



# ABERDEEN

INTERNATIONAL

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## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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For the three months ended April 30, 2015 and 2014

(expressed in Canadian dollars)

# **ABERDEEN INTERNATIONAL INC.**

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**ABERDEEN INTERNATIONAL INC.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**As at**  
**(Unaudited)**  
*(In Canadian dollars)*

	Notes	April 30, 2015	January 31, 2015
		\$	\$
<b>Assets</b>			
Cash	12	<b>409,084</b>	355,188
Public investments, at fair value through profit and loss	3,12,13	<b>19,980,071</b>	18,971,776
Amounts receivable	4,12,13	<b>463,951</b>	311
Loans receivable	5,15	<b>153,846</b>	61,538
Prepaid expenses		<b>11,340</b>	16,200
Income tax recovery	7	<b>4,082,204</b>	2,834,817
Private investments, at fair value through profit and loss	3,12,13	<b>17,541,282</b>	17,700,622
<b>Total assets</b>		<b>42,641,778</b>	39,940,452
<b>Liabilities</b>			
Due to broker	11,12	<b>2,975,940</b>	387,585
Accounts payable and accrued liabilities	6,12	<b>3,407,116</b>	3,701,060
<b>Total liabilities</b>		<b>6,383,056</b>	4,088,645
<b>Shareholders' equity</b>			
Share capital	8	<b>44,266,586</b>	44,583,233
Equity reserve and treasury shares	9	<b>4,824,535</b>	4,938,376
(Deficit)		<b>(12,832,399)</b>	(13,669,802)
Total shareholders' equity		<b>36,258,722</b>	35,851,807
<b>Total liabilities and shareholders' equity</b>		<b>42,641,778</b>	39,940,452
Commitments and contingencies	14		
Subsequent events	15		

Approved on behalf of the Board of Directors:

"Bernard Wilson" (signed)  
Bernard Wilson, Director

"Maurice Colson" (signed)  
Maurice Colson, Director

## ABERDEEN INTERNATIONAL INC.

### Condensed Interim Consolidated Statements of Comprehensive Income (Loss)

(Unaudited)

(In Canadian dollars)

	Notes	Three months ended April 30,	
		2015	2014
		\$	\$
Net investment gain (losses)			
Realized gain (loss) on investments, net		3,385,272	(2,096,901)
Unrealized (loss) gain on investments, net		(2,059,567)	1,674,616
<b>Total investment gain (losses)</b>		<b>1,325,705</b>	<b>(422,285)</b>
Other revenue			
Interest and dividend income		22,213	92,575
Advisory service fees	13	247,820	-
<b>Total other revenue</b>		<b>270,033</b>	<b>92,575</b>
Expenses			
Operating, general and administration	10	1,111,995	1,060,714
Interest expense		4,213	-
Provision for loan, interest, dividend and investment receivable	12	-	26,874
<b>Total expenses</b>		<b>1,116,208</b>	<b>1,087,588</b>
Income (loss) before foreign exchange gain (loss)		479,530	(1,417,298)
Foreign exchange gain (loss)		27,336	(19,355)
Income (loss) before income taxes		506,866	(1,436,653)
Income tax recovery	7	-	312,960
<b>Net income (loss) and Comprehensive income (loss) for the period</b>		<b>506,866</b>	<b>(1,123,693)</b>
Income (loss) per common share based on net income (loss) for the period			
Basic and diluted		0.01	(0.01)
Weighted average number of common shares outstanding			
Basic and diluted		97,198,559	87,349,422

The accompanying notes are an integral part of the condensed interim consolidated financial statements

**ABERDEEN INTERNATIONAL INC.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Unaudited)**  
*(In Canadian dollars)*

	Notes	Three months ended April 30,	
		2015	2014
		\$	\$
<b>Cash flows from operating activities</b>			
Income (loss) before income taxes for the period		506,866	(1,436,653)
Income tax (paid)		(1,247,387)	-
Adjustments to reconcile net income (loss) to cash used in operating activities:			
Realized (gain) loss on investments, net		(3,385,272)	2,096,901
Provision for loan, interest, dividend and investment receivable		-	26,874
Unrealized loss (gain) on investments, net		2,059,567	(1,674,616)
Share-based compensation	10	-	114,166
Unrealized foreign exchange loss		41,916	14,898
		<b>(2,024,310)</b>	<b>(858,430)</b>
Adjustments for:			
Purchase of investments		(1,129,600)	(30,002)
Disposal of investments		1,291,682	575,713
Short-term loans provided		-	(74,458)
Prepaid and other amounts receivable		(236,420)	(87,902)
Due to broker		2,588,355	-
Accounts payable and accrued liabilities		(304,592)	(89,271)
<b>Net cash provided by (used in) provided by operating activities</b>		<b>185,115</b>	<b>(564,350)</b>
<b>Cash flows from financing activities</b>			
Shares repurchased and cancelled		(99,951)	-
<b>Net cash (used in) financing activities</b>		<b>(99,951)</b>	<b>-</b>
<b>Change in cash for the period</b>		<b>85,164</b>	<b>(564,350)</b>
<b>CASH, beginning of period</b>		<b>355,188</b>	<b>868,267</b>
Effect of exchange rate on cash held		(31,268)	2,356
<b>CASH, end of period</b>		<b>409,084</b>	<b>306,273</b>
<b>Supplemental cash flow information</b>			
Shares received on conversion of loans and amounts receivable		-	243,359
Interest paid		205,571	13,458

The accompanying notes are an integral part of the condensed interim consolidated financial statements

**ABERDEEN INTERNATIONAL INC.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
**(Unaudited)**  
*(In Canadian dollars)*

	Number of common shares	Share capital	Equity reserve and treasury shares	(Deficit)	Total shareholders' equity
	#	\$	\$	\$	\$
<b>Balance - January 31, 2015</b>	<b>97,349,422</b>	<b>44,583,233</b>	<b>4,938,376</b>	<b>(13,669,802)</b>	<b>35,851,807</b>
Repurchase of common shares	-	-	(99,951)	-	(99,951)
Cancellation of repurchased common shares	(691,170)	(316,647)	316,647	-	-
Options expired unexercised	-	-	(330,537)	330,537	-
Net income for the period	-	-	-	506,866	506,866
<b>Balance - April 30, 2015</b>	<b>96,658,252</b>	<b>44,266,586</b>	<b>4,824,535</b>	<b>(12,832,399)</b>	<b>36,258,722</b>
<b>Balance - January 31, 2014</b>	<b>87,349,422</b>	<b>42,995,464</b>	<b>3,818,764</b>	<b>681,771</b>	<b>47,495,999</b>
Share-based compensation expense	-	-	114,166	-	114,166
Net loss for the period	-	-	-	(1,123,693)	(1,123,693)
<b>Balance - April 30, 2014</b>	<b>87,349,422</b>	<b>42,995,464</b>	<b>3,932,930</b>	<b>(441,922)</b>	<b>46,486,472</b>

The accompanying notes are an integral part of the condensed interim consolidated financial statements

# **ABERDEEN INTERNATIONAL INC.**

## **Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

**April 30, 2015 and 2014**

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

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### **1. Nature of operations**

Aberdeen International Inc. ("Aberdeen", or the "Company") and its subsidiaries operate as a publicly traded global investment and merchant banking company focused on small capitalization companies in the resource sector. Aberdeen seeks to acquire equity participation in pre-IPO and early stage public resource companies with undeveloped or undervalued high-quality resources. Aberdeen focuses on companies that: (i) are in need of managerial, technical and financial resources to realize their full potential; (ii) are undervalued in capital markets; or, (iii) operate in jurisdictions with low to moderate local political risk. The Company is a publicly listed company incorporated in the Province of Ontario. The Company's shares are listed on the Toronto Stock Exchange ("TSX"). The Company's head office is located at 65 Queen Street West, Suite 815, Toronto, Ontario M5H 2M5.

### **2. Significant accounting policies**

#### ***Statement of compliance***

The condensed interim consolidated financial statements of the Company have been prepared in accordance with the International Accounting Standards ("IAS") 34, *Interim Financial Reporting* issued by the International Accounting Standard Board ("IASB"). These condensed interim consolidated financial statements have been prepared in accordance with the accounting policies described in Note 2 of the Company's annual consolidated financial statements as at and for the year ended January 31, 2015 and 2014 except as disclosed below. Accordingly, these condensed interim consolidated financial statements for the three month periods ended April 30, 2015 and 2014 should be read together with the annual consolidated financial statements as at and for the year ended January 31, 2015 and 2014.

The condensed interim consolidated financial statements of the Company were approved by the Board of Directors on June 12, 2015.

#### ***Basis of preparation***

The condensed interim consolidated financial statements have been prepared using the historical cost convention except for certain financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("\$"). In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

#### ***Basis of consolidation***

Subsidiaries consist of entities over which the Company is exposed to or has rights to, variable returns as well as the ability to affect these returns through the power to direct the relevant activities of the entity. To the extent that subsidiaries provide services that relate to the company's investment activities, they are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiary after eliminating inter-entity balances and transactions. All other investments in subsidiaries are not consolidated, but are measured at fair value through profit or loss in accordance with IFRS 9.

These condensed interim consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiaries Great Lake Capital Management Inc. ("GLC"), incorporated on October 17, 2014 and Aberdeen (Barbados) Inc. ("ABI"), incorporated on March 6, 2015. All material intercompany transactions and balances between the Company and its subsidiaries have been eliminated on consolidation. Intercompany balances and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the condensed interim consolidated financial statements.

**ABERDEEN INTERNATIONAL INC.**  
**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**  
**April 30, 2015 and 2014**  
**(Expressed in Canadian dollars unless otherwise noted)**

**3. Investments at fair value through profit and loss**

At April 30, 2015, the Company's investment portfolio consisted of 21 publicly-traded investments and 19 privately-held investments for a total fair value of \$37,521,353.

At January 31, 2015, the Company's investment portfolio consisted of 20 publicly-traded investments and 19 privately-held investments for a total fair value of \$36,672,398.

**Public investments**

At April 30, 2015, the Company's 21 publicly-traded investments had a total fair value of \$19,980,071.

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Agua Resources Ltd.		1,685,540 common shares 1,437,808 options expire May 31, 2015	70,183	112,478	0.6%
Black Iron Inc.	(iii)	4,971,500 common shares	2,904,028	198,860	1.0%
Buffalo Coal Corp.		2,394,596 common shares	3,418,812	126,203	0.6%
Falco Resources Inc.		430,000 common shares	193,500	202,100	1.0%
Fura Emeralds Inc.*	(iii)	500,000 common shares 500,000 warrants expire Sep 19, 2015	53,686	115,100	0.6%
Kincora Copper Limited		4,723,000 common shares	1,129,355	141,690	0.7%
Kombat Copper Inc.	(i,ii)	10,000,000 common shares 10,000,000 warrants expire Feb 13, 2017	500,000	1,374,000	6.9%
Portex Minerals Inc.	(i,ii,iii)	21,172,315 common shares	1,058,616	105,862	0.5%
Rodinia Lithium Inc.	(i,ii,iii)	17,362,811 common shares	1,890,336	347,256	1.7%
Savary Gold Corp.		4,488,000 common shares	466,253	403,920	2.0%
Silver Bear Resources Inc.	(iii)	4,533,461 common shares 1,449,275 warrants expire Jun 7, 2015 238,461 warrants expire Dec 18, 2015 1,025,000 warrants expire Jun 4, 2016	1,845,261	272,008	1.4%
Sulliden Mining Capital Inc.	(iii)	1,823,500 common shares	1,183,796	455,875	2.3%
Tahoe Resources Inc.		864,018 common shares	12,554,182	14,731,507	73.7%
Xanadu Mines Ltd.		5,000,000 common shares	289,110	524,315	2.6%
Total of 7 other investments	(iv)		3,245,256	868,897	4.4%
<b>Total public investments</b>			<b>\$ 30,802,374</b>	<b>\$ 19,980,071</b>	<b>100.0%</b>

\* Formerly Wolf Resource Development Corp.

**Note**

- (i) The Company has filed a Section 102 report pursuant to the Ontario Securities Act for this investment and has filed this early warning report on SEDAR.
- (ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at April 30, 2015.
- (iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at April 30, 2015.
- (iv) Total other investments held by the Company, which are not individually listed as at April 30, 2015. Directors and officers may hold investments personally.



# ABERDEEN INTERNATIONAL INC.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

April 30, 2015 and 2014

(Expressed in Canadian dollars unless otherwise noted)

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

#### Public investments (continued)

At January 31, 2015, the Company's 20 publicly-traded investments had a total fair value of \$18,971,776.

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Black Iron Inc.	(iii)	4,971,500 common shares	\$ 2,904,028	\$ 248,575	1.3%
Buffalo Coal Corp.*		2,394,976 common shares	3,418,812	145,384	0.8%
Falco Resources Inc.		1,094,505 common shares	492,527	645,758	3.4%
Kincora Copper Limited		4,723,000 common shares	1,129,355	141,690	0.7%
Mason Graphite Corp.		157,500 common shares	105,483	106,725	0.6%
		250,000 warrants expire Jun 28, 2015			
Portex Minerals Inc.	(i,ii,iii)	21,172,315 common shares	1,058,616	105,862	0.6%
Rio Alto Mining Ltd.	(iii)	4,162,500 common shares	10,364,625	15,109,875	79.6%
Rodinia Lithium Inc.	(i,ii,iii)	17,362,811 common shares	1,890,336	694,512	3.7%
Savary Gold Corp.		4,488,000 common shares	466,253	179,520	0.9%
Silver Bear Resources Inc.	(iii)	4,533,461 common shares	1,845,261	226,673	1.2%
		1,449,275 warrants expire Jun 7, 2015			
		238,461 warrants expire Dec 18, 2015			
		1,025,000 warrants expire Jun 4, 2016			
Sulliden Mining Capital Inc.	(iii)	1,823,500 common shares	1,183,796	601,755	3.2%
Xanadu Mines Ltd.		5,000,000 common shares	289,110	444,150	2.3%
Total of 8 other investments	(iv)		2,653,342	321,297	1.7%
Total public investments			\$ 27,801,544	\$ 18,971,776	100.0%

\* Formerly Forbes & Manhattan (Coal) Corp.

#### Note

- (i) The Company has filed a Section 102 report pursuant to the Ontario Securities Act for this investment and has filed this early warning report on SEDAR.
- (ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2015.
- (iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2015.
- (iv) Total other investments held by the Company, which are not individually listed as at January 31, 2015. Directors and officers may hold investments personally.

#### Private investments

At April 30, 2015, the Company's 19 privately-held investments had a total estimated fair value of \$17,541,282.

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
African Thunder Platinum Ltd.	(ii,iii,v)	7,000,000 common shares	\$ 7,475,222	\$ 7,475,222	42.7%
Brazil Potash Corp.	(iii)	1,650,062 common shares	-	2,971,059	16.9%
DT Plantations Limited*	(ii,v)	6,102,891 common shares	533,289	-	0.0%
		500,000 warrants			
Indo Gold Limited	(ii,iii)	8,100,000 common shares	1,590,000	800,000	4.6%
Irati Energia Corp.	(iii)	2,213,179 common shares	1,994,975	1,000,000	5.7%
Legacy Platinum Corp.	(ii,iii,v)	3,515,000 common shares	2,352,377	-	0.0%
Forbes Ram Holdings Inc.	(ii,iii,v)	8,000,000 common shares	8,000,000	4,754,286	27.1%
Ram River Coal Corp.		750,000 common shares	37,500	445,714	2.5%
Total of 11 other investments	(iv)		5,763,237	95,001	0.5%
Total private investments			\$ 27,746,600	\$ 17,541,282	100.0%

\* Warrants expire 12 months after listing date

# ABERDEEN INTERNATIONAL INC.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

April 30, 2015 and 2014

(Expressed in Canadian dollars unless otherwise noted)

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

#### Private investments (continued)

##### Note

- (ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at April 30, 2015.
- (iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at April 30, 2015.
- (iv) Total other investments held by the Company, which are not individually listed as at April 30, 2015. Directors and officers may hold investments personally.
- (v) The Company owns 42% of the outstanding common shares and voting rights of African Thunder Platinum Ltd., 80% of the outstanding common shares and voting rights of Forbes Ram Holdings Inc., 50% of the outstanding common shares and voting rights of Legacy Platinum Corp.; and 28% of the outstanding common shares and voting rights of DT Plantations Limited as at April 30, 2015. There are no contractual arrangements, financial support, or other restrictions with these Canadian corporations. Refer to Note 2 of the Company annual consolidated financial statements as at and for the years ended January 31, 2015 relating to the exemption to consolidating particular subsidiaries for investment entities.

At January 31, 2015, the Company's 19 privately-held investments had a total estimated fair value of \$17,700,622.

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
African Thunder Platinum Ltd.	(ii,iii,v)	7,000,000 common shares	\$ 7,475,222	\$ 7,475,222	42.3%
Brazil Potash Corp.	(iii)	1,650,062 common shares	-	3,130,399	17.7%
DT Plantations Limited*	(ii,v)	6,102,891 common shares 500,000 warrants	533,289	-	0.0%
Indo Gold Limited	(ii,iii)	8,100,000 common shares	1,590,000	800,000	4.5%
Irati Energy Corp.		2,213,179 common shares	1,994,975	1,000,000	5.6%
Legacy Platinum Corp.	(ii,iii,v)	3,515,000 common shares	2,352,377	-	0.0%
Forbes Ram Holdings Inc.	(ii,iii,v)	8,000,000 common shares	8,000,000	4,754,286	26.9%
Ram River Coal Corp.		750,000 common shares	37,500	445,714	2.5%
Total of 11 other investments	(iv)		5,763,237	95,001	0.5%
Total private investments			\$ 27,746,600	\$ 17,700,622	100.0%

\* Warrants expire 12 months after listing date

##### Note

- (ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2015.
- (iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2015.
- (iv) Total other investments held by the Company, which are not individually listed as at January 31, 2015. Directors and officers may hold investments personally.
- (v) The Company owns 42% of the outstanding common shares and voting rights of African Thunder Platinum Ltd., 80% of the outstanding common shares and voting rights of Forbes Ram Holdings Inc., 50% of the outstanding common shares and voting rights of Legacy Platinum Corp.; and 28% of the outstanding common shares and voting rights of DT Plantations Limited as at January 31, 2015. There are no contractual arrangements, financial support, or other restrictions with these Canadian corporations. Refer to Note 2 of the Company annual consolidated financial statements as at and for the years ended January 31, 2015 relating to the exemption to consolidating particular subsidiaries for investment entities.

### 4. Amounts receivable

	April 30, 2015	January 31, 2015
Amount receivable	\$ 311	\$ 311
Advisory service fees receivable	241,280	-
Investment receivable	222,360	-
	\$ 463,951	\$ 311

### 5. Loans receivable

	April 30, 2015	January 31, 2015
Brookwater Venture Inc.	\$ 153,846	\$ 61,538
	\$ 153,846	\$ 61,538

# ABERDEEN INTERNATIONAL INC.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

April 30, 2015 and 2014

(Expressed in Canadian dollars unless otherwise noted)

### 6. Accounts payable and accrued liabilities

	April 30, 2015	January 31, 2015
Trade payables	2,618,469	1,454,480
Accrued expenses	788,647	2,246,580
	<u>\$ 3,407,116</u>	<u>\$ 3,701,060</u>

### 7. Income taxes

#### Significant components of income tax recovery

	April 30, 2015	April 30, 2014
Current tax recovery	\$ -	\$ 687,960
Deferred tax (expense)	-	(375,000)
Income tax recovery	<u>\$ -</u>	<u>\$ 312,960</u>

#### Provision for income taxes

The following are major items causing the Company's income tax rate to differ from the Canadian combined federal and provincial statutory rate of approximately 26.5% (2015 – 26.5%) during the periods ended:

	April 30, 2015	April 30, 2014
Income (loss) before income taxes	<u>\$ 506,866</u>	<u>\$ (1,426,581)</u>
Expected income tax expense (recovery)	\$ 134,000	\$ (378,000)
Adjustments to benefit resulting from:		
Share-based compensation	-	30,000
Net realized gain on foreign exchange	54,000	80,000
Other	389,680	(44,960)
Tax benefits realized	(577,680)	-
Provision for income tax expense (recovery)	<u>\$ -</u>	<u>\$ (312,960)</u>

### 8. Share capital

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

#### Common shares

	Number of shares	Amount
Issued and outstanding common shares		
Balance, January 31, 2014	87,349,422	\$ 42,995,464
Shares issued on private placement	10,000,000	2,000,000
Value of warrants issued with private placement	-	(396,532)
Share issue costs	-	(15,699)
Balance, January 31, 2015	<u>97,349,422</u>	<u>\$ 44,583,233</u>
Shares repurchased and cancelled (NCIB)	(691,170)	(316,647)
Balance, April 30, 2015	<u>96,658,252</u>	<u>44,266,586</u>

# ABERDEEN INTERNATIONAL INC.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

April 30, 2015 and 2014

(Expressed in Canadian dollars unless otherwise noted)

### 8. Share capital (continued)

#### Normal course issuer bid ("NCIB")

On February 12, 2015, the Company announced its intention to make a NCIB to buy back its common shares through the facilities of the TSX. Any purchases made pursuant to the NCIB will be made in accordance with the rules of the TSX. 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. Based on the 77,965,256 common shares in the public float as at February 11, 2015, the maximum number of shares to be purchased and cancelled would be 7,796,525. Daily purchases will be limited to 40,078 common shares other than block purchase exceptions. Purchases under the NCIB are permitted to commence on February 16, 2015 and will terminate on February 15, 2016 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.

During the three months ended April 30, 2015, the Company purchased and cancelled 691,170 shares at an average price of \$0.145 per share. At April 30, 2015, a balance of 7,105,355 common shares remains available for purchase under the NCIB commencing February 16, 2015.

### 9. Equity reserve

	Number of warrants	Weighted average exercise price	Value of warrants	Number of options	Weighted average exercise price	Value of options	Number of RSU	Weighted average exercise price	Value of RSU	Treasury shares adjustment	Total Value
January 31, 2014	-	\$ -	\$ -	4,907,500	\$ 0.56	\$ 1,268,237	6,066,671	\$ 0.15	\$ 1,808,816	\$2,284,138	\$3,818,764
Granted and vested RSUs settled	10,000,000 -	0.30 -	396,532 -	- -	- -	- -	3,033,329 -	0.15 -	190,277 (456,666)	- 989,469	586,809 532,803
January 31, 2015	10,000,000	\$ 0.30	\$396,532	4,907,500	\$ 0.56	\$ 1,268,237	9,100,000	\$ 0.30	\$ 1,542,427	\$3,273,607	\$4,938,376
Expired NCIB allocation	- -	- -	- -	(1,247,500) -	0.43 -	(330,537) -	- -	- -	- -	- 216,696	(330,537) 216,696
January 31, 2015	10,000,000	\$ 0.30	\$396,532	3,660,000	\$ 0.56	\$ 937,700	9,100,000	\$ 0.30	\$ 1,542,427	\$3,490,303	\$4,824,535

#### Employee share option plan

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

The Company did not grant any options during the three months ended April 30, 2015 and 2014.

# ABERDEEN INTERNATIONAL INC.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

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(Expressed in Canadian dollars unless otherwise noted)

### 9. Equity reserve (continued)

The following stock options were in existence as at April 30, 2015:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Expected Volatility	Risk-free Rate	Expected Life (years)	Expected Dividend Yield
100,000	100,000	5-Oct-10	5-Oct-15	\$ 0.48	\$ 25,650	64%	2.00%	5	0%
100,000	100,000	30-Nov-10	30-Nov-15	\$ 0.64	\$ 35,440	64%	2.35%	5	0%
810,000	810,000	20-Apr-11	20-Apr-16	\$ 0.87	\$ 332,910	70%	2.65%	5	3%
200,000	200,000	30-Jun-11	1-Jun-15	\$ 0.79	\$ 68,400	63%	2.30%	5	3%
2,450,000	2,450,000	12-Jun-12	12-Jun-17	\$ 0.44	\$ 475,300	66%	1.21%	5	3%
3,660,000	3,660,000				\$ 937,700				

The weighted average exercise price of stock options outstanding and exercisable as at April 30, 2015 was \$0.56 (January 31, 2015 - \$0.53). The weighted average remaining contractual life of options outstanding and exercisable as at April 30, 2015 was 1.67 years (January 31, 2015 – 1.49 years).

### 10. Expenses by nature

Details included in operating, general and administration expenses for the three months ended April 30, 2015 and 2014:

	Three months ended April 30,	
	2015	2014
Compensation of directors, officers, employees and consultants (including salaries, consulting fees, bonuses, RSUs, DSUs and stock options)	\$ 573,543	\$ 673,942
Severance payment	237,300	-
Legal, accounting and professional fees	48,463	21,362
Filing and transfer agent fees	32,081	15,431
Shareholder communication and promotion	63,236	6,140
Travel	76,376	11,431
General office and administration costs	80,996	88,408
Business development costs*	-	244,000
	\$ 1,111,995	\$ 1,060,714

\* Incurred in strategic asset management venture and other business development activities.

### 11. Capital disclosure

The Company considers its capital to consist of share capital, equity reserve and treasury shares, and retained earnings. The Company's objectives when managing capital are:

- to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments;
- to give shareholders sustained growth in value by increasing shareholders' equity; while
- 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:

# ABERDEEN INTERNATIONAL INC.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

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(Expressed in Canadian dollars unless otherwise noted)

### 11. Capital disclosure (continued)

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

The Company may on occasion utilize leverage in the form of broker margin or bank indebtedness. As at April 30, 2015 there was a margin loan of \$2,975,940 (January 31, 2015 - \$387,585) outstanding. The margin loan is secured against the Company's holdings on Tahoe Resources Inc. at rates that are based on the Investment Industry Regulatory Organization of Canada (IIROC) Policy. The interest rate on the margin loan is 1.25% per annum. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX which requires adequate working capital or financial resources such that, in the opinion of TSX, the listed issuer will be able to continue as a going concern. TSX will consider, among other things, the listed issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in financial statements regarding the listed issuer's ability to continue as a going concern. There were no changes to the Company's capital management during the three months ended April 30, 2015 and 2014. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

### 12. Financial instruments

Financial assets and financial liabilities as at April 30, 2015 are as follows:

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit or loss	TOTAL
<b>April 30, 2015</b>			
Cash	\$ 409,084	\$ -	\$ 409,084
Public investments	-	19,980,071	19,980,071
Amounts receivables	463,951	-	463,951
Loans receivable	-	153,846	153,846
Private investments	-	17,541,282	17,541,282
Due to broker	(2,975,940)	-	(2,975,940)
Accounts payable and accrued liabilities	(3,407,116)	-	(3,407,116)

Aberdeen's operations involve the purchase and sale of securities and in addition, the Company has loans receivable outstanding. Accordingly, the majority of the Company's assets are currently comprised of financial instruments which can expose it to several risks, including market, liquidity, credit and currency risks. There have been no significant changes in the risks, objectives, policies and procedures from the previous year. A discussion of the Company's use of financial instruments and their associated risks is provided below:

#### **Market risk**

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favorable prices. In addition, most of the Company's investments are in the resource sector. The Company mitigates this risk by attempting to have a portfolio which is not singularly exposed to any one issuer, with exception to the Company having one position as at April 30, 2015 which made up of approximately 39% (January 31, 2015 – 41%) of the total equity portfolio.

# ABERDEEN INTERNATIONAL INC.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

April 30, 2015 and 2014

(Expressed in Canadian dollars unless otherwise noted)

### 12. Financial instruments (continued)

#### Market risk (continued)

For the three months ended April 30, 2015, a 10% decrease (increase) in the closing prices of its portfolio investments would result in an estimated increase (decrease) in after-tax net loss of \$2.8 million, or \$0.03 per share (January 31, 2015 - \$2.7 million, or \$0.03 per share). This estimated impact on the statement of comprehensive loss 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 interest on loans receivable, and proceeds from the disposition of its investments, in addition to interest income and advisory service fees. 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. All of the Company's liabilities and obligations are due within one year.

The following table shows the Company's source of liquidity by assets as at April 30, 2015.

Liquidity by period						
Assets	Total	Less than 1 year	1-3 years	After 4 years	Non-liquid assets	
Cash	\$ 409,084	\$ 409,084	\$ -	\$ -	\$ -	
Public investments	19,980,071	19,980,071	-	-	-	
Amount receivable	463,951	463,951	-	-	-	
Loans receivable	153,846	153,846	-	-	-	
Prepaid expenses	11,340	11,340	-	-	-	
Income tax recovery	4,082,204	4,082,204	-	-	-	
Private investments	17,541,282	-	17,541,282	-	-	
Total assets - January 31, 2015	\$ 42,641,778	\$ 25,100,496	\$ 17,541,282	\$ -	\$ -	

#### 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. Security was obtained against specific assets of the counterparty, in case of non-performance. The total carrying value of these financial instruments at April 30, 2015 was \$617,797 (January 31, 2015 - \$61,849).

Management has considered the potential impairment of loans and amount receivables. The following summarizes provisions made on loan impairment during the three months ended April 30, 2015 and 2014:

Provisions on loan and amount receivables	Three months ended April 30,	
	2015	2014
Temujin Mining Corp.*	-	16,431
Amounts receivable	-	10,443
	\$ -	\$ 26,874

\* Refer to loan and interest tables under Note 14 Related party disclosures

# ABERDEEN INTERNATIONAL INC.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

April 30, 2015 and 2014

(Expressed in Canadian dollars unless otherwise noted)

### 12. Financial instruments (continued)

#### Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's operations are exposed to foreign exchange fluctuations, which could have a significant adverse effect on its results of operations from time to time. The Company currently has financial instruments denominated in U.S. dollars, Australian dollars, South African Rand and European Euro.

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

The following assets and liabilities were denominated in foreign currencies presented in Canadian dollars as of:

April 30, 2015				
	US Dollars	Australian Dollars	South African Rand	European Euro
Cash	\$ 8	\$ -	\$ 1,019	\$ -
Amount receivable	241,280	-	-	-
Public investment	198,860	981,375	8,588	-
Private investment	10,446,281	800,000	-	-
Accounts payable and accrued liabilities	(17,067)	-	(134)	(15,156)
	\$ 10,869,362	\$ 1,781,375	\$ 9,473	\$ (15,156)

A 10% increase (decrease) in the value of the Canadian dollar against all foreign currencies in which the Company held financial instruments as of April 30, 2015 would result in an estimated increase (decrease) in after-tax net loss of approximately \$0.9 million or \$0.01 per share (January 31, 2015 – after-tax net loss of approximately \$0.7 million or \$0.01 per share). The Company does not currently hedge its foreign currency exposure.

#### Fair value of financial instruments

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

- The carrying values of cash, amounts receivable, due to broker, and accounts payable and accrual liabilities approximate their fair values due to the short-term nature of these instruments.
- Loans receivable, public investments, private investments and preferred shares are carried at amounts in accordance with the Company's accounting policies as set out in Note 2 of the Company's annual consolidated financial statements as at and for the years ended January 31, 2015 and 2014.
- Prior to maturity, the outstanding loans receivable are carried at their discounted value. Following their maturity, loans receivable are carried at their estimated realizable value.

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at April 30, 2015:



# ABERDEEN INTERNATIONAL INC.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

April 30, 2015 and 2014

(Expressed in Canadian dollars unless otherwise noted)

### 12. Financial instruments (continued)

#### Fair value of financial instruments (continued)

Investments, fair value	Level 1	Level 2	Level 3	Total
	(Quoted Market price)	(Valuation technique - observable market Inputs)	(Valuation technique - non-observable market inputs)	
Publicly traded investments	\$ 19,470,971	\$ -	\$ -	\$ 19,470,971
Non-trading warrants on public investments	-	509,100	-	509,100
Private investments, performance and preferred shares	-	-	17,541,282	17,541,282
April 30, 2015	\$ 19,470,971	\$ 509,100	\$ 17,541,282	\$ 37,521,353

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the three months ended April 30, 2015 and year ended January 31, 2015. 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 loss.

Investments, fair value	For the period ended	
	April 30, 2015	January 31, 2015
Balance, beginning of period	\$ 17,700,622	\$ 25,197,564
Purchases - shares	-	7,580,222
Unrealized and realized loss net	(159,340)	(13,198,911)
Conversion - debt to shares	-	243,359
Conversion of debenture to private / public company shares	-	(376,052)
Convertible debenture net (reduction) additions	-	(1,745,560)
Balance, end of period	\$ 17,541,282	\$ 17,700,622

### 13. Related party disclosures

The annual consolidated financial statements include the financial statements of the Company and its subsidiary at its respective ownership listed in the following table.

	Country of Incorporation	% equity interest
Great Lakes Capital Management Inc.	Canada	100%
Aberdeen (Barbados) Inc.	Barbados	100%

The Company shares office space with other companies who may have common officers or directors. The costs associated with this space are administered by an unrelated company.

Mr. Stan Bharti, a director of the Company, is the Executive Chairman of Forbes & Manhattan, Inc. ("F&M"), a corporation that provides administrative and consulting services to the Company, including but not limited to strategic planning and business development. F&M charges a monthly consulting fee of \$25,000. As of April 30, 2015, \$Nil (January 31, 2015 - \$Nil) was owed to F&M.

The Company is party to a cost sharing policy with F&M whereby the Company will be responsible for 50% of costs, including any reasonable third party costs such as legal, technical, and/or accounting expenses jointly incurred in connection with, or arising as a result of the pursuit of certain investment opportunities and the subsequent development of any such investment opportunities that are acquired by the Company and F&M up to a maximum of \$500,000. In the event any expenses incurred with respect to the investment opportunities are recouped by either party, such amounts will be allocated 50% to each party. During the three months ended April 30, 2015, the Company incurred \$Nil (2014 - \$Nil) legal and professional fees in relation to the policy. Mr. Stan Bharti, a director of the Company, is the Executive Chairman of F&M.

# ABERDEEN INTERNATIONAL INC.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

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(Expressed in Canadian dollars unless otherwise noted)

### 13. Related party disclosures (continued)

The Company earns financing advisory service fees from companies of which directors and officers are also directors and officers of Aberdeen. Directors and officers of Aberdeen may also hold investments in these companies. During the three months ended April 30, 2015, the Company earned US\$200,000 (\$247,820) (2014 - \$Nil) in advisory fees from African Thunder Platinum Ltd. ("ATP"). At April 30, 2015, US\$200,000 (\$241,280) included in amount receivable were advisory service fees owed to the Company. Stan Bharti and George Faught are common directors of both Aberdeen and ATP.

The Company's directors and officers may have investments in and hold management and/or director and officer positions in some of the investments that the Company holds. The following is a list of total investments and the nature of the relationship of the Company's directors or officers with the investment as of April 30, 2015 and January 31, 2015.

Investment	Nature of relationship	Estimated Fair value	% of FV
African Thunder Platinum Limited.*	Directors (Stan Bharti, George Faught) and shareholders	7,475,222	19.9%
Arena Minerals Inc.	Former director (Bruce Humphrey), Officer (Ryan Ptolemy), and shareholders	70,890	0.2%
Amazon Polash Corporation*	Directors (Stan Bharti, George Faught) and shareholders	-	0.0%
Black Iron Inc.	Former directors (Bruce Humphrey, Pierre Pettigrew), officer (Stan Bharti) and shareholders	198,860	0.5%
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy) and shareholders	2,971,059	7.9%
Coastal Gold Corp.	10% security holder (Stan Bharti) and shareholders	79,616	0.2%
Forbes Ram Holdings Inc.*	Director (Stan Bharti) and shareholders	4,754,286	12.7%
Fura Emeralds Inc.**	10% security holder (Stan Bharti) and shareholders	115,100	0.3%
Indo Gold Limited *	Director (Stan Bharti) and shareholders	800,000	2.1%
Irati Energia Corp.*	Officer (Ryan Ptolemy) and shareholders	1,000,000	2.7%
Legacy Platinum Inc.*	Former officer (Richard Bishop) and shareholders	-	0.0%
Metal Prospecting AS *	Director (David Stein) and shareholders	-	0.0%
Portex Minerals Inc.	Former officer (Richard Bishop) and shareholders	105,862	0.3%
Rodinia Lithium Inc.	Director (David Stein), officer (Ryan Ptolemy) and shareholders	347,256	0.9%
Scandinavian Metals Inc.*	Director (Stan Bharti) and shareholders	-	0.0%
Silver Bear Resources Inc.	10% security holder (Stan Bharti) and shareholders	272,008	0.7%
Sulliden Mining Capital Inc.	Former directors (Bruce Humphrey, Pierre Pettigrew), Director (Stan Bharti) and shareholders	455,875	1.2%
Temujin Mining Corp.*	Directors (Stan Bharti, David Stein) and shareholders	-	0.0%
Total of 22 other investments	Shareholders/warrant holders	18,875,319	50.4%
<b>Total Investments - April 30, 2015</b>		<b>\$ 37,521,353</b>	<b>100.0%</b>

\* Private company

\*\* Formerly Wolf Resource Development Corp.

# ABERDEEN INTERNATIONAL INC.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

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(Expressed in Canadian dollars unless otherwise noted)

### 13. Related party disclosures (continued)

Investment	Nature of relationship	Estimated Fair value	% of FV
African Thunder Platinum Limited*	Directors (Stan Bharti, George Faught) and shareholders	7,475,222	20.4%
Arena Minerals Inc.	Former director (Bruce Humphrey), Officer (Ryan Ptolemy), and shareholders	37,530	0.1%
Amazon Potash Corporation*	Directors (Stan Bharti, George Faught) and shareholders	-	0.0%
Black Iron Inc.	Former directors (Bruce Humphrey, Pierre Pettigrew), officer (Stan Bharti) and shareholders	248,575	0.7%
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy) and shareholders	3,130,399	8.5%
Coastal Gold Corp	10% security holder (Stan Bharti) and shareholders	53,077	0.1%
Forbes Ram Holdings Inc.*	Director (Stan Bharti) and shareholders	4,754,286	13.0%
Indo Gold Limited *	Director (Stan Bharti) and shareholders	800,000	2.2%
Legacy Platinum Inc.*	Officer (Richard Bishop) and shareholders	-	0.0%
Metal Prospecting AS *	Director (David Stein) and shareholders	-	0.0%
Portex Minerals Inc.	Officer (Richard Bishop) and shareholders	105,862	0.3%
Forbes Ram Holdings Inc.	Former director (Bruce Humphrey) and shareholders	15,109,875	41.2%
Rodinia Lithium Inc.	Director (David Stein), officer (Ryan Ptolemy) and shareholders	694,512	1.9%
Scandinavian Metals Inc.*	Director (Stan Bharti) and shareholders	-	0.0%
Silver Bear Resources Inc.	Former director (Stan Bharti) and shareholders	226,673	0.6%
Sulliden Mining Capital Inc.	Former directors (Bruce Humphrey, Pierre Pettigrew), Director (Stan Bharti) and shareholders	601,755	1.6%
Temujin Mining Corp.*	Directors (Stan Bharti, David Stein) and shareholders	-	0.0%
Wolf Resource Development Corp.	10% security holder (Stan Bharti) and shareholders	82,500	0.2%
Total of 21 other investments	Shareholders/warrant holders	3,352,132	9.2%
Total Investments - January 31, 2015		\$ 36,672,398	100.0%

\* Private company

The Company has a diversified base of investors. There were no shareholders who each held more than 10% of the Company's common shares.

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

	Loans provided to related parties		Loans receivable from related parties	
	Three months ended April 30, 2015	2014	As at April 30, 2015	As at January 31, 2015
Forbes Royalty Corporation(**)	\$ -	\$ 4,884	\$ -	\$ -
Legacy Platinum Corp.(*)(**)	\$ -	\$ 54,990	\$ -	\$ -
Temujin Mining Corp.(**)	\$ -	\$ 16,647	\$ -	\$ -
	\$ -	\$ 76,521	\$ -	\$ -

\* loan receivable includes capitalized interest

\*\* loan written off during the year-ended January 31, 2015

# ABERDEEN INTERNATIONAL INC.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

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### 13. Related party disclosures (continued)

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

	Interest and dividend income earned from related parties		Interest and dividend receivable from related parties	
	Three months ended April 30,		As at April 30,	As at January 31,
	2015	2014	2015	2015
Forbes Royalty Corporation(**)	\$ -	\$ 8,517	\$ -	\$ -
Legacy Platinum Corp.(*)(**)	\$ -	\$ 46,339	\$ -	\$ -
Metal Prospecting AS(***)	\$ -	\$ 6,071	\$ -	\$ -
Rodinia Lithium Inc.(*)(***)	\$ -	\$ 23,194	\$ -	\$ -
	<u>\$ -</u>	<u>\$ 84,121</u>	<u>\$ -</u>	<u>\$ -</u>

\* overdue interest was capitalized to loan receivable

\*\* interest/dividend written off during the year-ended January 31, 2015

\*\*\* interest converted to shares during year ended January 31, 2015

### Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

The remuneration of directors and other members of key management personnel during the three months ended April 30, 2015 and 2014 were as follows:

	Three months ended April 30,	
	2015	2014
Short-term benefits (*)(**)	\$ 596,133	\$ 317,500
	<u>\$ 596,133</u>	<u>\$ 317,500</u>

\* Benefits include fees paid to Forbes & Manhattan, Inc.

\* Benefits include severance payment

At April 30, 2015, the Company had accounts payable and accrued liabilities balance of \$438,704 (January 31, 2015 - \$308,701) owing to its key management and related companies for severance, deferred share units accrual, expense reimbursement and proxy contest related legal fees and expenses. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

### 14. Commitments and contingencies

#### Management contracts

The Company is party to certain management contracts. These contracts contain aggregate minimum commitments of approximately \$1,250,000 (January 31, 2015 - \$1,426,000) ranging from 30 days to 16 months and additional contingent payments of up to approximately \$4,770,000 (January 31, 2015 - \$6,250,000) upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements.

## **ABERDEEN INTERNATIONAL INC.**

### **Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

**April 30, 2015 and 2014**

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

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#### **14. Commitments and contingencies (continued)**

##### ***Tax positions***

In assessing the probability of realizing income tax assets and the valuation of income tax liabilities, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

##### ***F&M costs sharing policy***

The Company entered into a costs and liabilities sharing policy with F&M as disclosed in Note 13. Pursuant to the policy, the Company will be responsible for 50% of costs, including any reasonable and third party costs such as legal, technical, and/or accounting expenses jointly incurred in connection with, or arising as a result of the pursuit of certain investment opportunities and the subsequent development of any such investment opportunities that are acquired by the Company and F&M up to a maximum of \$500,000. In the event any expenses incurred with respect to the investment opportunities are recouped by either party, such amounts will be allocated 50% to each party.

#### **15. Subsequent events**

Subsequent to April 30, 2015, the Company received 1,538,458 common shares of Brookwater in settlement of debt owed to the Company. The fair market value of the Brookwater shares was the same as the carrying value of the debt on the date of settlement.

Subsequent to April 30, 2015, 200,000 stock options with strike price at \$0.79 expired unexercised.