ABERDEEN INTERNATIONAL INC.

AUDITED ANNUAL
FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JANUARY 31, 2009 AND 2008

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

AUDITORS' REPORT

To the Shareholders of
Aberdeen International Inc.

We have audited the balance sheets of Aberdeen International Inc. as at January 31, 2009 and 2008 and the statements of operations and comprehensive (loss) income, cash flows and shareholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
April 6, 2009, except for Note 5,
which is at April 29, 2009

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ABERDEEN INTERNATIONAL INC.
BALANCE SHEET
As at January 31,

	2009	2008
	$	$
ASSETS		
Current		
Cash and cash equivalents	**1,356,436**	28,936,408
Investments, at fair value (Note 3(a) and 12)	**30,556,121**	35,055,876
Equity accounted investments (Note 3(b))	**1,924,387**	2,000,000
Amounts receivable	**2,295,956**	548,499
Income taxes recoverable	**333,137**	-
Loan - Simmers and Jack (Note 5)	**12,364,000**	-
Loans receivable (Note 4)	**3,025,187**	-
Receivable on sale of mineral property (Note 6)	**1,000,000**	1,837,477
Prepaid expenses	**21,418**	22,968
Royalty, current portion (Note 5)	**2,664,442**	20,489,000
Future income taxes (Note 14(b))	**5,693,000**	-
	61,234,084	88,890,228
Long-term		
Royalty (Note 5)	**38,809,360**	24,950,748
Equipment, net	**56,023**	1,489
	100,099,467	113,842,465
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 12)	**419,274**	1,549,278
Deferred revenue (Note 5)	**-**	82,037
Income taxes payable	**-**	815,000
Future income taxes (Note 14(b))	**-**	5,199,000
	419,274	7,645,315
Long-term		
Future income taxes (Note 14(b))	**12,191,000**	7,395,000
	12,610,274	15,040,315
SHAREHOLDERS' EQUITY		
Common shares (Note 7)	**47,894,974**	51,962,016
Warrants (Note 8)	**17,203,500**	17,203,500
Contributed surplus (Note 10)	**8,503,997**	6,595,051
Retained earnings	**13,886,722**	23,041,583
	87,489,193	98,802,150
	100,099,467	113,842,465

COMMITMENTS AND CONTINGENCIES (Notes 5 and 13)
SUBSEQUENT EVENTS (Note 17)

APPROVED ON BEHALF OF THE BOARD:

Signed "*GEORGE FAUGHT*", Director   Signed "*BERNARD WILSON*", Director

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.
STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the years ended January 31,

	2009 $	2008 $
Net investment gains (losses)		
Realized gain on investments, net	**671,061**	-
Unrealized gain (loss) on investments, net	**(32,628,522)**	8,919,018
Loss from equity accounted investment	**(75,613)**	-
	(32,033,074)	8,919,018
Other revenue		
Royalties on convertible royalty loan	**7,168,009**	3,909,945
Unrealized gain (loss) on convertible royalty loan (Note 5)	**8,398,054**	(5,727,800)
Interest on convertible royalty debenture	**235,966**	221,360
Other interest	**1,374,678**	1,454,007
Advisory service fees	**1,272,500**	168,500
Arrangement fees (Note 5)	**89,770**	103,113
	18,538,977	129,125
Expenses		
General and administration	**541,660**	2,128,026
Stock-based compensation (Note 9)	**328,150**	2,363,300
Transaction costs	**59,196**	51,323
Amortization	**5,301**	9,051
	934,307	4,551,700
Income (loss) before the undernoted	**(14,428,404)**	4,496,443
Foreign exchange gain	**373,150**	93,620
Gain on disposal of mineral properties	**-**	22,335
Interest expenses on long-term loan	**-**	(199,161)
Debt arrangement expense	**-**	(178,000)
Income (loss) before income taxes	**(14,055,254)**	4,235,237
Income taxes (Note 14(a))		
Current income tax expense	**(1,092,125)**	(1,206,985)
Future income tax recovery (provision)	**6,096,000**	(443,843)
Net income (loss) and comprehensive income (loss) for the year	**(9,051,379)**	2,584,409
Basic income (loss) per share	**(0.09)**	0.04
Diluted income (loss) per share	**(0.09)**	0.04
Weighted average common shares outstanding		
- basic	**99,242,524**	66,766,289
- diluted	**99,242,524**	66,796,901

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.
STATEMENT OF CASH FLOWS
For the years ended January 31,

	2009	2008
	$	$
CASH AND CASH EQUIVALENTS (USED IN) PROVIDED BY		
OPERATING ACTIVITIES:		
Net income (loss) for the year	**(9,051,379)**	2,584,409
Adjustments to reconcile net income (loss)		
to cash provided from operating activities:		
Unrealized (gain) loss on investments, net	**32,628,522**	(8,919,018)
Realized (gain) on investments, net	**(671,061)**	-
Loss from equity accounted investment	**75,613**	-
Unrealized (gain) loss on convertible royalty loan	**(8,398,054)**	5,727,800
Gain on sale of mineral property	**-**	(22,335)
Arrangement fee income	**(89,770)**	(103,113)
Stock-based compensation (Note 9)	**328,150**	2,363,300
Amortization	**5,301**	9,051
Unrealized foreign exchange	**(220,337)**	(29,314)
Debt arrangement expense	**-**	178,000
Other	**(513,523)**	-
Future income tax	**(6,096,000)**	443,843
Net change in non-cash working capital	**(3,761,236)**	1,659,675
	4,236,226	3,892,298
FINANCING ACTIVITIES:		
Repayment of loan	**-**	(3,000,000)
Shares repurchased and cancelled (Note 11)	**(2,589,728)**	-
Shares issued from private placement	**-**	60,000,000
Cost of issue	**-**	(4,858,713)
	(2,589,728)	52,141,287
INVESTING ACTIVITIES:		
Purchase of investments	**(31,673,476)**	(27,920,858)
Disposal of investments	**4,088,556**	-
Short-term loan provided	**(6,167,070)**	-
Short-term loan repaid	**4,535,100**	-
Mineral property interests	**-**	(1,670,893)
Change in working capital in mineral property interest	**50,255**	-
Purchase of equipment	**(59,835)**	(42,063)
	(29,226,470)	(29,633,814)
CHANGE IN CASH AND CASH EQUIVALENTS	**(27,579,972)**	26,399,771
CASH AND CASH EQUIVALENTS, beginning of year	**28,936,408**	2,536,637
CASH AND CASH EQUIVALENTS, end of year	**1,356,436**	28,936,408
Cash and cash equivalents consist of :		
Cash	**1,356,436**	3,331,024
Cash equivalents	**-**	25,605,384
	1,356,436	28,936,408
SUPPLEMENTAL INFORMATION		
Interest paid on long-term debt	**-**	199,161
Income taxes paid	**2,082,481**	340,877
Shares and warrants received on debt financing (Note 4)	**483,100**	-
Warrants received on sale of property	**-**	216,000
Broker warrants	**-**	1,453,500

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.
STATEMENT OF SHAREHOLDERS' EQUITY

	Common shares		Share purchase warrants	Contributed surplus	Retained earnings	Shareholders' equity
	#	$	$	$	$	$
Balance – January 31, 2007	**27,930,673**	**12,275,229**	**3,137,486**	**1,094,265**	**20,457,174**	**36,964,154**
Issuance of shares on private placement, net of issuance costs	75,000,000	56,890,287	-	-	-	56,890,287
Valuation of warrants issued on private placement	-	(15,750,000)	15,750,000	-	-	-
Valuation of agent compensation warrants issued on private placement	-	(1,453,500)	1,453,500	-	-	-
Stock option compensation expense	-	-	-	2,363,300	-	2,363,300
Warrants expired, valuation	-	-	(3,137,486)	3,137,486	-	-
Net income for the year	-	-	-	-	2,584,409	2,584,409
Balance - January 31, 2008	**102,930,673**	**51,962,016**	**17,203,500**	**6,595,051**	**23,041,583**	**98,802,150**
Cancellation of repurchased common shares	(8,056,334)	(4,067,042)	-	1,580,796	(103,482)	(2,589,728)
Stock option compensation expense	-	-	-	328,150	-	328,150
Net loss for the year	-	-	-	-	(9,051,379)	(9,051,379)
Balance - January 31, 2009	**94,874,339**	**47,894,974**	**17,203,500**	**8,503,997**	**13,886,722**	**87,489,193**

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. In general, Aberdeen focuses on companies that: (i) are in need of managerial, technical and financial resources to realize their full potential; (ii) are undervalued in foreign capital markets; and, (iii) operate in jurisdictions with low to moderate local political risk.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and their basis of application is largely consistent with that in the previous year, except as discussed below. Outlined below are those policies considered particularly significant.

a) Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions affect the carrying value of assets, such as the Company's investment portfolio, loans and royalty. Other significant estimates made by the Company include factors affecting, among other items, the valuation of stock-based compensation, warrants, broker compensation options and income tax accounts. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material.

b) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Investments

At 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.

(i) 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 balance sheet date or the closing price on the last day the security traded if there were no trades at the balance sheet date.

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.

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.

(ii) Privately-held investments:

1. Securities in privately-held companies are recorded at cost unless 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. 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.

2. Warrants or options of privately-held securities are carried at cost unless there is an upward or downward adjustment supported by pervasive and objective evidence such as significant subsequent equity financing by an unrelated, professional investor at a transaction price higher or lower than the Company's carrying value.

(iii) Equity accounted investments:

Investments in which the Company has significant influence, but does not control, are accounted for using the equity method. Under the equity method, the investment is 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 investment and any dividends received from the investment. The Company's share of net income and losses of such investments are included in the statement of operations. 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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Equipment

Amortization of equipment is calculated on an annual basis using the following rates and methods:

Computer – 30% declining balance
Leasehold improvement – 20% straight line

e) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and the income tax bases of assets and liabilities, and are measured using the substantively enacted income tax rates and laws that are expected to be in effect when the temporary differences are expected to reverse. The effect on future income tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized.

f) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net earnings (loss) by the weighted-average number of the Company's common shares outstanding during the period. Diluted earnings per share is calculated by dividing the applicable net 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. If the Company has a net loss, diluted loss per share is calculated using the basic weighted average shares outstanding because to do otherwise would be anti-dilutive. The diluted earnings (loss) per share as calculated excludes 42,000,000 warrants (2008 - 42,000,000 warrants) described in Note 8 and 5,850,000 options (2008 - 5,400,000 options) described in Note 9, as these securities were anti-dilutive.

g) Stock-based compensation

The Company records compensation cost based on the fair value method of accounting for stock-based compensation. The fair value of stock options is determined using the Black-Scholes option pricing model. The fair value of the options is recognized over the vesting period as compensation expense and contributed surplus. When options are exercised, the proceeds received, together with any related amount in contributed surplus, will be credited to common shares.

h) Revenue recognition

Security transactions are recorded on a settlement basis. 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 operations 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Revenue recognition (continued)

The Company earned royalty income from the graduated royalty on its convertible royalty loan based on gold production, which is tied to the price of gold through its convertible royalty loan and, as of October 16, 2008, on a 1% net smelter royalty ("NSR"). As well, the Company earned interest income through its convertible royalty loan. Such revenue is recognized based on contractual obligations and when ultimate collection is reasonably assured. The change in the fair value of the convertible royalty loan, as estimated by management using a discounted cash flow analysis, is recorded as other revenue on the statement of operations. The arrangement fees related to convertible royalty loan were recorded over the term of the loan.

i) Financial instruments

The Company's financial instruments consist of cash and cash equivalents, investments, amounts receivable, receivables on sale of mineral properties, loans outstanding, royalty and accounts payables. Investments are carried at amounts in accordance with the policies as set out above. The royalty is carried at their estimated fair value based on management's assumptions as discussed in Note 5, "Convertible Royalty Loan". Prior to maturity, the outstanding loans receivable are carried at their discount value. Following their maturity, loans receivable are carried at their estimated realizable value. All other financial instruments are designated as held-for-trading and are measured at fair value.

j) Comparative figures

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

Changes in Accounting Policies and Recent Accounting Pronouncements

Accounting changes

The Canadian Institute of Chartered Accountants ("CICA") has issued new standards for the disclosure of capital and financial risk management, which came into effect for years beginning on or after October 1, 2007. The new standards are based on similar accounting pronouncements issued by the International Accounting Standards Board: International Financial Reporting Standards 7 ("IFRS 7"), *Financial Instruments: Disclosures*, and International Accounting Standard 1 ("IAS 1"), *First Time Adoption of International Financial Reporting Standards*, section on capital management disclosures, which had to be applied to 2007 year-end financial statements for calendar year companies preparing their statements in accordance with IFRS.

Effective the commencement of its 2009 fiscal year, the Company has adopted the CICA Handbook Section 1535, *Capital Disclosures*, CICA Handbook Section 3862, *Financial Instruments-Disclosure*, and CICA Handbook Section 3863, *Financial Instruments-Presentation*. These Sections relate to disclosure and presentation only and did not have an impact on the financial results. See Notes 15 and 16.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent accounting pronouncements

(i) Section 3064, *Goodwill and Intangible Assets*

In February 2008, the CICA issued Handbook Section 3064, *Goodwill and Intangible Assets*, in replacing Section 3062, *Goodwill and Other Intangible Assets,* and Section 3450, *Research and Development Costs*. Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This new standard is applicable to fiscal years beginning on or after October 1, 2008. The Company will implement this standard in its first quarter of fiscal year 2009 and is currently evaluating the impact of its adoption on its financial statements. This new Section will not have an impact on the Company's financial statements.

(ii) International Financial Reporting Standards ("IFRS")

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

(iii) Credit risk and the fair value of financial assets and financial liabilities

On January 20, 2009, the Emerging Issues Committee ("EIC") of the Canadian Accounting Standards Board ("AcSB") issued EIC Abstract 173, Credit Risk and Fair Value of Financial Assets and Financial Liabilities, which establishes that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. This EIC should be applied retrospectively without restatement of prior years to all financial assets and financial liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009. The Company is currently assessing the impact of this EIC on its financial statements.

3. INVESTMENTS

(a) At January 31, 2009, the Company's investments consisted of the following:

Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Allana Resources Inc.	(i,ii)	4,750,000 common shares			
		2,375,000 warrants expire June 16, 2010	$ 950,000	$ 541,738	1.8%
Amazon Potash Corp.**	(iii)	2,500,000 common shares	2,500,000	1,250,000	4.1%
Apogee Minerals Ltd.	(i,ii,iii)	5,000,000 common shares			
		5,000,000 warrants expire May 23, 2010	2,000,000	294,500	1.0%
Auger Resources Ltd.**	(ii, iii)	2,000,000 common shares			
		1,000,000 warrants expire Sept 16, 2010	1,000,000	500,000	1.6%
Avion Resources Corp.	(i,ii,iii)	7,818,700 common shares			
		2,818,700 warrants expire October 12, 2009			
		1,500,000 warrants expire July 31, 2010			
		2,500,000 warrants expire May 5, 2010			
		2,000,000 warrants expire Sept 30, 2009	3,432,114	2,062,575	6.8%
Cash Minerals Ltd.	(iii)	3,600,000 common shares			
		3,600,000 warrants expire July 2, 2010	900,000	228,600	0.7%
Castillian Resources Corp.	(iii)	2,500,000 common shares	1,075,000	125,000	0.4%
Central Sun Mining Inc.*	(i,ii,iii)	6,619,000 common shares			
		3,309,500 warrants expire October 22, 2010	6,949,950	7,341,464	24.0%
Consolidated Thompson	(iii)	692,200 common shares			
Iron Mines Ltd.		500,000 warrants expire January 10, 2010	6,343,413	1,074,796	3.5%
Crowflight Minerals Inc.	(iii)	5,000,000 common shares	3,068,200	1,000,000	3.3%
Franc-Or Resources Corp.	(i,ii,iii)	8,750,000 common shares			
		2,000,000 warrants expire June 6, 2011			
		6,750,000 warrants expire July 9, 2011	875,000	489,775	1.6%
Kria Resources Inc.**	(ii, iii)	2,750,000 common shares			
		375,000 warrants expire November 19, 2009			
		1,000,000 warrants expire June 9, 2010	2,750,000	1,375,000	4.5%
Largo Resources Inc.	(iii)	650,000 common shares	351,000	42,250	0.1%
Longford Energy Inc.	(i,ii,iii)	5,250,896 common shares			
		3,296,296 warrants expire February 28, 2010			
		1,000,000 warrants expire July 10, 2010	2,482,502	1,336,506	4.4%
Russo-Forest Corporation**	(ii,iii)	6,625,000 common shares			
		4,000,000 warrants expire January 25, 2013	2,274,565	1,137,283	3.7%
Scandinavian Metals Inc**	(ii,iii)	2,000,000 common shares			
		1,000,000 warrants expire Sept 12, 2010	1,000,000	500,000	1.6%
Stetson Oil & Gas Ltd.	(i,ii,iii)	10,000,000 common shares			
		10,000,000 preferred shares			
		10,000,000 warrants expire Sept 17, 2010	2,000,000	1,136,000	3.7%
Sulliden Exploration Inc.	(i,ii,iii)	9,526,072 common shares	3,910,060	6,477,729	21.2%
U-308 Corp.	(i,ii)	2,644,600 common shares	4,032,592	885,941	2.9%
Vast Exploration Inc.	(iii)	4,100,000 common shares			
		2,050,000 warrants expire June 12, 2010	2,460,000	626,480	2.1%
Total of 7 other investments	(iv)		3,911,229	2,130,484	7.0%
Total investments			$ 54,265,625	$ 30,556,121	100.0%

* Formerly named Glencairn Gold Corporation.

** Private company

(i) The Company has issued a Section 101 report under the Ontario Securities Act for this investment.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2009.
(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, 2009. Directors and officers may hold investments personally.

3. INVESTMENTS (Continued)

At January 31, 2008, the Company's investments consisted of the following:

Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Avion Resources Corp.	(i,ii,iii)	2,818,700 common shares			
		2,818,700 warrants expire October 12, 2009			
		1,500,000 warrants expire July 31, 2009	$ 836,114	$ 1,878,469	5.4%
Buchanan Renewable Energies**	(ii)	3,000,000 common shares			
		1,500,000 warrants expire August 23, 2009	750,000	750,000	2.1%
Central Sun Mining Inc.*	(i,ii,iii)	6,619,000 common shares			
		3,309,500 warrants expire October 22, 2010	6,949,950	16,197,686	46.2%
Kansai Mining Corp	(i,ii,iii)	4,000,000 common shares			
		4,000,000 warrants expire September 14, 2009	400,000	812,800	2.3%
Kria Resources Inc.**	(ii,iii)	750,000 common shares			
		375,000 warrants expire November 19, 2009	750,000	750,000	2.1%
Quinto Mining Corporation	(i,ii)	5,000,000 common shares			
		2,500,000 warrants expire January 10, 2010	3,250,000	3,062,500	8.7%
Russo-Forest Corporation**	(ii,iii)	6,125,000 common shares			
		4,000,000 warrants expire January 25, 2013	2,214,030	2,214,030	6.3%
U-308 Corp.	(i,ii)	2,300,600 common shares	3,797,112	2,070,540	5.9%
Total of 5 other investments	(iv)		7,189,652	7,319,851	21.0%
Total investments			$ 26,136,858	$ 35,055,876	100.0%

* Formerly named Glencairn Gold Corporation.

** Private company

(i) The Company has issued a Section 101 report under the Ontario Securities Act for this investment.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2008.
(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, 2008. Directors and officers may hold investments personally.

(b) The Company's equity accounted investment is its ownership in Tucano Exploration Inc., consisting of 4,000,000 shares which represent an equity interest of approximately 36.8% as of January 31, 2009. The following is a schedule of the equity accounted investment as at January 31, 2009 and January 31, 2008:

	January 31, 2009	January 31, 2008
Equity accounted investment – carrying value – beginning of year	**$ 2,000,000**	$ -
Purchase of investment	-	2,000,000
Loss on equity investment	**(75,613)**	-
Equity accounted investment – carrying value – end of year	**$ 1,924,387**	$ 2,000,000

4. LOANS RECEIVABLE

Russo-Forest Corporation

On August 19, 2008, the Company entered into a short-term loan agreement with Russo-Forest Corporation (“Russo-Forest”), a privately held company with timber operations in the Russian northwest. The Company loaned Russo-Forest $500,000 which is repayable on or before August 18, 2009 with interest payable on maturity at an annual rate of 15%. The loan is secured against all of the assets of Russo-Forest and its subsidiaries.

On November 10, 2008, the Company entered into a second short-term loan agreement, whereby, the Company loaned an additional US$100,000 ($122,470) to Russo-Forest. The loan is repayable on or before June 30, 2009 with interest payable on maturity at an annual rate of 15%. The agreement also provides Aberdeen with the right to convert the loan into shares of Russo-Forest at a rate of $0.12 per share. The loan is secured against all of the assets of Russo-Forest and its subsidiaries.

Subsequent to January 31, 2009, the Company advanced a further US$250,000 ($308,955) to Russo-Forest under similar terms as the second short-term loan agreement described above with a maturity date of June 30, 2009. On February 2, 2009, it was announced that Russo-Forest had entered into an acquisition agreement with Nyah Resources Corp. (“Nyah”), a junior resource company traded on the TSX Venture exchange. Following the proposed acquisition the current shareholders of Russo-Forest would hold approximately 80% of the combined company and the current Nyah shareholders would hold approximately 20%. A vote by Nyah’s shareholders to approve the agreement is expected to be held in May 2009.

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

Avion Resources Corp.

On March 20, 2008, the Company entered into a short-term loan agreement with Avion Resources Corp. (“Avion”). The Company loaned Avion US$1,000,000 ($1,009,500) which was repayable on or before September 30, 2008 with interest payable monthly commencing April 30, 2008 at an annual rate of 10%. In addition, Avion provided, as consideration, 250,000 warrants with an exercise price of $0.38 per common share and an expiry date of September 30, 2008. The grant date fair value of the warrants was estimated to be $36,100 which was applied against the carrying value of the loan receivable and was recognized as income over the term of the loan. The estimated grant date fair value was calculated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 98.5%; risk-free interest rate of 2.73%; and an expected life of five months. The loan agreement provided for a general security agreement in Aberdeen’s favour against the loan.

Avion did not repay the loan by September 30, 2008. Following discussions between Aberdeen and Avion, Aberdeen agreed to extend the term of the loan to September 30, 2009. In conjunction with the extension of the loan, it was agreed that the principal owing upon maturity shall increase by 30% for each US$100 incremental increase in the price of gold above US$900, based on the twelve month average of the London PM fix, to be calculated on a monthly, pro-rated basis, beginning on October 1, 2008. The value to this embedded derivative was estimated to be a nominal amount at both the date of issue and at January 31, 2009 and therefore no value has been attached to this derivative in the financial statements. Interest at a rate of 10% per year will accrue. As additional consideration for the extension of the loan, Avion agreed to issue 2,000,000 share purchase warrants to Aberdeen, with each share purchase warrant entitling Aberdeen to purchase one common share at a price of $0.20 per share for a period of one year from September 30, 2008. The grant date fair value of the warrants was estimated to be $96,000, which was applied against the carrying value of the loan receivable and will be recognized as income over the remaining term of the loan. The fair value was calculated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 93.7%; risk-free interest rate of 2.93%; and an expected life of one year.

4. LOANS RECEIVABLE (Continued)

The 250,000 Avion share purchase warrants issued to Aberdeen in March 2008 in connection with the loan expired unexercised. Avion also agreed to pay Aberdeen an extension fee in the amount of US$50,000 ($62,285) of which US$25,000 ($30,413) was payable on October 31, 2008 (paid) and US$25,000 ($31,872) is payable on March 31, 2009 (paid subsequent to the year ended January 31, 2009). The loan continues to be secured against the assets of Avion and in a senior position. The carrying value of the loan receivable at January 31, 2009, was $1,093,997.

As part of the sale of Ethiopian property rights to Avion, completed during the year ended January 31, 2008, deferred payments were payable to the Company by Avion, as outlined in Note 6, “Receivable on Sale of Mineral Property”. The payment of $750,000 due on June 30, 2008 was not received by the Company. Following discussions between Aberdeen and Avion, the $750,000 was added to the existing US$1,000,000 loan. In addition, the payment of $1,000,000 due on December 31, 2008 was also not received by the Company. At January 31, 2009, Avion had aggregate loans outstanding payable to Aberdeen of $1,750,000 and US$1,000,000, plus accrued interest.

Subsequent to January 31, 2009, following discussions between Avion and the Company, Avion tentatively entered into an agreement with the Company to repay all of its outstanding loans to Aberdeen through a cash payment of $1,550,000, plus accrued interest, and the assignment of the rights to a 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 is due June 30, 2009 with an annual interest rate of 12%, calculated monthly and payable upon maturity. In addition, the note agreement provides Aberdeen with the option to convert the principal, in whole or in part, into common shares of Amazon Potash on or before June 30, 2009 at $1.00 per share.

Subsequent to January 31, 2009, Avion entered into a definitive agreement with Dynamite Resources Ltd. (“Dynamite”) whereby Avion would issue shares to acquire all of the issued and outstanding Dynamite common shares at an exchange ratio of 0.75 Avion common shares for each Dynamite common share. A meeting of the shareholders of Dynamite to vote on the proposed acquisition is scheduled for April 28, 2009.

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

<u>Largo Resources Inc.</u>

On April 30, 2008, the Company entered into a short-term loan agreement with Largo Resources Inc. (“Largo”). The Company loaned Largo US$4,500,000 ($4,535,100), repayable on or before June 30, 2008 with interest payable monthly at a rate of 1% per month. This loan was extendible to November 1, 2008 with the payment of a US$100,000 extension fee. In addition, Largo provided US$250,000 ($254,650) cash and 650,000 common shares in Largo as consideration to the Company. The fair value of these shares at the date of issue was estimated to be $351,000 based on the closing price of Largo’s common shares on April 30, 2008. The cash payment along with the issue date fair value of the shares was applied against the carrying value of the loan receivable and was recognized as income over the term of the loan. The principal of the loan plus interest, totalling US$4,566,575 ($4,603,583), was fully repaid on June 20, 2008. Directors of Aberdeen also hold director positions in Largo and Aberdeen officers and directors may hold investments in Largo personally.

Other

Loans receivable also includes a $557,550 demand note that was repaid subsequent to January 31, 2009. The demand note was unsecured, non-interest bearing and due on demand.

5. CONVERTIBLE ROYALTY LOAN

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

The Convertible Royalty Loan also had an option that allowed the Company to call for its conversion into equity of Simmers at ZAR 0.80 per share at any time from January 1, 2007 to December 31, 2008, subject to Simmers shareholders’ approval. On October 16, 2008, the Company called for conversion to equity and a shareholder vote was held on February 16, 2009, where the Simmers’ shareholders voted against the conversion as unanimously recommended by Simmers’ board of directors. As a result, it is Aberdeen’s position that the US$10,000,000 loan was due, as of its maturity date of December 31, 2008, and Aberdeen was entitled to a 1% NSR on the gold produced on the underlying assets starting October 16, 2008. In addition, it is the Company’s position that a payment of $1,623,586 is due from Simmers which is the graduated royalty calculated at a rate of 4.75% on the gold produced between October 16, 2008 and December 31, 2008, the maturity date of the loan, in addition to a 1% NSR royalty on gold produced starting October 16, 2008.

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

Aberdeen’s balance sheet, as at January 31, 2009, reflects Aberdeen’s interpretation of the agreement. As a result, the US$10,000,000 ($12,364,000) loan was still outstanding at January 31, 2009 and continued to be outstanding subsequent to year-end. In addition, at year-end, the Company had recorded receivables from Simmers and First Uranium totaling $2,197,466. This included $1,623,586 related to the graduated royalty between October 16, 2008 and December 31, 2008 and $91,282, which related to the net interest receivable on the US$10,000,000 loan between October 16, 2008 and January 31, 2009. It is Simmers contention that these amounts are not due.

Management’s interpretation is that, pursuant to section 2.6 of the Convertible Royalty Loan Agreement (the “Agreement”), the graduated royalty is calculated on production until December 31, 2008, notwithstanding Aberdeen’s request for conversion. In addition, pursuant to section 2.10 of the Agreement, if the Simmers shareholders do not approve the loan conversion the 1% NSR would be in addition to the repayment of the US$10,000,000 principal and, pursuant to section 2.4 of the Agreement, the principal is repayable in cash until shareholders approve the equity conversion. Aberdeen intends to aggressively contest any alternative interpretation of the Agreement. The Company provided Simmers’ management and directors with a demand letter and a letter from Aberdeen’s legal counsel outlining Aberdeen’s interpretation of the Convertible Royalty Loan agreement in advance of the February 16, 2009 Simmers shareholder meeting. Aberdeen also filed the Agreement between the Company and Simmers on SEDAR (www.sedar.com) under the Company’s profile. Following the vote by Simmers’ shareholders not to allow for the conversion, the Company provided Simmers’ board and management with a letter reiterating Aberdeen’s understanding of Simmers’ obligations under the Agreement. Aberdeen was told by Simmers’ board and management that their position regarding the Agreement, as described above, had not changed. As a result, the Company has engaged a leading South African law firm to enforce its rights under the loan Agreement. Aberdeen firmly believes that its interpretation of the Agreement is correct and expects to realize the values attached to the royalty and loan on the balance sheet as of January 31, 2009. The description of the Agreement herein is subject to, and qualified in all respect by, the provisions of the Agreement.

5. CONVERTIBLE ROYALTY LOAN (Continued)

In connection with the Agreement, Aberdeen holds a notarial special covering bond in the amount of US$10,000,000 plus ZAR5,000,000 ($605,000) over the assets of the North Plant on Simmers' greater Buffels property.

Aberdeen's balance sheet, as at January 31, 2009, reflected the shareholders' February 16, 2009 vote to deny the conversion requested by Aberdeen, along with the Company's interpretation of the Agreement. At January 31, 2009, the Convertible Royalty Loan had a total estimated fair value of US$43,544,000 ($53,837,802) based on a US/Cdn dollar foreign exchange rate of 1.2364 (January 31, 2008 – US$45,340,000 ($45,439,748)), excluding accrued interest and royalty receivables. The estimated fair value is recorded on the balance sheet as follows:

Loan – Simmers and Jack Mines, Limited	$12,364,000
Royalty	
Current	2,664,442
Long-term	38,809,360
	41,473,802
	$53,837,802

Aberdeen carries the Simmers loan and Simmers and First Uranium royalty on the balance sheet at its estimated fair value with the movement between periods being charged to the statement of operations. The US$10,000,000 Simmers loan is carried at the January 31, 2009 Cdn/US exchange rate of 1.2364. The estimated fair value of the royalty is based on a discounted cash flow analysis of expected cash flow from the 1% NSR, with the key assumptions being: 1) life of mines and gold production estimates as per Simmers and First Uranium; 2) US$850 gold price through fiscal 2010, and US$700 thereafter; and, 3) 5% discount rate.

The key assumptions used in determining the fair value of the Convertible Royalty Loan as of January 31, 2008 included the following: 1) receipt of a graduated royalty until December 31, 2008; 2) repayment of the US$10,000,000 on December 31, 2008 and a 1% NSR thereafter for the life of the mines; 3) 5% discount rate; 4) US$850 gold price through fiscal 2010, and US$600 thereafter; and 5) life of mines and gold production estimates as per Simmers and First Uranium Corporation.

The arrangement fees were deferred and amortized over the term of the Convertible Royalty Loan. During 2009 $89,770 (2008 - $103,113) has been recorded as revenue in the statement of operations. At January 31, 2009, the deferred revenue balance was $Nil (2008 - $82,037).

The Agreement also provides the Company with a right of first refusal on any future financings that Simmers completes on any of their properties. Under the agreement, the Company has 60 days to match financing terms provided by a third party to Simmers. During calendar 2007, Simmers completed a third party financing without providing the Company the right to match the terms offered. Following discussions with Simmers, which did not resolve the Company's concerns, Aberdeen initiated legal proceedings to claim damages caused by the breach of the Agreement. On September 5, 2008, a lower court applied a narrow interpretation of the Agreement and found that the right of first refusal only applies to debt financing. Aberdeen believes a broader interpretation is appropriate and has requested and been granted leave to appeal to South Africa's Supreme Court of Appeal.

6. RECEIVABLE ON SALE OF MINERAL PROPERTY

During the year ended January 31, 2008, the Company completed the sale of the Ethiopian property rights it held to Avion. The Company obtained these Ethiopian property rights through an earn-in agreement with Ethio-Gibe Mining PLC (Ethio-Gibe). Aberdeen had earned 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. The terms of the agreement with Avion were as follows:

(i) $250,000 upon receipt of regulatory approval for the transaction (paid);
(ii) $750,000 on or before June 30, 2008 (not paid – see Note 4, "Loans Receivable");
(iii) $1,000,000 on or before December 31, 2008 (not paid);
(iv) 1.5% net smelter royalty in respect of the exploration licences;
(v) 1,500,000 share purchase warrants of Avion exercisable at $0.48 for 18 months; and
(vi) Avion will assume Aberdeen's obligations to Ethio-Gibe for cash and share payments.

At January 31, 2008, the cash payments to be received from Avion, including the initial $250,000, were recorded as a receivable at a discounted value of $1,837,477 and the 1,500,000 warrants were estimated to have a fair value of $216,000, for total consideration of $2,053,477. The initial payment of $250,000 under the agreement was received by the Company on February 14, 2008.

The agreement outlines that payments to be made by Avion subsequent to the initial $250,000 shall be made in cash or common shares of Avion, upon the mutual agreement of both parties, with any common shares to be issued at a price equal to the volume weighted average trading price for the 30 days prior to the payment due date for Avion common shares. The payment of $750,000 due on June 30, 2008 was not received by the Company. In December 2008, following discussions between Aberdeen and Avion, the $750,000 was added to the existing US$1,000,000 loan from Aberdeen to Avion that is due September 30, 2009 (see Note 4, "Loans Receivable").

The remaining $1,000,000 payment due on December 31, 2008 was also not received by the Company. Subsequent to January 31, 2009, following discussions between Avion and the Company, Avion tentatively entered into an agreement with the Company to repay all of its outstanding loans payable to Aberdeen through a cash payment and the assignment of a note receivable, as outlined in Note 4, "Loans Receivable".

7. COMMON SHARES

Authorized: Unlimited common shares with no par value

Issued and outstanding:

	Number of shares	Amount
Balance, January 31, 2007	27,930,673	$ 12,275,229
Private placement	75,000,000	60,000,000
Private placement - warrant valuation	-	(15,750,000)
Cost of issue	-	(4,563,213)
Balance, January 31, 2008	102,930,673	$ 51,962,016
Shares repurchased and cancelled (NCIB) [(1)]	(8,056,334)	(4,067,042)
Balance, January 31, 2009	**94,874,339**	**$ 47,894,974**

[(1)] See Note 11.

7. COMMON SHARES (Continued)

On June 7, 2007, the Company announced that it had closed a private placement financing (the “Offering”) of subscription receipts (the “Subscription Receipts”) in connection with its transition to a mining investment corporation. The total offering was for 75,000,000 Subscription Receipts at a price of $0.80 per Subscription Receipt for gross proceeds of $60,000,000. The gross proceeds of the offering were held in escrow (the "Escrowed Proceeds") until certain conditions were satisfied.

On July 27, 2007, upon the Company having met the required conditions, each Subscription Receipt automatically converted into one unit (“Unit”), each Unit being comprised of one common share of the Company and one-half of one common share purchase warrant (“Warrant”). The gross proceeds of the private placement were allocated between common shares and warrants as follows: common shares - $44,250,000; warrants - $15,750,000. The fair value of the Warrants was estimated using the Black-Scholes option pricing model using the following assumptions: expected dividend yield of 0%; expected volatility of 92%; risk-free interest rate of 4.5%; and an expected life of five years. Each Warrant is exercisable for one common share of the Company at a price of $1.00 per common share until June 6, 2012. A syndicate of agents led by Orion Securities Inc. and including GMP Securities L.P. (together, the “Agents”) acted as Agents in respect of the Offering on a “best efforts” basis. In connection with the Offering, the Agents received a cash commission of 6% of the gross proceeds of the Offering, paid to the Agents out of the Escrowed Proceeds upon release. The Agents were issued 4,500,000 compensation options (the “Compensation Options”), each Compensation Option entitling the Agents to acquire one Unit at a price of $0.80 per Unit until June 6, 2009. The Subscription Receipts and Compensation Options and all securities issuable upon their exercise were subject to a four-month hold period which expired on October 7, 2007. The fair value of the Compensation Options of $1,453,500 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 67%; risk-free interest rate of 4.5%; and an expected life of two years.

8. WARRANTS

	January 31, 2009		January 31, 2008	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Balance, beginning of year	**42,000,000**	**$0.98**	8, 349,000	$0.93
Granted	**-**	**-**	42,000,000	$0.98
Expired	**-**	**-**	(8,349,000)	$0.93
Balance, end of year	**42,000,000**	**$0.98**	42,000,000	$0.98

The following is a summary of the outstanding warrants as of January 31, 2009:

Estimated grant date fair value	Number of warrants	Exercise price	Expiry date
$ 1,453,500	4,500,000*	$0.80	June 6, 2009
15,750,000	37,500,000	$1.00	June 6, 2012
$ 17,203,500	42,000,000		

* Compensation Options exercisable into Units at a price of $0.80 per Unit consisting of one common share of the Company and one-half of one common share purchase warrant.

9. STOCK-BASED COMPENSATION

The Company has a stock option plan established with the intent of advancing the interests of the Company by encouraging and enabling the acquisition of an equity interest by directors, officers, key employees and consultants. The maximum number of share purchase options to be granted shall not exceed 10% of the issued and outstanding shares. The options are non-assignable and may be granted for a term not exceeding five years. The exercise price of the options is fixed by the board of directors of the Company and such exercise price shall not be lower than the closing market price at the time of grant, subject to all applicable regulatory requirements.

The following are the stock option transactions during the year ended January 31, 2009 and the year ended January 31, 2008:

	January 31, 2009		January 31, 2008	
	Number of stock options	**Weighted average exercise price**	Number of stock option	Weighted average exercise price
Balance, beginning of year	**5,900,000**	**$0.80**	1,785,000	$0.80
Granted	**4,050,000**	**$0.14**	4,800,000	$0.80
Expired	**(500,000)**	**$0.83**	-	-
Forfeited	**(3,600,000)**	**$0.80**	(685,000)	$0.85
Balance, end of year	**5,850,000**	**$0.34**	5,900,000	$0.80

As of January 31, 2009, the following stock options were outstanding:

Estimated grant date fair value	Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
$ 33,150	50,000	50,000	$0.85	September 19, 2010
269,500	500,000	500,000	$0.69	October 25, 2010
62,500	100,000	100,000	$0.80	January 20, 2011
32,100	50,000	50,000	$0.82	February 28, 2011
534,600	1,100,000	1,100,000	$0.80	October 4, 2012
30,640	100,000	100,000	$0.48	August 11, 2013
23,780	100,000	100,000	$0.35	September 5, 2013
39,400	200,000	200,000	$0.29	October 1, 2013
234,330	3,650,000	3,650,000	$0.12	January 14, 2014
$ 1,260,000	5,850,000	5,850,000		

During the year ended January 31, 2009, stock options totaling 4,050,000 were granted to directors, officers and consultants of the Company (2008 – 4,800,000). These options vested immediately and expire five years from the date of issue. The fair value of the options granted were estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0% (2008 – 0%); expected volatility ranging from 68% to 84% (2008 – 89%); risk-free interest rate ranging from 1.5% to 3.3% (2008 – 4.5%); and an expected life of 5 years (2008 – 5 years). This resulted in an expense of $328,150 (2008 – $2,363,300). The weighted average grant date fair value of options granted during 2009 was $0.08 (2008 - $0.49).

10. CONTRIBUTED SURPLUS

	January 31, 2009	January 31, 2008
Balance, beginning of year	**$ 6,595,051**	$ 1,094,265
Stock options granted and/or vested during the year:		
Consultant	**69,186**	503,100
Officers and directors	**258,964**	1,860,200
Warrants expired, reallocation of valuation	**-**	3,137,486
Cancellation of repurchased common shares (Note 11)	**1,580,796**	-
Balance, end of year	**$ 8,503,997**	$ 6,595,051

11. NORMAL COURSE ISSUER BID

On January 31, 2008**,** the Company announced its intention to make a Normal Course Issuer Bid (“NCIB”) to buy back its common shares for cancellation through the facilities of the Toronto Stock Exchange (“Exchange”).

The maximum number of common shares that may be purchased for cancellation pursuant to a NCIB is that number of common shares that represents 10% of the common shares in the public float on the date that the Exchange approved the NCIB. Based on the 81,888,340 common shares in the public float as at January 31, 2008, the maximum number of shares was 8,188,834. The number of shares in the public float is less than the number of issued and outstanding common shares because the public float number does not include common shares held by insiders of the Company.

Purchases under the NCIB commenced on February 4, 2008 and terminated on February 3, 2009. The shares acquired pursuant to the NCIB were cancelled. During the twelve months ended January 31, 2009, the Company used $2,589,728 to purchase and cancel 8,056,334 shares at an average price of approximately $0.32 per share. The stated value of these shares in the Company’s shareholders’ equity was $4,067,042, or approximately $0.50 per share. The difference between the cost to repurchase and the stated value of $1,477,314 was allocated as an increase to contributed surplus ($1,580,796) and a decrease to retained earnings ($103,482).

In February 2009, subsequent to January 31, 2009, the Company announced its intention to make another NCIB. Details of this NCIB are described in Note 17, “Subsequent Events”.

12. RELATED PARTY TRANSACTIONS

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

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

Investment	Nature of relationship		Estimated Fair value
Allana Recources Inc.	Shareholders	$	541,738
Amazon Potash Corp.**	Directors and shareholders		1,250,000
Apogee Minerals Ltd.	Directors and shareholders		294,500
Auger Resources Ltd.**	Directors and shareholders		500,000
Avion Resources Corp.	Directors and shareholders		2,062,575
Cash Minerals Ltd.	Directors and shareholders		228,600
Castillian Resources Corp.	Directors and shareholders		125,000
Central Sun Mining Inc.*	Directors and shareholders		7,341,464
Consolidated Thompson	Directors, officers and shareholders		1,074,796
Crowflight Minerals Inc.	Directors, officers and shareholders		1,000,000
Franc-Or Resources Corp.	Directors, officers and shareholders		489,775
Kria Resources Inc.**	Directors, officers and shareholders		1,375,000
Largo Resources Inc.	Directors and shareholders		42,250
Longford Energy Inc.	Directors and shareholders		1,336,506
Russo-Forest Corporation**	Directors and shareholders		1,137,283
Scandinavian Metals Inc**	Directors and shareholders		500,000
Stetson Oil & Gas Ltd.	Directors and shareholders		1,136,000
Sulliden Exploration Inc.	Directors and shareholders		6,477,729
Vast Exploration Inc.	Directors and shareholders		626,480
Total of 8 other investments	Shareholders		3,016,425
Total Investments		$	30,556,121

* Formerly named Glencairn Gold Corporation.

** Private company

In addition to the investments listed above, Aberdeen has an equity investment in Tucano Exploration Inc. and loans receivable from Avion Resource Corp. and Russo-Forest Corporation. Directors and officers of Aberdeen hold director and officer positions in these companies and may hold investments.

While it is at the discretion of the Board, it is expected that an annual bonus equal to 10% of the realized pre-tax profit on the Company's portfolio investments will be paid to management. For the year ended January 31, 2009, the Company had net realized gains on investments of $671,061 and net unrealized losses of $32,628,522. The net realized gains on investments included a gain of $4,743,004 which resulted from the acquisition of the Quinto Mining Corporation ("Quinto") by Consolidated Thompson Iron Mines Limited ("Consolidated Thompson") and the subsequent sale of a portion of Aberdeen's position in Consolidated Thompson. As a result of the overall net loss on the portfolio investments during the twelve months ended January 31, 2009 no management bonuses were paid or accrued during the year and the bonus of $891,902 that was accrued on unrealized gains during the year ended January 31, 2008 was reversed as a credited to the statement of operations.

The Company was charged $90,000 during the year ended January 31, 2009 (2008 - $30,000) by a corporation controlled by a director of the Company for administration services. In addition, a company controlled by a director of Aberdeen received fees in connection to a private placement by Franc-Or Resources Corporation in which Aberdeen participated.

12. RELATED PARTY TRANSACTIONS (Continued)

During the year ended January 31, 2009, the Company earned advisory service fees of $1,272,500 (2008 – $168,500) from corporations with common directors and officers. In addition, the Company earned interest income totaling $872,076 during the year ended January 31, 2009 (2008 – $Nil) from Avion, Largo and Russo-Forest, all of which have certain common directors with Aberdeen.

The Company shares its premises with other corporations that have common directors and/or officers. The Company reimburses and recovers from the related corporation for their proportional share of expenses. Included in accounts payable at January 31, 2009 is $20,258 (2008 - $65,479) owing to, and $Nil (2008 - $353) owing from such corporations. Such amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

13. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $570,000 and additional contingent payments of approximately $2,790,000 upon the occurrence of a change of control. As the likelihood of a change of control is not determinable, the contingent payments have not been reflected in these financial statements.

As outlined in Note 5, “Convertible Royalty Loan”, Simmers’ management has adopted an interpretation of the Convertible Royalty Loan agreement different to that of Aberdeen’s interpretation. The amounts under dispute on the balance sheet as at January 31, 2009 include the Simmers loan valued at $12,364,000 and a receivable for $1,714,868. While the Company is confident that its interpretation of the agreement is correct and has engaged a leading South African law firm to have its rights under the agreement enforced, some uncertainty surrounds the timing and actual collectability of the loan.

14. INCOME TAXES

(a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the Canadian combined federal and provincial statutory rate of approximately 33% (2008 – 36%) are as follows:

	2009	2008
Net income (loss) before income taxes	$ (14,055,254)	$ 4,235,237
Expected income tax expense	(4,638,000)	1,525,000
Adjustments to benefit resulting from:		
Stock-based compensation	110,000	851,000
Foreign exchange	(113,000)	117,000
Change in future tax rates	(188,509)	(946,000)
Other	(139,366)	108,828
Change in valuation allowance	(35,000)	(5,000)
Provision for income taxes expense (recovery)	$ (5,003,875)	$ 1,650,828

14. INCOME TAXES (Continued)

(b) Future income tax balances

The tax effect of temporary differences that give rise to future income tax assets and liabilities in Canada approximate the following:

	2009	2008
Future income tax assets (liabilities)		
Investments	$ 6,195,000	$ (2,675,000)
Equity Investment	25,000	-
Convertible royalty loan	(13,875,000)	(11,272,000)
Resource properties	102,000	84,000
Share issue costs	959,000	1,320,000
Other	129,000	17,000
Valuation allowance	(33,000)	(68,000)
Net future income taxes	$ (6,498,000)	$(12,594,000)

	2009	2008
Net future income taxes consist of:		
Current	$ 5,693,000	$ (5,199,000)
Long-term	(12,191,000)	(7,395,000)
Total	$ (6,498,000)	$(12,594,000)

15. CAPITAL DISCLOSURE

The Company considers its capital to consist of its common shares, warrants and contributed surplus balances. The Company's objectives when managing capital are:

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

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

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

While the Company currently has no debt, it may in the future decide to 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 year ended January 31, 2009. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current balance sheet date. Aberdeen does not currently pay a dividend and does not expect to pay one in the foreseeable future.

16. FINANCIAL INSTRUMENTS

Aberdeen's operations involve the purchase and sale of securities and, in addition, the Company has loans outstanding and a royalty with an aggregate estimated fair value of $56,862,989. 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. A discussion of the Company's use of financial instruments and their associated risks is provided below:

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. In addition, most of the Company's investments are in the resource sector, as is its royalty. The Company manages this risk by having a portfolio which is not singularly exposed to any one issuer.

For the year ended January 31, 2009, a 10% decrease in the closing prices on its portfolio investments would result in an estimated increase in net after-tax loss of $2.0 million, or $0.02 per share. This estimated impact on net after-tax 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, interest on loans, financing activities and proceeds from the disposition of its investments, in addition to interest income and advisory service fees. As the Company currently has no debt, Aberdeen believes that it has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions.

Commodity price risk

Commodity price risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in commodity prices, namely the price of gold. The Company's royalty is valued based on future gold price estimates and changes in the gold price could have a significant adverse effect on the fair value of, and future cash flows from, the Company's royalty. The estimated fair value of the Company's royalty at January 31, 2009 was based on a gold price assumption of US$850 through fiscal 2010 and US$700 thereafter. A 10% decrease in the gold price assumption would have reduced the fair value estimate of the Company's royalty by $4.1 million.

16. FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

The Company's interest rate risk is primarily related to the Company's cash equivalents and loans receivable.

a) Cash equivalents

The Company's cash equivalents were invested at interest rates in effect at the time of investment. Changes in market interest rates affect the fair market value of the cash equivalents. However, as these investments come to maturity within a short period of time, the impact would likely not be significant.

b) Loans receivable

The Company's loans receivable 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 these loans are short-term in nature, the impact of changes in market interest rates would likely not be significant.

Credit risk

Credit risk is the risk associated with the inability of a third party to fulfill its payment obligations. The Company is exposed to the risk that third parties that owe it money or securities will not perform their underlying obligations. The Company's largest credit risk is the counterparty to its royalty with Simmers and First Uranium and loan outstanding with Simmers. Aberdeen has attempted to manage this risk by completing what management feels is adequate due diligence prior to entering into the loan agreement. In addition, security was obtained against specific assets of the counterparty, in case of non-performance.

The Company also has credit risk in the form of other loans receivable and accounts receivable. The total carrying value of these financial instruments at January 31, 2009 was $6,321,143. As discussed in Note 6, "Receivable on Sale of Mineral Property", Avion did not make a $750,000 payment due June 30, 2008 and the repayment terms have been restructured. Avion also did not make the $1,000,000 payment due December 31, 2008. Subsequent to January 31, 2009, following discussions between Avion and the Company, Avion tentatively entered into an agreement with the Company to repay all of its outstanding loans payable to Aberdeen through a cash payment and the assignment of a note receivable, as outlined in Note 4, "Loans Receivable".

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 and Australian dollars.

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

16. FINANCIAL INSTRUMENTS (Continued)

The following assets and liabilities were denominated in foreign currencies as of January 31, 2009 and January 31, 2008:

		31-Jan-09		31-Jan-08
Denominated in U.S dollars:				
Accounts receivables	$	2,232,869	$	532,367
Loan receivable	$	13,713,737	$	-
Royalty loan	$	41,473,802	$	45,439,748
Income taxes payable	$	-	$	(51,110)
Denominated in Australian dollars:				
Investments	$	1,425,843	$	-
Denominated in British Pound:				
Accrued liabilities	$	(19,422)	$	-

A 10% increase in the value of the Canadian dollar against all foreign currencies in which the Company had financial instrument exposure as of January 31, 2009 would result in an estimated increase in net after-tax loss of approximately $3.9 million, or $0.04 per share. The Company does not currently hedge its foreign currency exposure.

Fair values

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

i. The carrying value of cash equivalents, amounts receivable, loans receivable, receivable on sale of mineral property and accounts payable approximate their fair values due to the short-term nature of these instruments.
ii. Investments are carried at amounts in accordance with the Company's accounting policy as set out above in Note 2, "Significant Accounting Policies".
iii. Prior to maturity, the outstanding loans receivable are carried at their discounted value. Following their maturity, loans receivable are carried at their estimate realizable value.
iv. The Simmers and First Uranium royalty is carried at its estimated fair value based on management's assumptions as discussed in Note 5, "Convertible Royalty Loan".

17. SUBSEQUENT EVENTS

<u>Normal Course Issuer Bid</u>

On February 3, 2009, the Company announced its intention to make a second NCIB to buy back its common shares through the facilities of the Exchange.

The maximum number of common shares that may be purchased for cancellation pursuant to the NCIB is that number of common shares that represents 10% of the common shares in the public float on the date that the Exchange approves the NCIB. Based on the 73,707,006 common shares in the public float as at February 2, 2009, the maximum number of shares would be 7,370,700. The maximum number of common shares that may be repurchased on a daily basis is 25% of Aberdeen's average daily trading volume for the last six calendar months, which amounts to 33,951 shares. The actual number of common shares that will be purchased and the timing of such purchases will be determined by Aberdeen considering market conditions, stock prices, its cash position, and other factors.

17. SUBSEQUENT EVENTS (Continued)

Purchases under the NCIB were permitted to commence on February 5, 2009 and will terminate on February 4, 2010 or the date upon which the maximum number of common shares have been purchased by Aberdeen pursuant to the NCIB. Aberdeen intends that any shares acquired pursuant to the NCIB will be cancelled.

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

Convertible Royalty Loan

On February 16, 2009, Simmers' shareholders voted to deny Aberdeen's request for conversion of the US$10,000,000 loan into equity. As a result, Aberdeen was granted a 1% gold royalty on all of Simmers' Northwest Assets which includes the Mine Waste Solutions project held by First Uranium. Additional details are provided in Note 5, "Convertible Royalty Loan".

Russo-Forest Loan

Subsequent to January 31, 2009, the Company advanced US$250,000 to Russo-Forest in addition to $500,000 and US$100,000 advanced during the year ended January 31, 2008. The terms of the loan were similar to the terms under which the US$100,000 was advanced, as described in Note 4, "Loans Receivable". On February 2, 2009, it was announced that Russo-Forest had entered into an acquisition agreement with Nyah Resources Corp. ("Nyah"), a resources company traded on the TSX Venture exchange. Following the proposed acquisition the current shareholders of Russo-Forest would hold approximately 80% of the combined company and the current Nyah shareholders would hold approximately 20%. A vote by Nyah's shareholders to approve the agreement is expected in May 2009.

Avion Resources Corp.

Subsequent to January 31, 2009, following discussions between Avion and the Company, Avion entered into an agreement with the Company to repay all of its outstanding loans payable to Aberdeen through a cash payment and the assignment of a note receivable, as outlined in Note 4, "Loans Receivable".