ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three months Ended April 30, 2010

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

The annual report, including this Management's Discussion & Analysis ("MD&A"), may contain certain "Forward-Looking Information" within the meaning of applicable securities law, 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 the Company's plan of business operations; projections regarding future success based on past success; availability of financing on acceptable terms; ability to identify and execute investments; investment philosophy and business purposes; projected costs and expenditures; potential benefits of the business; anticipated returns; potential mineralization; projection of future revenue; targets for cash operating costs; and future plans and objectives of Aberdeen are forward-looking information 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 include, but are not limited to, in particular, past success or achievement does not guarantee future success; risks related to investment performance, market fluctuations, fluctuations in commodity prices, uncertainties relating to the availability and costs of financing needed in the future, the strength of the Canadian and US economies and financial markets, foreign exchange fluctuations, competition, political and economic risks in the countries and financial markets in which the Company's investments' interests are located and other risks included elsewhere in this MD&A under the heading "Risks and Uncertainties" as well as those factors discussed in or referred to in the Annual Information Form ("AIF") of the Company filed on April 30, 2010, under the profile of the Company at www.sedar.com. Estimates and assumptions that have been considered when formulating forward-looking information include, with respect to the valuation of the Simmer & Jack and First Uranium royalties, the dispute with Simmer & Jack over the interpretation of the Convertible Royalty and Loan Agreement, information disclosed by Simmer & Jack and First Uranium regarding their properties and expected production schedule and timeline, projections regarding mineral prices; and with respect to the investments and investment philosophy of Aberdeen, management expertise and knowledge of the resources industry and the continued involvement of the current management team with Aberdeen. With regard to all information included herein relating to investee companies, Aberdeen has relied exclusively on publicly available information disclosed by the respective companies.

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 information. 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 that affect this information, except as required by law.

ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three months Ended April 30, 2010
(All amounts stated in Canadian dollars, unless otherwise indicated)

Management's Discussion and Analysis of financial condition and results of operations for the three months ended April 30, 2010

This discussion and analysis of the operations, results and financial condition of Aberdeen International Inc. ("Aberdeen", or the "Company") for the three months ended April 30, 2010 should be read in conjunction with the related unaudited interim financial statements as at April 30, 2010, 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, 2010, which have been consistently applied. Additional information regarding Aberdeen, including our AIF dated April 30, 2010 and press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under the Company's profile at www.sedar.com. This MD&A reports on the Company's activities through June 8, 2010.

Aberdeen's common shares, and the share purchase warrants issued in June 2007, trade on the Toronto Stock Exchange ("TSX") under the symbols AAB and AAB.WT, respectively.

OVERVIEW

Aberdeen is a publicly traded global investment and merchant banking company focused on small capitalization companies in the resource sector. In general, the Company's investment philosophy is to acquire 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; and
- companies undervalued in foreign capital markets.

Aberdeen provides valued-added managerial and board advisory services to these companies. The Company's strategy is to optimize the return on its investments over an 18 to 24 month investment time frame. Aberdeen also has access to key experts in the mining and financial sector who can provide further assistance in evaluating and monitoring companies and their progress. As part of its business model, Aberdeen's officers and directors take active management, director and ownership roles in a significant percentage of companies in which Aberdeen invests.

The Company began operating as a global investment and merchant banking company in July 2007. As at April 30, 2010, the portfolio had investments in 28 companies with an estimated fair market value of $59,853,891 (cost – $45,872,674).

ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three months Ended April 30, 2010
(All amounts stated in Canadian dollars, unless otherwise indicated)

SIGNIFICANT DEVELOPMENTS

Investments

As at April 30, 2010, the Company held portfolio investments with an estimated fair market value of $59,853,891 and a cost base of $45,872,674 for a cumulative unrealized gain of $13,981,217. Investments consisted of the following:

Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
2236967 Ontario Inc.*	(iv)	5,000,000 common shares	$ 250,000	$ 250,000	0.4%
Alderon Resources Corp.	(iii)	500,000 common shares	500,000	1,000,000	1.7%
Allana Resources Inc.	(i,ii)	4,500,000 common shares	924,222	4,225,338	7.1%
		2,000,000 warrants expire May 22, 2011			
		2,375,000 warrants expire June 16, 2011			
Apogee Minerals Ltd.	(i,ii,iii)	9,850,000 common shares	2,391,000	1,101,715	1.8%
		5,000,000 warrants expire May 23, 2010			
		1,175,000 warrants expire April 30, 2011			
		1,250,000 warrants expire Nov 22, 2011			
Auger Resources Ltd.*	(iii)	2,000,000 common shares	1,000,000	200,000	0.3%
		1,000,000 warrants expire Sept 16, 2010			
Avion Gold Corp.	(iii)	6,774,400 common shares	2,946,712	4,455,640	7.4%
		2,500,000 warrants expire May 8, 2011			
Brazil Potash Corp.*	(iii)	1,650,062 common shares	2,500,000	1,676,133	2.8%
Castillian Resources Corp.	(iii)	11,660,000 common shares	2,034,670	934,750	1.6%
		500,000 warrants expire June 30, 2011			
Crowflight Minerals Inc.	(iii)	1,470,612 common shares	395,638	308,829	0.5%
Crocodile Gold Inc.	(iii)	4,351,766 common shares	2,700,391	10,143,984	17.0%
		2,500,000 warrants expire June 15, 2012			
Dacha Capital Inc.	(i,ii,iii)	2,501,551 common shares	2,985,512	7,599,051	12.7%
		4,800,000 special warrants			
		2,501,551 common shares expire June 16, 2014			
Kria Resources Inc.	(iii)	2,599,000 common shares	2,599,000	404,115	0.7%
		1,000,000 warrants expire June 9, 2010			
		50,000 warrants expire June 16, 2010			
Largo Resources Inc.	(iii)	3,983,333 common shares	551,000	896,250	1.5%
Longford Energy Inc.	(iii)	3,659,869 common shares	1,595,502	1,098,069	1.8%
		1,000,000 warrants expire June 5, 2011			
Rodinia Minerals Inc.	(iii)	3,000,000 common shares	1,500,000	1,410,000	2.4%
Scandinavian Metals Inc*	(ii,iii)	2,000,000 common shares	1,000,000	500,000	0.8%
		1,000,000 warrants expire Sept 12, 2010			
Stetson Oil & Gas Ltd.	(iii)	10,000,000 preferred shares	740,290	150,000	0.3%
		10,000,000 warrants expire Sept 17, 2010			
Sulliden Gold Corporation Ltd.	(iii)	11,877,195 common shares	5,878,313	7,309,768	12.2%
		769,231 warrants expire April 23, 2011			
		1,361,946 warrants expire October 6, 2012			
Temujin Mining Corp*	(ii,iii)	11,000,909 common shares	5,657,000	6,157,000	10.3%
		1,910,000 warrants expire Nov 26, 2011			
		600,000 warrants expire Jan 14, 2012			
		4,545,455 warrants expire Jan 29, 2012			
Verena Minerals Corp.	(iii)	4,000,000 common shares	1,126,875	2,085,000	3.5%
		3,000,000 warrants expire March 3, 2012			
Vast Exploration Inc.	(iii)	1,350,000 common shares	1,062,686	1,869,165	3.1%
		2,050,000 warrants expire June 12, 2010			
		1,000,000 warrants expire June 5, 2011			
Total of 7 other investments	(iv)		5,533,863	6,079,084	10.2%
Total investments			$ 45,872,674	$ 59,853,891	100.0%

* Private company

(i) The Company has issued a Section 101 report under the Securities Act (Ontario) for these investments.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the company as at April 30, 2010.
(iii) A director and/or officer or 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 April 30, 2010.

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

As at January 31, 2010, the Company held portfolio investments with an estimated fair market value of $56,227,559 and a cost base of $40,414,041 for a cumulative unrealized gain of $15,813,518. Investments consisted of the following:

Issuer	Note	Security description	Cost	Estimated	% of
Allana Resources Inc.	(i,ii)	6,750,000 common shares	$ 1,220,000	$ 3,348,300	6.0%
		2,000,000 w arrants expire May 22, 2011			
		2,375,000 w arrants expire June 16, 2011			
Apogee Minerals Ltd.	(i,ii,iii)	9,850,000 common shares	2,391,000	1,226,528	2.2%
		5,000,000 w arrants expire May 23, 2010			
		1,175,000 w arrants expire April 30, 2011			
		1,250,000 w arrants expire Nov 22, 2011			
Auger Resources Ltd.*	(ii,iii)	2,000,000 common shares	1,000,000	500,000	0.9%
		1,000,000 w arrants expire Sept 16, 2010			
Avion Gold Corp.	(iii)	8,774,400 common shares	3,631,919	6,002,634	10.7%
		2,500,000 w arrants expire May 8, 2011			
Brazil Potash Corp.*	(iii)	1,650,062 common shares	2,500,000	1,776,127	3.2%
Castillian Resources Corp.	(iii)	11,660,000 common shares	2,034,670	1,179,350	2.1%
		500,000 w arrants expire June 30, 2010			
Crocodile Gold Inc.	(iii)	6,319,478 common shares	3,546,424	16,929,174	30.1%
		2,500,000 w arrants expire June 15, 2012			
		317,460 w arrants expire Feb 9, 2010			
		1,017,429 w arrants expire Feb 9, 2010			
Crow flight Minerals Inc.	(iii)	3,379,724 common shares	1,508,039	607,682	1.1%
		1,470,612 w arrants expire April 30, 2011			
Dacha Capital Inc.	(i,ii,iii)	2,501,551 common shares	825,512	2,345,204	4.2%
		2,501,551 common shares expire June 16, 2014			
Kria Resources Inc.	(iii)	2,599,000 common shares	2,599,000	561,880	1.0%
		1,000,000 w arrants expire June 9, 2010			
		50,000 w arrants expire June 16, 2010			
Largo Resources Inc.	(iii)	3,983,333 common shares	551,000	896,250	1.6%
Longford Energy Inc.	(iii)	3,659,869 common shares	1,941,090	1,207,170	2.1%
		3,296,296 w arrants expire February 28, 2010			
		1,000,000 w arrants expire June 5, 2011			
Scandinavian Metals Inc.*	(ii,iii)	2,000,000 common shares	1,000,000	500,000	0.9%
		1,000,000 w arrants expire Sept 12, 2010			
Stetson Oil & Gas Ltd.	(iii)	10,000,000 preferred shares	740,290	177,000	0.3%
		10,000,000 w arrants expire Sept 17, 2010			
Sulliden Gold Corporation Ltd.	(iii)	10,403,303 common shares	4,920,283	7,621,216	13.6%
		769,231 w arrants expire April 23, 2011			
		625,000 w arrants expire October 6, 2012			
Temujin Mining Corp.*	(ii,iii)	7,364,545 common shares	3,667,200	3,758,400	6.7%
		7,364,545 w arrants expire Nov 26, 2011			
		600,000 w arrants expire Jan 14, 2012			
Vast Exploration Inc.	(iii)	1,350,000 common shares	1,062,686	1,518,170	2.7%
		2,050,000 w arrants expire June 12, 2010			
		1,000,000 w arrants expire June 5, 2011			
Total of 11 other investments	(iv)		5,274,928	6,072,474	10.6%
Total investments			$ 40,414,041	$ 56,227,559	100.0%

* 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, 2010.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2010.

During the quarter, the Company invested approximately $14,000,000 on portfolio acquisitions. Some of the investments included:

- Alderon Resources Corp., a leading iron ore exploration and development company in Canada.
- Rodinia Minerals Inc., a Canadian mineral exploration company with a primary focus on lithium exploration and development in North and South America.
- Verena Minerals Corporation, a Canadian-based mineral exploration company with a portfolio of properties including gold, diamonds and gemstones in Brazil.
- additional investments in Temujin Mining Corp., a private company with gold-copper exploration properties in Mongolia;
- additional investment in Dacha Capital Inc., a publicly traded company that invests in strategic minerals;
- additional investment in Sulliden Gold Corporation Ltd., a publicly traded exploration company with a silver-gold project in Peru; and,
- additional investments through the exercise of warrants, in Crowflight Minerals Inc., a publicly traded mining company with nickel mines operations in Manitoba; and nickel, copper projects in the Thompson Nickel Belt and Sudbury Basin.

During the three months ended April 30, 2010, the Company also disposed of investments receiving proceeds of $14,346,587 for a realized gain of $6,260,639. During the quarter, the Company sold its investments in companies such as Magma Metals Limited, B2Gold Corp, Consolidated Thompson, Pinetree Capital Ltd., and reduced its holdings in companies such as Allana Potash Corporation., Avion Gold Corporation., Crowflight Minerals Inc., and Crocodile Gold.

During the current quarter, the fair market value of the Company's investment portfolio experienced a net unrealized loss of $1,832,301 leaving an aggregate unrealized gain of $13,981,217.

Equity Accounted Investments

As at April 30, 2010, the Company held an equity accounted investment in Forbes and Manhattan (Coal) Ltd. Through the fourth quarter of fiscal 2010 and first quarter of fiscal 2011, the Company made an investment of $800,000 and $500,000 respectively in Forbes and Manhattan (Coal) Ltd. for a 40.7% interest.

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

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

The following is a schedule of the equity accounted investments as at April 30, 2010 and January 31, 2010:

	April 30, 2010	January 31, 2010
Equity accounted investment – carrying value – beginning of period	**$ 800,000**	$ 1,924,387
Acquisition of equity accounted investment	**500,000**	800,000
Loss on equity investment	**(157,995)**	(972,268)
Reclassification of equity accounted investment to portfolio investment	**-**	(952,119)
Equity accounted investment – carrying value – end of period	**$ 1,142,005**	$ 800,000

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 was 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 US$100,000 ($122,470) to Russo-Forest. The loan was 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.

In April and June 2009, the Company advanced a further US$250,000 ($308,955) and US$100,000 ($111,460), respectively, to Russo-Forest under similar terms as the second short-term loan agreement described above with a maturity date of June 30, 2009.

The loans outstanding were not repaid at their respective due dates. On August 18, 2009, the Company advanced an additional US$213,710 ($232,410) to Russo and agreed to extend the maturity date of the loans initially to September 30, 2009 and subsequently to December 31, 2009. Interest charged on the outstanding US dollar short-term loan initially outstanding to June 30, 2009 was increased from 15% to 17% per annum as provided for in the loan agreement.

On February 2, 2009, it was announced that Russo-Forest had entered into a share exchange 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 have held approximately 80% of the combined company and the current Nyah shareholders would have held approximately 20%. On October 13, 2009, Nyah's shareholders voted in favour of the share exchange agreement; however, the finalization of the acquisition was delayed past October 31, 2009 which triggered a required payment from Russo-Forest to Nyah for $500,000, as outlined in the agreement. In December 2009, Nyah exercised its right to terminate the share exchange agreement.

As a result of Russo-Forest's inability to finalize the share exchange agreement with Nyah and its difficulties securing financing and executing its business plans, the Company has recorded a provision against loans and interest outstanding from Russo-Forest of $1,317,676.

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

Avion Gold Corp.

On March 20, 2008, the Company entered into a short-term loan agreement with Avion Gold Corporation ("Avion"). The Company loaned Avion US$1,000,000 ($1,009,500) which was repayable on or before September 30, 2008 with interest payable monthly commencing April 30, 2008 at an annual rate of 10%. In addition, Avion provided, as consideration, 250,000 common share purchase warrants with an exercise price of $0.38 per common share and an expiry date of September 30, 2008. The grant date fair value of the warrants was estimated to be $36,100 which was applied against the carrying value of the loan receivable and was recognized as income over the term of the loan. The 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 250,000 common share purchase warrants expired unexercised. 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 the date of issue and subsequent period ends and therefore no value was attached to this derivative in the financial statements. Interest at a rate of 10% per year accrued.

As additional consideration for the extension of the loan, Avion issued 2,000,000 common 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 to 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. In September 2009, the Company exercised its options to acquire 2,000,000 Avion common shares at a cost of $400,000.

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 paid on October 31, 2008 and US$25,000 ($31,872) was paid on March 6, 2009. The loan was secured against the assets of Avion and in a senior position.

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 below under "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.

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

Amazon Potash Corp.
On May 27, 2009, the Company loaned an additional US$250,000 that was added to the existing secured note receivable from Amazon Potash. As consideration, the Company received a US$25,000 advisory service fee and 100,000 shares of Amazon Potash. Interest receivable accrued between assuming the secured note receivable on May 6, 2009 and May 27, 2009, totalling US$8,630, was capitalized as part of the loan.

Amazon Potash did not repay the loan on June 30, 2009. The Company and Amazon Potash agreed to four separate quarterly extensions to the secured note receivable to June 30, 2010. As consideration for extending the note receivable, the Company received an aggregate of US$100,000 ($101,580) and 200,000 Amazon Potash shares. At April 30, 2010, the carrying value of the secured note receivable was US$1,780,550 ($1,808,683), excluding accrued interest.

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

On May 6, 2009, Avion completed a previously announced acquisition of Dynamite Resources Ltd. ("Dynamite") whereby Avion acquired all of the issued and outstanding Dynamite common shares at an exchange ratio of 0.75 Avion common shares for each Dynamite common share.

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

Kria Resources Ltd.
In June 2009, the Company entered into a secured debenture agreement with Kria Resources Ltd. ("Kria Resources") to loan up to $600,000, with any amounts drawn being due and payable on December 31, 2010 and shall be subject to interest at a rate of 10% per annum. Kria Resources is a base metals exploration and development company whose properties are located in Manitoba and in New Brunswick. In July 2009, Kria Resources completed the acquisition of Beartooth Platinum Corporation ("Beartooth") and began trading on the TSX Venture Exchange under the name Kria Resources Ltd. Consideration provided to the Company by Kria Resources for entering into the secured debenture agreement included a $25,000 fee plus up to 250,000 share purchase warrants, of which 50,000 have been issued, with each share purchase warrant entitling Aberdeen to purchase one common share for a period of one year from the date of grant. The grant date fair value of the warrants issued was determined to be nominal and no value was recorded. As at April 30, 2010, Kria Resources had not drawn down funds under the secured debenture agreement. The $25,000 fee was received and recorded as deferred revenue and is being recognized as income over the term of the agreement. Directors of Aberdeen serve as a director and officer in Kria Resources. Also, a director of Aberdeen served as a director of Beartooth.

Temujin Mining Corp.

On January 14, 2010, the Company entered into a loan agreement with Temujin Mining Corp. ("Temujin"). The Company loaned Temujin US$6,000,000 ($6,415,800), repayable on or before January 14, 2011 with interest payable at 10% per annum. As consideration for arranging the loan, Temujin agreed to pay the Company advisory service fees of US$360,000 ($384,948) and issued 600,000 warrants to purchase the common shares of Temujin at an exercise price of $0.55 until January 14, 2012. On February 11, 2010, US$3,000,000 of the loan was repaid. At April 30, 2010, the loan balance of US$3,000,000 and advisory service fees of US$360,000 remained outstanding. A director and an office of Aberdeen serve as directors of Temujin.

Castillian Resources Corporation

In January 2010, the Company entered into a secured debenture agreement with Castillian Resources Corporation ("Castillian Resources") to loan up to $500,000, with any amounts drawn being due and payable on June 30, 2010 and shall be subject to interest at a rate of 10% per annum. The debenture is secured against Castillian's interest in the Kagera property in Tanzania. Castillian paid Aberdeen a advsiory service fee in the amount of $25,000 and issued 500,000 share purchase warrants to Aberdeen, which entitle the Company to acquire one Castillian Resources common share at a price of $0.10 at any time prior to June 30, 2010. Castillian shall also issue 100,000 of the same share purchase warrants per subsequent $100,000 drawn against the line of credit. The warrants are subject to a statutory four month hold period. The grant date fair value of the warrants issued was estimated to be $7,550. The advisory service fee and the fair value of the warrants were discounted to the loan and are being recognized as income over the term of the agreement. As at April 30, 2010, Castillian Resources drew down the $500,000 under the secured debenture agreement under the secured debenture agreement with an additional 375,000 share purchase warrants to be issued. Directors of Aberdeen serve as directors of Castillian Resources.

Cash Minerals Ltd.

On February 2, 2010, the Company entered into a secured debenture subscription agreement with Cash Minerals Ltd. ("Cash Minerals"), a Canadian based energy company focussed on uranium and coal exploration and development, which owns the Division Mountain Coal Deposit and other prospective coal properties in the Yukon, and owns a 100% interest in the Mike Lake Gold Project, also in the Yukon. The Company loaned Cash Minerals $500,000, which will mature and become due and payable on February 2, 2013. The debenture bears interest at a rate of 10% calculated and payable semi-annually on the last day of June and December commencing June 30, 2010 until full and complete payment of this Debenture. This Debenture is secured against all of the assets of Cash Minerals and shall rank senior in priority to any and all other debts of the Corporation subsequently incurred subject to applicable laws. A director of Aberdeen serves as a director of Cash Minerals.

Dacha Capital Inc

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

On March 24, 2010, the Company exercised its conversion right in the participation of Dacha's private placement. The Company converted the debenture plus interest totaling $2,160,000 in exchange of 4,800,000 units of special warrants of Dacha at $0.45 per unit. The advisory service fee plus the remaining balance of accrued interest totaling $132,593 was repaid to the Company. A director and an officer of Aberdeen serve as a director and an officer in Dacha.

Garrison International Ltd.

On February 22, 2010, the Company entered into a debenture subscription agreement with Garrison International Ltd. ("Garrison"), a junior mineral exploration company focused on acquiring and developing advanced stage gold properties in Mongolia. The Company loaned to Garrison $600,000, which will mature and be due and payable on February 22, 2013. The debenture bears interest at a rate of 10% calculated and payable semi-annually on the last day of June and December commencing June 30, 2010 until full and complete payment of this Debenture. This Debenture is secured against all of the assets of Garrison and shall rank senior in priority to any and all other debts of the Corporation subsequently incurred subject to applicable laws.

Simmer & Jack/First Uranium Royalty and Loan

During the fourth quarter of fiscal year 2006, the Company loaned US$10,000,000 to Simmer & 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.

Valuation Following Simmers Shareholder Vote to Deny Equity Conversion Request

The loan also had an option that allowed Aberdeen to call for its conversion into equity of Simmers at ZAR 0.80 per share at any time from January 1, 2007 to December 31, 2008, subject to Simmers shareholders' approval. On October 16, 2008, the Company called for conversion to equity and a shareholder vote was held on February 16, 2009, where Simmers' shareholders, as unanimously recommended by Simmers' board of directors, voted against the conversion. 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% life of mine NSR on the gold produced on the underlying assets, beginning 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 the 1% life of mine 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 April 30, 2010, reflects Aberdeen's interpretation of the agreement. As a result, the US$10,000,000 ($10,158,000) loan is recorded as still outstanding at April 30, 2010 and continues to be outstanding subsequent to the quarter.

Management's interpretation is that, pursuant to section 2.6 of the Convertible Royalty Loan Agreement (the "Agreement"), the graduated royalty was calculated on production until December 31, 2008, notwithstanding Aberdeen's request for conversion. In addition, pursuant to section 2.10 of the Agreement, if the Simmers shareholders do not approve the loan conversion the 1% NSR would be in addition to the repayment of the US$10,000,000 principal and, pursuant to section 2.4 of the Agreement, the principal is repayable in cash until shareholders approve the equity conversion. Aberdeen intends to aggressively contest any alternative interpretation of the Agreement. The Company provided Simmers' management and directors with a demand letter and a letter from Aberdeen's legal counsel outlining Aberdeen's interpretation of the Agreement in advance of the February 16, 2009 Simmers shareholder meeting. Aberdeen also filed the Agreement between the Company and Simmers on SEDAR (www.sedar.com) under the Company's profile. Following the vote by Simmers' shareholder 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 and in July 2009 filed a claim against Simmers and First Uranium to recover the outstanding US$10,000,000 principal and balance payable on the graduated gold royalty from the fourth quarter of calendar 2008. The aggregate amount of damages claimed by the Company is approximately US$11,400,000. Aberdeen firmly believes that its interpretation of the Agreement is correct and expects to realize the values attached to the loan on the balance sheet as of April 30, 2010. In November 2009, Simmers filed their statement of defense. The description of the Agreement herein is subject to, and qualified in all respects by, the provisions of the Agreement. The case moves forward and the trial date has been set for November 18, 2010.

In connection with the Agreement, Aberdeen holds a notarial special covering bond in the amount of US$10,000,000 plus ZAR5,000,000 ($688,000) over the assets of the North Plant on Simmers' greater Buffels property.

Aberdeen's balance sheet, as at April 30, 2010, reflects the Simmers shareholders' February 16, 2009 vote to deny the conversion requested by Aberdeen, along with the Company's interpretation of the Agreement. At April 30, 2010, the Simmers loan was carried at US$10,000,000 ($10,158,000), excluding accrued interest, based on a US/Cdn dollar foreign exchange rate of 1.0158 (January 31, 2010 – 1.0693).

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

Following the vote to deny the Company the conversion of the loan into shares Aberdeen became entitled to a 1% NSR on the underlying assets of Simmers and First Uranium. The royalty interests were capitalized at the estimated fair value on date of the vote and recorded on the balance sheet as a tangible asset. The carrying value of royalty interests are depleted using the units-of-production method over the life of the property to which the royalty interest relates. The following table summarizes the carrying values of the Company's royalty interests as at April 30, 2010 and January 31, 2010:

	April 30, 2010		
	Cost	Accumulated Depletion	Net
Royalty interests			
Simmers and Jack Mines, Limited	$ 23,222,851	$ (576,803)	$ 22,646,048
First Uranium Corporation	10,837,354	(401,101)	10,436,253
Total	$ 34,060,205	$ (977,904)	$ 33,082,301

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

Simmers' Buffels Mine

Simmers produced 23,595 ounces of gold from its South African Buffels mine in the first quarter of fiscal 2011, compared with 29,013 ounces of gold in the comparative period. Production from the Simmers' Buffels mine provided the Company with gold royalty revenue of $270,635 for the three months ended April 30, 2010. During the three months ended April 30, 2009, royalty revenue from the Buffels mine was $324,021. Production from the Buffels mine since the prior year was subject to the 1% NSR, versus a 4.75% rate on the graduated royalty during 2008.

First Uranium Mine Waste Solutions Tailings Recovery Operation

In December 2007, in addition to the royalty on Simmers' Buffels mine production, Aberdeen began receiving a gold royalty from the Mine Waste Solutions Tailings Recovery Operation ("MWS Tailings Dumps") owned by First Uranium. The MWS Tailings Dumps provide a gold and uranium resource of previously treated material. The MWS Tailings Dumps are 100%-owned and operated by First Uranium and are being mined using high-pressure water cannons to produce a slurry, that is pumped to the processing plants and separated into gold and uranium using a leaching process. First Uranium purchased a 600,000 tonne per month gold recovery plant adjacent to the MWS Tailings Dumps to help facilitate the acceleration of gold production.

During the first quarter of fiscal 2011, First Uranium produced 21,194 ounces of gold from treating the MWS Tailings Dumps, compared with 11,551 ounces in the comparative period. Production from the MWS Tailings Dumps was subject to the 1% NSR since the prior year, versus the graduated royalty rate of 4.75% during most of 2008. As a result, the Company recorded royalty revenue of $243,439 from the MWS Tailings Dumps for the first quarter of fiscal 2011 versus $128,252 for the first quarter of fiscal 2010.

Normal Course Issuer Bid

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

The maximum number of common shares that may be purchased for cancellation pursuant to the NCIB is that number of common shares that represents 10% of the common shares in the public float on the date that the Exchange approves the NCIB. Based on the 75,350,006 common shares in the public float as at January 29, 2010, the maximum number of shares would be 7,535,000. The number of shares in the Company's public float is less than the 87,503,839 issued and outstanding Aberdeen common shares as of January 29, 2010, because the public float number does not include common shares held by Aberdeen insiders. Daily purchases will be limited to 70,144 common shares other than block purchase exceptions. The actual number of common shares that would be purchased, if any, and the timing of such purchases will be determined by Aberdeen considering market conditions, stock prices, its cash position, and other factors.

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

For the three months ended April 30, 2010, no common shares were repurchased for cancellation.

OUTLOOK

With no debt on its balance sheet, the Company believes that it has weathered the economic downturn and is well positioned with its investment portfolio as growth returns to the global economy. Aberdeen has strategically rebalanced its investment portfolio, to allow for a greater exposure to both strategic metals and energy. Aberdeen will continue to actively investigate potential investment opportunities and will also continue to actively monitor its existing investments and assess opportunities to dispose of certain holdings and redeploy any proceeds. As part of our advisory service, we actively manage our private investments and our management team is instrumental in assisting startup companies with business strategy planning and financing structuring. With respect to the Convertible Royalty Loan Agreement, 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 loan agreement is correct and expects to realize the values attached to the loan as was outlined above.

LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2010, the Company had working capital of $79,055,846 and used cash of $996,525 from its operating activities during the three months ended April 30, 2010. The working capital consisted largely of the estimated fair value of its portfolio investments and equity investments of $60,995,896, loans receivable of $17,878,654, amounts receivables of $3,192,754 and cash of $958,746. This was partially offset by current liabilities of $3,984,150 which included accounts payable and accrued liabilities of $337,419, deferred revenue of $10,879, taxes payable of $17,852 and current portion of future income taxes of $3,618,000. At April 30, 2010, Aberdeen had a long term portion of future income taxes of $8,005,000.

RESULTS OF OPERATIONS

The net earnings for the quarter under review were $1,799,556, compared to $4,393,796 for the comparative period. The earnings were largely from a realized gain on investments of $6,260,639, royalty revenue of $514,074, advisory service fees of $245,887 and interest revenue of $201,744. This was partially offset by unrealized losses on investments of $1,832,301, losses from equity accounted investments of $157,995, interest expense of $21,944, general and administrative expense of $885,227 and a foreign exchange loss of $926,000.

During the comparative quarter of fiscal 2010, the net income of $4,393,796 was largely the result of an unrealized gain on investment of $7,295,081, royalties of $452,273, interest income of $219,489 and advisory service fees of $35,000, partially offset by an realized loss on investment of $290,500, an unrealized loss on the Simmers and First Uranium royalty and loan of $206,013, administrative expenses of $500,971 and a foreign exchange loss of $111,462.

The realized gain on investments of $6,260,639 during the three month ended April 30, 2010 reflects a continual recovery of the investment portfolio following the poor performance of the portfolio, and equity markets in general, during the previous fiscal year. Share prices of junior resource companies, the sector in which the Company holds most of its investments, experienced a sharp downturn last year. At April 30, 2010, the Company's investment portfolio had an estimated fair market value of $59,853,891 and a cost base of $45,872,674. At January 31, 2010, the Company's investment portfolio had an estimated fair market value of $56,227,559 and a cost base of $40,414,041.

During the first quarter of fiscal 2011, the gold price averaged US$1,119 per ounce and production from Simmers and First Uranium was approximately 45,000 ounces of gold, resulting in royalty revenue of $514,074. The average US/Cdn dollar exchange rate during the quarter was 1.0281. During the first quarter of fiscal 2010, the gold price averaged US$919 per ounce. Based on approximately 41,000 ounces produced and an average US/Cdn dollar exchange rate of 1.2442, the Company recorded royalty revenue of $452,273.

The accounting treatment of the royalty changed following the vote to deny the Company the conversion of the loan into shares Aberdeen became entitled to a 1% NSR on the underlying assets of Simmers and First Uranium. Prior to the vote, the combined convertible royalty loan was carried at the estimated fair market value. Following the vote, the royalty interests are accounted for as tangible assets separate from the loan. The carrying value of royalty interests are depleted using the units-of-production method over the life of the property to which the royalty interest relates. During the three months ended April 30, 2010, the Company recorded depletion expense on its royalty interest of $212,729 compared to $224,063 in the comparative period.

During the first quarter of fiscal 2011, the Company recorded interest revenue of $201,744 compared with $219,489 in the first quarter of fiscal 2010. Interest was earned on the Company's loans outstanding. Loans receivable at April 30, 2010 totaled $7,720,654. The Company did not record interest income on the disputed loan to Simmers during the period.

During the quarter, the Company recorded revenue for advisory service fees of $245,887 compared with $35,000 in the first quarter of fiscal 2010. relating to services provided to pre-IPO or early stage public companies.

The increase in general and administrative expense, from $500,971 in the first quarter of previous year to $885,227 in the current fiscal year is mainly due to increased consulting, professional fees and travel expenses increased in the most recent fiscal year as a result of increased activity evaluating investment opportunities. General and administrative expenses included consulting and administrative expense of $413,818 (2010 - $208,657), professional fees of $103,554 (2009 - $90,484), Shareholder communication related expenses of $77,274 (2010 - $42,447) and travel expense of $205,775 (2010 - $65,426).

The Company recorded a foreign exchange loss of $926,000 during the first quarter of fiscal 2011, compared with a loss of $111,462 in comparative period. The loss was largely the result of a weakening US dollar vis-à-vis the Canadian dollar. As at April 30, 2010, the US/Cdn dollar exchange rate was 1.0158, compared with 1.0693, at January 31, 2010.

During the three months ended April 30, 2010, the Company recorded a current income tax provision of $1,774,379 and a future tax recovery of $901,000. The current income tax provision was the result of gain realized from disposal of investments, royalty and interest income, partially offset by general and administrative expenses. The future income tax recovery resulted from the unrealized loss on the portfolio investments.

The functional currency of the Company's royalty division is the US dollar. As a result, all gains and losses on translation are included in equity as a separate component of other comprehensive income or loss. During the year three months ended April 30, 2010, a translation adjustment loss of $1,750,899 (net of taxes - $1,290,899) (January 31, 2010 - $5,792,761 (net of taxes - $4,274,761)) was recorded as part of other comprehensive income.

Selected Annual Information

The following are highlights of audited financial data on the Company for the most recently completed three financial years ended 31 January 2010:

	2010	2009	2008
Net income (loss) for the year	$21,614,993	$(9,051,379)	$2,584,409
Basic income (loss) per share	$0.24	$(0.09)	$0.04
Diluted income (loss) per share	$0.23	$(0.09)	$0.04
Total assets	$118,282,306	$100,099,467	$113,842,465
Total liabilities	$15,114,633	$12,610,274	$15,040,315
Working capital	$76,583,745	$60,814,810	$81,244,913

Quarterly Information

The following is a summary of unaudited financial data for the most recently completed eight quarters:

(Tabular amounts in $000, except for per share amounts)

Summary Financial Information for the Eight Quarters Ended April 30, 2010

Period	Investment gains (losses) & revenues	Total assets	Net income (loss)	Basic and diluted income (loss) per share	Long-term liabilities
2011					
1st Qtr	5,232	116,171	2,673	0. 02	8,005
2010					
4th Qtr	12,655	118,282	8,663	0.09	8,516
3rd Qtr (*restated*)	8,746	106,644	5,253	0.06	9,874
2nd Qtr (*restated*)	6,820	100,984	3,305	0.04	9,924
1st Qtr (*restated*)	7,482	102,494	4,394	0.05	11,644
2009					
4th Qtr	30,411	100,099	22,166	0.23	12,191
3rd Qtr	(66,234)	72,609	(44,639)	(0.46)	-
2nd Qtr	2,284	132,455	1,420	0.01	10,324

During the eight quarters listed above, the Company generated royalty and interest revenue from its Simmers and First Uranium royalty and Simmers loan which is tied to the price of gold, as previously discussed. The Company began making investments in pre-IPO and early stage public resource companies in the third quarter of 2008. These investments are fair valued with an unrealized gain or loss going through the statements of operations and comprehensive income. For the past 3 financial quarters, the investment portfolio has strongly recovered and we have realized gains from investments in Consolidated Thompson Iron ore, Crocodile Gold, Allana Resources Inc, Avion Gold Corp., Magma Metals Ltd., and Pinetree Capital Ltd.

Restatement Resulting from Change in Accounting for Royalty Interest in Mineral Properties

The statements of operations and comprehensive income for the periods ended April 30, 2009, July 31, 2009 and October 31, 2009 have been restated as a result of changes to the accounting for the Company's royalty interest in mineral properties. The 1% NSR royalties that were received following the Simmers shareholders' vote to deny Aberdeen its conversion request have been capitalized as tangible assets. The carrying value of these royalty interests are depleted using the unit-of-production method over the life of the property to which the royalty interest relates. In addition, the functional currency of the royalty division has been determined to be the US dollar with any gain or loss on translation included in equity as a separate component of other comprehensive income or loss. The April 30, 2009, July 31, 2009 and October 31, 2009 financial statements as filed continued to account for the royalties as financial instruments that were marked-to-market on a quarterly basis with any unrealized gain or loss included in results from operations for the period.

The net effect of the restatements was an increase to net income by $1,379,000, $2,825,000 and $155,000 for the three month periods ending April 30, 2009, July 31, 2009 and October 31, 2009, respectively. For each of these periods there was an offsetting cumulative translation adjustment loss recorded as part of other comprehensive income. The net comprehensive income for each of the three periods remained unchanged.

CASH FLOWS

Cash used by operating activities during the first quarter was $996,525, compared with cash provided of $212,405 in the comparative period. The difference between the operating cash flow and net earnings for both the current and comparative periods reflects the unrealized nature of many of the gains and losses recorded on the investments and the royalty loan. Operating cash flow was largely generated by royalty and interest income, offset by general and administrative expenses and net changes in non-cash working capital.

There were no financing activities during the first quarter of the fiscal year compared with cash used of $72,057 in the prior year under the previous year's NCIB.

Cash provided by investing activities during the current quarter was $1,311,085, compared to $719,552 used in the prior year. During the current quarter, $13,858,172 was used in the purchase of portfolio investments, while proceeds on the disposal of portfolio investments were $14,346,587. Short-term loans totaling $4,988,500 were provided and $3,189,000 was repaid. In the same quarter of the prior year, $1,462,973 was used to purchase portfolio investments, while proceeds on the disposal of portfolio investments were $2,499,200, and short-term loans of $308,955 were provided and $7,720 was used in the purchase of equipment.

COMMITMENT AND CONTINGENCIES

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $785,000 and additional contingent payments of approximately $4,699,000 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 on the financial statements for the three months ended April 30, 2010.

As outlined above under the section entitled, "Simmer & Jack Royalty and 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 April 30, 2010 include the Simmers loan valued at $10,158,000 and a receivable for $1,652,132. While the Company is confident that its interpretation of the agreement is correct and has filed a claim against Simmers and First Uranium to recover the outstanding US$10,000,000 principal and balance payable on the graduated gold royalty, some uncertainty surrounds the timing and actual collectability of these amounts.

In June 2009, the Company entered into a secured debenture agreement to loan up to $600,000 to Kria Resources with any amounts drawn being due and payable on December 31, 2010. Additional details are provided above under the section entitled, "Loans Receivable".

FINANCIAL INSTRUMENTS

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

i. The carrying value of cash, amounts receivable, the Simmer & Jack loan, income taxes receivable, and accounts payable and accrued liabilities reflected on the balance sheet approximate fair value because of the limited terms of these instruments.
ii. Investments are carried at amounts in accordance with the Company's accounting policy as set out in Note 2 of the annual audited financial statements for the three months ended April 30, 2010.
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.

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

The following table illustrates the classification of the Company's financial instruments, measured at fair value on the balance sheet as at April 30, 2010, categorized into levels of the fair value hierarchy in accordance with Section 3862 of the CICA Handbook and as described in Notes 2, "Accounting changes":

	Level 1 *(Quoted Market price)*	**Level 2** *(Valuation technique- observable market Inputs)*	**Level 3** *(Valuation technique- non-observable market inputs)*
Cash	$ 958,746	$ -	$ -
Investments			
Publicly traded investments	$ 38,420,102	$ -	$ -
Non-trading warrants on public investments	$ -	$ 10,117,476	$ -
Private investments	$ -	$ -	$ 11,316,313

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the year ended April 30, 2010. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized losses and net unrealized gains are recognized in the statements of operations and comprehensive income.

Investments, fair value	
Opening balance, January 31, 2010	$ 6,934,527
Net purchases	4,421,490
Change in unrealized gain/(loss), net	(39,704)
Ending balance, April 30, 2010	$ 11,316,313

TRANSACTIONS WITH RELATED PARTIES

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.

In accordance with the investment strategy of Aberdeen, the Company's officers and directors have investments in and/or hold officer and director positions in certain companies in which the Company invests. The following is a list of the investments as of April 30, 2010, and the nature of the relationship of the Company's officers or directors with the investment (estimated fair value as of April 30, 2010):

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

Investment	Nature of relationship		Estimated Fair value
2236967 Ontario Inc.*	Shareholders	$	250,000
Alderon Resources Corp.	Directors and shareholders		1,000,000
Allana Resources Inc.	Shareholders		4,225,338
Apogee Minerals Ltd.	Directors and shareholders		1,101,715
Auger Resources Ltd.*	Directors and shareholders		200,000
Avion Gold Corp.	Directors and shareholders		4,455,640
Brazil Potash Corp.*	Directors and shareholders		1,676,133
Castillian Resources Corp.	Directors and shareholders		934,750
Crowflight Minerals Inc.	Directors and shareholders		308,829
Crocodile Gold Inc.	Directors, officers and shareholders		10,143,984
Dacha Capital Inc.	Directors, officers and shareholders		7,599,051
Kria Resources Inc.	Directors, officers and shareholders		404,115
Largo Resources Inc.	Directors and shareholders		896,250
Longford Energy Inc.	Directors and shareholders		1,098,069
Rodinia Minerals Inc.	Directors, officers and shareholders		1,410,000
Scandinavian Metals Inc*	Directors and shareholders		500,000
Stetson Oil & Gas Ltd.	Directors and shareholders		150,000
Sulliden Gold Corporation Ltd.	Directors and shareholders		7,309,768
Temujin Mining Corp*	Directors and shareholders		6,157,000
Verena Minerals Corp.	Directors and shareholders		2,085,000
Vast Exploration Inc.	Directors and shareholders		1,869,165
Total of 7 other investments	Shareholders/warrant holders		6,079,084
Total Investments		$	59,853,891

* Private company

In addition to the investments listed above, at April 30, 2010, Aberdeen had an equity investment in Forbes and Manhattan Coal Ltd., loans receivable from Amazon Potash Corp., Temujin Mining Corp., and Cash Minerals Limited, and undrawn loan facilities with Kria Resources and Castillian Resources. Directors and officers of Aberdeen hold director and officer positions in these companies and may hold investments.

The Company was charged $22,500 during the three months ended April 30, 2010 (2009 - $22,500) by a corporation controlled by a director of the Company for administration services.

During the three months ended April 30, 2010, the Company earned advisory service fees of $245,887 (first quarter of 2010 – $35,000) from corporations with common directors and officers. Of the total service fees earned, 114,563 were receivable at April 30, 2010. The Company earned or accrued interest income of $186,592 during the three months ended April 30, 2010 from Temujin Mining Corp., Amazon Potash, Dacha Capital, Kria Resources, Castillian Resources and Cash Minerals (2010 – $145,338 from Avion and Russo-Forest), all of which have certain common directors with Aberdeen. Of the total interest earned or accrued, $158,007 was receivable at April 30, 2010 (January 31, 2010 - $514,907).

As at April 30, 2010, the Company has provision of $1,317,676 against the outstanding loans and interest receivable from Russo-Forest.

The Company paid or accrued $207,500 during the first quarter of fiscal 2011 (2010 – $152,000) to directors and officers of the Company for consulting services and fees for acting as directors and officers.

The Company shares its premises with other corporations that have common directors and/or officers. The Company reimburses and recovers from the related corporations for their proportional share of expenses. Included in accounts payable at April 30, 2010 is $570 (January 31, 2010 - $44,282) owing to, $Nil (January 31, 2010 - $2,320) owing from, and $7,461 (January 31, 2010 - $2,862) advanced to such corporations. Such amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

MANAGEMENT APPOINTMENTS

On February 1, 2010, the Company announced that Stephan Theron had joined Aberdeen in the role of Chief Financial Officer ("CFO") and Senior Analyst effective. In addition to acting as Aberdeen's CFO, Mr. Theron will also assist in the analysis and management of Aberdeen's investment portfolio. Mr. Theron has over ten years of extensive financial management, project finance and equity analysis experience in the mining, energy and infrastructure sectors. Prior to joining Aberdeen International, Mr. Theron was Sector Head, materials and energy at an independent investment research firm, with a focus on emerging markets. He also worked on various capital projects in Southern Africa, North America and Europe. Mr. Theron is a Certified General Accountant and has a Bachelor of Commerce degree from the University of Johannesburg.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are described in Note 2 to the annual audited financial statements for the year ended January 31, 2010. 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, among other items, the carrying value of its investments and other 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.

SIGNIFICANT ACCOUNTING POLICIES

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

New accounting pronouncements

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

This new standard is applicable to business combinations realized during fiscal years beginning on or after January 1, 2011. The Company expects to implement this standard in its first quarter of fiscal year 2012. This new Section requires that most identifiable assets, liabilities, non-controlling interests and goodwill acquired in a business combination be recorded at "full fair value" and that liabilities associated with restructuring or exit activities be recognized only if they meet the definition of a liability as of the acquisition date. In addition, direct acquisition costs must be expensed when incurred. As a result, if the Company realizes significant business combinations, this new Section could have a material impact on its financial statements because the Company's current policy is to include these costs in the purchase price of the acquired business. At April 30, 2010, the Company does not believe the adoption of this standard will have a material impact on the Company.

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

Sections 1601 and 1602 must be implemented concurrently with Section 1582, *Business Combinations*, discussed above. Both Sections are applicable for fiscal years beginning on or after January 1, 2011 with earlier adoption permitted as of the beginning of a fiscal year. Section 1602 is to be applied retrospectively, with certain exceptions. Entities planning business combinations for the years beginning on or after January 1, 2010 should consider adopting these new standards in or before that year to avoid restatement on transition to IFRS in 2011. The Company expects to implement this standard in its first quarter of fiscal year 2011.The Company does not believe the implementation of this new standard will have a material impact on the Company's financial statements.

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board has confirmed January 1, 2011 as the date that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises. As a result, Aberdeen will report under IFRS for interim and annual periods beginning February 1, 2011, with comparative information for fiscal 2011 restated for IFRS. Adoption of IFRS will require the Company to make certain accounting policy choices that could materially impact the reported financial position and results of operations. The Company's goal is to make policy changes that are compliant with IFRS but also provide the most meaningful information to the Company's shareholders.

The Company has developed a changeover plan which includes the following three phases and sets out activities to be performed in each phase over the life of the project.

- Assessment phase: in this phase, the Company formed a working group, developed an initial project plan, and identified high level differences between Canadian GAAP and IFRS that may impact the Company. This phase was completed in fiscal 2010 in conjunction with external consulting resources.
- Design phase: This phase involves the completion of analyses of the differences between Aberdeen's accounting policies and IFRS to provide a basis for accounting policy recommendations. The working group in this phase will be comprised of the CFO, the accounting/finance team, external consultants with regular updates to the audit committee.
- Implementation phase: this phase involves the implementation of the necessary changes to the Company's information systems and business processes as identified through the assessment and design phases of the changeover plan. The implementation of the Company's fiscal 2011 dual reporting strategy, the amendment and testing of internal controls over financial reporting and disclosure controls and procedures impacted by accounting policy changes are key tasks that will allow for the preparation of a February 1, 2011 opening balance sheet and 2011 comparative data under IFRS, with reconciliations from Canadian GAAP. The final phase will result in the preparation of financial reporting under IFRS beginning in fiscal 2012.

Updates regarding the progress of the IFRS changeover plan are provided quarterly to the Company's Audit Committee.

As the Company is still in the evaluation and development phases and has not yet selected all of its accounting policy choices and IFRS 1 exemptions, the Company is unable to quantify the impact of IFRS on its financial statements. The Company has identified the areas noted below as those expected to have the most significant impact on its financial statements. The items listed below do not represent a complete list of areas impacted. As the Company progresses further into the design and implementation phases and decision are made regarding accounting policies, and as changes to Canadian GAAP and IFRS standards may occur prior to the changeover date, the areas impacted and the effect may be subject to change. The Company will disclose impacts on or financial reporting, including expected quantitative impacts, systems and processes and other areas of the Company's business in future MD&As as they are determined.

- IFRS 1 – First time adoption
- IAS 36 – Impairment of assets
- IFRS 2 – Share based payments
- IAS 28 – Investments in Associates
- IFRS 37 – Provisions, contingent liabilities and contingent assets
- IAS 12 – Income taxes

RISKS AND UNCERTAINTIES

As the Company's future revenue stream is based on gold production operations in foreign jurisdictions and gains on its portfolio investments, risks include, but are not limited to, uneconomic grades or costs of recovery, falling commodity prices, a strengthening Canadian dollar versus foreign currencies, particularly the United States dollar, increasing costs, capital market weakness, key personnel changes, changes in domestic and foreign laws, environmental legislation, labour relations, and other risks and hazards associated with mining operations. For further discussion of risk factors and other information please refer to Aberdeen's AIF filed on April 30, 2010 under the profile of the Company at www.sedar.com.

The Company is 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.

As outlined above under the section entitled, "Simmer and Jack Royalty and 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 April 30, 2010 include the Simmers loan valued at $10,518,000 and a receivable for $1,652,132. While the Company is confident that its interpretation of the agreement is correct and has filed a claim against Simmers and First Uranium to recover the outstanding US$10,000,000 principal and balance payable on the graduated gold royalty, some uncertainty surrounds the timing and actual collectability of these amounts.

MULTILATERAL INSTRUMENT 52-109 DISCLOSURE

<u>Evaluation of disclosure controls and procedures</u>
The Company maintains disclosure controls and procedures designed to ensure that information required to be disclosed in annual filings, interim filings or other reports filed or submitted under provincial and territorial securities legislation, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

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.

<u>Internal controls over financial reporting</u>
The Chief Executive Officer (CEO) and Chief Financial Officer (CFO), together with other members of Management, have designed internal controls over financial reporting based on the Internal Control–Integrated Framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). These controls are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP.

The Management, including the Chief Executive Officer and Chief Financial Officer, carried out an assessment of the design of the Company's internal controls over financial reporting and concluded that a material weakness existed during the year-ended January 31, 2010. To strengthen the internal control process over financing reporting, the Company has recruited additional accounting staff during the first quarter.

We have not identified any changes to our internal control over financial reporting which would materially affect, or is reasonably likely to materially affect, our internal control over financial reporting.

The CEO and CFO, together with other members of Management, have evaluated the effectiveness of internal controls over financial reporting as defined by National Instrument 52-109, and have concluded, based on our evaluation that they are operating effectively as at April 30, 2010.

SUPPLEMENT TO THE FINANCIAL STATEMENTS

As at June 8, 2010, the following common shares, common share purchase options and share purchase warrants were issued and outstanding:

- 87,503,839 common shares;
- 37,500,000 share purchase warrants with an exercise price of $1.00, expiring June 6, 2012; and,
- 8,685,000 common share purchase options with exercise prices ranging from $0.12 to $0.85, expiring between September 19, 2010 and February 25, 2015.