011, the Company had a provision of $445,357 against the outstanding loan receivable from Amazon Potash Corp. and $1,317,676 against the outstanding loan and interest receivable from Russo-Forest.

During the years ended January 31, 2012 and 2011, the Company entered into the following transactions in the ordinary course of business with related parties.

| | Sales of goods and services Years ended January 31 | | Purchases of goods and services Years ended January 31 | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| Forbes & Manhattan, Inc. | $ 79,845 | $ - | $ 180,807 | $ 90,000 |
| Rodinia Lithium Inc. | $ - | $ 20,136 | $ - | $ 570 |
| Legacy Platinum Corp. | $ 97,083 | $ - | $ - | $ - |
| Temujin Mining Corp. | $ - | $ 17,772 | $ - | $ - |
| Other miscellaneous | $ - | $ 3,711 | $ 11,374 | $ 11,624 |

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 of Forbes & Manhattan, Inc. An administration fee of $7,500 per month was previously charged by Forbes & Manhattan, Inc. pursuant to a consulting agreement. Effective September 1, 2011, the contract with Forbes & Manhattan, Inc. was increased to $25,000 per month.

The following balances were outstanding at the end of the reporting periods:

| | Amounts due from related parties | | | Amounts due to related parties | | |
|---|---|---|---|---|---|---|
| | January 31 2012 | January 31 2011 | February 1 2010 | January 31 2012 | January 31 2011 | February 1 2010 |
| Dacha Strategic Metals Inc. | $ - | $ - | $ 1,160 | $ - | $ - | $ 43,989 |
| Other miscellaneous | $ - | $ 1,454 | $ 1,160 | $ 541 | $ - | $ 293 |

The amounts outstanding 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.

**(Expressed in Canadian dollars unless otherwise noted)**

## 17. Related party disclosures (continued)

***Compensation of key management personnel of the Company***

The remuneration of directors and other members of key management personnel during the periods were as follows:

| | Years ended January 31 | | | |
|---|---|---|---|---|
| | | 2012 | | 2011 |
| Short-term benefits* | $ | 1,030,294 | $ | 6,051,667 |
| Share-based payments | $ | 378,630 | $ | 488,650 |

* Benefits include fees paid to Forbes & Manhattan

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.

## 18. Commitments and contingencies

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $1,000,000 (2011 - $700,000) ranging from 30 days to 12 months and additional contingent payments of approximately $6,500,000 (2011 - $3,700,000) 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.

## 19. Subsequent events

### Normal Course Issuer Bid

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

Subsequent to January 31, 2012, the Company purchased and cancelled 71,400 additional shares at an average price of $0.60 per share under the new NCIB. At April 25, 2012, a balance of 7,402,830 common shares remains available for purchase under the NCIB commencing February 27, 2012.

### Dividend Policy

On March 12, 2012, the Company announced its intention to issue a semi-annual dividend payment of $0.01 to shareholders of record as of the close of business on March 16, 2012. This is the first of two semi-annual payments previously announced as part of the Company’s annual dividend policy of $0.02 per common share.

On March 16, 2012, 86,928,739 shares were recorded for the first semi-annual dividend of $0.01. Total dividend payments of $869,287 were made to shareholders on March 30, 2012.

### Share Issuance

Subsequent to January 31, 2012, an officer of the Company exercised 900,000 options at $0.12 per share.

## 19. Subsequent events (continued)

### Sale of Royalty Interests

On April 25, 2012, the Company entered into an agreement (the "Agreement") with Premier Royalty Corporation, a private Ontario company, wholly-owned by Premier Gold Mines Limited ("Premier"), regarding the sale by Aberdeen of its 1% net smelter return royalty on gold produced from certain mineral concessions comprising Village Main Reef Limited's Buffelsfontein Mine and First Uranium Corporation's Mine Waste Solutions tailings recovery project located in South Africa (the "Royalty").

Pursuant to the terms of the Agreement, Premier Royalty has agreed to purchase the Royalty in consideration for an aggregate purchase price of $20,900,000, which shall consist of a cash payment in the amount of $11,500,000 and the issuance by Premier Royalty of a convertible debenture payable to Aberdeen in the amount of $9,400,000 (the "Convertible Debenture"). The unpaid amounts owing under the Convertible Debenture shall accrue interest at a rate of 8% per annum and upon Premier Royalty completing a public offering, or any other comparable going public transaction (a "Going Public Transaction"), the Convertible Debenture shall automatically convert into that number of common shares of Premier Royalty equal to the principal amount and accrued interest divided by the amount equal to the offering price or deemed price in connection with the Going Public Transaction less a 10% discount.

In the event that a Going Public Transaction is not completed on or before the first anniversary of the closing date of the purchase and sale of the Royalty (the "Closing Date"), the principal amount and accrued interest under the Convertible Debenture shall be repaid by Premier Royalty in cash to Aberdeen in full, or if Premier Royalty elects, and subject to the approval of Premier Gold, Premier Gold shall satisfy the Convertible Debenture on Premier Royalty's behalf by issuing that number of common shares of Premier Gold equal to the principal amount and accrued interest divided by the volume weighted average price of the common shares of Premier Gold for the five trading days immediately prior to the one year anniversary of the Closing Date.

Further, in the event Premier Royalty completes a Going Public Transaction, within the first anniversary of the closing date, Premier Royalty shall issue to Aberdeen that number of warrants of Premier Royalty equal to 0.5 multiplied by the number of common shares of Premier Royalty issued under the Convertible Debenture (each whole warrant, a "Warrant"). Each Warrant shall entitle Aberdeen to acquire one common share of Premier Royalty at a price which represents a 25% premium to the price per Premier Royalty common share issued in connection with a Going Public Transaction for a period of two years from the closing date of the Going Public Transaction.

This transaction remains subject to the receipt of all necessary regulatory approvals, including the approval of the TSX and applicable approval of the South African Reserve Bank. The Agreement includes customary representations and warranties of both parties and includes a commitment by Aberdeen to obtain all necessary third party consents and approvals with respect to the assignment of Aberdeen's interest in the Royalty to Premier Gold and a commitment by Aberdeen not to sell or assign its interest in the Convertible Debenture, the Warrants or any common shares of Premier Royalty issued upon conversion or exercise of the Convertible Debenture or Warrants until 180 days following the closing of a Going Public Transaction.

## 20. Transition to IFRS

The Company's financial statements for the year ending January 31, 2012 are the first annual financial statements that comply with IFRS and these annual financial statements were prepared as described in Note 2, including the application of IFRS 1.

IFRS 1 also requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was February 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company is January 31, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adopters.

**Estimates** - Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

### *Reconciliation of Canadian GAAP to IFRS*

IFRS 1 requires an entity to reconcile its equity, comprehensive loss and cash flows for prior periods. The changes made to the statements of financial position and statement of comprehensive (loss) income have resulted in reclassifications of various amounts on the statement of cash flows; however as there have been no material changes to the net cash flows, no reconciliation of the statement of cash flows have been presented.

***Changes in accounting policies***

In addition to the exemptions and exceptions discussed above, the following narratives explain the significant differences between the previous historical Canadian GAAP accounting policies and the current IFRS policies applied by the Company.

The reconciliations between the previously reported financial results under Canadian GAAP and the current reported financial results under IFRS are provided as follows:

(i) Reconciliation of the statement of financial position as at February 1, 2010;
(ii) Reconciliation of the statement of financial position as at January 31, 2011;
(iii) Reconciliation of the annual statement of comprehensive income for the year ended January 31, 2011;

**(Expressed in Canadian dollars unless otherwise noted)**

## 20. Transition to IFRS (continued)

### *Reconciliation of Canadian GAAP to IFRS (continued)*

**(i) Reconciliation of the statement of financial position as at February 1, 2010**

| | Notes | Canadian GAAP Balances | IFRS adjustments | IFRS Balances |
|---|---|---|---|---|
| | | $ | $ | $ |
| **ASSETS** | | | | |
| Current | | | | |
| Cash | | 3,266,356 | - | 3,266,356 |
| Investments, at fair value | 20a | 56,227,559 | 800,000 | 57,027,559 |
| Equity accounted investments | 20a | 800,000 | (800,000) | - |
| Amounts receivable | | 2,206,775 | - | 2,206,775 |
| Income taxes recoverable | | 1,727,615 | - | 1,727,615 |
| Loan - Simmer & Jack | | 10,693,000 | - | 10,693,000 |
| Loans receivable | | 8,246,565 | - | 8,246,565 |
| Prepaid expenses | | 14,508 | - | 14,508 |
| **Total current assets** | | 83,182,378 | - | 83,182,378 |
| Long-term | | | | |
| Royalty interests on mineral properties, net | | 35,045,928 | - | 35,045,928 |
| Equipment, net | | 54,000 | - | 54,000 |
| **Total assets** | | **118,282,306** | **-** | **118,282,306** |
| **LIABILITIES** | | | | |
| Current | | | | |
| Accounts payable and accrued liabilities | | 1,716,233 | - | 1,716,233 |
| Deferred revenue | | 414,400 | - | 414,400 |
| Deferred taxes liabilities | 20f | 4,468,000 | (4,468,000) | - |
| **Total current liabilities** | | 6,598,633 | (4,468,000) | 2,130,633 |
| Long-term | | | | |
| Deferred revenue | | | | |
| Deferred tax liabilities | 20f | 8,516,000 | 4,468,000 | 12,984,000 |
| **Total liabilities** | | 15,114,633 | - | 15,114,633 |
| **SHAREHOLDERS' EQUITY** | | | | |
| Common shares | | 44,174,159 | - | 44,174,159 |
| Warrants | 20d | 15,750,000 | (15,750,000) | - |
| Share-based payment reserve | 20d | 12,016,560 | 8,524,209 | 20,540,769 |
| Retained earnings | 20d,e | 35,501,715 | 2,951,030 | 38,452,745 |
| Accumulated comprehensive loss | 20e | (4,274,761) | 4,274,761 | - |
| **Total shareholders' equity** | | 103,167,673 | - | 103,167,673 |
| **Total liabilities and shareholders' equity** | | **118,282,306** | **-** | **118,282,306** |

**(Expressed in Canadian dollars unless otherwise noted)**

## 20. Transition to IFRS (continued)

### *Reconciliation of Canadian GAAP to IFRS (continued)*

**(ii) Reconciliation of statement of financial position as of January 31, 2011**

| | Notes | Canadian GAAP Balances $ | IFRS adjustments $ | IFRS Balances $ |
|---|---|---|---|---|
| **ASSETS** | | | | |
| *Current* | | | | |
| Cash | | 14,049,856 | - | 14,049,856 |
| Investments, at fair value | 20a | 105,827,444 | - | 105,827,444 |
| Amounts receivable | | 2,695,725 | - | 2,695,725 |
| Income taxes recoverable | | - | - | - |
| Loan - Simmer & Jack | | 10,015,000 | - | 10,015,000 |
| Loans receivable | | 7,023,452 | - | 7,023,452 |
| Prepaid expenses | | 461,931 | - | 461,931 |
| **Total current assets** | | 140,073,408 | - | 140,073,408 |
| **Long-term** | | | | |
| Royalty interests on mineral properties, net | | 28,183,500 | - | 28,183,500 |
| Equipment, net | | 37,794 | - | 37,794 |
| **Total assets** | | 168,294,702 | - | 168,294,702 |
| | | | | |
| **LIABILITIES** | | | | |
| **Current** | | | | |
| Accounts payable and accrued liabilities | | 6,445,771 | - | 6,445,771 |
| Securities sold short | | 1,017,704 | - | 1,017,704 |
| Income taxes payable | | 1,815,618 | - | 1,815,618 |
| Deferred tax liabilities | 20f | 16,198,000 | (16,198,000) | - |
| **Total current liabilities** | | 25,477,093 | (16,198,000) | 9,279,093 |
| **Long-term** | | | | |
| Deferred tax liabilities | 20f | 6,503,000 | 16,198,000 | 22,701,000 |
| **Total liabilities** | | 31,980,093 | - | 31,980,093 |
| **SHAREHOLDERS' EQUITY** | | | | |
| Common shares | | 43,600,623 | - | 43,600,623 |
| Warrants | 20d | *15,750,000* | (15,750,000) | - |
| Share-based payment reserve | 20d | 12,668,256 | 8,149,811 | 20,818,067 |
| Retained earnings | 20d,e | 70,293,150 | 3,325,428 | 73,618,578 |
| Acculmulated comprehensive loss | 20e | (5,997,420) | 4,274,761 | (1,722,659) |
| **Total shareholders' equity** | | 136,314,609 | - | 136,314,609 |
| **Total liabilities and shareholders' equity** | | 168,294,702 | - | 168,294,702 |

**(Expressed in Canadian dollars unless otherwise noted)**

## 20. Transition to IFRS (continued)

### *Reconciliation of Canadian GAAP to IFRS (continued)*

**(iii) Reconciliation of statement of operations for the year ended January 31, 2011**

| | Notes | Canadian GAAP Balances $ | IFRS adjustments $ | IFRS Balances $ |
|---|---|---|---|---|
| **Net investment gains (losses)** | | | | |
| Realized gain (loss) on investments, net | | 17,498,258 | - | 17,498,258 |
| Unrealized loss on investments, net | 20a | 43,746,429 | (353,189) | 43,393,240 |
| Equity accounted investment | 20a | (353,189) | 353,189 | - |
| **Total net investment gains (losses)** | | 60,891,498 | - | 60,891,498 |
| **Other revenue** | | | | |
| Royalties | | 2,009,725 | - | 2,009,725 |
| Interest income | | 764,177 | - | 764,177 |
| Advisory service fees | | 539,344 | - | 539,344 |
| Other | | 20,000 | - | 20,000 |
| **Total other revenue** | | 3,333,246 | - | 3,333,246 |
| **Expenses** | | | | |
| Operating, general and administration | | 8,598,677 | - | 8,598,677 |
| Stock-based compensation | | 644,683 | - | 644,683 |
| Transaction costs | | 273,404 | - | 273,404 |
| Interest expenses | | 217,043 | - | 217,043 |
| Write-down of royalty interests on mineral properties | | 3,904,772 | - | 3,904,772 |
| Provision for loan and interests receivable | | 1,758,018 | - | 1,758,018 |
| Depletion on royalty interests on mineral properties | | 753,995 | - | 753,995 |
| Amortization | | 16,206 | - | 16,206 |
| **Total expenses** | | 16,166,798 | - | 16,166,798 |
| **Income before foreign exchange loss** | | 48,057,946 | - | 48,057,946 |
| Foreign exchange loss | | (884,071) | - | (884,071) |
| **Income before income taxes** | | 47,173,875 | - | 47,173,875 |
| **Income taxes** | | | | |
| Current income tax (provision) | | (2,135,673) | - | (2,135,673) |
| Deferred income tax (provision) | 20e | (10,198,000) | - | (10,198,000) |
| **Income for the period** | | 34,840,202 | - | 34,840,202 |
| **Other comprehensive loss** | | | | |
| Currency translation adjustment, net of taxes | 20e | (1,722,659) | - | (1,722,659) |
| **Total comprehensive income for the year** | | **33,117,543** | **-** | **33,117,543** |
| **Earnings per common share based on profit for the period** | | | | |
| Basic | | 0.40 | - | 0.40 |
| Diluted | | 0.37 | - | 0.37 |
| **Weighted average number of common shares outstanding** | | | | |
| Basic | | 87,238,597 | - | 87,238,597 |
| Diluted | | 92,961,542 | - | 92,961,542 |

## 20. Transition to IFRS (continued)

### *Reconciliation of Canadian GAAP to IFRS (continued)*

**a) Equity accounted investments**

**Canadian GAAP –** Equity accounted investments are initially recorded at cost and the carrying value is adjusted thereafter, to reflect the Company's pro-rata share of income or loss of the equity accounted investments. The Company's share of profits or losses of such investments is included in the statements of operations.

**IFRS –** Under IAS 28, "Investments in Associates", the Company's investments in associates are held as a part of the Company's investment portfolio and carried in the statement of financial position at fair value. IAS 28 permits investments held by venture capital or similar organizations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39, "Financial Instruments: Recognition and Measurement", with changes in fair value recognized in the statement of comprehensive (loss) income within unrealized gains or losses on investments in the period of the change. The impact of this change was to decrease equity accounted investments by $800,000 with a corresponding increase in investments at fair value through profit and loss at February 1, 2010. As a result of a merger of Tucano Exploration Inc. with Castillian, during the year ended January 31, 2011, no change in the fair value of this previously equity accounted investment on the statement of financial position was required. The only change however, was to reverse the loss from equity accounted investment by $353,189 with a corresponding decrease in unrealized gain on investments by the same amount for the year ended January 31, 2011.

**b) Share-based compensation**

IFRS 2 is effective for the Company as of February 1, 2010 and is applicable to stock options grants that are unvested at that date. The transition rules in IFRS 1 and IFRS 2 as applied by the Company result in the following:

- Stock options and share grants prior to November 7, 2002 are not taken into account for IFRS 2;
- Stock options and share grants subsequent to November 7, 2002 are only taken into account if they have not vested as at February 1, 2010; and,
- From February 1, 2010, all unvested stock options, share grants and other share-based payments will be expensed in accordance with the policy stated in Note 3.

**c) Share-based compensation - Forfeitures**

**Canadian GAAP** - Forfeitures of awards are recognized as they occur.

**IFRS** – An estimate is required of the number of awards expected to vest, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. The Company has estimated the forfeiture rate of 3%. However, no material adjustment was required as a result of this difference.

**d) Expiry of stock options and warrants**

**Canadian GAAP –** Under Canadian GAAP, the Company's policy was to leave the value recorded for expired unexercised stock options in contributed surplus and to record the value of expired unexercised warrants in contributed surplus.

**IFRS –** The Company has changed its policy related to expired stock options and warrants whereby amounts recorded for expired unexercised stock options and warrants are transferred to retained earnings on expiry. The impact of this change was to decrease equity reserve and increase retained earnings by $7,600,189 at January 31, 2011 and $7,225,791 at February 1, 2010. The Company also combined warrants with stock options and classified the amount to equity reserve. The impact of this change was to decrease the warrants account by $15,750,000 with a corresponding increase of the same amount to equity reserve at January 31, 2011 and February 1, 2010.

## 20. Transition to IFRS (continued)

### *Reconciliation of Canadian GAAP to IFRS (continued)*

**e) Functional currency an d foreign currency translation**

**Canadian GAAP –** The basis of measurement for foreign operations is dependent upon whether an operation is classified as integrated or self-sustaining. The measurement currency of a self-sustaining foreign operation is the foreign currency.

**IFRS –** Under IAS 21, *The Effects of Changes in Foreign Exchange Rates*, the concepts of integrated and self-sustaining are not included. Instead the functional currency of each individual entity must be considered. The functional currency of the Company's royalty division is the US dollar. All assets and liabilities are translated at the exchange rate in effect at the date of the statement of financial position date. Revenues and expenses are translated at rates of exchange in effect during the period. Gains and losses on translation are included in equity as a separate component of other comprehensive income or loss. On transition to IFRS, the Company has elected under the option available under the IFRS 1 cumulative translation difference exemption and deemed the foreign currency translation adjustment at the Transition Date to be zero. The impact of this change was to reclassify the $4,274,761 cumulative translation loss from accumulated comprehensive loss to retaining earnings at February 1, 2010.

**f) Deferred taxes**

**Canadian GAAP -** The Company has previously reflected deferred taxes as current or long-term dependent on the nature of the item giving rise to the temporary difference.

**IFRS -** Under IAS 1 *Presentation of Financial Statements*, when an entity presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position, it shall not classify deferred tax assets (liabilities) as current assets (liabilities).

The impact of this adjustment was to decrease current liabilities and increase non-current liabilities. The impact on this change was to reclassify $4,468,000 from short-term to long-term deferred income tax liability at February 1, 2010 and reclassify $16,198,000 from short-term to long-term deferred income tax liability at January 31, 2011.