ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
January 31, 2008

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

The annual report, including this Management Discussion & Analysis may contain certain "Forward-Looking Statements" within the meaning of applicable securities law, which are prospective and reflect management's expectations regarding Aberdeen's future growth, results of operations, performance and business prospects and opportunities. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding the Company's plan of business operations; projections regarding future success based on past success; availability of financing on acceptable terms; ability to identify and execute investments; investment philosophy and business purposes; projected costs and expenditures; potential benefits of the business; anticipated returns, potential mineralization, projection of future revenue, targets for cash operating costs, exploration results and future plans and objectives of Aberdeen are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Aberdeen's expectations are disclosed in its documents filed from time to time with the Toronto Stock Exchange and other regulatory authorities and include, but are not limited to, in particular, past success or achievement does not guarantee future success. Factors that could cause actual results to differ materially include, among others, risks related to investment performance, market fluctuations, fluctuations in commodity prices, uncertainties relating to the availability and costs of financing needed in the future, the strength of the Canadian and US economies, foreign exchange fluctuations, competition, political and economic risks in the countries in which the Company's investments' interests are located and other risks included elsewhere in this MD&A under the heading "Risks and Uncertainties" as well as those factors discussed in or referred to in the Management Information Circular filed on June 15, 2007, under the profile of the Company at www.sedar.com. With regard to all information included herein relating to investee companies, Aberdeen has relied exclusively on publicly available information disclosed by the respective companies.

Shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking statements. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Aberdeen undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
January 31, 2008

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

Management's Discussion and Analysis of financial condition and results of operations for the year ended January 31, 2008

This discussion and analysis of the operations, results and financial condition of Aberdeen International Inc. ("Aberdeen", or the "Company") for the year ended January 31, 2008 should be read in conjunction with the related annual audited financial statements, including the notes thereto. A detailed summary of the Company's significant accounting policies is included in Note 2 of the Company's audited annual financial statements for the year ended January 31, 2008, which have been consistently applied. The annual audited financial statements for the year ended January 31, 2008 have incorporated several new accounting standards, the impact of which is summarized in Note 2 of the annual audited financial statements. Additional information regarding Aberdeen is available under the profile of the Company on SEDAR at www.sedar.com. This Management Discussion & Analysis reports on the Company's activities through March 17, 2008. All figures are in Canadian dollars, unless otherwise indicated.

OVERVIEW

Previously, Aberdeen 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/or 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 intention is to optimize the return on its investment over an 18 to 24 month investment time frame.

On June 7, 2007, in contemplation of the change of business, the Company announced the completion of a private placement of subscription receipts (the "Financing") pursuant to which it raised aggregate gross proceeds of $60,000,000. The Financing involved the issuance of 75,000,000 subscription receipts at an issue price of $0.80 per subscription receipt. Each subscription receipt was automatically exercisable, for no additional consideration, into one unit upon satisfaction of the escrow release conditions (as described below). Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of $1.00 until June 6, 2012.

On January 30, 2008, Aberdeen's common shares and the share purchase warrants issued in June 2007 began trading on the Toronto Stock Exchange ("TSX") under the symbol AAB and AAB.WT, respectively. Prior to that date, the Company's common shares traded on the TSX Venture Exchange under the symbol AAB.

ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
January 31, 2008

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

SIGNIFICANT DEVELOPMENTS

Change in Business Focus to a Global Resource Investment Company

In July 2007, the Company successfully completed a change of business and began operating as a publicly traded global resource investment and merchant banking company. 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. The Company's investment philosophy will be to acquire equity participation in:

- pre-IPO and/or early stage public resource companies with undeveloped or undervalued high-quality resources;
- companies in need of managerial, technical and financial resources to realize their full potential;
- companies undervalued in foreign capital markets; and,
- companies operating in jurisdictions with low to moderate local political risk.

Aberdeen will provide value-added managerial and board advisory services to these companies. The Company's intention will be to optimize the return on its investments over an 18 to 24 month investment time frame. Aberdeen will also have access to key experts in the mining and financial sector who can provide further assistance in evaluating and monitoring companies and their progress.

Private Placement Financing

On June 7, 2007, the Company announced that it closed the Financing in connection with its transition to a mining investment company. 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. Aberdeen's intention is to use the net proceeds in its business as a publicly traded global resource investment vehicle focused on the resources industry and for general corporate purposes. The gross proceeds of the Offering were held in escrow to be released upon the satisfaction of certain conditions.

On July 27, 2007, with the announcement that the Company had completed its change of business and had met the conditions attached to the Financing, each Subscription Receipt automatically converted into one unit (a "Unit"); with each Unit being comprised of one common share of the Company and one-half of one common share purchase warrant ("Warrant"). Each Warrant is exercisable for one common share of the Company at a price of $1.00 per common share until June 6, 2012.

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

Investments

As at January 31, 2008, the Company held investments with an estimated fair market value of $37,055,876 and a cost of $28,133,923. During the year, an unrealized gain of $8,919,018 (after-tax: $5,931,147) was recorded. All of the Company's investments were acquired during the year. 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.

Sale of Mineral Property - Ethiopia

On February 19, 2007, the Company announced that it had received regulatory approval for its previously announced earn-in agreement with Ethio-Gibe Mining PLC (Ethio-Gibe) on property in Ethiopia. Under the agreement with Ethio-Gibe, the Company obtained the rights granted by the Ethiopian Government to Ethio-Gibe to exclusively stake land in Ethiopia for consideration consisting of cash and shares payable over a five-year period. To earn its interest in the exclusive rights, the Company made payments of totaling $400,000 ($200,000 of which was paid subsequent to January 31, 2008) and had other future commitments.

The Ministry of Mines and Energy of Ethiopia granted Aberdeen exploration licences covering 3,582 km^2 in the Northern Regional State of Tigray and 1,693 km^2 in the Western Regional State of Asosa. The exploration licences granted by the Ethiopian Government are valid for an initial three-year period, followed by two renewal periods of one year each. Aberdeen had received a National Instrument (NI) 43-101 Technical Report titled Ethiopian Mineral Properties, prepared by Jean Lafleur, P. Geo., dated August 25, 2006, in respect of the areas covered by the exploration licences.

During the year, Aberdeen commenced the planned work program on the Company's Ethiopian project. Work consisted of data acquisition, literature review, geological orientation, logistics and establishment of office, and field infrastructure in country as well as minor prospecting and ground follow-up, including sampling of historically identified anomalies. Geophysical airborne magnetic/ radiometric and EM surveys were also completed. The airborne surveys, in conjunction with geological information and satellite interpretation, identified twelve priority targets for either gold, volcanogenic massive sulphides or nickel sulphides. These targets formed the basis for a Phase II ground follow-up exploration program that began in the fourth quarter. The work program was managed by Caracle Creek International Consultants, a Canadian-based international geological consulting firm. Subsequent to the Phase I exploration program, the licence area was refined to cover a total of 4,440 km^2.

On November 28, 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) 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.

The payments to be made by Avion subsequent to the initial $250,000 shall be made in cash or common shares of Avion, upon the mutual agreement of both parties, with any common shares to be issued at a price equal to the volume weighted average trading price for the 30 days prior to the payment due date for Avion common shares.

On January 31, 2008, the Company announced that it had completed the transaction with Avion. At January 31, 2008, the cash payments to be received from Avion, including the initial $250,000, were recorded as a receivable at a discounted value of $1,837,477 and the 1,500,000 warrants were fair valued at $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 of 0%; expected volatility of 91%; risk-free interest rate of 3.2%; and an expected life of 18 months.

In an earlier portfolio investment, during the third quarter, Aberdeen acquired 2,818,700 common shares of Avion, representing approximately 19.9% of Avion, along with 2,818,700 warrants with an expiry date of October 15, 2009. Stan Bharti, a director of Aberdeen, is also a director of Avion and is related to Avion's chief executive officer.

Simmer and Jack/First Uranium Convertible Gold Royalty Debenture

The Company has a US$10,000,000 Secured Gold Based Convertible Debenture ("Convertible Royalty Debenture") with Simmer and Jack Mines, Limited ("Simmers") of South Africa. The Convertible Royalty Debenture has a three-year term with 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 and matures at December 31, 2008.

Simmers has announced that it produced approximately 121,000 ounces of gold from its South African Buffels mine in the 2007 calendar year, compared with approximately 140,000 ounces of gold in 2006. Based on the average gold price during the applicable period, royalty rates were 3.75% for the first quarter, 3.85% for the second quarter, 4.05% for the third quarter and 4.75% for the fourth quarter. As a result, production from the Simmers' Buffels mine provided the Company with a gold royalty equivalent of $3,909,945 for the twelve month period. During 2006, the average royalty rate was 3.25%, which provided a gold royalty equivalent of $3,140,505. In addition to the royalty revenue, the Company received a 2.5% fixed interest rate on the loan facility, which totaled $221,360 during the year.

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 after the first year of the loan, 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.

In addition to the royalty on Simmers' Buffels mine production, in the fourth quarter, Aberdeen began receiving a gold royalty from the Buffels tailings dumps owned by First Uranium Corporation ("First Uranium"), a subsidiary of Simmers. The Buffels tailings dumps provide a gold and uranium resource of previously treated material. The recent rise in both the gold and uranium price suggests this resource can now be economically processed. The mineral resources contained in the tailings dumps were reviewed in a technical report entitled "Technical Report - Preliminary Assessment of the Buffelsfontein Project, Northwest Province, Republic of South Africa" dated November 8, 2006, prepared by R. Dennis Bergen, P.Eng. and Wayne Valliant, P.Geo. of Scott Wilson Roscoe Postle Associates Inc. (Scott Wilson RPA), each of whom is a qualified person under NI 43-101 and is independent of Aberdeen.

The tailings recovery project is 100%-owned and operated by First Uranium. The tailings dumps are being mined using high-pressure water cannons to produce a slurry, that is pumped to the processing plants and separated into gold and uranium using a leaching process. First Uranium purchased a 600,000 tonne per month gold recovery plant adjacent to the Buffels tailings dumps to help facilitate the acceleration of gold production. First Uranium announced that gold production from treating the Buffels tailings dumps began at the end of the 2007 calendar year, producing approximately 3,000 ounces to January 31, 2008. First Uranium plans to expand this gold plant and construct a new uranium plant. First Uranium's disclosed plan for the tailings recovery project is based on treating 1.8 million tonnes per month, producing an average 138,000 ounces of gold and 950,000 pounds of uranium per year over a 14-year mine life. Scott Wilson RPA estimated that a total of 1.9 million ounces of gold will be recovered from the tailings dumps.

These estimates were extracted from a NI 43-101 Technical Report entitled "An Independent Audit of the Mineral Resources and Mineral Reserves of the Buffelsfontein Gold Mine, Northwest Province, South Africa" dated April 18, 2006, prepared for Aberdeen by Daniel van Heerden and N. Johan Odendaal of Minxcon, each of whom is a qualified person under NI 43-101 and is independent of Aberdeen.

The Company's royalty loan facility extends to all gold produced from the tailings dumps as well as the existing underground mining operations at Buffels. The royalty loan facility does not extend to uranium produced at Buffels.

As at January 31, 2008, the fair value of the Convertible Royalty Debenture (which includes gold production from both Simmers and First Uranium) was estimated to be $45,439,748. The key assumptions used in determining the fair value of the Convertible Royalty Debenture include the following: 1) receipt of a graduated royalty until December 31, 2008; 2) repayment of the US$10 million loan on December 31, 2008 and thereafter receipt for a 1% NSR for the life of the mines; 3) 5% discount rate; 4) US$850 gold price through fiscal year 2010, and US$600 thereafter; and, 5) life of mines and gold production estimates as publicly disclosed by Simmers and First Uranium Corporation.

Simmers initially forecast annualized production of 230,000 ounces from the Buffels mine. This production target was not met in 2007 due to changes in the mine plan and start-up difficulties. Simmers has recently reported that they expect to produce, on average, approximately 200,000 ounces per year for the next few years increasing to approximately 300,000 per year by 2014 and sustained at this annual production level for several years thereafter. First Uranium is forecasting gold production of 63,000 ounces from the tailings recovery project in calendar 2008. At this level of production and based on a gold price of US$850, a royalty rate of 4.75% and the Canadian and US dollars at par, Aberdeen would realize royalty revenue of approximately $9.7 million during the eleven months remaining in the calendar year (between February 1, 2008 and December 31, 2008).

Simmers has announced that it is addressing the production shortfall experienced in 2007 with an increased mine development plan to deal with the adverse affects of seismicity and geological complexity. In order to optimize the gold production from the Buffels mine, Simmers announced the rehabilitation of the abandoned high-grade Five Shaft. The reactivation of the Five Shaft is expected to add 700,000 ounces gold to the mine's compliant reserve estimates. Simmers expects to commence production from the Five Shaft in the 2008 calendar year.

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.

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2008, the Company had working capital of $81,244,913 and had generated $3,892,298 from its operating activities during the year. The working capital consisted largely of cash and cash equivalents totaling $28,936,408, investments with a fair market value of $37,055,876 and the current portion of the Convertible Royalty Debenture of $20,489,000.

At January 31, 2008, the Company had cash of $3,331,024 and cash equivalents of $25,605,384. The cash equivalents were invested in Banker's Acceptance Paper issued by Canadian Schedule 1 Financial Institutions and the Company is not aware of any concerns with the commercial paper.

During fiscal 2006, the Company entered into two loan agreements for $1,500,000 each. Interest was payable quarterly and compounded annually at a rate of 10% per annum. The loans were unsecured and repayable by the Company on or before September 21, 2007 and January 11, 2008, respectively. Both loans plus any accrued interest outstanding were repaid on September 21, 2007.

RESULTS OF OPERATIONS

The net income for the year under review was $2,584,409, compared to income of $2,478,763 for the prior year. The net income was largely from unrealized gains on investments of $8,919,018 (after-tax of $5,931,147), royalty revenue of $3,909,945 and interest revenue of $1,675,637. This was partially offset by an unrealized loss of $5,757,800 on the Company's Convertible Royalty Debenture, general and administrative expense of $2,128,026 and stock-based compensation of $2,363,300.

During the prior year, the net income was largely the result of royalty revenue of $3,140,505, an unrealized gain on the Convertible Royalty Debenture of $353,936 and interest income of $301,261, partially offset by general and administrative expense of $622,467.

During the 2007 calendar year, the gold price averaged US$695 per ounce, which resulted in an average royalty rate of 4.10%. Production from Simmers and First Uranium during the twelve month period was approximately127,000 gold ounces, resulting in royalty revenue of $3,909,945. The average US/Cdn dollar exchange rate for the fiscal year was 1.0748. During the prior calendar year, the gold price averaged $604 per ounce, resulting in an average royalty rate of 3.25%. Based on production of approximately 136,000 ounces and an average US/Cdn dollar exchange rate of 1.1354, the Company recorded royalty revenue of $3,140,505.

The unrealized loss on the Convertible Royalty Debenture was largely due to a weaker US dollar. The US/Cdn dollar exchange rate at January 31, 2008 was 1.0022. Using the January 31, 2007 exchange rate of 1.1793, the fair value of the Convertible Royalty Debenture would be $53,469,462, a foreign exchange rate difference of $8,029,714. This exchange rate loss was partially offset by a higher assumed gold price used in the fair value analysis. At January 31, 2008, a gold price of US$850 per ounce was used for the next two fiscal years and US$600 per ounce thereafter.

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

During the fiscal year ended January 31, 2008, the Company recorded total interest revenue of $1,675,367, compared with $301,261 in the prior year. The increase during the current year was due to interest earned on larger cash balances resulting from the $60,000,000 private placement in June 2007.

During the year, the Company recorded revenue for advisory service fees of $168,500 relating to services provided to pre-IPO or early stage public companies. In addition, Aberdeen recorded arrangement fee revenue of $103,113 (2007-$113,432) related to the Convertible Royalty Debenture.

The increase in general and administrative expense, from $622,467 to $2,128,026 is largely due to an increase in consulting fees. The consulting fees were largely from an accrual based on providing management with an annual bonus equal to 10% of the realized pre-tax profit on the Company's portfolio investments. For the year ended January 31, 2008, the Company did not realize any gains on investments. However, during this period, $891,902 was accrued as an expense based on unrealized gains on investments of $8,919,018. Consulting costs also increased as Aberdeen transitioned into a resource investment and merchant banking company. Other increases in general and administrative expense were from professional fees, filing and transfer agent fees, travel costs and capital taxes.

Transaction costs on the purchase of portfolio investments are expensed as incurred. During the year, the Company incurred transaction costs of $51,323.

The Company incurred interest expense of $199,161 (2007-$300,000) on its long-term loan facility that was repaid in September 2007 and recorded a non-cash expense of $178,000 (2007-$188,000), which related to the amortization of debt arrangement fees related to the loans.

Selected Annual Information

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

	2008	2007	2006
Net income (loss) for the year	$2,584,409	$2,478,763	$(1,903,809)
Basic and diluted income (loss) per share	$0.04	$0.09	$(0.12)
Total assets	$113,842,465	$15,168,428	$12,945,093
Total liabilities	$15,040,315	$3,417,665	$3,831,948
Working capital (deficiency)	$81,244,913	$(145,874)	$595,850

Quarterly Information

The quarterly results have been as follows:
Tabular amounts in $000, except for per share amounts.

Summary Financial Information for the Eight Quarters Ended January 31, 2008

Period	Investment gains & revenues	Total assets	Net income (loss)	Basic and diluted income (loss) per share	Long-term liabilities
4th Quarter 2008	2,876	113,842	2,258	0.02	7,395
3rd Quarter 2008	10,460	111,466	3,565	0.03	9,999
2nd Quarter 2008	(1,360)	107,564	(1,062)	(0.03)	11,832
1st Quarter 2008	(2,928)	51,069	(2,177)	(0.08)	12,826
4th Quarter 2007	820	15,168	1,227	0.04/0.03	102
3rd Quarter 2007	945	13,854	464	0.02/0.01	3,120
2nd Quarter 2007	1,028	13,450	768	0.03/0.02	3,150
1st Quarter 2007	762	13,027	20	-	3,175

The Company is currently generating royalty and interest revenue from its convertible royalty debenture which is tied to the price of gold, as previously discussed. The Company began making investments in pre-IPO and early stage public resource companies in the 3rd quarter of 2008. These investments are fair valued with an unrealized gain or loss going through the statement of operations. During the 3rd quarter of 2008, the Company recorded an unrealized gain on investments of $10,985,310 and during the 4th quarter of 2008 recorded an unrealized loss of $2,066,292. The Company also adjusts the fair value of its Convertible Royalty Debenture through income since the adoption of new accounting policies as of February 1, 2007. With the weakening of the US dollar against the Canadian dollar during the year, Aberdeen recorded unrealized losses on the fair value of the Convertible Royalty Debenture in each of the four fiscal quarters in 2008.

Historically, the net losses have resulted primarily from corporate overheads, including non-cash stock-based compensation expenses. Stock-based compensation represents an estimate of the fair value of stock options granted to directors, officers and consultants of the Company, calculated by applying the Black-Scholes option pricing model.

The general trend of increasing total assets has resulted from the Company raising funds through private equity and debt placements and using these funds to acquire portfolio investments. The large increase in total assets on February 1, 2007 was the result of the Company applying the new accounting standards for financial instruments that require the convertible royalty debenture be carried at fair value. The further increase of total assets for the second fiscal quarter of 2008 was the result of the $60,000,000 private placement, which was completed in July 2007.

CASH FLOWS

Cash provided by operating activities in the year ended January 31, 2008 was $3,892,298, compared to $2,022,448 in the prior year. The increase was largely due to a net change in working capital movements of $1,743,110 along with higher royalty payments and higher interest income due to larger cash balances.

Financing activities generated $52,141,287 during the year under review, compared to a use of $6,500 during the prior year. The source of cash was the $60,000,000 private placement less issue costs in June 2007, partially offset by loan repayments of $3,000,000.

Cash used in investing activities during the year ended January 31, 2008 was $29,633,814, compared to $90,368 in the prior year. During the year, $27,920,858 was used for the purchase of portfolio investments and $1,670,893 related to expenditures on the Company's Ethiopian mineral property, which was disposed of at year end.

SIGNIFICANT FUTURE OBLIGATIONS

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.

FINANCIAL INSTRUMENTS

Fair value

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

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

i. The carrying value of cash equivalents, amounts receivable and accounts payable and accrued liabilities reflected on the balance sheet approximate fair value because of the limited terms of these instruments.
ii. Investments are carried at amounts in accordance with the Company's accounting policy as set out below under "Significant Accounting Policies" and in Note 2 of the annual audited financial statements for the year ended January 31, 2008.
iii. The Convertible Royalty Debenture is carried at its estimated fair value based on management's assumptions as discussed in Note 4 of the annual audited financial statements for the year ended January 31, 2008.

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

TRANSCTIONS WITH RELATED PARTIES

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

The Company's officers and directors may have investments in and/or director and officer positions in certain 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 the realized pre-tax profit on the Company's portfolio 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 was accrued as consulting and management compensation expense 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.

MANAGEMENT AND BOARD CHANGES

On October 4, 2007, the Company announced that Brad Boland joined the Company as Chief Financial Officer. Prior to joining the Company, Mr. Boland served as Vice President, Corporate Controller of Kinross Gold Corporation, and previously held the position of Vice President, Finance of Goldcorp Inc. He is also currently the Chief Financial Officer for Consolidated Thompson Iron Mines Limited.

Also on October 4, 2007, the Company announced that Michael Hoffman agreed to join the Company as a member of the board of directors, replacing Carlos LiVolsi. Mr. Hoffman is a mining engineer with more than 25 years of experience in mine operations, projects, engineering and corporate development. Mr. Hoffman has recently served in senior executive positions at Goldcorp Inc, Desert Sun Mining

Corporation and Yamana Gold Inc. He is currently the President and Chief Executive Officer at Crowflight Minerals and serves as a director of Largo Resources Ltd. and Castillian Resources Corp.

On June 7, 2007, the Company announced that the Honourable Pierre S. Pettigrew, p.c. agreed to join the Company as a member of the board of directors. Pierre Pettigrew has had a distinguished career as a Canadian federal cabinet minister for ten years to 2006. He served as the Minister of Foreign Affairs and International Trade of Canada. As a result, he has led a number of Canadian international trade missions. Pierre Pettigrew also has held a number of other important ministry positions. He is now with Deloitte & Touche LLP in the role of Executive Advisor, International.

As a result of these changes the board of the Company is now comprised of: Stan Bharti (Executive Chairman), George Faught, Pierre Pettigrew, Michael Hoffman and Doug Bache. Mr. Faught is also the President and CEO of the Company.

SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies are described in Note 2 to the annual audited financial statements for the year ended January 31, 2008. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the amounts reported in the financial statements and accompanying notes. The following is a list of the accounting policies that the Company believes are critical, due to the degree of uncertainty regarding the estimates and assumptions involved and the magnitude of the asset, liability, revenue or expense being reported:

- Investments
- Revenue recognition
- Income taxes
- Stock-based compensation

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 consolidated 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 company, 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 value 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 value 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.

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.

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. 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.

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.

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

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.

CHANGES IN ACCOUTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS

On February 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections: 1530, *Comprehensive Income;* 3251, *Equity*; 3855, *Financial Instruments – Recognition and Measurement*; 1861, *Financial Instruments – Disclosure and Presentation*; and 3865, *Hedges.* A detailed summary of the impact of these accounting policy changes are outlined in Note 2 of the annual audited financial statements for the year ended January 31, 2008

The effect on the Company's February 1, 2007 balance sheet of adopting these standards is summarized below:

	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 income 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 deferred 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.

ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
January 31, 2008

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

OUTLOOK

On June 7, 2007, the Company closed a private placement financing raising gross proceeds of $60,000,000. During the balance of the year, the Company used $27,920,858 to purchase portfolio investments and had a cash and cash equivalent balance of $28,936,408 at the end of the year. In connection with its business as a publicly traded global investment company and merchant bank focused on the resources industry, Aberdeen will continue to actively investigate potential investment opportunities. With respect to the convertible royalty debenture, the Company is following the progress on the Buffels mines closely and is currently considering the conversion right, thereby allowing the Company to crystallize the full value of the royalty loan.

RISKS AND UNCERTAINTIES

The investment in pre-IPO and early stage public resource companies involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Certain risk factors listed below are related to investing in the resource industry in general while others are specific to Aberdeen. For an additional discussion of risk factors and other information please refer to the Management Information Circular filed on June 15, 2007, under the profile of the Company at www.sedar.com.

Portfolio Exposure
Given the nature of Aberdeen's activities, the results of operations and financial condition of the Company are dependent upon the market value of the securities that comprise the Company's portfolio. Market value can be reflective of the actual or anticipated operating results of companies in the portfolio and/or the general market conditions that affect the resource sector. Various factors affecting the resource sector could have a negative impact on Aberdeen's portfolio of investments and thereby have an adverse affect on its business. Additionally, the Company's investments are mostly in small-cap businesses which may not ever mature or generate adequate returns or may require a number of years to do so. Junior exploration companies may never achieve commercial discoveries and production. This may create an irregular pattern in Aberdeen's revenues (if any) and an investment in the Company's securities may only be suitable for investors who are prepared to hold their investment for a long period of time. Macro factors such as fluctuations in commodity prices and global political and economical conditions could have an adverse effect on the resource industry, thereby negatively impacting the Company's portfolio of investments. Company-specific risks, such as the risks associated with mining operations generally, could have an adverse affect on one or more of the investments in the portfolio at any point in time. Company-specific and industry-specific risks which materially adversely affect the Company's investment portfolio may have a materially adverse impact on operating results.

Dependence on Management, Directors and Investment Committee
Aberdeen is dependent upon the efforts, skill and business contacts of key members of management, for among other things, the information and deal flow they generate during the normal course of their activities and the synergies which exist amongst their various fields of expertise and knowledge. Accordingly, the Company's success may depend upon the continued service of these individuals who are not obligated to remain employed with Aberdeen. The loss of the services of any of these individuals could have a material adverse effect on the Company's revenues, net income and cash flows and could harm its ability to maintain or grow existing assets and raise additional funds in the future.

Cash Flow and Revenue
Aberdeen's revenue and cash flow is generated primarily from financing activities and proceeds from the disposition of investments, in addition to interest and royalty income earned from the Simmers Convertible Royalty Debenture. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of the Company's direct control. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered, whether as a result of a downturn in the market conditions generally or to matters specific to the Company, or if the value of its investments decline, resulting in capital losses upon disposition.

Private Issuers and Illiquid Securities
Aberdeen invests in securities of private issuers. Securities of private issuers may be subject to trading restriction, including hold periods, and there may not be any market for such securities. These limitations may impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers are subject to a relatively high degree of risk. There can be no assurance that a public market will develop for any of Aberdeen's private company investments or that the Company will otherwise be able to realize a return on such investments.

The value attributed to securities of private issuers will be the cost thereof, subject to adjustment in limited circumstances, and therefore may not reflect the amount for which they can actually be sold. Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed for the investments.

Aberdeen also invests in illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time the Company is able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that the Company will be unable to realize its investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Company may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

The Company may also make direct investments in publicly-traded securities that have low trading volumes. Accordingly, it may be difficult to make trades in these securities without adversely affecting the price of such securities.

Possible Volatility of Stock Price
The market price of the Company's common shares has been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of Aberdeen's common shares. The purchase of the Company's common shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Company should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's should not constitute a major portion of an investor's portfolio.

Trading Price of Common Shares Relative to Net Asset Value
Aberdeen is neither a mutual fund nor an investment fund and due to the nature of its business and investment strategy and the composition of its investment portfolio, the market price of its common shares, at any time, may vary significantly from the Company's net asset value per share. This risk is separate and distinct from the risk that the market price of the Company's common shares may decrease.

Available Opportunities and Competition for Investments
The success of the Company's operations will depend upon: (i) the availability of appropriate investment opportunities; (ii) the Company's ability to identify, select, acquire, grow and exit those investments; and (iii) the Company's ability to generate funds for future investments. Aberdeen can expect to encounter competition from other entities having similar investment objectives, including institutional investors and strategic investors. These groups may compete for the same investments as Aberdeen, may be better capitalized, have more personnel, have a longer operating history and have different return targets. As a result, the Company may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing which may further limit the Company's ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to invest in or that such investments can be made within a reasonable period of time. There can be no assurance that the Company will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that the Company is unable to find and make a sufficient number of investments.

Share Prices of Investments
Investments in securities of public companies are subject to volatility in the share prices of the companies. There can be no assurance that an active trading market for any of the subject shares is sustainable. The trading prices of the subject shares could be subject to wide fluctuations in response to various factors beyond Aberdeen's control, including, quarterly variations in the subject companies' results of operations, changes in earnings, estimates by analysts, conditions in the resource industry and general market or economic conditions. In recent years equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of the Company's investments.

Concentration of Investments
Other than as disclosed in this MD&A, there are no restrictions on the proportion of the Company's funds and no limit on the amount of funds that may be allocated to any particular investment. The Company may participate in a limited number of investments and, as a consequence, its financial results may be substantially adversely affected by the unfavourable performance of a single investment. Completion of one or more investments may result in a highly concentrated investment in a particular company.

Additional Financing Requirements
The Company anticipates ongoing requirements for funds to support its growth and may seek to obtain additional funds for these purposes through public or private equity, or debt financing. There are no assurances that additional funding will be available at all, on acceptable terms or at an acceptable level. Any additional equity financing may cause shareholders to experience dilution, and any debt financing would result in interest expense and possible restrictions on the Company's operations or ability to incur additional debt. Any limitations on the Company's ability access the capital markets for additional funds could have a material adverse effect on its ability grow its investment portfolio.

No Guaranteed Return
There is no guarantee that an investment in the Company’s securities will earn any positive return in the short term or long term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. In addition, past performance provides no assurance of future success.

Management of Aberdeen’s Growth
Significant growth in the business, as a result of acquisitions or otherwise, could place a strain on the Company’s managerial, operational and financial resources and information systems. Future operating results will depend on the ability of senior management to manage rapidly changing business conditions, and to implement and improve the Company’s technical, administrative and financial controls and reporting systems. No assurance can be given that the Company will succeed in these efforts. The failure to effectively manage and improve these systems could increase costs, which could have a materially adverse effect the Company’s operating results and overall performance.

Due Diligence
The due diligence process undertaken by the Company in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Company conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company relies on the resources available, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that is carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Exchange Rate Fluctuations
A significant portion of the Company’s investment portfolio could be invested in U.S. dollar denominated investments or other foreign currencies. Changes in the value of the foreign currencies in which the Company’s investments are denominated could have a negative impact on the ultimate return on its investments and overall financial performance.

Non-controlling Interests
The Company’s investments include debt instruments and equity securities of companies that it does not control. Such instruments and securities may be acquired through trading activities or through purchases of securities from the issuer. These investments are subject to the risk that the company in which the investment is made may make business, financial or management decisions with which Aberdeen does not agree or that the majority stakeholders or the management of the investee company may take risks or otherwise act in a manner that does not serve the Company’s interests. If any of the foregoing were to occur, the values of the Company’s investments could decrease and its financial condition, results of operations and cash flow could suffer as a result.

SUBSEQUENT EVENTS

Normal Course Issuer Bid

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

The maximum number of common shares that may be purchased for cancellation pursuant to 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. The number of shares in the public float is less than the number of issued and outstanding common shares because the public float number does not include common shares held by insiders of the Company. The actual number of common shares to be purchased and the timing of such purchases will be determined by the Company considering market conditions, stock prices, its cash position, and other factors.

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.

Investments

As of March 17 2008, the Company had spent $1,356,620 on various new portfolio investments subsequent to January 31, 2008.

MULTILATERAL INSTRUMENT 52-109 DISCLOSURE

<u>Evaluation of disclosure controls and procedures</u>

We have evaluated the effectiveness of our disclosure controls and procedures and have concluded, based on our evaluation that they are sufficiently effective to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

<u>Internal controls over financial reporting</u>

The Chief Executive Officer and Chief Financial Officer, together with other members of management, after having designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reporting in accordance with the issuer's GAAP as of January 31, 2008, have not identified any changes to the Company's internal controls over financial reporting which would materially affect, or is reasonably likely to materially affect the Company's internal control over financial reporting.

ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
January 31, 2008

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

SUPPLEMENT TO THE FINANCIAL STATEMENTS

As at March 17, 2008, the following common shares, common share purchase options and share purchase warrants were issued and outstanding:

- 102,530,673 common shares;
- 37,500,000 share purchase warrants with an exercise price of $1.00, expiring June 6, 2012;
- 5,900,000 common share purchase options with exercise prices ranging from $0.69 to $0.90, expiring between September 19, 2010 and October 4, 2012; and,
- 4,500,000 Compensation Option Warrants with an exercise price of $0.80 expiring June 6, 2009.