ABERDEEN INTERNATIONAL

CONDENSED INTERIM FINANCIAL STATEMENTS

for the three-months ended April 30, 2011

(expressed in Canadian dollars)

UNAUDITED

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

	Notes	April 30 2011 $	January 31 2011 $ (Note 20)	February 1 2010 $ (Note 20)
ASSETS				
Current				
Cash		7,427,116	14,049,856	3,266,356
Investments, at fair value through profit and loss	4	104,150,097	105,827,444	57,027,559
Amounts receivable	5	3,153,180	2,695,725	2,206,775
Income taxes recoverable		267,732	-	1,727,615
Loans receivable	6	4,743,836	7,023,452	8,246,565
Loan - Simmer & Jack	7	9,464,000	10,015,000	10,693,000
Prepaid expenses		551,753	461,931	14,508
		129,757,714	140,073,408	83,182,378
Long-term				
Royalty interests on mineral properties, net	8	26,476,379	28,183,500	35,045,928
Equipment, net		34,241	37,794	54,000
		156,268,334	168,294,702	118,282,306
LIABILITIES				
Current				
Accounts payable and accrued liabilities	9	6,945,502	6,445,771	1,716,233
Securities sold short	4	-	1,017,704	-
Income taxes payable	10	-	1,815,618	-
Deferred revenue		-	-	414,400
		6,945,502	9,279,093	2,130,633
Long-term				
Deferred income taxes	10	19,052,000	22,701,000	12,984,000
		25,997,502	31,980,093	15,114,633
SHAREHOLDERS' EQUITY				
Share capital	11,12	43,348,521	43,600,623	44,174,159
Equity reserve	12	21,165,257	20,818,067	20,540,769
		64,513,778	64,418,690	64,714,928
Retained earnings		68,639,738	73,618,578	38,452,745
Accumulated comprehensive loss	8	(2,882,684)	(1,722,659)	-
		130,270,832	136,314,609	103,167,673
		156,268,334	168,294,702	118,282,306
Commitments and contingencies	7,18			
Subsequent events	19			

Approved on behalf of the Board of Directors:

"Bernard Wilson" (signed)
Bernard Wilson, Director

"George Faught" (signed)
George Faught, Director

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.

Condensed Interim Statements of Comprehensive (Loss) Income

Three months ended,

(Unaudited)

(In Canadian dollars)

	Notes	April 30, 2011	April 30, 2010
		$	$
Net investment gains (losses)			
Realized gain (loss) on investments, net		**4,203,005**	6,260,639
Unrealized loss on investments, net		**(7,953,338)**	(1,832,301)
		(3,750,333)	4,428,338
Other revenue			
Royalties	8	**519,103**	514,074
Provision for loan and interests receivable	6	**(1,258,688)**	-
Interest income		**175,497**	201,744
Advisory service fees		**-**	245,887
		(564,088)	961,705
Expenses			
Operating, general and administration	12,13,17	**1,250,717**	1,390,886
Transaction costs		**-**	2,396
Interest expenses		**6,884**	21,944
Depletion on royalty interests on mineral properties	8	**161,096**	212,729
Amortization		**3,553**	5,158
		1,422,250	1,633,113
Income before the undernoted		**(5,736,671)**	3,756,930
Foreign exchange loss		**(935,537)**	(926,000)
Income before income taxes		**(6,672,208)**	2,830,930
Income taxes			
Income tax recovery (provision)	10	**2,787,432**	(873,379)
Income for the period		**(3,884,776)**	1,957,551
Other comprehensive loss			
Currency translation adjustment, net of taxes	8	**(1,160,025)**	(1,290,899)
Total comprehensive income (loss) for the period		**(5,044,801)**	666,652
Earnings per common shares based on profit for the period			
Basic	13	**(0.04)**	0.02
Diluted	13	**(0.04)**	0.02
Weighted average number of common shares outstanding			
Basic	13	**86,577,870**	87,503,839
Diluted	13	**86,577,870**	88,299,471

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.
Condensed Interim Statements of Cash Flows
Three months ended,
(Unaudited)
(In Canadian dollars)

	Notes	April 30, 2011 $	April 30, 2010 $
Cash flows from operating activities			
(Loss) income before income taxes for the period		(6,672,208)	2,830,930
Income tax paid		(2,558,918)	(56,361)
Adjustments to reconcile net income to cash provided from operating activities:			
Realized (gain) loss on investments, net		(4,203,005)	(6,260,639)
Unrealized loss (gain) on investments, net		7,953,338	1,832,301
Provision for loan receivable	6	1,258,688	-
Depletion on royalty interests on mineral properties	8	161,096	212,729
Arrangement fee income		(10,200)	(162,107)
Share based payments	12	449,343	505,659
Amortization		3,553	5,158
Unrealized foreign exchange loss		819,587	783,977
		(2,798,727)	(308,353)
Adjustments for:			
Prepaid and other amounts receivable		(824,592)	(66,009)
Accounts payable and accrued liabilities		(78,001)	(649,612)
Income taxes recoverable		-	27,449
Net cash (used in) operating activities		(3,701,320)	(996,525)
Cash flows from financing activities			
Dividend paid	11	(867,141)	-
Shares repurchased and cancelled	11	(643,778)	-
Shares issued through options exercised		62,600	-
Net cash provided by (used in) financing activities		(1,448,319)	-
Cash flows from investing activities			
Purchase of investments		(7,151,951)	(13,858,172)
Disposal of investments		6,089,132	14,346,587
Advances made		(92,128)	-
Short-term loans provided		(318,154)	(4,988,500)
Short-term loans repaid		-	3,189,000
Net cash (used in) investing activities		(1,473,101)	(1,311,085)
CHANGE IN CASH		(6,622,740)	(2,307,610)
CASH, beginning of period		14,049,856	3,266,356
CASH, end of period		7,427,116	958,746
Supplemental cash flow information			
Special warrants / shares received in conversion of debenture receivable	6	-	2,160,000
Warrants received on debt financing	6	-	7,550
Interest paid		6,884	21,944

The accompanying notes are an integral part of the financial statements

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

	Number of shares	Common shares	Equity reserve	Treasury shares	Retained earnings	Accumulated other comprehensive loss	Total equity
	#	$	$		$	$	$
Balance - February 1, 2010	**87,503,839**	**44,174,159**	**20,540,769**	-	**38,452,745**	-	**103,167,673**
Share based payments expense	-	-	505,659	-	-	-	505,659
Net income for the period	-	-	-	-	1,957,551	-	1,957,551
Currency translation adjustment	-	-	-	-	-	(1,290,899)	(1,290,899)
Balance - April 30, 2010	**87,503,839**	**44,174,159**	**21,046,428**	-	**40,410,296**	**(1,290,899)**	**104,339,984**
Repurchase of common shares	-	-	-	(674,090)	-	-	(674,090)
Cancellation of repurchased common shares	(1,316,500)	(663,793)	38,470	674,090	(48,767)	-	-
Options exercised	490,000	90,257	(31,457)	-	-	-	58,800
Options expired unexercised	-	-	(374,398)	-	374,398	-	-
Share-based payments expense	-	-	139,024	-	-	-	139,024
Net income for the period	-	-	-	-	32,882,651	-	32,882,651
Currency translation adjustment	-	-	-	-	-	(431,760)	(431,760)
Balance - January 31, 2011	**86,677,339**	**43,600,623**	**20,818,067**	-	**73,618,578**	**(1,722,659)**	**136,314,609**
Repurchase of common shares	-	-	-	(643,778)	-	-	(643,778)
Cancellation of repurchased common shares	(712,700)	(358,358)	(58,497)	643,778	(226,923)	-	-
Options exercised	230,000	106,256	(43,656)	-	-	-	62,600
Stock-based payments expense	-	-	449,343	-	-	-	449,343
Dividend declared and paid	-	-	-	-	(867,141)	-	(867,141)
Net loss for the period	-	-	-	-	(3,884,776)	-	(3,884,776)
Currency translation adjustment	-	-	-	-	-	(1,160,025)	(1,160,025)
Balance - April 30, 2011	**86,194,639**	**43,348,521**	**21,165,257**	**-**	**68,639,738**	**(2,882,684)**	**130,270,832**

1. Nature of operations

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

2. Basis of preparation and adoption of IFRS

These condensed interim financial statements are unaudited and are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). As these financial statements represent the Company's initial presentation of its results and financial position under IFRS, they were prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting and by IFRS 1, First-time Adoption of IFRS. These condensed interim financial statements have been prepared in accordance with the accounting policies the Company expects to adopt in its January 31, 2012 financial statements. Those accounting policies are based on the IFRS standards, International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and outstanding as of July 11, 2011, the date the Board of Directors approved these condensed interim financial statements. The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

The Company's financial statements were previously prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). Canadian GAAP differs in some areas from IFRS. Certain information and footnote disclosures which are considered material to the understanding of the Company's interim financial statements and which are normally included in annual financial statements prepared in accordance with IFRS are provided in notes along with reconciliations and descriptions of the effect of the transition from Canadian GAAP to IFRS on equity, comprehensive income, and the statements of financial position and cash flows. These condensed interim financial statements should be read in conjunction with the Company's financial statements for the year ended January 31, 2011, as prepared in accordance with Canadian GAAP.

As these are the Company's first set of condensed interim financial statements in accordance with IFRS, the Company's disclosures exceed the minimum requirements under IAS 34. The Company has elected to exceed the minimum requirements in order to present the Company's accounting policies in accordance with IFRS and the additional disclosures required under IFRS, which also highlight the changes from the Company's 2011 annual financial statements prepared in accordance with Canadian GAAP. In 2012 and beyond, the Company may not provide the same amount of disclosure in the Company's condensed interim financial statements under IFRS as the reader will be able to rely on the annual financial statements, which will be prepared in accordance with IFRS.

The preparation of condensed interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

3. Significant accounting policies

Basis of presentation

The condensed interim financial statements have been prepared using the historical cost convention except for certain financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("$").

In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for this interim period are not necessarily indicative of the results that may be expected for the full fiscal year ending January 31, 2012.

3. Significant accounting policies (continued)

Significant accounting judgments, estimates and assumptions

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

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

- Fair value of investment in securities not quoted in an active market or private company investments
- Fair value / impairment of loans receivable
- Assessment of impairment of royalties
- Asset carrying values and impairment charges
- Estimation of asset lives
- Recognition of deferred taxes
- Contingencies
- Share based payments

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

- Fair value of investment in securities not quoted in an active market or private company investments
- Fair value / impairment of loans receivable
- Asset carrying values and impairment charges
- Contingencies
- Share-based payments
- Depletion, depreciation and amortization

Foreign currency translation

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

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

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

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

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

3. Significant accounting policies (continued)

Financial instruments

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

(i) Investments

Purchases and sales of investments are recognized on a trade date basis. Investments at fair value through profit or loss are initially recognized at fair value.

At each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and reflects such valuations in the financial statements.

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

Publicly-traded investments:

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

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

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

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

3. Significant accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

Privately-held investments:

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

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

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

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

   - political changes in a country in which the investee company operates which increases the tax burden on companies, which prohibit mining where it was previously allowed, which increases the need for permitting or approvals, etc.;
   - denial of the investee company's application for environmental, mining, aboriginal or similar approvals which prohibit the investee company from proceeding with its projects;
   - the investee company releases negative exploration results; and
   - changes to the management of the investee company take place which the Company believes will have a negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

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

3. Significant accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

Loans Receivable:

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

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

(ii) Amounts receivable

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

(iii) Financial liabilities

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

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

(iv) Offsetting of financial instruments

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

Financial assets other than investments at fair value

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

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

3. Significant accounting policies (continued)

Impairment of financial assets

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

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

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and deposits that generally mature within 90 days from the date of acquisition. Deposits are held in Canadian chartered banks or in a financial institution controlled by a Canadian chartered bank. At April 30, 2011, January 31, 2011 and February 1, 2010, the Company had no cash equivalents.

Royalty interests on mineral properties

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

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

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

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

Equipment

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

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

3. Significant accounting policies (continued)

Revenue recognition

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

The Company earns royalty income and interest income. Such revenue is recognized based on contractual obligations and when collection is reasonably assured. The period change in the estimated fair value of the convertible royalty loan agreement, prior to its conversion to separate loan and royalty agreements in February 2010, was recorded as revenue on the condensed interim statements of comprehensive (loss) income.

Income taxes

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

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

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

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

Earnings per share

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

3. Significant accounting policies (continued)

Share-based payments

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

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

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

Future accounting pronouncements

IFRS 9 *Financial Instruments* ("IFRS 9") was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet determined the impact of the amendments to IFRS 9 on its financial statements.

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

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

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

(Expressed in Canadian dollars unless otherwise noted)

3. Significant accounting policies (continued)

Future accounting pronouncements (continued)

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

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

4. Investments at fair value through profit and loss

At April 30, 2011, the Company's investment portfolio consists of 14 privately-traded investments and 30 publicly-traded investments for a total fair value of $104,150,097.

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Auger Resources Ltd.	(iii)	2,000,000 common shares	$ 1,000,000	$ 200,000	0.2%
Brazil Potash Corp.	(iii)	1,650,062 common shares	2,500,000	1,561,619	1.5%
Potash Atlantico Corp.	(iii)	3,186,612 common shares	1,653,183	3,015,810	2.9%
		300,000 warrants expire Dec 3, 2012			
Raven Minerals Corp.	(ii)	1,600,000 common shares	400,000	1,440,000	1.4%
		800,000 warrants expire July 30, 2011			
Scandinavian Metals Inc.	(ii,iii)	2,000,000 common shares	1,000,000	100,000	0.1%
Temujin Mining Corp.*	(ii,iii)	12,819,091 common shares	5,657,000	5,657,000	5.4%
		9,090,909 penalty shares B			
		1,410,000 warrants expire Nov 26, 2011			
		600,000 warrants expire Jan 14, 2012			
		4,545,455 warrants expire Jan 29, 2012			
Total of 8 other investments	(iv)		4,273,204	4,199,937	4.0%
Total private investments			$ 16,483,387	$ 16,174,366	15.5%

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

(Expressed in Canadian dollars unless otherwise noted)

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

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Aguia Resources Ltd.*		1,521,583 common shares 4,145,556 performance shares A 3,318,763 performance shares B	$ 614,793	$ 5,762,064	5.5%
Alderon Resources Corp.	(iii)	500,000 common shares	500,000	1,460,000	1.4%
Alder Resources Ltd.	(iii)	1,000,000 common shares	250,000	130,000	0.1%
Alexis Mineral Corp.	(iii)	2,500,000 common shares	250,000	275,000	0.3%
Apogee Minerals Ltd.	(iii)	6,053,500 common shares 1,250,000 warrants expire Dec 22, 2011	1,072,363	1,928,873	1.9%
Avion Gold Corporation	(iii)	2,500,000 warrants expire May 8, 2011	625,781	2,325,250	2.2%
Belo Sun Mining Corp.**	(iii)	3,508,667 common shares 3,000,000 warrants expire March 3, 2012	2,185,667	6,911,794	6.6%
Black Iron Inc.	(iii)	5,429,000 common shares	3,100,600	6,731,960	6.5%
Castillian Resources Corp.	(iii)	13,910,000 common shares 1,000,000 warrants expire June 30, 2011	2,532,656	2,660,850	2.6%
Crocodile Gold Corp.	(iii)	4,015,866 common shares 1,385,000 warrants expire March 24, 2016	3,972,962	4,396,527	4.2%
Dacha Strategic Metals Inc.*****	(iii)	2,460,362 common shares 2,501,551 warrants expire June 16, 2014	1,291,493	1,661,256	1.6%
Eurocontrol Technics Inc.	(iii)	1,496,833 common shares 1,333,333 warrants expire Sep 27,2012	242,975	285,209	0.3%
Forbes & Manhattan (Coal) Corp.	(iii)	1,705,196 common shares 1,100,000 performance shares	2,994,549	5,456,627	5.2%
Largo Resources Ltd.	(iii)	3,983,333 common shares	551,000	1,912,000	1.8%
Longford Energy Inc.	(iii)	3,664,896 common shares	1,267,243	842,926	0.8%
Pitchblack Resources Ltd.***	(ii,iii)	3,030,303 common shares 3,030,303 warrants expire Oct 29, 2012	500,000	1,306,364	1.3%
Rodinia Lithium Inc.	(iii)	3,978,333 common shares 416,667 warrants expire Sep 10, 2012	1,831,925	1,986,642	1.9%
Stetson Oil & Gas Ltd.	(iii)	10,000,000 preferred shares	-	200,000	0.2%
Sulliden Gold Corporation Ltd.	(iii)	14,008,372 common shares	7,855,644	28,857,246	27.7%
Trevali Mining Corp.****	(iii)	212,000 common shares	997,423	392,200	0.4%
Vast Exploration Inc.	(iii)	1,350,000 common shares 1,000,000 warrants expire June 5, 2011	600,402	447,000	0.4%
Allana Resources Inc.	(iv)	2,000,000 warrants expire May 22, 2011 2,375,000 warrants expire June 16, 2011	332,666	7,244,663	7.0%
Copper One Inc.	(iv)	700,000 common shares 700,000 warrants expire Mar 31,2013	245,000	707,000	0.7%
Total of 7 other investments	(iv)		2,606,724	4,094,280	3.9%
Total public investments			$ 36,421,866	$ 87,975,731	84.5%
Total investments			$ 52,905,253	$104,150,097	100.0%

* Formerly Newport Mining Ltd.,
** Formerly Verena Minerals Corp.
*** Formerly Cash Minerals Ltd.
**** Formerly Kria Resources Ltd. One Trevali common share exchanged for every 5 Kria common shares. (Note 6)
***** Formerly Dacha Capital Inc., warrants have an exercise price of $0.42 until June 16, 2012, $0.50 after June 16, 2012

Note
(i) The Company has issued a Section 102 report under the Ontario Securities Act for this investment;
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at April 30, 2011.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation.
(iv) Total other investments held by the Company, which are not individually listed as at April 30, 2011. Directors and officers may hold investments personally.

(Expressed in Canadian dollars unless otherwise noted)

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

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

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

* publicly listed on March 29, 2011

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

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Aguia Resources Ltd.*		1,521,583 common shares	$ 614,793	$ 3,682,904	3.5%
		4,145,556 performance shares A (Note 4)			
		3,318,763 performance shares B (Note 4)			
Alderon Resources Corp.	(iii)	500,000 common shares	500,000	1,775,000	1.7%
Alder Resources Ltd.	(iii)	1,000,000 common shares	250,000	175,000	0.2%
Apogee Minerals Ltd.	(iii)	5,350,000 common shares	1,039,945	2,766,735	2.6%
		1,175,000 w arrants expire April 30, 2011			
		1,250,000 w arrants expire Dec 22, 2011			
Avion Gold Corporation	(iii)	1,591,800 common shares	1,171,137	5,013,216	4.8%
		2,500,000 w arrants expire May 8, 2011			
Belo Sun Mining Corp.**	(iii)	3,708,667 common shares	2,297,428	4,407,980	4.2%
		3,000,000 w arrants expire March 3, 2012			
Castillian Resources Corp.	(iii)	11,410,000 common shares	2,032,656	1,766,400	1.7%
		1,000,000 w arrants expire June 30, 2011			
Crocodile Gold Corp.	(iii)	1,245,866 common shares	1,053,914	1,669,460	1.6%
Dacha Strategic Metals Inc.*****	(iii)	3,680,362 common shares	1,755,913	2,061,699	2.0%
		2,501,551 w arrants expire June 16, 2014			
Eurocontrol Technics Inc.	(iii)	1,333,333 common shares	200,000	314,267	0.3%
		1,333,333 w arrants expire Sep 27,2012			
Forbes & Manhattan (Coal) Corp.	(iii)	1,705,196 common shares	2,994,549	7,758,642	7.4%
		1,100,000 performance shares			
Largo Resources Ltd.	(iii)	3,983,333 common shares	551,000	2,111,166	2.0%
Longford Energy Inc.	(iii)	3,259,869 common shares	1,109,331	1,287,659	1.2%
Pitchblack Resources Ltd.***	(ii,iii)	3,030,303 common shares	500,000	2,301,818	2.2%
		3,030,303 w arrants expire Oct 29, 2012			
Rodinia Lithium Inc.	(iii)	3,833,333 common shares	1,750,000	2,360,000	2.3%
		416,667 w arrants expire Sep 10, 2012			
Stetson Oil & Gas Ltd.	(ii,iii)	10,000,000 preferred shares	-	200,000	0.2%
Sulliden Gold Corporation Ltd.	(iii)	13,239,141 common shares	7,240,259	31,185,004	29.8%
		769,231 w arrants expire April 23, 2011			

(Expressed in Canadian dollars unless otherwise noted)

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

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Kria Resources Ltd.****	(iii)	2,299,000 common shares	2,163,278	977,075	0.9%
Vast Exploration Inc.	(iii)	1,350,000 common shares	600,402	1,100,000	1.0%
		1,000,000 warrants expire June 5, 2011			
Total of 7 other investments	(iv)		1,217,596	13,316,107	12.7%
Total public investments			$ 29,042,201	$ 86,230,132	82.3%
Total investments			$ 46,759,365	$104,809,740	100.0%
Reconciliation:					
Investments held as financial assets			$ 47,401,879	$105,827,444	
Investments held as financial liabilities			(642,514)	(1,017,704)	
Total investments			$ 46,759,365	$104,809,740	

* Formerly Newport Mining Ltd.,
** Formerly Verena Minerals Corp.
*** Formerly Cash Minerals Ltd.
**** Every five common shares of Kria to be exchanged for one common share of Trevali. (Note 6)
***** Formerly Dacha Capital Inc., warrants have an exercise price of $0.42 until June 16, 2012, $0.50 after June 16, 2012

Note
(i) The Company has issued a Section 102 report under the Ontario Securities Act for this investment;
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2011.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2011. Directors and officers may hold investments personally.

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

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Auger Resources Ltd.	(ii,iii)	2,000,000 common shares	$ 1,000,000	$ 500,000	0.9%
		1,000,000 warrants expire Sept 16, 2010			
Brazil Potash Corp.	(iii)	1,650,062 common shares	2,500,000	1,776,127	3.1%
Raven Minerals Corp.	(ii)	1,600,000 common shares	400,000	400,000	0.7%
		800,000 warrants expire July 30, 2011			
Forbes & Manhattan (Coal) Corp.*	(ii,iii)	1,000,000 common shares	800,000	800,000	1.4%
Scandinavian Metals Inc.	(ii,iii)	2,000,000 common shares	1,000,000	500,000	0.9%
		1,000,000 warrants expire Sept 12, 2010			
Temujin Mining Corp.	(ii,iii)	7,364,545 common shares	3,667,200	3,758,400	6.6%
		7,364,545 warrants expire Nov 26, 2011			
		600,000 warrants expire Jan 14, 2012			
Amazon Potash Corp.	(iii)	2,800,000 common shares	-	-	-
Total private investments			$ 9,367,200	$ 7,734,527	13.6%

* publicly listed on September 27, 2011

(Expressed in Canadian dollars unless otherwise noted)

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

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Allana Resources Inc.	(iii)	6,750,000 common shares	$ 1,220,000	$ 3,348,300	5.9%
		2,000,000 warrants expire May 22, 2011			
		2,375,000 warrants expire June 16, 2011			
Apogee Minerals Ltd.	(ii,iii)	9,850,000 common shares	2,391,000	1,226,528	2.2%
		5,000,000 warrants expire May 23, 2010			
		1,175,000 warrants expire April 30, 2011			
		1,250,000 warrants expire Dec 22, 2011			
Avion Gold Corporation	(iii)	8,774,400 common shares	3,631,919	6,002,634	10.5%
		2,500,000 warrants expire May 8, 2011			
Castillian Resources Corp.	(iii)	11,660,000 common shares	2,034,670	1,179,350	2.1%
		500,000 warrants expire June 30, 2010			
Crocodile Gold Inc.	(i,ii,iii)	6,319,478 common shares	3,546,424	16,929,174	29.6%
		2,500,000 warrants expire June 15, 2012			
		317,460 warrants expire Feb 9, 2010			
		1,017,429 warrants expire Feb 9, 2010			
Crowflight Minerals Inc.	(iii)	3,379,724 common shares	1,508,039	607,682	1.1%
		1,470,612 warrants expire April 30, 2011			
Dacha Stragetic Metals Inc.**	(i,ii,iii)	2,501,551 common shares	825,512	2,345,204	4.1%
		2,501,551 warrants expire June 16, 2014			
Largo Resources Ltd.	(iii)	3,983,333 common shares	551,000	896,250	1.6%
Longford Energy Inc.	(iii)	3,659,869 common shares	1,941,090	1,207,170	2.1%
		3,296,296 warrants expire February 28, 2010			
		1,000,000 warrants expire June 5, 2011			
Stetson Oil & Gas Ltd.	(ii,iii)	10,000,000 preferred shares	740,290	177,000	0.3%
		10,000,000 warrants expire Sept 17, 2010			
Sulliden Gold Corporation Ltd.	(i,iii)	10,403,303 common shares	4,920,283	7,621,216	13.3%
		769,231 warrants expire April 23, 2011			
		625,000 warrants expire October 6, 2012			
Kria Resources Ltd.*	(iii)	2,599,000 common shares	2,599,000	561,880	1.0%
		375,000 warrants expire November 19, 2009			
		1,000,000 warrants expire June 9, 2010			
		50,000 warrants expire June 16, 2010			
Vast Exploration Inc.	(iii)	1,350,000 common shares	1,062,686	1,518,170	2.7%
		2,050,000 warrants expire June 12, 2010			
		1,000,000 warrants expire June 5, 2011			
Total of 10 other investments	(iv)		4,874,928	5,672,474	9.9%
Total public investments			$ 31,846,841	$ 49,293,032	86.4%
Total investments			$ 41,214,041	$ 57,027,559	100.0%

* Every five common shares of Kria to be exchanged for one Trevali common share. (Note 6)

** Formerly Dacha Captial Inc., warrants exercise price at $0.42 until June 16, 2012, $0.50 after June 16, 2012

Note

(i) The Company has issued a Section 102 report under the Ontario Securities Act for this investment;

(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at February 1, 2010.

(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation.

(iv) Total other investments held by the Company, which are not individually listed as at February 1, 2010. Directors and officers may hold investments personally.

(Expressed in Canadian dollars unless otherwise noted)

5. Amounts receivable

	April 30, 2011	January 31, 2011	February 1, 2010
Interest receivable	**$ 360,911**	$ 336,813	$ 579,556
Royalty receivable (Note 7)	**1,626,741**	1,491,112	1,545,358
Due from broker	**340,000**	633,753	6,414
Recoverable expenses	**755,375**	115,350	-
Other receivable	**70,152**	118,698	75,447
	$ 3,153,180	$ 2,695,725	$ 2,206,775

6. Loans receivable

	April 30, 2011	January 31, 2011	February 1, 2010
Temujin Mining Corp. convertible debenture *	**$ 3,430,249**	$ 3,629,960	$ 6,415,800
Castillian Resources Corp. convertible debenture	**495,434**	1,641,617	-
China Railway Mining Corp. convertible debenture	**-**	1,251,875	-
Trevali Mining Corp. secured debenture	**500,000**	500,000	-
Garrison International Ltd. Working capital	**318,154**	-	-
Amazon Potash Corp. secured debenture	**-**	-	1,830,765
	$ 4,743,837	$ 7,023,452	$ 8,246,565

* Debenture changed from secured to convertible effective October 1, 2010

Trevali Mining Corp. (Formerly Kria Resources Ltd.)

In June 2009, the Company entered into a secured debenture agreement with Trevali Mining Corp. ("Trevali") (formerly Kria Resources Ltd. ("Kria")) to loan up to $600,000, with any amounts drawn being due and repayable on December 31, 2010 and subject to interest at a rate of 10% per annum. Consideration provided to the Company by Kria for entering into the secured debenture agreement included a $25,000 fee plus up to 250,000 share purchase warrants, of which 50,000 have been issued, with each share purchase warrant entitling Aberdeen to purchase one common share of Kria at any time prior to June 16, 2010. The grant date fair value of the warrants issued was determined to be nominal and no value was recorded. These warrants expired unexercised. Kria paid the $25,000 fee in April 2010 and drew down $500,000 under the secured debenture agreement in August, 2010. The $25,000 fee was recorded as deferred revenue and is being recognized as income over the term of the agreement. An additional 200,000 warrants were issued to the Company upon the draw-down to acquire Kria's common shares for a period of one year from the date of grant. The grant date fair value of the warrants issued was estimated to be $7,760, which was discounted to the loan and recognized as income over the term of the agreement. These warrants were exercised by the Company on December 31, 2010 for 200,000 common shares of Kria at a price of $0.135.

On December 31, 2010, Kria did not repay the loan. As a result, an amendment agreement was made whereby Kria agreed to pay the Company an annualized penalty fee at the rate of 10% per annum due and payable on the debenture redemption date. On January 14, 2011, the Company entered into a subordination and postponement agreement with Cardero Resource Corp. ("Cardero") and Kria. This debenture is secured against all the assets of Kria and ranks subordinate in priority to that of the Cardero, the senior lender. At April 30, 2011 and January 31, 2011, the balance of the loan facility in the amount of $100,000 remained undrawn. Subsequent to April 30, 2011, Trevali repaid $150,000 of the principal amount of the debenture. On April 7, 2011, Kria was acquired by Trevali Mining Corp. ("Trevali") by issuing one Trevali common share for every five Kria common shares to Kria's existing shareholders.

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

6. Loans receivable (continued)

Castillian Resources Corp.

In January 2010, the Company entered into a secured debenture agreement with Castillian Resources Corp. ("Castillian") to loan Castillian up to $500,000, with any amounts drawn being due and repayable on June 30, 2010 and subject to interest at a rate of 10% per annum. The debenture was initially secured against Castillian's interest in the Kagera property in Tanzania. Castillian paid Aberdeen an advisory service fee in the amount of $25,000 and issued 500,000 share purchase warrants to Aberdeen, which entitled the Company to acquire one Castillian common share at a price of $0.10 at any time prior to June 30, 2010. Castillian shall also issue 100,000 of the same share purchase warrants per $100,000 subsequently drawn against the line of credit. The warrants are subject to a statutory four month hold period. The grant date fair value of the warrants issued was estimated to be $7,550. The $25,000 advisory service fee and the $7,550 fair value of the warrants was discounted to the loan and recognized as income over the term of the agreement. During the three months ended April 30, 2010, Castillian drew down the $500,000 under the secured debenture agreement with an additional 500,000 share purchase warrants issued to Aberdeen to acquire Castillian common shares at a price of $0.10 each at any time prior to June 30, 2011. The estimated grant date fair value of the warrants issued of $24,500 was discounted to the loan and recognized as income over the term of the loan.

Castillian did not repay the loan on June 30, 2010. The Company entered into an amendment agreement with Castillian whereby the term of the loan was extended to December 31, 2012 with a conversion right granted to the Company to convert the loan into units consisting of one common share and one-half of one common share purchase warrant of Castillian at a conversion price of $0.06 per unit at anytime on or before December 31, 2012. Each whole warrant will entitle the Company to acquire one common share of Castillian at $0.10 until December 31, 2012. In addition, the security interest with respect to the loan was amended to include Castillian's Mangabal property, located in Brazil. At July 31, 2010, the Company adjusted the fair value of the 500,000 share purchase warrants issued based on the extended term. An additional fair value of the warrants of $16,950 was discounted to the loan and is being recognized as income over the term of the amended agreement.

As of January 31, 2011, the Company recognized an unrealized gain of $1,156,383 on the convertible loan based on the fair market value of the Castillian's shares. As of April 30, 2011, the convertible loan agreement has yet to be approved by the TSX Venture Exchange. Due to the longer than anticipated time delays for approval, the Company reversed the unrealized gain during the period ended April 30, 2011. Directors of Aberdeen, Stan Bharti and Michael Hoffman, are also directors of Castillian.

Temujin Mining Corp.

On January 14, 2010, the Company entered into a loan agreement with Temujin Mining Corp. ("Temujin"), a privately held company. The Company loaned Temujin US$6,000,000 ($6,009,000), repayable on or before January 14, 2011, with 10% interest per annum calculated monthly and payable on maturity. The debenture is secured against all of the assets of Temujin and shall rank senior in priority and preference to any other indebtedness or other encumbrance of Temujin. As consideration for arranging the loan, Temujin agreed to pay the Company advisory service fees of US$360,000 ($360,540), payable on demand, and issued 600,000 warrants to purchase common shares of Temujin at an exercise price of $0.55 per share until January 14, 2012. On February 11, 2010, US$3,000,000 ($3,004,500) of the loan was repaid.

On October 1, 2010, the Company entered into a secured debenture agreement with Temujin, whereby the term of the previous loan was extended to July 14, 2011 with a conversion right granted to the Company to convert the loan into common shares of Temujin at a conversion price of US$0.50 per share at anytime on or before the maturity date. The debenture is secured against all of the assets of Temujin and ranks senior in priority and preference to any other indebtedness or other encumbrance of Temujin. Furthermore, the advisory service fees along with accrued interest totalling US$624,523 ($625,460) were discounted to the loan and recognized as income over the term of the agreement. This brings the total outstanding principal to US$3,624,523 ($3,629,960).

At April 30, 2011 and January 31, 2011, the value of the conversion feature was assessed as nominal. As such, the Company did not recognize any gain or loss on the convertible debenture.

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

6. Loans receivable (continued)

Pitchblack Resources Ltd. (formerly Cash Minerals Ltd.)

On February 2, 2010, the Company entered into a secured debenture subscription agreement with Pitchblack Resources Ltd. ("Pitchblack"). The Company loaned Pitchblack $500,000, which will mature and become due and repayable on February 2, 2013. The debenture bears interest at a rate of 10% calculated and payable semi-annually on the last day of June and December, commencing June 30, 2010, and continuing until the debenture is repaid in full. This debenture was secured against all of the assets of Pitchblack and ranked senior in priority to any and all other debts of Pitchblack subsequently incurred subject to applicable laws. On January 31, 2011, the Company acquired 3,030,303 units of Pitchblack through a private placement financing at a price of $0.165 per unit. The $500,000 loan outstanding was applied against the settlement of the Pitchblack units. Accrued interest totaling $36,986 was subsequently paid to the Company.

A director of Aberdeen, Stan Bharti, serves as a director of Pitchblack.

Dacha Strategic Metals Inc. (formerly Dacha Capital Inc.)

On February 8, 2010, the Company entered into a secured convertible debenture agreement with Dacha Strategic Metals Inc. ("Dacha"). The Company loaned Dacha $2,156,830, which matured and was repayable on March 31, 2010. Dacha agreed to pay a 5% advisory service fee in consideration of the debenture and 10% interest per annum calculated monthly and payable on maturity. The Company had the option to convert the principal and interest outstanding, in whole or in part, into funds to be used for a participation in Dacha's private placement announced on March 1, 2010.

On March 24, 2010, the Company exercised its conversion right in the participation of Dacha's private placement. The Company converted the debenture plus interest totaling $2,160,000 into 4,800,000 special warrants of Dacha at $0.45 per special warrant. The advisory service fees plus the remaining balance of accrued interest totaling $132,593 were also repaid to the Company at this time. The special warrants were converted to common shares of Dacha on July 23, 2010.

A director and officer of Aberdeen, Stan Bharti and Ryan Ptolemy , also serve as a director and an officer of Dacha.

Garrison International Ltd.

On February 22, 2010, the Company entered into a secured debenture subscription agreement with Garrison International Ltd. ("Garrison"). The Company loaned Garrison $600,000, which will mature and become due and repayable on February 22, 2013. The debenture bears interest at a rate of 10% calculated and payable semi-annually on the last day of June and December, commencing June 30, 2010 and continuing until the debenture is repaid in full. This debenture is secured against all of the assets of Garrison and ranks senior in priority to any and all other debts of Garrison subsequently incurred subject to applicable laws. On December 31, 2010, Garrison did not make its semi-annual interest payment. The Company notified Garrison of default in writing. As a result of failing to receive a rectification of default from Garrison, the Company made a provision on the full principal amount of $600,000 and interest of $27,509. Subsequent to January 31, 2011, the Company made available a working capital facility to Garrison. As of April 30, 2011, the Company has loaned a total of $318,154 to Garrison. The working capital facility is interest free, unsecured and the amount is due on demand.

China Railway Mining Corp.

On April 12, 2010, the Company entered into an agreement with Forbes & Manhattan, Inc. ("Forbes") to acquire 50% of the convertible debenture issued by China Railway Mining Corp ("China Railway") on March 9, 2009 to Forbes in return for a cash payment to Forbes in the amount of US$1,250,000. In addition, as return for the consideration, the Company received (a) 40,000 common shares of China Railway which represent 40% of the common shares that were issued and outstanding; and (b) 80,000 warrants of China Railway that were issued, which expired unexercised on December 15, 2010. The loan was convertible at the option of the lender on or before November 30, 2010 for common shares of Crystallex International Corporation ("Crystallex") at a price equal to the greater of $0.20 per share or 95% of the 5 day volume weighted average trading price of the common shares ending on the date of conversion. Subsequent to January 31, 2011, the Crystallex shares were trading below the conversion price.

6. Loans receivable (continued)

China Railway Mining Corp. (continued)

The principal of the debenture plus interest of 6% per annum were repayable on December 31, 2010. On December 31, 2010, China Railway did not repay the loan and interest owed. At April 30, 2011, the value of the conversion was assessed as nominal. During the three month period ended April 30, 2011, the Company issued a demand letter to China Railway requesting repayment of the principal plus interests in full. The Company also made a provision on the loan and interest receivable totaling $1,258,688 at April 30, 2011.

Rodinia Lithium Inc.

On July 20, 2010, the Company entered into a short term bridge loan agreement with Rodinia Lithium Inc. ("Rodinia"). The Company loaned Rodinia $200,000, which was due and repayable on September 30, 2010. The loan included interest of 10% per annum calculated monthly and payable on maturity. The loan plus accrued interest totalling $202,904 was repaid to the Company on September 10, 2010. A director and officers of Aberdeen, Stan Bharti, David Stein and Ryan Ptolemy, also serve as directors and officers of Rodinia.

Amazon Potash Corp. / Loan assignment from Avion Gold Corporation

On May 6, 2009, Avion Gold Corporation ("Avion") acquired all of the issued and outstanding common shares of Dynamite Resources Ltd. ("Dynamite") at an exchange ratio of 0.75 Avion common shares for each Dynamite common share. Following the acquisition, Avion repaid all of its outstanding loans to Aberdeen through a cash payment of $1,550,000, plus accrued interest of $38,004, and the assignment of the rights to a secured note receivable from Amazon Potash Corp. ("Amazon Potash") for US$1,250,000. Amazon Potash is a private company with potash properties in Brazil. The note receivable was due June 30, 2009 with an annual interest rate of 12%, calculated monthly and payable upon maturity and was secured by Amazon Potash's assets. In addition, the note agreement also provided Aberdeen with the option to convert the principal, in whole or in part, into common shares of Amazon Potash on or before June 30, 2009 at US$1.00 per share. The secured note receivable was recorded on Aberdeen's books at a discounted value of US$1,170,488 ($1,373,100) against a face value of US$1,250,000 ($1,466,365) and no gain or loss was recorded on the retirement of loans outstanding from Avion to the Company in exchange for cash and the Amazon Potash secured note receivable.

On May 27, 2009, the Company loaned an additional US$250,000 that was added to the existing secured note receivable balance from Amazon Potash of US$1,250,000. As consideration, the Company received a US$25,000 advisory service fee and 100,000 shares of Amazon Potash. Interest receivable accrued between assuming the secured note receivable on May 6, 2009 and May 27, 2009, totalling US$8,630, was capitalized as part of the loan. Amazon Potash did not repay the loan on June 30, 2009. The Company and Amazon Potash agreed to four separate quarterly extensions to the secured note receivable to June 30, 2010. As consideration for extending the term of the note receivable, the Company received an aggregate fee of US$100,000 and 200,000 Amazon Potash shares.

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

In June 2010, Falcon Metals Ltda., a 100% owned subsidiary of Amazon Potash, sold its 100% ownership in Aguia Metais Ltda. to Aguia Resources Limited ("Aguia") (formerly Newport Mining Corp.), an Australian publicly traded mining company. The transaction included the conversion of 50% of the Amazon Potash loan into common shares, Performance A Shares and Performance B Shares of Aguia. Through this transaction, the Company received 477,845 common shares, 666,426 Performance A Shares and 883,375 Performance B Shares of Aguia given its holding of 2,800,000 shares of Amazon Potash. As for the conversion of the balance of 50% of the Amazon Potash loan plus interest outstanding (US$927,390), Aguia issued 1,043,738 common shares at a price of AUD$0.15 per share, and 3,479,130 Performance A Shares and 2,435,388 Performance B Shares of Aguia. Consequently, the value of the 1,043,738 shares in the amount of US$135,974 (AUD$156,561) and the value of the 3,479,130 Performance A shares in the amount of US$453,247 (AUD$521,870) was applied as a reduction to the Amazon Potash loan.

6. Loans receivable (continued)

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

A provison on the remaining balance of the loan US$338,169 (AUD$365,307) was taken on January 31, 2011. All the Aguia shares are to be held in escrow until June 22, 2011. The Performance A Shares will convert to common shares upon the completion of a technical report evidencing a combined Mineral Resource Estimate (including all categories of resources) of not less than 30,000,000 tonnes with a grade of not less than 10% P_2O_5 at the Mata da Corda or Lucena Project within 3 years of being issued. The Performance B Shares will convert to common shares upon the completion of a technical report evidencing a combined Mineral Resource Estimate (including all categories of resources) of not less than 70,000,000 tonnes with a grade of not less than 10% P_2O_5 at the Mata da Corda or Lucena Project within 3 years of being issued.

In June 2010, Amazon Potash sold its 100% owned subsidiary Potassio do Atlantico Ltda. to Potash Atlantico Corp. in exchange for shares that were issued to the shareholders of Amazon Potash (including Aberdeen), assumption of certain obligations and the issuance of an additional 1,005,965 shares of Potash Atlantico Corp. (“Potash Atlantico”) to the Company. This represented 50% of the Amazon Potash loan (US$926,797) owed to the Company. The proposed financing for Potash Atlantico was being done at a valuation that would represent US$1.00 per share minimum. Consequently, the 50% of the Amazon Potash loan outstanding and due June 30, 2010 was extended to September 30, 2010 with an annual interest rate of 12%. Pursuant to the financing, the Company received 1,580,647 shares of Potash Atlantico given its holding of 2,800,000 shares of Amazon Potash. The Company also received 1,005,965 shares of Potash Atlantico from the conversion of 50% of the Amazon Potash loan and interest outstanding.

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

Russo-Forest Corporation

Through August 2008 to August 2009, the Company loaned an aggregate total of US$663,710 ($709,705) and $500,000 to Russo-Forest Corporation (“Russo-Forest”), a privately held company with timber operations in the Russian northwest. These loans were 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 February 2, 2009, Russo-Forest entered into a share exchange agreement with Nyah Resources Corp. (“Nyah”), a junior resource company traded on the TSX Venture Exchange (the “Exchange”). 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 of $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 its share exchange agreement with Nyah and its difficulties executing its business plans and securing financing, the Company has recorded a provision against loans of $1,209,705 and accrued interest of $107,971 outstanding from Russo-Forest.

In May 2010, the Company issued a legal letter to Russo-Forest demanding repayment of the loan and interest owed to the Company by May 31, 2010. Russo-Forest has not responded and the Company is examining its options with respect to the receivable.

A director of Aberdeen, Stan Bharti was also a director of Russo-Forest. A director and an officer of Aberdeen, Stan Bharti and George Faught, also hold a director and an officer position in Nyah. Aberdeen officers and directors may hold investments personally in Russo-Forest and Nyah.

7. Loan - Simmer & Jack

During the fourth quarter of fiscal 2006, the Company loaned US$10,000,000 to Simmer and Jack Mines, Limited (“Simmers”). The loan had a three-year term maturing December 31, 2008, a 3% coupon at gold prices up to US$400 per ounce (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.

The loan also had an option that allowed Aberdeen to call for its conversion into equity of Simmers at ZAR 0.80 per share at any time from January 1, 2007 to December 31, 2008, subject to Simmers’ shareholders’ approval. On October 16, 2008, the Company called for conversion to equity and a shareholder vote was held on February 16, 2009, whereby the Simmers’ shareholders voted against the conversion as unanimously recommended by Simmers’ board of directors. As a result, it is Aberdeen’s position that the US$10,000,000 loan was due, as of its maturity date of December 31, 2008, and Aberdeen was entitled to a 1% NSR on the gold produced on the underlying assets starting October 16, 2008. In addition, it is the Company’s position that a payment of approximately US$1,363,000 is due from Simmers which is the interest and graduated royalty calculated at a rate of 4.75% on the gold produced between October 16, 2008 and December 31, 2008, the maturity date of the loan, in addition to a 1% NSR royalty on gold production starting October 16, 2008. However, it 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 of 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 loan principal.

Aberdeen’s statement of financial position as at April 30, 2011, reflects Aberdeen’s interpretation of the agreement. As a result, the US$10,000,000 ($9,464,000) loan was still outstanding at April 30, 2011 (January 31, 2011 – US$10,000,000 ($10,015,000); February 1, 2010 - US$10,000,000 ($10,693,000)) and is recorded in the statement of financial position. In addition, as at April 30, 2011, the Company had receivables from Simmers and First Uranium totaling US$1,853,660 ($1,754,305) ((January 31, 2011 – US$1,623,666 ($1,626,102); February 1, 2011 - US$1,579,992 ($1,689,486)). This includes the amount related to the interest and graduated royalty for the period between October 16, 2008 and December 31, 2008. It is Simmers’ contention that these amounts are not due.

Management’s interpretation is that, pursuant to section 2.6 of the Convertible Royalty Loan Agreement (the “Agreement”), the graduated royalty is calculated on production until December 31, 2008, notwithstanding Aberdeen’s request for conversion. In addition, pursuant to section 2.10 of the Agreement, if the Simmers’ shareholders do not approve the loan conversion, the 1% NSR would be in addition to the repayment of the US$10,000,000 principal and, pursuant to section 2.4 of the Agreement, the principal is repayable in cash until shareholders approve the equity conversion. Aberdeen intends to aggressively contest any alternative interpretation of the Agreement. The Company provided Simmers’ management and directors with a demand letter and a letter from Aberdeen’s legal counsel outlining Aberdeen’s interpretation of the Agreement in advance of the February 16, 2009 Simmers’ shareholder meeting. Aberdeen has also filed the Agreement between the Company and Simmers on SEDAR (www.sedar.com) under the Company’s profile. Following the vote by Simmers’ shareholders not to allow for the conversion, the Company provided Simmers’ board and management with a letter reiterating Aberdeen’s understanding of Simmers’ obligations under the Agreement. Aberdeen was informed by Simmers’ board and management that their position regarding the Agreement, as described above, had not changed. As a result, the Company 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 royalty and loan on the statements of financial position as of January 31, 2011. In November 2009, Simmers filed a 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 was originally set for November 18, 2010 but has been postponed until October 22, 2011. In May 2010, the Company agreed to an arbitration process with Simmers which is scheduled to commence October 10, 2011. The litigation and pending court date has been superseded by the arbitration.

In connection with the Agreement, Aberdeen holds a notarial special covering bond in the amount of US$10,000,000 plus ZAR5,000,000 ($720,500) over the assets of the North Plant on Simmers’ greater Buffels property.

(Expressed in Canadian dollars unless otherwise noted)

8. Royalty interests on mineral properties

The following tables summarize the Company's royalty interests as at April 30, 2011, January 31, 2011 and February 1, 2010:

Royalty Interests	Cost	Accumulated Depletion	Impairment	Net
Simmer and Jack Mines, Limited	$ 24,445,948	$ (501,983)	$ -	$ 23,943,965
First Uranium Corporation	11,408,134	(306,171)	-	11,101,963
Balance, February 1, 2010	$ 35,854,082	$ (808,154)	$ -	$ 35,045,928
Simmer and Jack Mines, Limited	$ 22,895,929	$ (791,189)	$ (3,904,772)	$ 18,199,968
First Uranium Corporation	10,684,790	(701,258)	-	9,983,532
Balance, January 31, 2011	$ 33,580,719	$ (1,492,447)	$ (3,904,772)	$ 28,183,500
Simmer and Jack Mines, Limited	$ 21,894,613	$ (844,794)	$ (3,904,772)	$ 17,145,047
First Uranium Corporation	10,135,521	(804,190)	-	9,331,331
Balance, April 30, 2011	$ 32,030,134	$ (1,648,984)	$ (3,904,772)	$ 26,476,379

Simmer and Jack Mines, Ltd.	Cost	Accumulated Depletion	Impairment	Net
Balance, February 1, 2010	$ 24,445,948	$ (501,983)	$ -	$ 23,943,965
Depletion / impairment	-	(329,040)	(3,904,772)	(4,233,812)
Currency translation adjustment	(1,550,019)	39,834	-	(1,510,185)
Balance, January 31, 2011	22,895,929	(791,189)	(3,904,772)	18,199,968
Depletion / impairment	-	(55,166)	-	(55,166)
Currency translation adjustment	(1,001,316)	1,561	-	(999,755)
Balance, April 30, 2011	$ 21,894,613	$ (844,794)	$ (3,904,772)	$ 17,145,047

First Uranium Corporation	Cost	Accumulated Depletion	Impairment	Net
Balance, February 1, 2010	$ 11,408,134	$ (306,171)	$ -	$ 11,101,963
Depletion / impairment	-	(424,955)	-	(424,955)
Currency translation adjustment	(723,344)	29,868	-	(693,476)
Balance, January 31, 2011	10,684,790	(701,258)	-	9,983,532
Depletion / impairment	-	(105,930)	-	(105,930)
Currency translation adjustment	(549,269)	2,998	-	(546,271)
Balance, April 30, 2011	$ 10,135,521	$ (804,190)	$ -	$ 9,331,331

The Company owns a 1% NSR royalty interest on gold production from Simmers' producing Northwest assets and on First Uranium's Mine Waste Solutions tailings recovery operation. The Company received both the Simmers and First Uranium royalties as a result of the Simmers' shareholder February 16, 2009 vote against the conversion of the US$10,000,000 loan outstanding as more fully described above in Note 7, "Loan - Simmer & Jack". Prior to the vote to deny the conversion of the loan into shares of Simmers, the Company had carried the convertible loan on its statements of financial position at its estimated fair market value based on a discounted cash flow analysis. Following the vote to deny conversion, the Company began accounting for the resulting 1% NSR royalties as tangible assets with the carrying value being the estimated fair market value of the royalty portion on February 16, 2009. The fair value was estimated using the following assumptions: 1) life of mines and gold production estimates as per Simmers and First Uranium; 2) US$850 gold price through fiscal 2010, and US$700 thereafter; and, 3) discount rate ranging from 2.5% to 5%. The carrying values of the royalty interests are depleted using the unit-of-production method over the life of the property to which the royalty interest relates.

(Expressed in Canadian dollars unless otherwise noted)

8. Royalty interests on mineral properties (continued)

At January 31, 2011, the Company impaired the carrying value of the Simmer and Jack Mines royalty as production was slower than originally estimated. As a result, the Company wrote-down the carrying value on the Simmers royalty interests by $3,904,772.

The functional currency of the Company's royalty interests on mineral properties division is the US dollar. During the three months ended April 30, 2011, a translation adjustment loss $1,546,026 (net of taxes - $1,160,025); (three months ended April 30, 2010 - $1,721,287 (net of taxes $1,290,899)) was recorded.

The translation adjustment loss of $5,792,761 (net of taxes - $4,274,761) recorded during the year ended January 31, 2010 was reallocated from other comprehensive loss to retained earnings on the IFRS transition date.

9. Accounts payable and accrued liabilities

		April 30, 2011		January 31, 2011		February 1, 2010
Trade and other payables due to related parties	**$**	**14,324**	$	7,245	$	41,420
Other trade payables		**1,877,271**		65,402		48,300
Due to broker		**612,170**		30,795		484,520
Payroll liabilities		**34,659**		2,591		4,699
Bonus accruals		**4,117,435**		5,788,935		1,005,000
Non-trade payable and accrued expenses		**289,643**		550,803		132,294
	$	**6,945,502**	$	6,445,771	$	1,716,233

10. Income taxes

Provision for income taxes

Major items causing the Company's income tax rate to differ from the Canadian combined federal and provincial statutory rate of approximately 28% (2011 - 31%; 2010 – 33%) are as follows:

		April 30, 2011		**April 30, 2010**
Income before income taxes	**$**	**(6,672,208)**	$	2,830,930
Expected income tax expense	**$**	**(1,874,000)**	$	878,000
Adjustments to benefit resulting from:				
Stock-based compensation		**126,000**		157,000
Net realized gain on foreign exchange		**14,000**		205,000
Differences and changes in expected tax rates		**(949,267)**		-
Other		**(104,165)**		(366,621)
Provision for income tax expense	**$**	**(2,787,432)**	$	873,379

(Expressed in Canadian dollars unless otherwise noted)

10. Income taxes (continued)

Deferred taxes

	April 30, 2011	January 31, 2011	February 1, 2010
Deferred tax assets (liabilities)			
Investments	**$ (13,673,000)**	$ (16,845,000)	$ (4,877,000)
Royalty interest in mineral properties	**(6,520,000)**	(6,947,000)	(9,185,000)
Loan - Simmers & Jack	**582,000**	445,000	288,000
Resource properties	**105,000**	120,000	79,000
Share issue costs	**205,000**	273,000	627,000
Other	**249,000**	253,000	84,000
Net deferred income tax liability	**$ (19,052,000)**	$ (22,701,000)	$ (12,984,000)

Significant components of income tax (expense) benefit:

	April 30, 2011	April 30, 2010
Current tax expense	$ (475,568)	$ (1,774,379)
Deferred tax benefit	3,263,000	901,000
	$ 2,787,432	$ (873,379)

11. Share capital

Authorized: Unlimited common shares with no par value

Common shares

Issued and outstanding common shares	Number of shares	Amount
Balance, February 1, 2010	**87,503,839**	**$ 44,174,159**
Shares issued on exercise of options	490,000	58,800
Option valuation on options exercised		31,457
Shares repurchased and cancelled (NCIB)	(1,316,500)	(663,793)
Balance, January 31, 2011	**86,677,339**	**$ 43,600,623**
Shares issued on exercise of options	230,000	62,600
Option valuation on options exercised		43,656
Shares repurchased and cancelled (NCIB)	(712,700)	(358,358)
Balance, April 30, 2011	**86,194,639**	**$ 43,348,521**

Dividends

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

During the three months ended April 30, 2011, 86,780,739 shares were recorded for the first semi-annual dividend of $0.01. A dividend payment in the amount of $867,141 (2010 - $nil) was paid to shareholders during the three month period ended April 30, 2011.

(Expressed in Canadian dollars unless otherwise noted)

11. Share capital (continued)

Normal course issuer bid

During the year-ended January 31, 2010, the Company instituted a normal course issuer bid ("NCIB"), in respect of its common shares. Pursuant to the terms of the NCIB, and in accordance with the policies of the TSX, during the period commencing February 5, 2010 and ending on February 4, 2011, the Company could purchase up to 7,535,000 common shares, representing approximately 10% of the common shares in the public float as at January 29, 2010. Daily purchases were limited to 70,144 common shares other than block purchase exceptions. Purchases were made in open market transactions through the facilities of the TSX and on other published markets at market prices prevailing at the time of acquisition. All common shares purchased under the NCIB were cancelled.

During the year ended January 31, 2011, the Company purchased and cancelled 1,316,500 common shares available under the NCIB at an average price of $0.51 per share.

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

During the three months ended April 30, 2011, the Company purchased and cancelled 712,700 common shares (2010 – nil) at an average price of $0.90 (2010 - $0) per share under the new NCIB approved by the TSX.

As at April 30, 2011, January 31, 2011 and February 1, 2010, the cost of purchases less than or in excess of the carrying value of the common shares pursuant to the NCIB were allocated to the equity reserve and retaining earnings respectively as follows:

	Purchase and cancellation of shares				**Allocation**		
Date	Number of shares cancelled	Total costs	Cost per share (FV)	Cost per share (BV)	Common shares ($)	Share-based payment reserve	Retained earnings
February 1, 2010	(15,426,834)	$ 4,371,785	$ 0.2834	$ 0.5048	$ (7,787,857)	$ 3,519,554	$ (103,482)
	(1,316,500)	674,090	0.5120	0.5030	(663,793)	38,471	(48,767)
January 31, 2011	(16,743,334)	$ 5,045,875			$ (8,451,651)	$ 3,558,025	$ (152,249)
	(712,700)	643,778	0.9033	0.5024	(358,358)	(58,498)	(226,923)
April 30, 2011	(17,456,034)	$ 5,689,653			$ (8,810,009)	$ 3,499,527	$ (379,172)

(Expressed in Canadian dollars unless otherwise noted)

12. Equity reserve

	Number of warrants	Weighted average exercise price	Value of warrants	Number of options	Weighted average exercise price	Value of options	Treasury shares adjustment	Total Value
February 1, 2010	37,500,000	$ 1.00	$15,750,000	6,900,000	$ 0.31	$ 1,360,283	$ 3,519,554	$20,629,837
Granted	-	-	-	2,085,000	0.46	576,257	-	576,257
Exercised	-	-	-	(490,000)	0.12	(31,458)	-	(31,458)
Expired	-	-	-	(650,000)	0.72	(365,150)	-	(365,150)
Forfeited	-	-	-	(50,000)	0.43	(9,248)	-	(9,248)
NCIB allocation	-	-	-	-	-	-	38,471	38,471
January 31, 2011	37,500,000	$ 1.00	$15,750,000	7,795,000	$ 0.33	$ 1,530,684	$ 3,558,025	$20,838,709
Granted	-	$ -	$ -	845,000	$ 0.87	$ 438,978	$ -	438,978
Exercised	-	-	-	(230,000)	0.27	(43,656)	-	(43,656)
Expired	-	-	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-	-	-
NCIB allocation	-	-	-	-	-	-	(58,498)	(58,498)
April 30, 2011	37,500,000	$ 1.00	$15,750,000	8,410,000	$ 0.38	$ 1,926,006	$ 3,499,527	$21,175,533

Warrants and compensation options

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

Employee share option plan

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

During the three months ended April 30, 2011, 845,000 stock options (2010 – 1,785,000) were granted to certain directors, officers and employees of the Company with a weighted-average grant date fair value of $0.52 per option (2010 - $0.27). These options vested immediately (2010 – 1,735,000 vested immediately, 50,000 vest quarterly in eight equal tranches with the first tranche vesting on the date of grant). Share based compensation expense of $449,343 (2010 - $505,659) relating to these options and others that vested during the quarter was recorded in operations, general and administration fees. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model. Where relevant, the expected life used in the model has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions, expected forfeiture rate, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 5 years.

(Expressed in Canadian dollars unless otherwise noted)

12. Equity reserve (continued)

The following share-based payment arrangements were in existence as at April 30, 2011:

No. outstanding	No. exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Grant date share price	Expected Volatility	Risk-free Rate	Expected Life (years)	Expected Dividend Yield
900,000	900,000	4-Oct-07	4-Oct-12	$ 0.80	$ 437,400	$ 0.64	89%	4.50%	5.00	0%
100,000	100,000	11-Aug-08	11-Aug-13	$ 0.48	$ 30,640	$ 0.46	83%	3.11%	5.00	0%
50,000	50,000	5-Sep-08	5-Sep-13	$ 0.35	$ 11,890	$ 0.35	84%	3.00%	5.00	0%
200,000	200,000	1-Oct-08	1-Oct-13	$ 0.29	$ 39,400	$ 0.29	74%	2.04%	5.00	0%
2,980,000	2,980,000	14-Jan-09	14-Jan-14	$ 0.12	$ 191,316	$ 0.12	68%	1.52%	5.00	0%
1,250,000	1,093,750	1-Sep-09	1-Sep-14	$ 0.27	$ 200,125	$ 0.27	72%	2.57%	5.00	0%
250,000	250,000	1-Feb-10	1-Feb-15	$ 0.47	$ 76,000	$ 0.47	79%	2.47%	5.00	0%
50,000	31,250	23-Feb-10	23-Feb-15	$ 0.45	$ 13,320	$ 0.45	70%	2.51%	5.00	0%
1,485,000	1,485,000	25-Feb-10	25-Feb-15	$ 0.43	$ 390,407	$ 0.43	70%	2.49%	5.00	0%
100,000	37,500	5-Oct-10	5-Oct-15	$ 0.48	$ 25,650	$ 0.47	64%	2.00%	5.00	0%
200,000	200,000	30-Nov-10	30-Nov-15	$ 0.64	$ 70,880	$ 0.64	64%	2.35%	5.00	0%
845,000	845,000	20-Apr-11	20-Apr-16	$ 0.87	$ 438,978	$ 0.87	70%	2.65%	5.00	0%
8,410,000	8,172,500				$ 1,926,006					

13. Earnings per share

During the three month period ended April 30, 2011, 8,410,000 options and 37,500,000 warrants were excluded from the diluted weighted average number of common shares calculation as their effect would be anti-dilutive. During the three month period ended April 30, 2010, 2,000,000 options and 37,500,000 warrants were excluded from the diluted weighted average number of common shares calculation as their effect would be anti-dilutive..

14. Expenses by nature

Included in operating, general and administrative expenses for the three months ended April 30 are:

	2011	2010
Salaries, consulting and benefits	**$ 322,946**	$ 391,318
Stock options granted to directors, officers, employees and consultants	**449,343**	505,659
Legal, accounting and professiional fees	**40,814**	103,554
Filing and transfer agent fees	**33,224**	27,777
Shareholders communication and promotion	**63,165**	49,497
Travel	**67,858**	205,775
General office and administration costs	**77,304**	64,961
Other	**196,063**	42,345
	$ 1,250,717	$ 1,390,886

15. Capital disclosure

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

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

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

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

The Company may on occasion utilize leverage in the form of broker margin or bank indebtedness. Aberdeen is not subject to any capital requirements imposed by a regulator and there were no changes to capital management during the three months ended April 30, 2011 and 2010. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statements of financial position date.

On February 16, 2011, the Company declared a semi-annual dividends in the amount of $0.02 per share payable on March 31, 2011 and September 30, 2011, respectively.

(Expressed in Canadian dollars unless otherwise noted)

16. Financial instruments

Financial assets and financial liabilities as at April 30, 2011, January 31, 2011 and February 1, 2010 were as follows:

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit or loss	TOTAL
April 30, 2011			
Cash	$ 7,427,116	$ -	$ 7,427,116
Investments	-	104,150,097	104,150,097
Amounts receivables	3,153,180	-	3,153,180
Loans receivable	818,154	3,925,683	4,743,837
Loans receivable - Simmer & Jack	-	9,464,000	9,464,000
Accounts payable and accrued liabilities	(6,945,502)	-	(6,945,502)
January 31, 2011			
Cash	$ 14,049,856	$ -	$ 14,049,856
Investments	-	105,827,444	105,827,444
Amounts receivables	2,695,725	-	2,695,725
Loans receivable	500,000	6,523,452	7,023,452
Loans receivable - Simmer & Jack	-	10,015,000	10,015,000
Accounts payable and accrued liabilities	(6,445,771)	-	(6,445,771)
Securities sold short	-	(1,017,704)	(1,017,704)
February 1, 2010			
Cash	$ 3,266,356	$ -	$ 3,266,356
Investments	-	57,027,559	57,027,559
Amounts receivables	2,206,775	-	2,206,775
Income tax recoverable	1,727,615	-	1,727,615
Loans receivable	8,246,565	-	8,246,565
Loans receivable - Simmer & Jack	-	10,693,000	10,693,000
Accounts payable and accrued liabilities	(1,716,233)	-	(1,716,233)

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

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favorable prices. In addition, most of the Company's investments are in the resource sector. The Company mitigates this risk by attempting to have a portfolio which is not singularly exposed to any one issuer, with exception to the Company having one position on April 30, 2011 made up of approximately 28% (January 31, 2011 – 30%) of the portfolio.

16. Financial instruments (continued)

Market risk (continued)

For the three months ended April 30, 2011, a 10% decrease in the closing prices on its portfolio investments would result in an estimated increase in net loss of $6 million, or $0.07 per share (Year ended January 31, 2011 - $7.3 million, or $0.08 per share). This estimated impact on the condensed interim statement of comprehensive (loss) income includes the estimated value of the non-traded warrants held, as determined using the Black-Scholes option pricing model.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. In addition, some of the investments the Company holds are lightly traded public corporations or not publicly traded and may not be easily liquidated. The Company generates cash flow from its royalty interests, interest on loans, financing activities and proceeds from the disposition of its investments, in addition to interest income and advisory service fees. As the Company currently has no debt, Aberdeen believes that it has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions.

Commodity price risk

Commodity price risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in commodity prices. The estimated fair market value of the Company's investments are sensitive to the prevailing and expected commodity prices and changes in commodity prices could have a significant adverse effect on the value of the Company's investment.

The estimated fair value of the Company's royalty assets and related royalty income are sensitive to the prevailing and expected gold price. A 1% decrease in the gold price could result in an impairment to royalty interest on mineral properties, net of up to $2,647,638.

Interest rate risk

The Company's interest rate risk is primarily related to the Company's loans receivable. The loans were extended based partially on interest rates in effect at the time. Changes in market interest rates affect the fair market value of the loans receivable. However, as substantially all of the loans are short-term in nature, the impact of changes in market interest rates are not expected to be significant.

Credit risk

Credit risk is the risk associated with the inability of a third party to fulfill its payment obligations. The Company is exposed to the risk that third parties that owe it money or securities will not perform their underlying obligations. The Company's largest credit risk is due to the loan outstanding with Simmers. Security was obtained against specific assets of the counterparty, in case of non-performance.

The Company also has credit risk in the form of other loans receivable and amount receivable. The total carrying value of these financial instruments at April 30, 2011 was $17,361,016 (January 31, 2011 - $19,734,177; February 1, 2010 - $21,146,340).

At April 30, 2011, the Company had a total provision of $1,258,688 against the outstanding loans and interest receivable from China Railway Mining Corp.

At April 30, 2011 and January 31, 2011, the Company had a total provision of $1,758,018 against the outstanding loans and interest receivable from Garrison, Amazon Potash, and recoverable investment pool expenses.

16. Financial instruments (continued)

Credit risk (continued)

At January 31, 2011 and April 30, 2011, the Company had a provision of $1,317,676 against the outstanding loan and interest receivable from Russo-Forest.

At April 30, 2011, the Company has a disputable loan of US$10,000,000 ($9,464,000), (January 31, 2011 - US$10,000,000 (C$10,015,000)) and (February 1, 2010 - US$10,000,000 ($10,693,000)) and amounts receivables of US$1,853,660 ($1,754,305) ((January 31, 2011 – US$1,623,666 ($1,626,102); February 1, 2011 - US$1,579,992 ($1,689,486). from Simmers and First Uranium. See Note 7 and 8.

Currency risk

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

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

The following assets and liabilities were denominated in foreign currencies as of April 30, 2011, January 31, 2011 and February 1, 2010.

	April 30, 2011 (CDN$)	January 31, 2011 (CDN$)	February 1, 2010 (CDN$)
Denominated in U.S dollars:			
Cash	**139,109**	159,994	7,928
Amounts receivable	**2,080,549**	1,875,874	2,124,441
Loans receivable	**3,625,406**	4,881,835	8,246,565
Simmer & Jack loan	**9,464,000**	10,015,000	10,693,000
Accounts payable	**-**	10,894	-
Denominated in Australian dollars:			
Amounts receivable	**-**	-	397,794
Denominated in South African Rand:			
Cash	**502,022**	-	-
Amounts receivable	**53,428**	6,302	-
Income taxes recoverable	**-**	-	1,329,877
Accounts payable and accrued liabilities	**-**	-	(8,767)
	15,864,514	16,949,899	22,790,838

A 10% increase in the value of the Canadian dollar against all foreign currencies in which the Company held financial instruments as of April 30, 2011 would result in an estimated increase in net loss of approximately $0.9 million or $0.01 per share (January 31, 2011 - $1.2 million; $0.01 per share), (February 1, 2010 - $1.5 million; $0.02 per share). The Company does not currently hedge its foreign currency exposure.

(Expressed in Canadian dollars unless otherwise noted)

16. Financial instruments (continued)

Fair value of financial instruments

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

i. The carrying values of cash, amounts receivable, and accounts payable approximate their fair values due to the short-term nature of these instruments.
ii. Loans receivable, Simmer & Jack loan, and investments are carried at amounts in accordance with the Company's accounting policy as set out in Note 3.
iii. Prior to maturity, the outstanding loans receivable are carried at their discounted value. Following their maturity, loans receivable are carried at their estimated realizable value.

The following table illustrates the classification of the Company's financial instruments, measured at fair value on the statements of financial positions as at April 30, 2011, January 31, 2011 and February 1, 2010, categorized into levels of the fair value hierarchy.

Investments, fair value	**Level 1** *(Quoted Market price)*	**Level 2** *(Valuation t echnique- observable market Inputs)*	**Level 3** *(Valuation technique- non-observable market inputs)*	Total
Publicly traded investments	$ 68,341,154	$ -	$ -	$ 68,341,154
Non-trading w arrants on public investments	-	15,419,585	-	15,419,585
Private investments	-	-	20,389,358	20,389,358
Convertible debenture	-	495,434	3,430,249	3,925,683
April 30, 2011	$ 68,341,154	$ 15,915,019	$ 23,819,607	$ 108,075,780
Publicly traded investments	$ 68,463,448	$ -	$ -	$ 68,463,448
Non-trading w arrants on public investments	-	15,072,612	-	15,072,612
Private investments	-	-	21,273,680	21,273,680
Convertible debenture	-	2,893,492	3,629,960	6,523,452
January 31, 2011	$ 68,463,448	$ 17,966,104	$ 24,903,640	$ 111,333,192
Publicly traded investments	$ 38,427,497	$ -	$ -	$ 38,427,497
Non-trading w arrants on public investments	-	10,865,535	-	10,865,535
Private investments	-	-	7,734,527	7,734,527
February 1, 2010	$ 38,427,497	$ 10,865,535	$ 7,734,527	$ 57,027,559

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the periods ended April 30, 2011, January 31, 2011 and February 1, 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 condensed interim statements of comprehensive (loss) income.

Investments, fair value	**Three months ended April 30, 2011**	Twelve months ended January 31, 2011	Twelve months ended February 1, 2010
Balance, beginning of period	**$ 24,903,640**	$ 7,734,527	$ 7,274,566
Net purchases	**116,223**	17,668,545	8,867,199
Realized loss, net	**-**	-	(2,274,565)
Unrealized realized gains, net	**349,455**	4,275,117	617,327
Transfer of investment from private to public, net	**(1,350,000)**	(4,774,549)	(6,750,000)
Performance shares	**-**	2,694,072	-
Convertible debenture	**(199,711)**	3,629,960	-
Balance, end of period	**$ 23,819,607**	$ 24,903,640	$ 7,734,527

(Expressed in Canadian dollars unless otherwise noted)

17. Related party disclosures

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

Investment	Nature of relationship		Estimated Fair value
Alderon Resources Corp.	Director (Stan Bharti) and shareholders	$	1,460,000
Alder Resources Ltd.	Director (Pierre Pettgrew), officer (Ryan Ptolemy) and shareholders		130,000
Alexis Mineral Corp.	Director (Stan Bharti) and shareholders		275,000
Apogee Minerals Ltd.	Director (Stan Bharti) and shareholders		1,928,873
Auger Resources Ltd.*	Director (Stan Bharti) and shareholders		200,000
Avion Gold Corporation	Directors (Stan Bharti, Pierre Pettgrew , George Faught) and shareholders		2,325,250
Belo Sun Mining Corp.**	Director (Stan Bharti), officer (Ryan Ptolemy) and shareholders		6,911,794
Black Iron Inc.	Director (Pierre Pettigrew), officer (Stan Bharti) and shareholders		6,731,960
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy) and shareholders		1,561,619
Castillian Resources Corp.	Directors (Stan Bharti, Michael Hoffman) and shareholders		2,660,850
Crocodile Gold Corp.	Directors (Stan Bharti, George Faught, Michael Hoffman) and shareholders		4,396,527
Dacha Strategic Metals Inc.***	Directors (Stan Bharti, George Faught) officer (Ryan Ptolemy), and shareholders		1,661,256
Eurocontrol Technics Inc.	Directors (Stan Bharti, Pierre Pettgrew) and shareholders		285,209
Forbes & Manhattan (Coal) Corp.	Directors (Stan Bharti, David Stein) and shareholders		5,456,627
Largo Resources Ltd.	Directors (Stan Bharti, Michael Hoffman) and shareholders		1,912,000
Longford Energy Inc.	Directors (Stan Bharti, Pierre Pettgrew) and shareholders		842,926
Pitchblack Resources Ltd.****	Director (Stan Bharti) and shareholders		1,306,364
Potash Atlantico Corp.*	Officer (Ryan Ptolemy) and shareholders		3,015,810
Rodinia Lithium Inc.	Directors (Stan Bharti, David Stein), officer (Ryan Ptolemy) and shareholders		1,986,642
Scandinavian Metals Inc.*	Directors (Stan Bharti, David Stein) and shareholders		100,000
Stetson Oil & Gas Ltd.	Director (Stan Bharti) and shareholders		200,000
Sulliden Gold Corporation Ltd.	Directors (Stan Bharti,George Faught) and shareholders		28,857,246
Temujin Mining Corp.*	Directors (Stan Bharti,David Stein) and shareholders		5,657,000
Trevali Mining Corp.	Director (Michael Hoffman) and shareholders		392,200
Vast Exploration Inc.	Director (Stan Bharti) and shareholders		447,000
Total of 19 other investments	Shareholders/w arrant holders		23,447,944
Total Investments		**$**	**104,150,097**

* Private company
** Formerly Verena Minerals Corp.
*** Formerly Dacha Capital Inc.
**** Formerly Cash Minerals Ltd.

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:

(Expressed in Canadian dollars unless otherwise noted)

17. Related party disclosures (continued)

	Loans provided to related parties During three months ended April 30		Loans receivable from related parties as at		
	2011	2010	April 30 2011	January 31 2011	February 1 2010
Castillian Resources Corp.*	$ -	$ 500,000	$ 495,434	$ 1,641,617	$ -
Pitchblack Resources Ltd	$ -	$ 500,000	$ -	$ -	$ -
Amazon Potash Corp*	$ -	$ -	$ -	$ -	$ 1,830,765
Trevali Mining Corp.*	$ -	$ -	$ 500,000	$ 500,000	$ -
Temujin Mining Corp.*	$ -	$ -	$ 3,430,249	$ 3,629,960	$ 6,415,800

* loan receivable included capitalized interests and advisory service fees

The Company also earned financing advisory service fees from companies of which directors and officers are also directors and officers of Aberdeen. Directors and officers of Aberdeen may also hold investments in these companies. Below are transactions and balance outstanding at the end of each reporting period:

	Advisory service fees earned During three months ended April 30		Advisory service fees receivable as at		
	2011	2010	April 30 2011	January 31 2011	February 1 2010
Amazon Potash Corp.	$ -	$ 25,395	$ -	$ -	$ -
Castillian Resources Corp.	$ -	$ 19,530	$ -	$ -	$ -
Temujin Mining Corp.*	$ -	$ 89,168	$ -	$ -	$ -
Trevali Mining Corp.	$ -	$ 3,952	$ -	$ -	$ -
Dacha Strategic Metals Inc.	$ -	$ 107,842	$ -	$ -	$ -
Apogee Silver Ltd	$ -	$ -	$ -	$ -	$ 12,500

* advisory service fees earned were capitalized to loans receivable

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

	Interests earned from related parties During three months ended April 30		Interests owed by related parties as at		
	2011	2010	April 30 2011	January 31 2011	February 1 2010
Castillian Resources Corp.*	$ 22,345	$ 10,315	$ 7,674	$ 7,858	$ 18,840
Trevali Mining Corp.*	$ 28,630	$ -	$ 26,438	$ 10,656	$ -
Temujin Mining Corp.*	$ 83,642	$ 84,154	$ 199,236	$ 122,325	$ 416,588
Amazon Potash Corp*	$ -	$ 52,147	$ -	$ -	$ -
Pitchblack Resources Ltd.	$ -	$ 12,055	$ -	$ -	$ -
Dacha Strategic Metals Inc.	$ -	$ 27,921	$ -	$ -	$ -

* interests and debt arrangement fees earned partially capitalized to loan receivable

At January 31, 2011, the Company had a provision of $445,357 against the outstanding loan receivable from Amazon Potash Corp. At January 31, 2011 and 2010, the Company had a provision of $1,317,676 against the outstanding loan and interest receivable from Russo-Forest.

During the three month periods ended April 30, 2011 and 2010, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

	Sales of goods and services During three months ended April 30		Purchases of goods and services During three months ended April 30	
	2011	2010	2011	2010
2227929 Ontario Inc.	$ -	$ -	$ 84,427	$ 63,923
Forbes & Manhattan, Inc.	$ 31,636	$ -	$ 22,500	$ 22,500
Other miscellaneous	$ 1,094	$ 2,320	$ -	$ 11,580

(Expressed in Canadian dollars unless otherwise noted)

17. Related party disclosures (continued)

The Company shares office space with other companies who may have common officers or directors. The Company reimburses and recovers from related corporations their proportional share of expenses.

Mr. Stan Bharti, a director of the Company, is an officer of Forbes & Manhattan, Inc. An administration fee of $7,500 per month is charged by Forbes & Manhattan, Inc.

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

	Amounts owed by related parties			Amounts owed to related parties		
	April 30 2011	January 31 2011	February 1 2010	April 30 2011	January 31 2011	February 1 2010
2227929 Ontario Inc.	$ -	$ -	$ -	$ 14,324	$ 7,425	$ -
Other miscellaneous	$ -	$ 1,454	$ 2,320	$ -	$ -	$ 44,282

The amounts outstanding are unsecured, non-interest bearing, with no fixed terms of repayment. No guarantees have been given or received. No expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

Compensation of key management personnel of the Company

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

	Three months ended April 30	
	2011	2010
Short-term benefits	$ 189,500	$ 185,000
Share-based payments	$ 319,493	$ 462,360

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

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

18. Commitments and contingencies

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $700,000 ranging from 30 days to 12 months and additional contingent payments of approximately $8,700,000 upon the occurrence of a change of control. As the likelihood of a change of control is not determinable, the contingent payments have not been reflected in these financial statements.

As outlined in Note 7, “Loan - Simmer & Jack”, Simmer’s management has adopted an interpretation of the Convertible Royalty Loan Agreement different to that of Aberdeen’s interpretation. The amounts under dispute on the statement of financial position as at April 30, 2011 include the Simmers’ loan valued at $9,464,000 and a receivable for $1,626,741. 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 with any amounts drawn being due and payable on December 31, 2010. During the year ended January 31, 2011, Kria drew down $500,000 and agreed to a 10% annual penalty interest on the principal as the loan was not repaid on April 30, 2011. Additional details are provided under Note 6, “Loans Receivable”.

19. Subsequent events

Subsequent to April 30, 2011, the Company purchased and cancelled 214,500 of its common shares at an average price of $0.78 per share under the NCIB commencing February 9, 2011.

Subsequent to April 30, 2011, 1,737,500 options were exercised for common shares of the Company at a weighted average exercise price of $0.32 per share.

On June 27, 2011, Village Main Reef successfully acquired Simmers. Management has assessed the impact of this acquisition and has determined that at this time, this transaction does not have a material impact on the valuation of the royalty interest on mineral properties and the collectability of the Simmers loan.

On June 30, 2011, the Company granted a consultant 200,000 options with an exercise price of $0.79. These options vest quarterly over two years with the first 1/8 vesting on grant date. These options expire on June 30, 2016.

20. Transition to IFRS

The Company's financial statements for the year ending January 31, 2012 will be the first annual financial statements that comply with IFRS and these condensed interim financial statements were prepared as described in Note 2, including the application of IFRS 1. IFRS 1 requires an entity to adopt IFRS in its first annual financial statements prepared under IFRS by making an explicit and unreserved statement in those financial statements of compliance with IFRS. The Company will make this statement when it issues its 2012 annual financial statements.

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

Initial elections upon adoption

Set forth below are the IFRS 1 applicable exemptions and exceptions applied in the conversion from Canadian GAAP to IFRS.

IFRS Exemption Applied

1. *Share-based payments* - IFRS 2, Share-based Payments, encourages application of its provisions to equity instruments granted on or before November 7, 2002, but permits the application only to equity instruments granted after November 7, 2002 that had not vested by the Transition Date. The Company elected to avail itself of the exemption provided under IFRS 1 and applied IFRS 2 for all equity instruments granted after November 7, 2002 that had not vested by its Transition Date

2. *Currency translation differences* - IAS 21, The Effects of Changes in Foreign Exchange Rates, requires that the Company retrospectively determine cumulative currency translation differences from the date a subsidiary, division or equity method investee was formed or acquired. IFRS 1 permits cumulative translation gains and losses to be rest to zero at the Transition Date. The Company elected to reset all cumulative translation gains and losses to zero in opening retained earnings at its Transition Date.

IFRS Mandatory Exceptions

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

Reconciliations of Canadian GAAP to IFRS

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

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

(i) Reconciliation of the condensed interim statement of financial position and equity as at February 1, 2010;
(ii) Reconciliation of the condensed interim statement of financial position and equity as at April 30, 2010;
(iii) Reconciliation of the condensed interim statement of income and comprehensive income for the three months ended April 30, 2010;
(iv) Reconciliation of the condensed interim statement of financial position and equity as at January 31, 2011 and
(v) Reconciliation of the condensed interim statement of comprehensive income for the year ended January 31, 2011

(Expressed in Canadian dollars unless otherwise noted)

20. Transition to IFRS (continued)

Reconciliations of Canadian GAAP to IFRS (continued)

(i) Reconciliation of the condensed interim statement of financial position and equity as at February 1, 2010

Canadian GAAP accounts	Notes	Canadian GAAP Balances	IFRS adjustments	IFRS Balance
		$	$	$
ASSETS				
Current				
Cash		3,266,356	-	3,266,356
Investments, at fair value through profit and loss	20a	56,227,559	800,000	57,027,559
Equity accounted investments	20a	800,000	(800,000)	-
Amounts receivable		2,206,775	-	2,206,775
Income taxes recoverable		1,727,615	-	1,727,615
Loan - Simmer & Jack		10,693,000	-	10,693,000
Loans receivable		8,246,565	-	8,246,565
Prepaid expenses		14,508	-	14,508
		83,182,378	-	83,182,378
Long-term				
Royalty interests on mineral properties, net		35,045,928	-	35,045,928
Equipment, net		54,000	-	54,000
		118,282,306	**-**	**118,282,306**
LIABILITIES				
Current				
Accounts payable and accrued liabilities		1,716,233	-	1,716,233
Deferred revenue		414,400	-	414,400
Deferred taxes liabilities	20f	4,468,000	(4,468,000)	-
		6,598,633	(4,468,000)	(2,337,367)
Long-term				
Deferred revenue				
Deferred income taxes	20f	8,516,000	4,468,000	12,984,000
		15,114,633	-	15,114,633
SHAREHOLDERS' EQUITY				
Common shares		44,174,159	-	44,174,159
Warrants	20d	15,750,000	(15,750,000)	-
Share-based payment reserve	20d	12,016,560	8,524,209	20,540,769
		71,940,719	(7,225,791)	57,489,137
Retained earnings	20d,e	35,501,715	2,951,030	38,452,745
Acculmulated comprehensive loss	20e	(4,274,761)	4,274,761	-
		103,167,673	-	103,167,673
		118,282,306	**-**	**118,282,306**

(Expressed in Canadian dollars unless otherwise noted)

20. Transition to IFRS (continued)

Reconciliations of Canadian GAAP to IFRS (continued)

(ii) Reconciliation of the condensed interim statement of financial position and equity as at April 30, 2010

Canadian GAAP accounts	Notes	Canadian GAAP Balances $	IFRS adjustments $	IFRS Balance $
ASSETS				
Current				
Cash		958,746	-	958,746
Investments, at fair value through profit and loss	20a	59,853,891	1,300,000	61,153,891
Equity accounted investments	20a	1,142,005	(1,142,005)	-
Amounts receivable		3,192,754	-	3,192,754
Income taxes recoverable				
Loan - Simmer & Jack		10,158,000	-	10,158,000
Loans receivable		7,720,654	-	7,720,654
Prepaid expenses		13,946	-	13,946
		83,039,996	157,995	83,197,991
Long-term				
Royalty interests on mineral properties, net		33,082,301	-	33,082,301
Equipment, net		48,842	-	48,842
		116,171,139	157,995	116,329,134
LIABILITIES				
Current				
Accounts payable and accrued liabilities		337,419	-	337,419
Income taxes payable		17,852	-	17,852
Deferred revenue		10,879	-	10,879
Deferred taxes liabilities	20f	3,618,000	(3,618,000)	-
		3,984,150	(3,618,000)	366,150
Long-term				
Deferred revenue				
Deferred income taxes	20f	8,005,000	3,618,000	11,623,000
		11,989,150	-	11,989,150
SHAREHOLDERS' EQUITY				
Common shares		44,174,159	-	44,174,159
Warrants	20d	15,750,000	(15,750,000)	-
Share-based payment reserve	20d	12,522,219	8,524,209	21,046,428
		72,446,378	(7,225,791)	65,220,587
Retained earnings	20d,e	37,301,271	3,109,025	40,410,296
Acculmulated comprehensive loss	20e	(5,565,660)	4,274,761	(1,290,899)
		104,181,989	157,995	104,339,984
		116,171,139	157,995	116,329,134

(Expressed in Canadian dollars unless otherwise noted)

20. Transition to IFRS (continued)

Reconciliations of Canadian GAAP to IFRS (continued)

(iii) Reconciliation of condensed interim statement of operations for the three months ended April 30, 2010

Canadian GAAP accounts	Notes	Canadian GAAP Balances	IFRS adjustments	IFRS Balance
		$	$	$
Net investment gains (losses)				
Realized gain (loss) on investments, net		6,260,639		6,260,639
Unrealized gain on investments, net		(1,832,301)	-	(1,832,301)
Loss from equity accounted investments	**20a**	(157,995)	157,995	-
		4,270,343	157,995	4,428,338
Other revenue				
Royalties		514,074	-	514,074
Interest income		201,744	-	201,744
Advisory service fees		245,887	-	245,887
Other revenue				
		961,705	-	961,705
Expenses				
General and administration		885,227	-	885,227
Share-based payments		505,659	-	505,659
Transaction costs		2,396	-	2,396
Interest expenses		21,944	-	21,944
Depletion on royalty interests on mineral properties		212,729	-	212,729
Amortization		5,158	-	5,158
		1,633,113	-	1,633,113
Income before the undernoted		3,598,935	157,995	3,756,930
Foreign exchange loss		(926,000)	-	(926,000)
Profit before income taxes		2,672,935	157,995	2,830,930
Income tax (provision)		(873,379)	-	(873,379)
			-	-
Profit for the period		**1,799,556**	**157,995**	**1,957,551**
Other comprehensive income (loss)				
Currency translation adjustment, net of taxes		(1,290,899)	-	(1,290,899)
			-	-
Total comprehensive income for the period		**508,657**	**157,995**	**666,652**
Earnings per common shares based on profit for the period				
Basic		0.02	0.00	0.02
Diluted		0.02	0.00	0.02
Weighted average number of common shares outstanding				
Basic		87,503,839	87,503,839	87,503,839
Diluted		88,299,471	88,299,471	88,299,471

(Expressed in Canadian dollars unless otherwise noted)

20. Transition to IFRS (continued)

Reconciliations of Canadian GAAP to IFRS (continued)

(iv) Reconciliation of condensed interim statement of financial position as of January 31, 2011

Canadian GAAP accounts	Notes	Canadian GAAP Balances	IFRS adjustments	IFRS Balance
		$	$	$
ASSETS				
Current				
Cash		14,049,856	-	14,049,856
Investments, at fair value through profit and loss	20a	105,827,444	-	105,827,444
Amounts receivable		2,695,725	-	2,695,725
Income taxes recoverable		-	-	-
Loan - Simmer & Jack		10,015,000	-	10,015,000
Loans receivable		7,023,452	-	7,023,452
Prepaid expenses		461,931	-	461,931
		140,073,408	-	140,073,408
Long-term				
Royalty interests on mineral properties, net		28,183,500	-	28,183,500
Equipment, net		37,794	-	37,794
		168,294,702	-	168,294,702
LIABILITIES				
Current		6,445,771	-	6,445,771
Accounts payable and accrued liabilities		1,017,704	-	1,017,704
Income taxes payable		1,815,618	-	1,815,618
Deferred tax liabilities	20f	16,198,000	(16,198,000)	-
		25,477,093	(16,198,000)	9,279,093
Long-term				-
Deferred income taxes	20f	6,503,000	16,198,000	22,701,000
		31,980,093	-	31,980,093
SHAREHOLDERS' EQUITY				-
Common shares		43,600,623	-	43,600,623
Warrants	20d	15,750,000	(15,750,000)	-
Share-based payment reserve	20d	12,668,256	8,149,811	20,818,067
		72,018,879	(7,600,189)	64,418,690
Retained earnings	20d,e	70,293,150	3,325,428	73,618,578
Acculmulated comprehensive loss	20e	(5,997,420)	4,274,761	(1,722,659)
		136,314,609	-	136,314,609
		168,294,702	-	168,294,702

(Expressed in Canadian dollars unless otherwise noted)

20. Transition to IFRS (continued)

Reconciliations of Canadian GAAP to IFRS (continued)

(v) Reconciliation of condensed interim statement of operations for the twelve months ended January 31, 2011

Canadian GAAP accounts	Notes	Canadian GAAP Balances $	IFRS adjustments $	IFRS Balance $
Net investment gains (losses)				
Realized gain on investments, net		17,498,258	-	17,498,258
Unrealized loss on investments, net	20a	43,746,429	(353,189)	43,393,240
Equity accounted investment	20a	(353,189)	353,189	-
		60,891,498	-	60,891,498
Other revenue				
Royalties		2,009,725	-	2,009,725
Write-down of royalty interests on mineral properties		(3,904,772)	-	(3,904,772)
Provision for loan and interests receivable		(1,758,018)	-	(1,758,018)
Interest income		764,177	-	764,177
Advisory service fees		539,344	-	539,344
Other		20,000	-	20,000
		(2,329,544)	-	(2,329,544)
Expenses				
Operating, general and administration		9,243,360	-	9,243,360
Transaction costs		273,404	-	273,404
Interest expenses		217,043	-	217,043
Depletion on royalty interests on mineral properties		753,995	-	753,995
Amortization		16,206	-	16,206
		10,504,008	-	10,504,008
Income before the undernoted		48,057,946	-	48,057,946
Foreign exchange loss		(884,071)	-	(884,071)
Income before income taxes		47,173,875	-	47,173,875
Income taxes				
Income tax (provision)		(12,333,673)	-	(12,333,673)
Income for the period		34,840,202	-	34,840,202
Other comprehensive loss				
Currency translation adjustment, net of taxes		(1,722,659)	-	(1,722,659)
Total comprehensive income (loss) for the period		33,117,543	-	33,117,543
Earnings per common shares based on profit for the period				
Basic		0.38	-	0.38
Diluted		0.36	-	0.36
Weighted average number of common shares outstanding				
Basic		87,238,597	87,238,597	87,238,597
Diluted		92,961,542	92,961,542	92,961,542

20. Transition to IFRS (continued)

Reconciliations of Canadian GAAP to IFRS (continued)

Changes in accounting policies

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

a) Equity accounted investments

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

IFRS – Under IAS 28, "Investments in Associates", the Company's investments in associates are held as a part of the Company's investment portfolio and carried in the statement of financial position at fair value. IAS 28 permits investments held by venture capital or similar organizations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39, "Financial Instruments: Recognition and Measurement", with changes in fair value recognized in the statement of comprehensive (loss) income within unrealized gains or losses on investments in the period of the change. The impact of this change was to decrease equity accounted investments by $800,000 with a corresponding increase in investments at fair value through profit and loss at February 1, 2010; to decrease equity accounted investments by $1,142,005, reverse the loss in equity accounted investment of $157,995 and increase of investments at fair value through profit and loss by $157,995 at April 30, 2010; decrease in the loss of equity accounted investment by $353,189, with a corresponding increase in unrealized loss on investment at January 31, 2011.

b) Share-based compensation

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

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

c) Share-based compensation - Forfeitures

Canadian GAAP - Forfeitures of awards are recognized as they occur and to make appropriate estimates upon grant.

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

d) Expiry of share-based compensation and warrants

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

20. Transition to IFRS (continued)

Reconciliations of Canadian GAAP to IFRS (continued)

d) Expiry of share-based compensation and warrants (continued)

IFRS – The Company has changed its policy related to expired stock options and warrants whereby amounts recorded for expired unexercised stock options and warrants are transferred to retained earnings on expiry. The impact of this change was to decrease equity reserve and increase retained earnings by $7,600,189 at January 31, 2011 and $7,225,791 at February 1, 2010 and April 30, 2010. The Company also combined warrants with stock options and classified the amount to equity reserve. The impact of this change was to decrease the warrants account by $15,750,000 with a corresponding increase of the same amount to equity reserve at January 31, 2011; February 1 2010, and April 30, 2010.

e) Functional currency and foreign currency translation

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

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

f) Deferred taxes

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

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

The impact of this adjustment was to decrease current liabilities and increase non-current liabilities. Since the Company is only taxed in one jurisdiction, the long-term classification of assets and liabilities may result in the netting of tax assets and liabilities. The impact on this change was to reclassify $4,468,000 from short-term to long-term deferred income taxes at February 1, 2010, reclassify $3,618,000 from short-term to long-term deferred income taxes at April 30, 2010 and reclassify $16,198,000 from short-term to long-term deferred income taxes at January 31, 2011.