ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
January 31, 2007

(All amounts stated in Canadian dollars, unless otherwise indicated)

The annual report, including this MD&A may contain certain "Forward-Looking Statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, which are prospective and reflect management's expectations regarding Aberdeen's future growth, results of operations, performance and business prospects and opportunities. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization and reserves, estimates of future production, projection of future revenue, targets for cash operating costs, costs of capital projects and the timing of commencement of operations, exploration results and future plans and objectives of Aberdeen are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Aberdeen's expectations are disclosed in its documents filed from time to time with the Toronto Stock Exchange and other regulatory authorities and include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, uncertainties relating to the availability and costs of financing needed in the future, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Aberdeen undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
January 31, 2007

(All amounts stated in Canadian dollars, unless otherwise indicated)

Management's Discussion and Analysis of financial condition and results of operations for the year ended January 31, 2007

This discussion and analysis of the operations, results and financial condition of Aberdeen International Inc. ("Aberdeen", or the "Company") for the year ended January 31, 2007 should be read in conjunction with the related audited annual financial statements, including the notes thereto. A detailed summary of the Company's significant accounting policies is included in note 2 of the Company's audited annual financial statements for the year ended January 31, 2007, which have been consistently applied.

OVERVIEW

Aberdeen International Inc. is a Canadian Exploration and Royalty Company listed on the TSX Venture Exchange under the symbol **AAB**. Aberdeen offers an unique investment opportunity in the gold sector with its secured, convertible royalty structure that provides reduced exposure to operational risk and the local operating currency, while providing direct leverage and increased participation to a rising gold price with the sliding scale royalty and further upside potential with a conversion right into the equity of the underlying gold producer. Subsequent to the year end, with the addition of highly prospective exploration licenses in Ethiopia, the Company now has the potential to utilize its strong royalty cash flow to identify world class base metal and gold mineralization.

SIGNIFICANT ACCOUNTING POLICIES

A detailed summary of the Company's significant accounting policies is included in note 2 of the Company's Annual Audited Financial Statements for the year ended January 31, 2007.

SIGNIFICANT DEVELOPMENTS

PROPOSED CHANGE IN BUSINESS FOCUS TO A GLOBAL RESOURCE INVESTMENT COMPANY

On May 15, 2007, the Company announced its intention to become a publicly traded global resource investment and merchant banking company that will capitalize on the track record of success of its management in the resources industry.

The company's investment philosophy will be to acquire significant equity participation in:

- pre-IPO and/or early stage public resource companies with undeveloped or undervalued high-quality resources;
- companies in need of managerial, technical and financial resources to realize their full potential
- companies undervalued in foreign capital markets; and

- companies operating in jurisdictions with moderate local political risk.

The Company will provide valued-added managerial and board advisory services to these companies as members of its management team have done with much success in the past, most recently with First Uranium Corp. and Desert Sun Mining. Aberdeen's intention will be to optimize the return on its investments over an 18 to 24 month investment timeframe.

This change of business focus for the Company is subject to approval by shareholders and the TSX Venture Exchange. The proposed change of business will be placed before the Company's shareholders for approval at the annual and special meeting to be held on June 22, 2007.

Ehio-Gibe Mining PLC.

On February 19, 2007, subsequent to the end of the year the Company announced that it had received regulatory approval for its previously announced earn-in agreement with Ethio-Gibe Mining PLC.

Under the agreement with Ethio-Gibe Canada Mining PLC (Ethio-Gibe), the Company obtained 100% of the exclusive rights granted by the Ethiopian Government to Ethio-Gibe for consideration consisting of cash and shares payable over a five year period. To earn its interest in the exclusive rights, the Company made an initial payment of C$200,000 and will issue 500,000 shares of the Company. The Company will make further payments of C$250,000 and issue 250,000 shares on or before each of December 31, 2007, December 31, 2008 and December 31, 2009. In addition, payments of $500,000 will be made on each of December 31, 2010 and December 31, 2011, payable in cash or shares of the Company at the Company's option, contingent on the discovery of resources equivalent to 1 million ounces of gold by December 31, 2009. Ethio-Gibe will also retain a 2% net smelter royalty (the "NSR") on all properties covered by this agreement. The Company has the option to reduce the NSR to 1% by making a payment of C$1 million to Ethio-Gibe.

The agreement with the Ethiopian Government provides Aberdeen with an exclusive right to exploration licenses in three prospecting areas of Ethiopia, covering 268,700 km2. The exploration licenses granted by the Ethiopian Government will be valid for an initial 3 year period, followed by two renewal periods of 1 year each.

On January 25, 2007, the Ministry of Mines and Energy of Ethiopia granted Aberdeen exploration licenses covering 3,582 km2 in the Northern Regional State of Tigray and 1,693 km2 in the Western Regional State of Asosa. Prior to the expiry of the exclusive right period on April 27, 2007, the Company made an application for additional exploration licenses in the three prospecting areas and is awaiting confirmation of the grant of additional exploration licenses from the Ministry.

Aberdeen received a National Instrument (NI) 43-101 Technical Report titled Ethiopian Mineral Properties, by Jean Lafleur, P. Geo., dated August 25, 2006, covering the prospecting areas. According to the author of the report, the prospecting areas host a number of base metal and gold occurrences with potential to host World-Class Mineral Resources.

(All amounts stated in Canadian dollars, unless otherwise indicated)

The Ethiopian Mineralization Setting

The northern Tigray Greenstone Belt hosts a number of Volcanogenic Massive Sulphide (VMS) occurrences. The geological setting is similar to the poly-metallic mineralization at Bisha and Asmara located further north in Eritrea.

Bisha is a very large precious metal and base metal-rich VMS deposit located in western Eritrea. Suggested models for Bisha include Noranda or Matagami-type deposits. A bankable feasibility study on the Bisha project was recently completed by Nevsun Resources (Nevsun website at www.nevsun.com). Bisha reportedly hosts oxide ore of 4.0 million tonnes at 7.99 g/t gold and 32.85 g/t silver; supergene ore of 6.4 million tonnes at 4.4% copper, 0.83 g/t gold and 35.98 g/t silver; and primary ore of 9.7 million tonnes at 7.21% zinc, 1.14% copper, 0.76 g/t gold and 54 g/t silver.

At Asmara, Sunridge Gold is developing mineral resources in at least two locations, at Debarwa and Adi Nefas, where historical reserves and resources were outlined prior to NI 43-101 standards. The Debarwa Zone hosts 1.7 million tonnes at 5.1% copper and 1.4 g/t gold, and the Adi Nefas Zone hosts 1 million tonnes at 1.4% copper, 13% zinc, 1.6% lead, 4 g/t gold and 160 g/t silver (Sunridge website at www.sunridgegold.com).

The Western Greenstone Belt hosts lode gold mineralization linked to quartz veins and shear zones similar to those of the Canadian Abitibi Greenstone Belt. Gold can also be found enriched in placer environments and in oxidized zones of weathered bedrock. Historical work in the region, as reported in the NI 43-101 Technical Report, has shown grades ranging from 1 g/t gold over metric to decimetric wide corridors, to more than 10 g/t gold in millimetric and metric intervals. One key area of more extensive gold mineralization is in the Regional State Capital of Asosa; where historical work undertaken in the late 1990's defined kilometric long gold bearing corridors along several major structural zones.

Gold mineralization in the southern Adola Greenstone Belt is linked to quartz veins and disseminated sulphide zones. This belt is host to the Lega Dembi Gold Deposit, where historical " Reserves " (defined prior to NI 43-101 standards) were reported at 11.875 million tonnes grading 4.46 g/t gold, with an annual production rate of 96,000 ounces of gold (National Mining Corporation, 1994, formerly the Ethio-Libyan Joint Mining Company).

Simmer and Jack Convertible Gold Royalty Debenture

Simmers produced approximately 140,000 ounces of gold from its South African Buffels mine in the 2006 calendar year. Based on the average gold price during the year royalty rates were 2.75% for the first quarter and 3.45% for the second and third quarters and 3.35% for the fourth quarter of gold produced by Simmers, providing Aberdeen with a gold royalty equivalent of US$2.76 million for the twelve month period which excludes the 2.5% fixed interest rate of the royalty loan facility. Simmers is targeting an annualized production rate of approximately 230,000 ounces of gold from the Buffels mine, however, this target has been delayed somewhat by changes to the mine plan. At this level of production and at current gold prices in excess of US$650 per ounce, the gold royalty rate of 3.75% would result in an annual gold royalty equivalent of about US$5.6 million. The graduated nature of the royalty structure will continue to respond favourably to a rising gold price reaching 4.75% when the gold price is US$750 or higher.

First Uranium gold royalty

The Company announced in November of 2006 that it anticipates receiving a new gold royalty from First Uranium Corporation ("First Uranium"), a subsidiary of Simmer and Jack Mines Limited.

At the Buffelsfontein mine, the tailings dumps provide a substantial gold and uranium resource of previously treated material. The recent rise in both the gold and uranium price suggests this resource can now be economically processed. The mineral resources contained in the tailings dumps were reviewed in a technical report entitled "Technical Report - Preliminary Assessment of the Buffelsfontein Project, Northwest Province, Republic of South Africa" dated November 8, 2006 prepared by R. Dennis Bergen, P.Eng. and Wayne Valliant, P.Geo. of Scott Wilson Roscoe Postle Associates Inc. (Scott Wilson RPA), each of whom is a qualified person under NI43-101 and is independent of Aberdeen.

Buffelsfontein Project	Tonnes (t 000's)	Gold Grade (g/t)	U3O8 Grade (%)	Cont. Gold (oz 000's)	Cont. U3O8 (lb 000's)
Measured Resources	115,064	0.31	0.0083	1,144	21,130
Indicated Resources	165,953	0.31	0.0059	1,628	21,603
Total Measured and indicated	281,017	0.31	0.0069	2,772	42,733
Inferred Resources	1,740	0.54	0.0243	30	932

Notes:

1. CIM definitions were followed for mineral resources.
2. A zero grade cutoff grade was used.
3. Rows and columns may not add exactly due to rounding.
4. Preliminary metallurgical test results indicate that recoveries will be approximately 27% for uranium and 68% for gold.

The tailings recovery project will be 100%-owned and operated by First Uranium. The tailings dumps will be mined using high-pressure water cannons to produce a slurry, that will then be pumped to the processing plants and separated into gold and uranium using a leaching process. First Uranium plans to construct a gold and uranium plant at Buffels with first gold and uranium production by mid-2008. The current mine plan for the tailings recovery project is based on treating 1.8 million tonnes per month, producing an average 138,000 ounces of gold and

950,000 pounds of uranium per year over a 14-year mine life. Scott Wilson RPA estimated that a total of 1.9 million ounces of gold will be recovered from the tailings dumps.

The Company's royalty loan facility extends to all gold produced from the tailings dumps as well as the existing underground mining operation at Buffels. The royalty loan facility does not extend to uranium produced at Buffels. The estimate of mineral reserves and resources at the Buffels underground mine was updated and resulted in a doubling of the mine life to 20 years as reported in the Company's Press Release dated July 31, 2006.

These estimates were extracted from a NI 43-101 Technical Report entitled "An Independent Audit of the Mineral Resources and Mineral Reserves of the Buffelsfontein Gold Mine, Northwest Province, South Africa" dated April 18, 2006 prepared for Aberdeen by Daniel van Heerden and N. Johan Odendaal of Minxcon, each of whom is a qualified person under NI 43-101 and is independent of Aberdeen.

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2007, the Company had negative working capital of $145,874 compared to positive working capital of $595,850 at January 31, 2006. Working capital has been used to support corporate overheads, pay interest on the Company's loan of $3,000,000 and to advance the development of the Company's new royalty structure.

During the prior year the Company entered into two loan agreements for $1,500,000 each. Interest is payable quarterly and compounded annually at a rate of 10% per annum. The loans are unsecured and repayable by the Company on or before September 21, 2007 and January 11, 2008 respectively. As the two loans are due within 12 months, they are classified as current liabilities and are the primary reason for the negative working capital at January 31, 2007.

During the year ended January 31, 2007 the Company generated $2,022,448 from its operating activities and expects to be in a position to meets its loan commitments when they come due. Also subsequent to the end of the year the Company disclosed its intention to raise up to $50,000,000 as described in the Subsequent Events section of this report.

RESULTS OF OPERATIONS

The income for the year under review was $2,478,763, compared to a loss of $1,903,809 for the year ended January 31, 2006, reducing the deficit to $4,756,217 at January 31, 2007. The income included a charge to operations of $165,355 (2006 - $1,231,390) representing the estimated fair value of incentive stock options granted, and or vested during the year.

Revenue generated during the year of $3,555,322 resulted from the Company's new convertible royalty debenture which generates royalty and interest income which is tied to the price of gold. The Company recognized $3,140,505 in royalty income, $301,385 in interest income and

(All amounts stated in Canadian dollars, unless otherwise indicated)

$113,432 in deferred arrangement fees related to the royalty debenture. During the comparable year ended January 31, 2006, the Company realized $306,079 in royalty income, $63,172 in interest income and $21,000 in deferred arrangement fees. The year ended January 31, 2007 was the Company's first full year with its new convertible royalty debenture.

Administrative expenses for the year under review were $789,294, compared to $1,697,020 for the year ended January 31, 2006. Many expense categories have increased (with the exception of consulting and management compensation, shareholder communications and filing fees) related to the repositioning of the Company around its new royalty investment activities. As noted above, there was a large non cash expense of $1,231,390 realized during the prior year related to 2,968,000 options granted and options that vested during the year. During the current year, there were 150,000 options granted that generated an expense of $165,355.

The Company expensed $300,000 (2006-$56,250) related to interest on its long-term loan facility and recognized a non cash expense of $188,000 (2006-$7,500) related to the amortization of debt arrangement fees related to the loan. Also during the prior year the Company wrote off $266,473 related to the termination of its Indata option and the write off of its interest in its Wemberly oil well in Texas as described in the Notes to the Audited Financial Statements for the year ended December 31, 2007.

A foreign exchange gain of $341,210 was also recognized as a result of the Canadian dollar weakening overall during the year in relation to the US dollar. The convertible long term royalty debenture is denominated in US dollars. During the prior year a loss $234,937 was recognized as the Canadian dollar strengthened during that period.

ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
January 31, 2007

(All amounts stated in Canadian dollars, unless otherwise indicated)

Selected Annual Information

The following are highlights of audited financial data on the Company for the most recently completed three financial years:

Expressed in Canadian $	**2007**	**2006**	**2005**
Net Income (loss) for the year	2,478,763	(1,903,809)	(263,769)
Basic and diluted income (loss) per share	0.09	(0.12)	(0.03)
Total assets	15,168,428	12,945,093	299,247
Total liabilities	3,417,665	3,831,948	84,497
Working capital (deficiency)	(145,874)	595,850	65,793

Quarterly Information

The quarterly results have been as follows:
Tabular amounts in $000, except for per share amounts.

Summary Financial Information for the Eight Quarters Ended January 31, 2007

Period	Revenues	Total Assets	Net Income (Loss)	Basic and diluted income (loss) per Share	Long Term Liabilities
4th Quarter 2006/7	820	15,168	1,227	0.04	102
				0.03	
3rd Quarter 2006/7	945	13,854	464	0.02	3,120
				0.01	
2nd Quarter 2006/7	1,028	13,450	768	0.03	3,150
				0.02	
1st Quarter 2006/7	762	13,027	20	0.00	3,175
4th Quarter 2005/6	202	12,945	(803)	(0.04)	3,214
3rd Quarter 2005/6	188	6,304	(756)	(0.05)	1,500
2nd Quarter 2005/6	Nil	328	(66)	(0.01)	8
1st Quarter 2005/6	Nil	322	(279)	(0.03)	8

The Company is currently generating revenues from its convertible royalty debenture, which generates royalty and interest revenue which is tied to the price of gold as previously discussed.

(All amounts stated in Canadian dollars, unless otherwise indicated)

Historically, the net losses have resulted primarily from corporate overheads, including significant non-cash stock-based compensation expenses. Stock-based compensation represents an estimate of the fair value of stock options granted to directors, officers and consultants of the Company, calculated by applying the Black-Scholes option pricing model. As well, during the fourth quarter of 2005/6, the Company wrote off $266,473 in property costs as described in the notes to the January 31, 2007 Audited Financial Statements.

The general trend of increasing total assets has resulted from the Company raising funds through private equity and debt placements and using these funds to acquire a secured gold royalty based convertible debenture which is generating positive operating cash flow.

CASH FLOWS

Cash generated from operating activities in the year ended January 31, 2007 was $2,022,448 compared to cash used in operating activities of $729,972 in the prior year as described under the Results of Operations section of this report.

Financing activities used $6,500, during the year ended January 31, 2007 compared to a source of $12,462,942 during the year ended January 31, 2006. As the Company generated cash from operating activities during the year under review and did not enter into any new debenture agreements, no financings were required during the year under review.

Cash used in investing activities in the year ended January 31, 2007 was $90,368 compared to $11,269,291 in the year ended January 31, 2006. The large investing activity during 2005/6 was due primarily to the secured convertible debenture facility provided to Simmers, as described under the significant developments section of this report.

SIGNIFICANT FUTURE OBLIGATIONS

The Company has entered into loan agreements for $3,000,000 as described in the Liquidity section of this report. $1,500,000 is repayable on September 21 2007 and $1,500,000 is repayable on January 11, 2008.

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $79,000 and additional contingent payments of approximately $238,000 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.

(All amounts stated in Canadian dollars, unless otherwise indicated)

TRANSCTIONS WITH RELATED PARTIES

The Company was charged $30,000 during 2007 (2006 - $15,000) by a company controlled by a director of the Company for administration services. As well, the Company paid $206,000 to directors and officers of the Company for consulting services and fees for acting as directors and officers during the year ended January 31, 2007.

The Company shares its premises with other companies that have common directors and/or officers. The Company reimburses the related companies for their proportional share of expenses.

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

MANAGEMENT AND BOARD CHANGES

On May 15, 2007 subsequent to the end of the year, the Company announced that Carlo LiVolsi will be joining the Company as a member of the board of directors. Mr. LiVolsi is an accomplished entrepreneur and a successful financial investor. He has applied his marketing and sales experience to varied global business enterprises and built a highly successful private consumer products distribution company. As the President & CEO of Apex Brands, Mr. Livolsi owns and operates a large consumer products distribution company.

In addition, Paul Bozoki has been appointed as the Chief Financial Officer of the Company effective as of June 1, 2007. Mr. Bozoki is a Chartered Accountant with over ten years of mergers and acquisitions and operational experience in the investment business in both Canada and Europe.

As a result of these changes to the board and management, the Board of the Company is now comprised of: Stan Bharti (Executive Chairman), George Faught, Carlo LiVolsi, Gerald McCarvill and Tony Wonnacott. Mr. Faught is also the President and CEO of the Company and, as of June 1, 2007, Mr. Bozoki will be appointed as Chief Financial Officer.

(All amounts stated in Canadian dollars, unless otherwise indicated)

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses and cash flows for the periods reported. Such estimates and assumptions affect particularly the carrying value of assets and valuations of stock-based compensation, warrants and tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material.

OUTLOOK

Subject to shareholder approval and certain regulatory approvals, Aberdeen will become a publicly traded resource investment and merchant banking company which will allow investors to participate in the success of its management in the resources industry. The Company's investment philosophy has been described above in the significant developments section.

Aberdeen will continue to hold its US$10 million convertible gold royalty debenture. Through this unique royalty structure, the Company has created a leverage multiple to a rising gold price with its sliding scale royalty. Further, the loan structure provides for a fixed coupon which provides regular income and security over the producing mining assets. This unique form of royalty financing offers mining companies planning to advance mining projects an attractive alternative to issuing equity or arranging traditional project debt, thus reducing the dilutive effect of an equity issue and eliminating the lender requirement for hedging. At the Company's option, the royalty is convertible into the equity of the gold mining company, subject to Simmers shareholder approval.

Simmers produced approximately 140,000 ounces of gold from its South African Buffels mine in the 2006 calendar year. Based on the average gold price during the year royalty rates were 2.75% for the first quarter and 3.45% for the second and third quarters and 3.35% for the fourth quarter of gold produced by Simmers, providing Aberdeen with a gold royalty equivalent of US$2.76 million for the twelve month period. Simmers is targeting an annualized production rate of approximately 230,000 ounces of gold from the Buffels mine, however, this target has been delayed somewhat by changes to the mine plan. Simmers has also reported that the metallurgical plant treatment capacity will be increased from 125,000 tpm to 170,000 tpm and has forecasted that this will help facilitate achieving the estimated gold production levels. At this level of production and at current gold prices in excess of US$650 per ounce, the gold royalty rate of 3.75% would result in an annual gold royalty equivalent of about US$5.6 million. The graduated nature of the royalty structure will continue to respond favourably to a rising gold price reaching 4.75% when the gold price is US$750 or higher.

(All amounts stated in Canadian dollars, unless otherwise indicated)

RISKS AND UNCERTAINTIES

As the Company's future revenue stream is based on gold production operations in foreign jurisdictions, and as the Company undertakes transactions denominated in US dollars, risks include, but are not limited to, uneconomic grades or costs of recovery, falling commodity prices, a strengthening Canadian dollar versus particularly the United States dollar, unfavourable costs, falling capital markets, key personnel changes, changes in domestic and foreign laws, environmental legislation, labour relations, and other risks and hazards associated with mining operations.

Once the change in business focus to that of an investment company is approved, the Company will be required to value its investments on a periodic basis. The investment valuations, often in the absence of readily ascertainable market values will be estimated by management and approved by the Board of Directors. However, because of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

(All amounts stated in Canadian dollars, unless otherwise indicated)

COMPETITION

The resource industry in which the Company is engaged, is in general highly competitive. Competitors include well capitalized resource companies, independent resource companies and other companies having financial and other resources greater than those of the Company. Thus, a degree of competition exists between those engaged in the resource industry to acquire and finance the most valuable properties.

The investment business in which the Company proposes to become engaged is highly competitive. Competitors include investment firms with resources significantly greater than that of the Company.

Fair value:
Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying value of amounts receivable, accounts payable and accrued liabilities, notes payable reflected on the balance sheets approximate fair value because of the limited terms of these instruments. The carrying value of the convertible debentures is not determinable as no comparable market instruments exist. The carrying value of the long-term loan is a reasonable estimate of its fair value.

Foreign Currency Risk:
The Company undertakes transactions denominated in US dollars and as such is exposed to price risk due to fluctuations in foreign exchange rates. The Company does not use derivative instruments to reduce exposure to foreign exchange risk.

Commodity Price Risk:
Future revenues of the Company are directly related to the market price of gold.

(All amounts stated in Canadian dollars, unless otherwise indicated)

SUBSEQUENT EVENTS

In connection with its transition to a global resource investment company, Aberdeen announced a private placement financing ("the Offering). The Company has agreed to offer an aggregate of 75,000,000 subscription receipts at a price of $0.80 per subscription receipt for gross proceeds of $60 million.

Upon the satisfaction of Escrow Release Conditions (as defined below), each Subscription Receipt will be automatically converted into one Unit, each Unit being comprised of one Aberdeen common share and one-half of one Aberdeen share purchase warrant ("Warrant"). Each Warrant will be exercisable for one common share of the Company at a price of $1.00 per exercised Warrant for a period of five years from closing.

A syndicate of agents led by Orion Securities Inc. and including GMP Securities L.P. (together, the "Agents") will act as agents in respect of the Offering. The Offering will be conducted on a best efforts basis. The Company has agreed to pay to the agents a commission of 6% of the gross proceeds of the offering and issue to the agents broker warrants entitling the agents to acquire 4,500,000 Units at a price of $0.80 per Unit at any time up to the date that is 24 months from the closing of the offering.

Aberdeen will also be concurrently conducting a non-brokered private placement of 500,000 subscription receipts for total gross proceeds of $400,000.

Aberdeen intends to use the net proceeds from the Offering to become a publicly traded global resource investment vehicle that can capitalize on the track record of success of its management in the resources industry and for general corporate purposes.

The gross proceeds of the Offering will be held in escrow on behalf of the purchasers of the Subscription Receipts by a trustee acceptable to the Company and the Agents in an interest bearing account. The escrowed proceeds will be released to the Company upon satisfaction of the following conditions (together, the "Escrow Release Conditions"):

(a) (i) the TSX Venture Exchange (the "TSVE") shall have approved the change of business focus proposed by the Company and the listing of the Company as a Tier 1 issuer; (ii) the Company shall have obtained the requisite shareholder approval for the change of business focus; and (iii) the TSVE shall conditionally accepted the Offering;

(b) the Company shall have satisfied all of the conditions imposed by the TSVE other than the release of the Escrowed Proceeds; and

(c) the Company shall have complied with all of its covenants and/or obligations under the agency agreement to be entered into in respect of the Offering and the subscription receipt agreement pursuant to which the subscription receipts are to be issued, except those breaches or defaults that have been waived by the Agents.

(All amounts stated in Canadian dollars, unless otherwise indicated)

The Offering is subject to the approval of the TSVE. The private placement is anticipated to close on or about June 6, 2007 and is subject to the receipt of applicable regulatory approvals.

Other

The Company's investment in Ethio-Gibe is described under the Significant Developments section of this report and the Company's intention to become a publicly traded global resource investment and merchant banking company is described in the Overview section of this report.

MULTILATERAL INSTRUMENT 52-109 DISCLOSURE

Evaluation of disclosure controls and procedures
We have evaluated the effectiveness of our disclosure controls and procedures and have concluded, based on our evaluation that they are sufficiently effective to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

Internal controls over financial reporting
The Chief Executive Officer and Chief Financial Officer, together with other members of management, after having designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reporting in accordance with the issuer's GAAP as of January 31, 2007, have not identified any changes to the Company's internal control over financial reporting which would materially affect, or is reasonably likely to materially affect the Company's internal control over financial reporting.

SUPPLEMENT TO THE FINANCIAL STATEMENTS

As at May 18, 2007, the following common shares, common share purchase options and share purchase warrants were issued and outstanding:

- 27,930,673 common shares;
- 8,349,000 share purchase warrants with exercise prices ranging from $0.90 to $1.00, expiring between September 21, 2007 and January 23, 2008; and
- 1,785,000 common share purchase options with exercise prices ranging from $0.69 to $1.00, expiring between January 10, 2008 and February 28, 2011.

May 18, 2007