ABERDEEN INTERNATIONAL INC.

AUDITED ANNUAL
FINANCIAL STATEMENTS

JANUARY 31, 2008 AND 2007

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

AUDITORS' REPORT

To the Shareholders of
Aberdeen International Inc.

We have audited the balance sheets of Aberdeen International Inc. as at January 31, 2008 and 2007 and the statements of operations and retained earnings (deficit) and cash flows for each of the years in the two-year period ended January 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2008 and 2007 and the results of its operations and its cash flows for each of the years in the two-year period ended January 31, 2008 in accordance with Canadian generally accepted accounting principles.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
February 18, 2008, except for Note 15,
which is at March 20, 2008

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ABERDEEN INTERNATIONAL INC.

BALANCE SHEETS
As at January 31,

	2008	2007
	$	$
ASSETS		
Current		
Cash and cash equivalents	**28,936,408**	2,536,637
Investments, at fair value (Notes 3 and 11)	**37,055,876**	-
Amounts receivable	**548,499**	221,662
Receivable on sale of mineral property (Note 5)	**1,837,477**	-
Prepaid expenses	**22,968**	72,028
Convertible royalty debenture, current portion (Note 4)	**20,489,000**	-
Deferred cost (Note 6)	-	178,000
Future income taxes (Note 13(b))	-	161,000
	88,890,228	3,169,327
Long-term		
Convertible royalty debenture (Note 4)	**24,950,748**	11,793,000
Equipment	**1,489**	2,127
Mineral properties (Note 5)	-	102,974
Future income taxes (Note 13(b))	-	101,000
	113,842,465	15,168,428
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**1,549,278**	117,701
Deferred revenue (Note 4)	**82,037**	112,000
Income taxes payable	**815,000**	85,500
Future income taxes (Note 13(b))	**5,199,000**	-
Loans (Note 6)	-	3,000,000
	7,645,315	3,315,201
Long-term		
Deferred revenue (Note 4)	-	102,464
Future income taxes (Note 13(b)	**7,395,000**	-
	15,040,315	3,417,665
SHAREHOLDERS' EQUITY		
Common shares (Note 7)	**51,962,016**	12,275,229
Warrants (Note 8)	**17,203,500**	3,137,486
Contributed surplus (Note 10)	**6,595,051**	1,094,265
Retained earnings (deficit)	**23,041,583**	(4,756,217)
	98,802,150	11,750,763
	113,842,465	15,168,428

COMMITMENTS AND CONTINGENCY (Note 12)
SUBSEQUENT EVENT (Note 15)

APPROVED ON BEHALF OF THE BOARD:

Signed "George Faught", Director   *Signed "Doug Bache"*, Director

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.
STATEMENTS OF OPERATIONS AND RETAINED EARNINGS (DEFICIT)
For the years ended January 31,

	2008	2007
	$	$
Net investment gains		
Unrealized gain on investments, net	**8,919,018**	-
Other revenue		
Royalties on convertible royalty debenture	**3,909,945**	3,140,505
Unrealized gain (loss) on convertible royalty debenture (Note 4)	**(5,727,800)**	353,936
Interest on convertible royalty debenture	**221,360**	266,908
Other interest	**1,454,007**	34,353
Advisory service fee	**168,500**	-
Arrangement fee (Note 4)	**103,113**	113,432
	129,125	3,909,134
Expenses		
General and administration	**2,128,026**	622,467
Stock-based compensation (Note 9)	**2,363,300**	165,355
Transaction costs	**51,323**	-
Amortization	**9,051**	1,472
	4,551,700	789,294
Income before the undernoted	**4,496,443**	3,119,840
Foreign exchange gain (loss)	**93,620**	(12,726)
Gain on disposal of mineral properties	**22,335**	-
Interest expenses on long-term loans	**(199,161)**	(300,000)
Debt arrangement expense (Note 6)	**(178,000)**	(188,000)
Income before income taxes	**4,235,237**	2,619,114
Income taxes (Note 13(a))		
Current income tax expense	**(1,206,985)**	(140,351)
Future income tax provision	**(443,843)**	-
Net income for the year	**2,584,409**	2,478,763
Retained earnings (deficit), beginning of year (Note 2)	**20,457,174**	(7,234,980)
Retained earnings (deficit), end of year	**23,041,583**	(4,756,217)
Basic income per share	**0.04**	0.09
Diluted income per share	**0.04**	0.09
Weighted average common shares outstanding		
- basic	**66,766,289**	27,930,673
- diluted	**66,796,901**	27,959,646

The accompanying notes are an integral part of the financial statements

ABERDEEN INTERNATIONAL INC.

STATEMENTS OF CASH FLOWS
For the years ended January 31,

	2008 **$**	2007 $
CASH AND CASH EQUIVALENTS (USED IN) PROVIDED BY		
OPERATING ACTIVITIES:		
Net income for the year	**2,584,409**	2,478,763
Charges not affecting cash and cash equivalents		
Amortization	**9,051**	1,472
Stock-based compensation (Note 9)	**2,363,300**	165,355
Debt arrangement expense (Note 6)	**178,000**	188,000
Unrealized gain on investments, net	**(8,919,018)**	-
Arrangement fee income	**(103,113)**	(111,771)
Unrealized (gain) loss on convertible debenture	**5,727,800**	(353,936)
Gain on sale of mineral property	**(22,335)**	-
Unrealized foreign exchange	**(29,314)**	-
Future income tax	**443,843**	(262,000)
Net change in working capital	**1,659,675**	(83,435)
	3,892,298	2,022,448
FINANCING ACTIVITIES:		
Repayment of loan	**(3,000,000)**	-
Shares issued from exercise of warrants and options	**-**	8,500
Shares issued from private placement	**60,000,000**	-
Cost of issue	**(4,858,713)**	(15,000)
	52,141,287	(6,500)
INVESTING ACTIVITIES:		
Purchase of investments, net	**(27,920,858)**	-
Mineral property interests	**(1,670,893)**	(90,368)
Purchase of equipment	**(42,063)**	-
	(29,633,814)	(90,368)
CHANGE IN CASH AND CASH EQUIVALENTS	**26,399,771**	1,925,580
CASH AND CASH EQUIVALENTS, beginning of year	**2,536,637**	611,057
CASH AND CASH EQUIVALENTS, end of year	**28,936,408**	2,536,637
Cash and cash equivalents consist of:		
Cash	**3,331,024**	2,470,980
Cash equivalents	**25,605,384**	65,657
	28,936,408	2,536,637
SUPPLEMENTAL INFORMATION		
Interest paid on long-term loans	**199,161**	300,000
Income taxes paid	**340,877**	297,851
Interest and royalty revenue applied to reduce funds issued regarding the convertible royalty debenture	**-**	9,133

The accompanying notes are an integral part of the financial statements

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Previously, Aberdeen International Inc. ("Aberdeen" or the "Company") operated as a Canadian mineral exploration and royalty company. In July 2007, the Company successfully completed a change of business. The purpose of the change of business was to create a publicly traded global investment and merchant banking company focused on small capitalization companies in the resource sector. In connection with the change of business, Aberdeen seeks to acquire equity participation in pre-IPO and early stage public resource companies with undeveloped or undervalued high-quality resources. Aberdeen expects to focus on companies that: (i) are in need of managerial, technical and financial resources to realize their full potential; (ii) are undervalued in foreign capital markets; and, (iii) operate in jurisdictions with low to moderate local political risk.

The Company's management has prepared these financial statements for the year ended January 31, 2008 in accordance with generally accepted accounting principles in Canada. These financial statements have incorporated several new accounting standards, the impact of which is summarized in Note 2.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and their basis of application is largely consistent with that in the previous year. However, the Company amended its policies with respect to its use of estimates, investment portfolio and revenue recognition following the change in business in July 2007. Outlined below are those policies considered particularly significant.

a) Use of estimates

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

b) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and deposits that generally mature within 90 days from the date of acquisition. Deposits are held in Canadian chartered banks or in a financial institution controlled by a Canadian chartered bank.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Investments

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

(i) Publicly-traded investments:

1. Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the balance sheet date or the closing price on the last day the security traded if there were no trades at the balance sheet date.

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

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

(ii) Privately-held investments:

1. Securities in privately-held companies are recorded at cost unless an upward adjustment is considered appropriate and supported by pervasive and objective evidence such as a significant subsequent equity financing by an unrelated, professional investor at a transaction price higher than the Company's carrying value. Downward adjustments to carrying values are made when there is evidence of a decline in value as indicated by the assessment of the financial condition of the investment based on third party financing, operational results, forecasts, and other developments since acquisition.

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

(iii)Equity accounted investments:

Investments in which the Company has significant influence, but does not control, are accounted for using the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter, to reflect the Company's prorate share of income or loss of the equity accounted investment and any dividends received from the investment. The Company's share of net income and losses of such investments are included in the statements of operations.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Equipment

Amortization of equipment is calculated on an annual basis using the following rate and method:

Computer - 30% declining balance

e) Income taxes

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

f) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net earnings (loss) by the weighted-average number of the Company's common shares outstanding during the period. Diluted earnings per share is calculated by dividing the applicable net earnings by the sum of the weighted-average number of common shares outstanding if dilutive common shares had been issued during the period. The treasury stock method is used to compute the dilutive effect of common share purchase warrants and stock options. The treasury stock method assumes that outstanding stock options and warrants with an average exercise price below market price of the underlying shares are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average market price for the period. If the Company has a net loss, diluted loss per share is calculated using the basic weighted average shares outstanding because to do otherwise would be anti-dilutive.

g) Stock-based compensation

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

h) Revenue recognition

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Revenue recognition (continued)

The Company earns royalty income from the graduated royalty on its convertible royalty debenture based on gold production, which is tied to the price of gold through its convertible royalty debenture. As well, the Company earns interest income through its convertible royalty debenture. Such revenue is recognized based on contractual obligations and when ultimate collection is reasonably assured. The change in the fair value of the convertible royalty debenture, as estimated by management using a discounted cash flow analysis, is recorded as revenue on the statement of operations. The arrangement fees related to convertible royalty debentures are recorded over the expected term of the debenture.

i) Mineral properties

Interests in mineral properties and deferred exploration expenditures are carried at cost until they are brought into production, at which time they are depleted using a unit-of-production method based on proven and probable reserves. The cost of exploration properties sold and their related deferred exploration costs are charged to operations in the current year. The Company reviews its mineral properties to determine if events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. Costs include the cash consideration and the fair market value of the shares issued for the acquisition of exploration properties. The carrying value is reduced by option proceeds received until such time as the property cost and deferred expenditures are reduced to nominal amounts. Properties acquired under option agreements or by joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

j) Comparative figures

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

Changes in Accounting Policies

On February 1, 2007, the Company prospectively adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 1530, *Comprehensive Income*; Section 3251, *Equity*; Section 3855, *Financial Instruments - Recognition and Measurement*; Section 3861, *Financial Instruments - Disclosure and Presentation*; and Section 3865, *Hedges*.

(i) Financial Instruments

Under the new standards, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in operations for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in Accounting Policies **(continued)**

(ii) Comprehensive Income

Section 1530 establishes standards for reporting and presenting comprehensive income. Comprehensive income, composed of net income and other comprehensive income, is defined as the change in shareholders' equity from transactions and other events from non-owner sources. Other comprehensive income for the Company includes unrealized gains and losses on available-for-sale securities and changes in the fair market value of derivatives designated as cash flow hedges, all net of related income taxes. The components of comprehensive income are disclosed in the statement of operations and comprehensive income. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income ("AOCI") which is presented as a new category in shareholders' equity. The adoption of this standard has had no impact on the Company's financial statements and as such, a statement of comprehensive income has not been presented.

(iii) Hedging

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. As at and during the year-ended January 31, 2008, the Company had no hedges.

(iv) As at February 1, 2007, the effect on the Company's balance sheet of adopting these standards is summarized below. As prescribed by these standards, comparative figures have not been restated.

	February 1, 2007			
	As reported	Adjusted on adoption of Financial Instruments standard		Restated opening balances
ASSETS				
Current assets	$3,169,327	$(178,000)	(a)	$2,991,327
Convertible royalty debenture	11,793,000	39,374,548	(b)	51,167,548
Equipment	2,127	-		2,127
Mineral properties	102,974	-		102,974
Future income tax	101,000	-		101,000
	$15,168,428	$39,196,548		$54,364,976
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	$315,201	-		$315,201
Loans	3,000,000	(178,000)	(a)	2,822,000
Deferred revenue	102,464	-		102,464
Future tax liability	-	14,161,157	(c)	14,161,157
	3,417,665	13,983,157		17,400,822
Shareholders' equity				
Share capital	16,506,980	-		16,506,980
Retained earnings (deficit)	(4,756,217)	25,213,391	(b)(c)	20,457,174
	11,750,763	25,213,391		36,964,154
	$15,168,428	$39,196,548		$54,364,976

Notes:
(a) Loan financing costs previously recorded as deferred costs are reclassified to loans.
(b) Convertible royalty debenture previously recorded at cost is designated as held for trading and measured at fair value.
(c) The tax effect of the above adjustments is recorded to future income tax liability.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future accounting changes

(i) In February 2007, the CICA issued Section 1535, ''Capital Disclosures'' which is effective for fiscal years beginning on or after October 1, 2007. This standard requires disclosure of information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital. The Company will adopt this standard commencing in the 2009 fiscal year and is not expected to have a significant effect on the Company's financial statements.

(ii) In February 2007, the CICA issued Section 3862 ''Financial Instruments - Disclosure'' (''Section 3862'') and Section 3863 ''Financial Instruments - Presentation'' (''Section 3863''), which are effective for fiscal years beginning on or after October 1, 2007. The objective of Section 3862 is to provide financial statement disclosure to enable users to evaluate the significance of financial instruments for the Company's financial position and performance and the nature and extent of risks arising from financial instruments that the Company is exposed to during the reporting period and the balance sheet date and how the Company is managing those risks. The purpose of Section 3863 is to enhance the financial statement user's understanding of the significance of financial instruments to the Company's financial position, performance and cash flows. The Company will adopt these standards commencing in the 2009 fiscal year.

(iii) In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

3. INVESTMENTS

At January 31, 2007, the Company had no investments. At January 31, 2008, the Company's investments consisted of the following:

Issuer	Note	Security description	Cost	Estimated Fair value	% of (FV)
Avion Resources Corp.	(i,ii)	2,818,700 common shares 2,818,700 warrants expire October 12, 2009 1,500,000 warrants expire July 31, 2009	$ 836,114	$ 1,878,469	5.1%
Buchanan Renewable Energies	(ii)	3,000,000 common shares 1,500,000 warrants expire August 23, 2009	750,000	750,000	2.0%
Central Sun Mining Inc.*	(i,ii)	6,619,000 common shares 3,309,500 warrants expire October 22, 2010	6,949,950	16,197,686	43.7%
Quinto Mining Corporation	(i,ii)	5,000,000 common shares 2,500,000 warrants expire January 10, 2010	3,250,000	3,062,500	8.3%
Russo-Forest Corporation	(ii)	6,125,000 common shares 4,000,000 warrants expire January 25, 2013	2,214,030	2,214,030	6.0%
Tucano Exploration Inc.	(ii)	4,000,000 common shares 2,000,000 warrants expire November 28, 2009	2,000,000	2,000,000	5.4%
Total of 8 other investments	(iii)		12,136,764	10,953,191	29.6%
Total Investments			$28,136,858	$37,055,876	100.0%

* Formerly named Glencairn Gold Corporation

(i) The Company has issued a Section 101 report under the Ontario Securities Act for this investment and it has a fair value of greater than $500,000 as at January 31, 2008.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee and this investment has a fair value greater than $500,000 as at January 31, 2008.
(iii) Total other investments held by the Company, which are not individually listed as at January 31, 2008.

4. CONVERTIBLE ROYALTY DEBENTURE

The Secured Gold Royalty Based Convertible Debenture (the "Convertible Royalty Debenture") was advanced in two tranches of US$5,000,000 in the fourth quarter of fiscal year 2006, has 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. Repayment of the Convertible Royalty Debenture, including interest and royalty payments, is in US dollars.

The Company has an option to convert the Convertible Royalty Debenture to equity of Simmer and Jack Mines, Limited ("Simmers") at ZAR 0.80 per share at any time from January 1, 2007 to December 31, 2008, subject to Simmers shareholders' approval. If shareholder approval is not granted then the US$10,000,000 principal amount will be due on December 31, 2008 and the Company will be entitled to a 1% NSR on gold produced for the life of the underlying assets.

As at January 31, 2008, US$9,550,000 ($9,571,010) had been advanced to Simmers. Interest income of US$43,587 ($43,683), owing to the Company at April 30, 2006 at a rate of 2.5% based on the price of gold, royalty income of US$106,413 ($108,754), owing to the Company at December 31, 2005 at a rate of 2.05% also based on the price of gold, and arrangement fees of US$300,000 ($300,660) were capitalized and applied against the remaining amounts to be advanced to Simmers. As a result, a total of US$10,000,000 ($10,022,000) was recorded with respect to the Convertible Royalty Debenture.

The arrangement fees have been deferred and will be amortized over the term of the Convertible Royalty Debenture. During 2008, $103,113 (2007 - $113,432) had been recorded as revenue in the statement of operations and the balance of $82,037 (2007 - $112,000) has been presented as a current portion of deferred revenue on the balance sheet (2007 long-term portion $102,464).

Upon initial adoption of the new accounting standards, which the Company adopted on February 1, 2007, the US$10,000,000 Convertible Royalty Debenture was classified as an asset "held-for-trading" and must be carried at fair value with changes in fair value recorded in the statement of operations. As a result, a net positive adjustment of $25,213,391 was recorded to the opening deficit on adoption of these new standards.

During the year ended January 31, 2008, the Company recorded a pre-tax unrealized loss of $5,727,800 on its Convertible Royalty Debenture ($3,751,709 after-tax). The loss was largely due to the weakness of the US dollar. At January 31, 2008, the Convertible Royalty Debenture had a fair value of $45,439,748 (US$45,340,000), based on a US/Cdn dollar foreign exchange rate of 1.0022. The Convertible Royalty Debenture is presented on the balance sheet as a current portion of $20,489,000 and a long-term portion of $24,950,748.

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

The Convertible Royalty Debenture Agreement (the "Agreement") also provides the Company with a right of first refusal on any future financings that Simmers completes on any of their properties. Under the Agreement, the Company has 60 days to match financing terms provided by a third party to Simmers. During calendar 2007, Simmers completed a third party financing without providing the Company the right to match the terms offered. Following discussions with Simmers which did not resolve the Company's concerns, Aberdeen initiated legal proceedings to claim damages caused by the breach of the Agreement. The litigation is before the courts and the final outcome is uncertain.

5. MINERAL PROPERTY

Mineral Properties - Ethiopia	2008 $	2007 $
Acquisition costs		
Balance, beginning of year	**274**	-
Acquisition and property costs	**404,750**	274
Balance, end of year	**405,024**	274
Exploration expenditure		
Balance, beginning of year	**102,700**	-
Geological: map/survey	**737,514**	-
Geology and geological consulting	**547,488**	25,781
Travel and transportation	**66,751**	45,309
Field and office support	**113,015**	31,610
Balance, end of year	**1,567,468**	102,700
Total deferred costs, end of year	**1,972,492**	102,974
Sale of asset, January 31, 2008	**(1,972,492)**	-
Total deferred costs, end of year	**-**	102,974

On January 31, 2007, the Company entered into an agreement with Ethio-Gibe Canada Mining PLC ("Ethio-Gibe") to obtain 100% of the exclusive rights granted by the Ministry of Mineral Energy of Ethiopia to Ethio-Gibe on certain Gold-Copper-Zinc exploration concessions in Ethiopia, subject to a 2% net smelter return royalty ("NSR") to be held by Ethio-Gibe. Under the terms of the agreement, the Company made payments of $400,000 in cash, of which $200,000 was paid subsequent to January 31, 2008 and had additional future commitments.

In November 2007, the Company announced it had agreed to sell its Ethiopian property rights to Avion Resources Corp. ("Avion"). The terms of the agreement with Avion were as follows:

- (i) $250,000 upon receipt of regulatory approval for the transaction;
- (ii) $750,000 on or before June 30, 2008;
- (iii) $1,000,000 on or before December 31, 2008;
- (iv) A 1.5% net smelter royalty in respect of the exploration licences;
- (v) 1,500,000 share purchase warrants of Avion exercisable at $0.48 for 18 months; and
- (vi) Avion will assume Aberdeen's obligations to Ethio-Gibe for cash and share payments.

On January 31, 2008, the Company completed the sale of its Ethiopian property rights to Avion. At January 31, 2008, the payments to be received from Avion, including the initial $250,000, were recorded as a receivable at a discounted value of $1,837,477 and the 1,500,000 warrants were recorded at an estimated fair market value of $216,000, for total consideration of $2,053,477. The carrying value of the Ethiopian property of $1,972,492 plus fixed assets with a net value of $33,650, along with transaction costs of $25,000 totaled $2,031,142, resulting in a gain on disposal of $22,335. The initial payment of $250,000 under the agreement was received by the Company on February 14, 2008.

The fair value of the warrants was estimated using the Black-Scholes option pricing model using the following assumptions: expected dividend yield 0%; expected volatility of 91%; risk-free interest rate 3.2%; and an expected life of 18 months. The fair value of the payments to be made subsequent to the initial $250,000 shall be made in cash or common shares of Avion, upon the mutual agreement of both parties, with any common shares to be issued at a price equal to the volume weighted average trading price for the 30 days prior to the payment due date for the Avion common shares.

6. LONG-TERM LOANS

On September 21, 2005, the Company entered into a loan agreement for $1,500,000. Interest was payable quarterly and compounded annually at a rate of 10% per annum. The loan was unsecured and repayable by the Company on or before September 21, 2007. The principal plus accrued interest was repaid on September 21, 2007.

On January 11, 2006, the Company entered into a further loan agreement for $1,500,000. Interest was payable quarterly and compounded annually at a rate of 10% per annum. The loan was unsecured and repayable by the Company on or before January 11, 2008. The principal plus accrued interest was also repaid on September 21, 2007.

An arrangement fee of $150,000 and 500,000 options to purchase common shares of the Company at $0.80 per share until January 10, 2008 were paid with respect to these loans. The options were valued at $223,500 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 93%; risk-free interest rate of 3.8%; and an expected average life of two years. These costs were deferred and amortized over the term of the loans. As the loans were repaid during the year, the balance of the deferred costs were fully expensed, leaving a $Nil balance at January 31, 2008 (January 31, 2007 - $178,000). During the year ended January 31, 2008, $178,000 (January 31, 2007 - $188,000) had been charged to operations relating to the amortization of this deferred arrangement fee.

7. COMMON SHARES

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

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

7. COMMON SHARES (Continued)

Authorized

Unlimited common shares with no par value.

Common shares issued

	Number of shares	Amount
Balance, January 31, 2006	27,905,673	$ 12,271,808
Exercise of options	25,000	8,500
Exercise of options - valuation	-	9,921
Cost of issue	-	(15,000)
Balance, January 31, 2007	27,930,673	$ 12,275,229
Private placement	75,000,000	60,000,000
Private placement - warrant valuation	-	(15,750,000)
Cost of issue	-	(4,563,213)
Balance, January 31, 2008	**102,930,673**	**$ 51,962,016**

8. WARRANTS

The following are the warrant transactions during 2008 and 2007:

	January 31, 2008		January 31, 2007	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Balance, beginning of year	**8,349,000**	**$0.93**	8,349,000	$0.93
Granted	**42,000,000**	**$0.98**	-	-
Expired	**(8,349,000)**	**$0.93**	-	-
Balance, end of year	**42,000,000**	**$0.98**	8,349,000	$0.93

The following is a summary of the outstanding warrants as of January 31, 2008:

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

* Compensation Options exercisable into Units at a price of $0.80 per Unit consisting of one common share of the Company and one-half of one common share purchase warrant. See Note 7.

9. STOCK-BASED COMPENSATION

Pursuant to the Company's stock option plan (the "Plan"), the Company may grant to directors, officers, employees and consultants options to purchase shares of the Company. The Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. Options granted under the Plan will be for a term not to exceed 5 years. The options currently granted under the plan vest immediately pending any regulatory hold period. The plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. In no case (calculated at the time of grant) shall the plan result in:

- The number of options granted in a 12-month period to any one consultant exceeding 2% of the issued shares of the Corporation;
- The aggregate number of options granted in a 12-month period to any one individual exceeding 5% of the outstanding shares of the Corporation;
- The number of options granted in a any 12-month period to employees or consultants undertaking investor relations activities exceeding in aggregate 2% of the issued shares of the Company; and
- The aggregate number of common shares reserved for issuance to any one individual upon the exercise of options granted under the Plan or any previously established and outstanding stock option plans or grants exceeding 5% of the issued shares of the Company in any 12-month period.

The following are the stock option transactions during 2008 and 2007:

	January 31, 2008		January 31, 2007	
	Number of stock option	**Weighted average exercise price**	Number of stock option	Weighted average exercise price
Balance, beginning of year	**1,785,000**	**$0.80**	1,760,000	$0.80
Granted	**4,800,000**	**$0.80**	150,000	$0.82
Exercised	**-**	**-**	(25,000)	$0.34
Canceled or expired	**(685,000)**	**$0.85**	(100,000)	$0.85
Balance, end of year	**5,900,000**	**$0.80**	1,785,000	$0.80

As of January 31, 2008, the following stock options were outstanding:

Estimated grant date fair value	Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
$ 232,050	350,000	350,000	$0.85	September 19, 2010
269,500	500,000	500,000	$0.69	October 25, 2010
62,500	100,000	100,000	$0.80	January 20, 2011
96,300	150,000	150,000	$0.82	February 28, 2011
62,000	100,000	100,000	$0.85	April 9, 2012
65,700	100,000	100,000	$0.90	April 30, 2012
2,235,600	4,600,000	4,600,000	$0.80	September 14, 2012
$ 3,023,650	5,900,000	5,900,000		

During the year ended January 31, 2008, 4,800,000 stock options (2007 - 150,000) were granted to directors, officers and consultants of the Company. These options vest immediately and expire five years from the date of issue. The fair value of the options granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0% (2007 - 0%); expected volatility of 89% (2007 - 105%); risk-free interest rate of 4.5% (2007 - 4.5%); and an expected life of 5 years (2007 - 5 years). This resulted in an expense of $2,363,300 (2007 - $165,355). The weighted average grant date fair value of options granted during 2008 was $0.49 (2007 - $0.30).

10. CONTRIBUTED SURPLUS

	2008 **$**	2007 $
Balance, beginning of year	**1,094,265**	938,831
Stock options granted and/or vested during the year:		
Consultant	**503,100**	165,355
Officers and directors	**1,860,200**	-
Warrants expired, reallocation of valuation	**3,137,486**	-
Exercise of stock options, reallocation of valuation	**-**	(9,921)
Balance, end of year	**6,595,051**	1,094,265

11. RELATED PARTY TRANSACTIONS

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

As a result of the Company's business model adopted on the change of business in July 2007, the Company's officers and directors may have investments in and hold management and/or director and officer positions in some of the investments that the Company holds. The following is a list of the investments and the nature of the relationship of the Company's officers or directors with the investment:

Investment	**Nature of relationship**	**Fair value**
Avion Resources Corp.	Directors, officers and shareholders	$ 1,878,469
	Related to investee's CEO	
Buchanan Renewable Energies	Shareholders	750,000
Central Sun Mining Inc.*	Directors and shareholders	16,197,686
Quinto Mining Corporation	Shareholders	3,062,500
Russo-Forest Corporation	Directors and shareholders	2,214,030
Tucano Exploration Inc.	Directors, officers and shareholders	2,000,000
Total of 8 other investments	Directors, officers and shareholders	10,953,191
Total Investments		$ 37,055,876

* Formerly named Glencairn Gold Corporation

While it is at the discretion of the Board, it is expected that an annual bonus equal to 10% of any realized pre-tax profit on the Company's investments will be paid to management. For the year-ended January 31, 2008, the Company did not realize any gains on investments. However, during the same period, $891,902 has been accrued as general and administrative expense for future bonus payments based on unrealized gains on investments of $8,919,018.

The Company was charged $30,000 during the year under review (2007 - $30,000) by a corporation controlled by a director of the Company for administration services. As well, the Company paid $1,383,333 to directors and officers of the Company for consulting services and fees for acting as directors and officers during the year ended January 31, 2008.

During 2008, the Company earned advisory service fees of $168,500 (2007 - $Nil) from corporations with common directors and/or shareholders.

The Company shares its premises with other companies that have common directors and/or officers. The Company reimburses the related companies for their proportional share of expenses. Included in accounts payable at January 31, 2008 is $65,479 (2007 - $1,748) owing to such corporations.

12. COMMITMENTS AND CONTINGENCY

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $550,000 and additional contingent payments of approximately $2,790,000 upon the occurrence of a change of control. As the likelihood of a change of control is not determinable, the contingent payments have not been reflected in these financial statements.

13. INCOME TAXES

(a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the Canadian combined federal and provincial statutory rate of approximately 36% (2007 – 36%) are as follows:

	2008	2007
Net income before income taxes	$ 4,235,237	$ 2,619,114
Expected income tax expense	1,525,000	943,000
Adjustments to benefit resulting from:		
Stock-based compensation	851,000	60,000
Foreign exchange	117,000	(127,000)
Change in future tax rates	(946,000)	-
Other	108,828	175,351
Change in valuation allowance	(5,000)	(911,000)
Provision for income taxes	$ 1,650,828	$ 140,351

(b) Future income tax balances

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

	2008	2007
Future income tax assets (liabilities)		
Investments	$ (2,675,000)	$ -
Convertible royalty debenture	(11,272,000)	-
Resource properties	84,000	218,000
Share issue costs	1,320,000	108,000
Other	17,000	9,000
Valuation allowance	(68,000)	(73,000)
Net future income taxes	$ (12,594,000)	$ 262,000
Net future income taxes consist of:		
Current	$ (5,199,000)	$ 161,000
Long-term	(7,395,000)	101,000
Total	$ (12,594,000)	$ 262,000

14. FINANCIAL INSTRUMENTS

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

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

i. The carrying value of cash equivalents, amounts receivable, accounts payable and accrued liabilities and income taxes payable reflected on the balance sheets approximate fair value because of the limited terms of these instruments.
ii. Investments are carried at amounts in accordance with the Company's accounting policy as set out in Note 2.
iii. The Convertible Royalty Debenture is carried at its estimated fair value based on management's assumptions as discussed in Note 4.

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

Commodity Price Risk:
The value of the Company investments and future revenues are related to the market price of various commodities.

Credit Risk:
Certain of the Company's financial assets, including cash and cash equivalents, are exposed to the risk of a financial loss occurring as a result of a default of a counterparty on its obligation to the Company. The Company may, from time to time, invest in debt obligations. The Company is also exposed, in the normal course of business, to credit risk from the sale of its investments and advances to potential investee companies.

15. SUBSEQUENT EVENT

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

The maximum number of common shares that may be purchased for cancellation pursuant to the NCIB is that number of common shares that represents 10% of the common shares in the public float on the date that the Exchange approved the NCIB. Based on the 81,888,340 common shares in the public float as at January 31, 2008, the maximum number of shares was 8,188,834 less 10% of the common shares held by insiders of the Company.

Purchases under the NCIB commenced on February 4, 2008 and will terminate on February 3, 2009, or the date upon which the maximum number of common shares have been purchased by the Company pursuant to the NCIB. There cannot be any assurance as to how many common shares will ultimately be acquired by Aberdeen under the NCIB. The Company intends that shares acquired pursuant to the NCIB will be canceled. As of March 17, 2008, a total of 471,600 shares have been purchased for cancellation at an average price of $0.50 per share.