ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2007

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

The quarterly report, including this MD&A, 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, as 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 TSX Venture Exchange and other regulatory authorities and include, but are not limited to, the inability to predict future success; metal prices; competition; financing risks; acquisition risks; risks inherent in the mining industry; regulatory risks; uncertainties relating to the availability and costs of financing needed in the future; changes in exchange rates; and other factors.

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
July 31, 2007

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

Management's Discussion and Analysis of financial condition and results of operations for the quarter ended July 31, 2007

This discussion and analysis of the operations, results and financial condition of Aberdeen International Inc. ("Aberdeen", or the "Company") for the quarter ended July 31, 2007 should be read in conjunction with the related quarterly unaudited 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, 2007, which have been consistently applied.

OVERVIEW

Previously Aberdeen operated as a Canadian exploration and royalty company listed on the TSX Venture Exchange (the "TSVE"). In July 2007, the Company successfully completed a Change of Business and is now operated 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. In connection with the Change of Business, Aberdeen will seek to acquire significant equity participation in pre-IPO and/or early stage public resource companies with undeveloped or undervalued high-quality resources. Aberdeen will 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 moderate local political risk. Aberdeen will seek to provide value-added managerial and board advisory services to companies. The Corporation's intention will be to optimize the return on its investment over an 18 to 24 month investment time frame.

In contemplation of the Change of Business, as of June 6, 2007, the Corporation completed a private placement of subscription receipts (the "Financing") pursuant to which it raised aggregate gross proceeds of $60 million. The Financing involved the issuance of 75 million 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 Corporation for a period of five years following the closing date at a price of $1.00.

ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2007

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

SIGNIFICANT ACCOUNTING POLICIES

A detailed summary of the Company's significant accounting policies is included in Note 2 of the Company's audited financial statements for the year ended January 31, 2007.

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.*

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.

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 on December 31, 2008 and thereafter receipt for a 1% NSR for the life of the mines; 3) 5% discount rate; 4) US$650 gold price in fiscal 2008 and 2009, and US$600 thereafter; and, 5) life of mines and gold production estimates as per Simmers and First Uranium Corporation.

ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2007

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

SIGNIFICANT DEVELOPMENTS

CHANGE IN BUSINESS FOCUS TO A GLOBAL RESOURCE INVESTMENT COMPANY AND PRIVATE PLACEMENT FINANCING

On June 7, 2007, the Company announced that it closed a private placement financing (the "Offering") of subscription receipts (the "Subscription Receipts") 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 million. Aberdeen intends to use the net proceeds from the Offering in connection with 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 (the "Escrowed Proceeds") and released upon satisfaction of the following conditions (together, the "Escrow Release Conditions"):

(a) (i) the TSX Venture Exchange (the "TSVE") TSVE shall have approved the change of business focus proposed by the Company and the listing of the Company as a Tier 1 issuer; (ii) the Company shall have obtained the requisite shareholder approval for the change of business focus; and, (iii) the TSVE shall have conditionally accepted the Offering;

(b) the Company shall have satisfied all of the conditions imposed by the TSVE other than the release of the Escrowed Proceeds; and,

(c) the Company shall have complied with all of its covenants and/or obligations under the agency agreement entered into in respect of the Offering and the subscription receipt agreement pursuant to which the Subscription Receipts were issued, except those breaches or defaults that have been waived by the Agents.

On July 27, 2007, the Company announced that it has completed its change of business and began operating as a publicly traded global resource investment and merchant banking company. In connection with the change of business, 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)

Ethio-Gibe Mining PLC.

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.

Under the agreement with Ethio-Gibe Canada Mining PLC (Ethio-Gibe), the Company obtained 100% of the exclusive rights granted by the Ethiopian Government to Ethio-Gibe for consideration consisting of cash and shares payable over a five-year period. To earn its interest in the exclusive rights, the Company made an initial payment of $200,000 and will issue 500,000 shares of the Company. The Company will make further payments of $250,000 and issue 250,000 shares on or before each of December 31, 2007, December 31, 2008 and December 31, 2009. In addition, payments of $500,000 will be made on each of December 31, 2010 and December 31, 2011, payable in cash or shares of the Company, at the Company's option, contingent on the discovery of resources equivalent to 1 million ounces of gold by December 31, 2009. Ethio-Gibe will also retain a 2% net smelter royalty (the "NSR") on all properties covered by this agreement. The Company has the option to reduce the NSR to 1% by making a payment of $1,000,000 to Ethio-Gibe.

On January 25, 2007, the Ministry of Mines and Energy of Ethiopia granted Aberdeen exploration licenses 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 licenses granted by the Ethiopian Government will be valid for an initial three-year period, followed by two renewal periods of one year each. Prior to the expiry of the exclusive right period on April 27, 2007, the Company made an application for several additional exploration licenses and is awaiting confirmation of the grant of additional exploration licenses from the Ministry.

During the second quarter, Aberdeen commenced the planned work program on the Company's Ethiopian project. Work consisting 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, commenced. Also, the planned geophysical airborne magnetic/radiometric and EM surveys were commenced during the quarter with the majority of the planned work being successfully completed. Interpretation is continuing and is planned to be made available through press release once completed during the third quarter. The work program was managed by Caracle Creek International Consultants, a Canadian-based international geological consulting firm.

Aberdeen received a National Instrument (NI) 43-101 Technical Report titled Ethiopian Mineral Properties, by Jean Lafleur, P. Geo., dated August 25, 2006, covering the prospecting areas.

Simmer and Jack Convertible Gold Royalty Debenture

Simmer and Jack Mines, Limited ("Simmers") produced approximately 140,000 ounces of gold from its South African Buffels mine in the 2006 calendar year. In the second calendar quarter of 2007, the Buffels mine produced 30,452 ounces of gold which was an improvement over the first calendar quarter of 2007 when the Buffels mine produced 26,868 ounces of gold, the lowest quarterly production of gold since Simmers reactivated the mine in late 2005. Based on the average gold price during 2006, the royalty rates were 2.75% for the first quarter 2006, 3.45% for the second and third quarters 2006 and 3.35% for the fourth quarter 2006 for gold produced by the Buffels mine, providing Aberdeen with a gold royalty equivalent of US$2.76 million for the twelve month period which excludes the 2.5% fixed interest rate of the royalty loan facility. In the first quarter of 2007, the royalty rate was 3.75%, providing Aberdeen with a gold royalty equivalent of US$655,000, while the royalty rate increased marginally to 3.85% in the second quarter of 2007, providing the Company with a gold royalty equivalent of US$782,000. The royalty is tied to the gold price, ranging from a 0.5% rate at US$300 per ounce up to 4.75% at US$750 per ounce or higher.

Simmers is addressing the recent production shortfall 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 has recently announced the rehabilitation of the abandoned high-grade Five Shaft. The reactivation of the Five Shaft will add 700,000 ounces gold to the mines compliant reserves. Production from the Five Shaft is expected to commence this year to produce 12,000 ounces by March 31, 2008.

First Uranium Gold Royalty

The Company announced in November of 2006 that it will receive a new gold royalty from First Uranium Corporation ("First Uranium"), a subsidiary of Simmers.

At the Buffels mine, the tailings dumps provide a substantial 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 NI43-101 and is independent of Aberdeen.

Buffelsfontein Project	Tonnes (t 000's)	Gold Grade (g/t)	U3O8 Grade (%)	Cont. Gold (oz 000's)	Cont. U3O8 (lb 000's)
Measured Resources	115,064	0.31	0.0083	1,144	21,130
Indicated Resources	165,953	0.31	0.0059	1,628	21,603
Total Measured and indicated	281,017	0.31	0.0069	2,772	42,733
Inferred Resources	1,740	0.54	0.0243	30	932

Notes:

1. CIM definitions were followed for mineral resources.
2. A zero grade cutoff grade was used.
3. Rows and columns may not add exactly due to rounding.
4. Preliminary metallurgical test results indicate that recoveries will be approximately 27% for uranium and 68% for gold.

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

The tailings recovery project will be 100%-owned and operated by First Uranium. The tailings dumps will be mined using high-pressure water cannons to produce a slurry, that will then be pumped to the processing plants and separated into gold and uranium using a leaching process. First Uranium recently announced the purchase of an operating 600,000 tonne per month gold recovery plant adjacent to the Buffels tailings dumps, which will facilitate the acceleration of gold production. First gold production from treating the Buffels tailings dumps is expected in the fourth quarter of 2007. First Uranium plans to expand this gold plant and construct and new uranium plant. The current 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.

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

The estimate of mineral reserves and resources at the Buffels underground mine was updated and resulted in a doubling of the mine life to 20 years as reported in the Company's Press Release dated July 31, 2006.

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.

LIQUIDITY AND CAPITAL RESOURCES

During fiscal 2006, the Company entered into two loan agreements for $1,500,000 each. Interest is payable quarterly and compounded annually at a rate of 10% per annum. The loans are unsecured and repayable by the Company on or before September 21, 2007 and January 11, 2008 respectively. As the two loans were due within 12 months, they have been classified as current liabilities. Subsequent to July 31, 2007, the principal and accrued interest on these loans were repaid.

During the quarter ended July 31, 2007, the Company had a working capital of $55,464,579 and generated $988,110 from its operating activities. The Company raised gross proceeds of $60,000,000 in a private placement financing which closed on June 6, 2007.

At July 31, 2007, the Company had cash of $614,443 and cash equivalents of $58,552,107. The cash equivalents were invested in Banker's Acceptance Paper issued by Canadian Schedule 1 Financial Institutions.

ABERDEEN INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2007

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

RESULTS OF OPERATIONS

The net loss for the quarter under review was $1,061,898, compared to an income of $767,940 for the prior year quarter. The net loss included an unrealized loss of $2,668,652 stemming from the Company's convertible debenture (comparable prior quarter in an unrealized income of $97,213). Approximately $1,715,000 of the loss related to the strengthening of the Canadian dollar against the U.S. dollar during the quarter.

The Company's convertible royalty debenture generated royalty and interest income of $909,074 in the second quarter of fiscal 2008 ($1,027,610 for the comparable quarter in fiscal 2007).

Administrative expenses for the quarter under review were $214,334, compared to $151,648 for the quarter ended July 31, 2006. $29,849 of the increase resulted from professional fees and $20,107 of increase resulted from consulting fees.

The Company incurred interest expense of $75,000 (2007-$75,000) on its long-term loan facility and recognized a non-cash expense of $47,000 (2007-$47,000) related to the amortization of debt arrangement fees related to the loan.

Selected Annual Information

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

	2007	**2006**	**2005**
Net Income (loss) for the year	$2,478,763	$(1,903,809)	$(263,769)
Basic and diluted income (loss) per share	$0.09	$(0.12)	$(0.03)
Total assets	$15,168,428	$12,945,093	$299,247
Total liabilities	$3,417,665	$3,831,948	$84,497
Working capital (deficiency)	$(145,874)	$595,850	$65,793

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 July 31, 2007

Period	Revenues	Total assets	Net income (loss)	Basic and diluted income (loss) per share	Long term liabilities
2nd Quarter 2007/8	1,308	107,564	(1,062)	(0.01)	11,832
1st Quarter 2007/8	967	51,230	(2,177)	(0.11)	12,826
4th Quarter 2006/7	820	15,168	1,227	0.04	102
				0.03	
3rd Quarter 2006/7	945	13,854	464	0.02	3,120
				0.01	
2nd Quarter 2006/7	1,028	13,450	768	0.03	3,150
				0.02	
1st Quarter 2006/7	762	13,027	20	-	3,175
4th Quarter 2005/6	202	12,945	(803)	(0.04)	3,214
3rd Quarter 2005/6	188	6,304	(756)	(0.05)	1,500

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.

Historically, the net losses have resulted primarily from corporate overheads, including significant 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 a secured gold royalty based convertible debenture which is generating positive operating cash flow. The large increase in total assets on February 1, 2007 is the result of the Company applying the new accounting standards for financial instruments which require it to carry its convertible royalty debenture at fair value. The increase of total assets for the quarter under review is the result of $60 million private placement which closed on June 6, 2007.

CASH FLOWS

Cash generated from operating activities in the quarter ended July 31, 2007 was $988,110 compared to $271,742 in the prior year quarter as described under the Results of Operations section of this report. The increase is due to higher interest revenue and net changes in working capital.

Financing activities generated $56,135,287 during the quarter under review compared to a use of $9,500 during the quarter ended July 31, 2006. As mentioned earlier, the Company closed a $60 million private placement financing in its second quarter.

Cash used in investing activities during the quarter ended July 31, 2007 was $409,259 compared to a use of $nil in the prior year quarter. The significant expenditures during the second quarter of 2007 related primarily to the Company's mineral properties in Ethiopia.

SIGNIFICANT FUTURE OBLIGATIONS

The Company has entered into loan agreements for $3,000,000 as described in the Liquidity section of this report. $1,500,000 is repayable on September 21, 2007 and $1,500,000 is repayable on January 11, 2008. Subsequent to July 31, 2007, the principal and accrued interest on both loans were repaid.

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $79,000 and additional contingent payments of approximately $238,000 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.

TRANSCTIONS WITH RELATED PARTIES

The Company was charged $7,500 during quarter under review (2007 - $7,500) by a company controlled by a director of the Company for administration services. As well, the Company paid $1,022,500 to directors and officers of the Company for consulting services and fees for acting as directors and officers during the quarter ended July 31, 2007.

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.

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.

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

MANAGEMENT AND BOARD CHANGES

On May 15, 2007, the Company announced that Carlo LiVolsi agreed to join the Company as a member of the board of directors. Mr. LiVolsi is an accomplished entrepreneur and a successful financial investor. He has applied his marketing and sales experience to varied global business enterprises and built a highly successful private consumer products distribution company. As the President & CEO of Apex Brands, Mr. Livolsi owns and operates a large consumer products distribution company.

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, Carlo LiVolsi, Pierre Pettigrew and Doug Bache. Mr. Faught is also the President and CEO of the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses and cash flows for the periods reported. Such estimates and assumptions affect particularly the carrying value of assets and valuations of stock-based compensation, warrants and tax accounts. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material.

OUTLOOK

On June 7, 2007, the Company closed a private placement financing raising gross proceeds of $60 million. Aberdeen intends to use the net proceeds from the Offering in connection with its business as a publicly traded global resource investment focused on the resources industry and for general corporate purposes.

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

Presently, the management of Aberdeen is actively investigating potential investment opportunities. The Company's investment philosophy will be to acquire significant 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 moderate local political risk.

Aberdeen will provide valued-added managerial and board advisory services to these companies as members of its management team have done with much success in the past, most recently with First Uranium Corp. and Desert Sun Mining. Aberdeen's intention will be to optimize the return on its investments over an 18 to 24 month investment timeframe. A key distinguishing element is our commitment to actively participate in the company, at all management and board levels, and provide the investee company with technical, financial and management support. We will also have access to key experts in the mining and financial sector who can provide further assistance to Aberdeen management in evaluating and monitoring companies and their progress.

The transition of Aberdeen into a global resource investment company will allow us to participate in some exciting equity investment opportunities in this sector. We currently have a royalty loan facility with Simmer and Jack Mines, Limited, a South African gold mining company and we will continue to receive a quarterly sliding scale gold royalty from all gold produced by Simmers Buffels mine and the First Uranium tailings recovery project.

Commencing with the quarter ended April 30, 2007, the Company is required to estimate the fair value of the convertible royalty debenture using assumptions on future gold prices, discount rates and life of mine gold production estimates. At July 31, 2007, the pre-tax value of the convertible royalty debenture is estimated at $44,565,443. Through this unique royalty structure, the Company has created a leverage multiple to a rising gold price with its sliding scale royalty. Further, the loan structure provides for a fixed coupon which provides regular income and security over the producing mining assets. This unique form of royalty financing offers mining companies planning to advance mining projects an attractive alternative to issuing equity or arranging traditional project debt, thus reducing the dilutive effect of an equity issue and eliminating the lender requirement for hedging. At the Company's option, the royalty is convertible into the equity of the gold mining company, subject to Simmers shareholders' approval.

Simmers produced approximately 140,000 ounces of gold from its South African Buffels mine in the 2006 calendar year. In the second calendar quarter of 2007, the Buffels mine produced 30,452 ounces of gold which was an improvement over the first calendar quarter of 2007 when the Buffels mine produced 26,868 ounces of gold, the lowest quarterly production of gold since Simmers reactivated the mine in late 2005. Based on the average gold price during 2006, the royalty rates were 2.75% for the first quarter 2006, 3.45% for the second and third quarters 2006 and 3.35% for the fourth quarter 2006 for gold produced by the Buffels mine, providing Aberdeen with a gold royalty equivalent of US$2.76 million for the twelve month period which excludes the 2.5% fixed interest rate of the royalty loan facility. In the first quarter of 2007, the royalty rate was 3.75%, providing Aberdeen with a gold royalty equivalent of US$655,000, while the royalty rate increased marginally to 3.85% in the second quarter of 2007, providing the Company with a gold royalty equivalent of US$782,000. The graduated nature of the royalty structure will continue to respond favourably to a rising gold price reaching 4.75% when the gold price is US$750 or higher.

We have been advised by Simmers that they continue to address the recent production shortfall 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 has also announced the rehabilitation of the abandoned high-grade Five Shaft. The reactivation of the Five Shaft will add 700,000 ounces gold to the mines compliant reserves. Production from the Five Shaft is expected to commence this year and to produce 12,000 ounces by March 2008.

RISKS AND UNCERTAINTIES

As the Company's future revenue stream is based on gold production operations in foreign jurisdictions, and as the Company undertakes transactions denominated in US dollars, risks include, but are not limited to, uneconomic grades or costs of recovery, falling commodity prices, a strengthening Canadian dollar versus particularly the United States dollar, unfavourable costs, falling capital markets, key personnel changes, changes in domestic and foreign laws, environmental legislation, labour relations, and other risks and hazards associated with mining operations.

With the change in business focus to that of an investment company complete, the Company will be required to value its investments on a periodic basis. The investment valuations, often in the absence of readily ascertainable market values will be estimated by management and approved by the Board of Directors. However, because of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

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

COMPETITION

The resource industry in which the Company is engaged, is in general highly competitive. Competitors include well capitalized resource companies, independent resource companies and other companies having financial and other resources greater than those of the Company. Thus, a degree of competition exists between those engaged in the resource industry to acquire and finance the most valuable properties.

The investment business in which the Company proposes to become engaged is highly competitive. Competitors include investment firms with resources significantly greater than that of the Company.

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 carrying value of accounts receivable, accounts payable and accrued liabilities, notes payable reflected on the balance sheets approximate fair value because of the limited terms of these instruments. The Convertible Royalty Debenture is carried at its estimated fair value based on management's assumptions as discussed in notes to the financial statements. The carrying value of the long-term loan is a reasonable estimate of its fair value.

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:
Future revenues of the Company are directly related to the market price of gold.

SUBSEQUENT EVENTS

On September 21, 2007, the Company repaid the loans outstanding of $3,000,000 plus accrued interest of $66,848. In addition, 2,437,500 warrants with an exercise price of $1.00 expired unexercised on September 21, 2007.

MULTILATERAL INSTRUMENT 52-109 DISCLOSURE

Evaluation of disclosure controls and procedures
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.

Internal controls over financial reporting
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 July 31, 2007, 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.

SUPPLEMENT TO THE FINANCIAL STATEMENTS

As at September 24, 2007, the following common shares, common share purchase options and share purchase warrants were issued and outstanding:

- 102,930,673 common shares;
- 47,911,500 share purchase warrants with exercise prices ranging from $0.90 to $1.00, expiring between January 23, 2008 and June 6, 2012 (2,437,500 warrants with an expiry date of September 21, 2007 expired unexercised);
- 1,985,000 common share purchase options with exercise prices ranging from $0.69 to $1.00, expiring between January 10, 2008 and April 30, 2012; and,
- 2,250,000 Compensation Option Warrants with an exercise price of $1.00 expiring June 6, 2009.

In addition, subsequent to July 31, 2007, Aberdeen, operating as a resource investment and merchant banking company, had spent approximately $3,700,000 on various investments (as at September 24, 2007).