ABERDEEN INTERNATIONAL INC.

UNAUDITED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended October 31, 2007

ABERDEEN INTERNATIONAL INC.

BALANCE SHEET

As at:

		October 31, 2007 (Unaudited)		January 31, 2007 (Audited)
ASSETS				
Current				
Cash and cash equivalents	**$**	**43,603,064**	$	2,536,637
Investments, at fair value (note 3)		**23,018,646**		-
Accounts receivable		**345,956**		221,662
Prepaid expenses		**40,934**		72,028
Deferred cost		**-**		178,000
Asset held for sale (note 5)		**1,934,813**		-
Future income taxes		**-**		161,000
		68,943,413		3,169,327
Long-term				
Convertible royalty debenture (note 4)		**42,485,228**		11,793,000
Equipment		**37,401**		2,127
Mineral properties (note 5)		**-**		102,974
Future income taxes		**-**		101,000
		111,466,042		15,168,428
LIABILITIES				
Current				
Accounts payable and accrued liabilities		**1,636,853**		117,701
Deferred revenue (note 4)		**99,818**		112,000
Income taxes payable		**427,207**		85,500
Future income taxes		**2,758,640**		-
Loans (note 6)		**-**		3,000,000
		4,922,518		3,315,201
Long-term				
Deferred revenue (note 4)		**1,685**		102,464
Future income taxes		**9,997,689**		-
		14,921,892		3,417,665
Shareholders' equity				
Common shares (note 7)		**51,962,015**		12,275,229
Warrants (note 8)		**19,466,800**		3,137,486
Contributed surplus (note 9)		**4,331,752**		1,094,265
Retained earnings (deficit)		**20,783,583**		(4,756,217)
		96,544,150		11,750,763
	$	**111,466,042**	$	15,168,428

See accompanying notes to the Unaudited Interim Financial Statements.

ABERDEEN INTERNATIONAL INC.

STATEMENT OF OPERATIONS, RETAINED EARNINGS AND DEFICIT

For the three and nine months ended October 31, 2007 and October 31, 2006

(UNAUDITED)

	Three months ended October 31, **2007**	Three months ended October 31, 2006	Nine month ended October 31, **2007**	Nine month ended October 31, 2006
Net investment gains (losses)				
Unrealized gains on investments, net	**$ 10,985,310**	$ -	**$ 10,985,310**	$ -
Other revenue				
Royalties	**846,204**	835,490	**2,527,936**	2,422,933
Unrealized loss on convertible debenture (note 4)	**(2,086,124)**	(85,689)	**(8,650,188)**	(231,002)
Interest on royalty debenture	**58,848**	70,483	**153,937**	211,812
Other interest	**631,978**	11,417	**1,076,480**	16,302
Arrangement fee (note 4)	**23,748**	28,068	**78,058**	84,050
	(525,346)	859,769	**(4,813,777)**	2,504,095
Expenses				
Consulting and management compensation	**3,516,063**	104,454	**3,875,169**	432,266
Professional fees	**24,338**	35,508	**66,949**	48,428
Investment transaction costs	**11,018**	-	**11,018**	-
General and office expenses	**10,661**	8,434	**39,853**	36,343
Shareholder communications	**7,955**	30,097	**30,314**	82,814
Filing and transfer agent fees	**15,545**	1,335	**29,290**	14,352
Travel expenses	**24,190**	2,616	**58,380**	51,326
Amortization	**2,263**	593	**6,788**	1,244
	3,612,033	183,037	**4,117,761**	666,773
Income before the undernoted	**6,847,931**	676,732	**2,053,772**	1,837,322
Interest expenses on long-term loan	**(49,161)**	(75,000)	**(199,161)**	(225,000)
Debt arrangement expense (note 4)	**(84,000)**	(47,000)	**(178,000)**	(141,000)
Income before income taxes	**6,714,770**	554,732	**1,676,611**	1,471,322
Current income tax expense	**(341,059)**	(90,348)	**(905,029)**	(218,891)
Future income tax expense	**(2,808,250)**	-	**(445,173)**	-
Net income for the period	**3,565,461**	464,384	**326,409**	1,252,431
Retained earnings (deficit), beginning of period (note 2)	**17,218,122**	(6,446,933)	**20,457,174**	(7,234,980)
Retained earnings (deficit), end of period	**$ 20,783,583**	$(5,982,549)	**$ 20,783,583**	$(5,982,549)
Basic income per share	**$ 0.03**	$ 0.02	**$ 0.01**	$ 0.04
Diluted income per share	**$ 0.03**	$ 0.01	**$ 0.01**	$ 0.03
Weighted average common shares outstanding				
- basic	**102,930,673**	27,930,673	**54,579,025**	27,930,673
- diluted	**102,930,673**	38,064,673	**54,579,025**	38,064,673

See accompanying notes to the Unaudited Interim Financial Statements.

ABERDEEN INTERNATIONAL INC.

STATEMENT OF CASH FLOWS

For the three and nine months ended October 31, 2007 and October 31, 2006

(UNAUDITED)

	Three months ended October 31,		Nine month ended October 31,	
	2007	2006	**2007**	2006
CASH AND CASH EQUIVALENTS (USED IN) PROVIDED BY				
OPERATING ACTIVITIES :				
Net income for the period	**$ 3,565,461**	$ 464,384	**$ 326,409**	$ 1,252,431
Charges not affecting cash and cash equivalents				
Amortization	**2,263**	593	**6,788**	1,244
Stock-based compensation (note 9)	**2,235,600**	9,007	**2,363,300**	165,355
Debt arrangement expense (note 6)	**84,000**	47,000	**178,000**	141,000
Unrealized gains on investments, net	**(10,985,310)**	-	**(10,985,310)**	-
Arrangement fee income	**(23,748)**	(28,068)	**(78,058)**	(84,050)
Unrealized loss on convertible debenture	**2,086,124**	85,689	**8,650,188**	231,002
Foreign exchange (gain) loss	**13,724**	(5,590)	**32,132**	(28,885)
Future income tax expense	**2,808,250**	-	**445,173**	-
Net change in working capital	**1,388,258**	73,667	**1,693,755**	(380,969)
	1,174,622	646,682	**2,632,377**	1,297,128
FINANCING ACTIVITIES:				
Repayment of loan	**(3,000,000)**	-	**(3,000,000)**	-
Shares issued from exercise of options	-	-	-	8,500
Shares issued from private placement	-	-	**60,000,000**	-
Cost of issue	**(994,000)**	(5,500)	**(4,858,713)**	(15,000)
	(3,994,000)	(5,500)	**52,141,287**	(6,500)
INVESTING ACTIVITIES:				
Purchase of investments	**(12,033,336)**	-	**(12,033,336)**	-
Convertible royalty debenture	-	-	-	(9,133)
Change in working capital related to property exploration	**(231,993)**	-	**200,000**	-
Purchase of equipment	-	-	**(42,063)**	-
Interest in mineral properties, asset held for sale	**(478,779)**	-	**(1,831,838)**	-
	(12,744,108)	-	**(13,707,237)**	(9,133)
CHANGE IN CASH AND CASH EQUIVALENTS	**(15,563,486)**	641,182	**41,066,427**	1,281,495
CASH AND CASH EQUIVALENTS, beginning of period	**59,166,550**	1,251,370	**2,536,637**	611,057
CASH AND CASH EQUIVALENTS, end of period	**$ 43,603,064**	$ 1,892,552	**$ 43,603,064**	$ 1,892,552
Cash and cash equivalents consist of :				
Cash	**$ 2,244,228**	$ 862,497	**$ 2,244,228**	$ 862,497
Cash equivalents	**41,358,836**	1,030,055	**41,358,836**	1,030,055
	$ 43,603,064	$ 1,892,552	**$ 43,603,064**	$ 1,892,552
SUPPLEMENTAL INFORMATION				
Interest paid on long-term debt	**$ 49,161**	$ 75,000	**$ 199,161**	$ 225,000
Income tax paid	**$ 116,855**	$ 90,348	**$ 252,698**	$ 218,891

See accompanying notes to the Unaudited Interim Financial Statements.

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Previously, Aberdeen International Inc. (“Aberdeen” or the "Company") 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 now operates 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 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.

These interim financial statements are unaudited and have not been reviewed by the Company's auditors.

The Company’s management has prepared these unaudited interim financial statements for the nine months ended October 31, 2007 in accordance with generally accepted accounting principles in Canada. These unaudited interim financial statements have incorporated several new accounting standards, the impact of which is summarized in Note 2. Changes to significant accounting policies as a result of the Company’s change of business in July have also been outlined in Note 2. These unaudited interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended January 31, 2007.

The disclosures in these unaudited interim financial statements do not include the full disclosure required under generally accepted accounting principles in Canada for annual financial reporting.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these unaudited interim financial statements. Operating results for the nine months ended October 31, 2007 are not indicative of the results that may be expected for the full year ending January 31, 2008.

Certain comparative amounts have been reclassified to conform to the current quarter’s presentation.

2. SIGNIFICANT ACCOUNTING POLICIES

Except as disclosed below, these unaudited interim financial statements are prepared using the same accounting policies and methods of application as those disclosed in Note 2 to the Company's financial statements for the year ended January 31, 2007.

Following Aberdeen’s change of business in July 2007, the Company adopted the following accounting policies:

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 an 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.

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 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.

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

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

(i) Financial Instruments

Under the new standards, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period.

Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in operations for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

(ii) Comprehensive Income

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

(iii) Hedging

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. As at and during the nine month period ended October 31, 2007, the Company had no hedges.

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

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

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

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

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

3. INVESTMENTS

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

Issuer	Note	Security description	Cost	Estimated Fair value (FV)	% of FV
Avion Resources Corp.	(i,ii)	2,818,700 common shares			
		2,818,700 warrants expire October 15, 2009	$620,114	$2,212,679	9.6%
Central Sun Mining Inc.*	(i,ii)	46,333,001 common shares			
		23,166,501 warrants expire October 22, 2010	6,949,950	15,342,842	66.7%
Total of 6 other investments	(iii)		4,463,272	5,463,125	23.7%
Total Investments			$12,033,336	$23,018,646	100.0%

* Formerly named Glencairn Gold Corporation. Name was changed subsequent to October 31, 2007.

(i) The Company has issued a Section 101 report under the Ontario Securities Act for these investments and have a fair value of greater than $50,000 as at October 31, 2007.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the company and these investments have a fair value greater than $50,000 as at October 31, 2007.
(iii) Total other investments held by the Company, which are not individually listed as at October 31, 2007.

4. CONVERTIBLE ROYALTY DEBENTURE

The Secured Gold Royalty Based Convertible Debenture (the "Convertible Royalty Debenture") was advanced in two tranches of US$5,000,000 in the fourth quarter of fiscal year 2006, has a three-year term, a 3% coupon at gold prices up to US$400/oz (2.5% at gold prices above US$400/oz) and a net smelter royalty ("NSR"), tied to the price of gold, ranging from a 0.5% NSR at US$300/oz to a 4.75% NSR at gold prices of US$750 or higher on a graduated scale. Repayment of the Convertible Royalty Debenture, including interest and royalty payments, is in US dollars.

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

At October 31, 2007, US$9,550,000 ($10,568,985) had been advanced to Simmers. Interest income of US$43,587 ($48,238), owing to the Company at April 30, 2006 at a rate of 2.5% based on the price of gold, royalty income of US$106,413 ($117,767), owing to the Company at December 31, 2005 at a rate of 2.05% also based on the price of gold, and arrangement fees of US$300,000 ($332,010) were capitalized and applied against the remaining amounts to be advanced to Simmers. As a result, a total of US$10,000,000 ($11,067,000) was recorded with respect to the Convertible Royalty Debenture.

The arrangement fees have been deferred and will be amortized over the term of the Convertible Royalty Debenture. At October 31, 2007, $78,058 had been recorded as revenue in the statement of operations, retained earnings and deficit and the balance of $101,503 has been presented as deferred revenue, with $99,818 being the current portion and $1,685 being the long-term portion.

Upon initial adoption of the new accounting standards, which the Company adopted on February 1, 2007, the US$10,000,000 Convertible Royalty Debenture was classified as an asset “held for trading” and must be carried at fair value with changes in fair value recorded in the statement of operations. As a result, a net positive adjustment of $25,213,391 was recorded to the opening deficit on adoption of these new standards. The key assumptions used in determining the fair value of the Convertible Royalty Debenture as of October 31, 2007 included the following: 1) receipt of a graduated royalty until December 31, 2008; 2) repayment of the US$10,000,000 on December 31, 2008 and thereafter receipt for a 1% NSR for the life of the mines; 3) 5% discount rate; 4) US$750 gold price through calendar 2008, and US$600 thereafter; and 5) life of mines and gold production estimates as per Simmers and First Uranium Corporation.

During the nine months ended October 31, 2007, the Company recorded a pre-tax unrealized loss of $8,650,188 on its Convertible Royalty Debenture ($5,536,120 after-tax). The loss was largely due to the weakness of the US dollar. At October 31, 2007, the Convertible Royalty Debenture had a fair value of $42,485,227 (US$44,726,000), based on a US/Cdn foreign exchange rate of 0.9499. Using the January 31, 2007 exchange rate of 1.1793, the fair value of the Convertible Royalty Debenture would be $52,745,372, a difference of $10,260,145.

5. ASSET HELD FOR SALE – MINERAL PROPERTY

2007	Ethiopia
Acquisition costs	
Balance, January 31, 2007	$ 274
Acquisition and property costs	404,750
Balance, October 31, 2007	**405,024**
Exploration expenditure	
Balance, January 31, 2007	102,700
Geological: Map/Survey	744,557
Geology and geological consulting	500,496
Travel and transportation	51,818
Field and office support	130,218
Balance, October 31, 2007	**1,529,789**
Total deferred costs, October 31, 2007	**$ 1,934,813**

Ethiopia

On January 31, 2007, the Company entered an agreement with Ethio-Gibe Canada Mining PLC ("Ethio-Gibe") to obtain 100% of the exclusive rights granted by the Ministry of Mineral Energy of Ethiopia to Ethio-Gibe on certain Gold–Copper–Zinc exploration concessions in Ethiopia, subject to a 2% net smelter return royalty ("NSR") to be held by Ethio-Gibe.

Under the terms of the agreement, the Company made payments of $400,000 in cash of which $200,000 was paid subsequent to October 31, 2007, and had additional future commitments. Subsequent to October 31, 2007, the Company announced it had agreed to sell its Ethiopian property rights to Avion Resources Corp. ("Avion"). The terms of the agreement with Avion were as follows:

(i) $250,000 upon receipt of regulatory approval for the transaction;
(ii) $750,000 on or before June 30, 2008;
(iii) $1,000,000 on or before December 31, 2008;
(iv) A 1.5% net smelter royalty in respect of the exploration licenses;
(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 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.

The Ethiopian properties have been classified as assets held for sale at October 31, 2007.

6. LONG-TERM LOANS

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

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

An arrangement fee of $150,000 and 500,000 options to purchase common shares of the Company at $0.80 per share until January 10, 2008 were paid with respect to these loans. The options were valued at $223,500 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 93%; risk-free-interest rate of 3.8%; and an expected average life of 2 years. These costs were deferred and amortized over the term of the loans. As the loans were repaid during the quarter, the balance of the deferred costs were expensed, leaving a balance of $nil at October 31, 2007 (October 31, 2006 - $225,000). During the nine months ended October 31, 2007, $178,000 (October 31, 2006 - $141,000) had been charged to operations relating to the amortization of this deferred arrangement fee.

7. COMMON SHARES

On June 7, 2007, the Company announced that it had closed a private placement financing (the "Offering") of subscription receipts (the "Subscription Receipts") in connection with its transition to a publicly traded global resource investment and merchant banking 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. The Company intends to use the net proceeds from the Offering in connection with its new business and for general corporate purposes. The gross proceeds of the Offering were held in escrow until certain conditions were satisfied.

On July 27, 2007, the Company, having met the required conditions, announced that it had 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 ("Unit"), each Unit being comprised of one common share of the Company and one-half of one common share purchase warrant ("Warrant"). The gross proceeds of the private placement were pro-rated between common shares and warrants as follows: common share - $44,250,000; warrants - $15,750,000. The fair value of the warrants was estimated using the Black-Scholes option pricing model using the following assumptions: expected dividend yield 0%; expected volatility of 92%; risk free interest rate 4.5%; and an expected life of 5 years. Each Warrant is exercisable for one common share of the Company at a price of $1.00 per common share until June 6, 2012. A syndicate of agents led by Orion Securities Inc. and including GMP Securities L.P. (together, the "Agents") acted as Agents in respect of the Offering on a "best efforts" basis. In connection with the Offering, the Agents received a cash commission of 6% of the gross proceeds of the Offering, paid to the Agents out of the Escrowed Proceeds upon release. The Agents were issued 4,500,000 compensation options (the "Compensation Options"), each Compensation Option entitling the Agents to acquire one Unit at a price of $0.80 per Unit until June 6, 2009. The Subscription Receipts and Compensation Options and all securities issuable upon their exercise are subject to a four-month hold period which expires October 7, 2007. The fair value of the Compensation Options of $1,453,500 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield 0%; expected volatility of 67%; risk free interest rate 4.5%; and an expected life of 2 years.

Authorized

Unlimited common shares with no par value

Common shares issued

	Number of shares	Value
Balance, January 31, 2007	27,930,673	$ 12,275,229
Share issued of private placement	75,000,000	60,000,000
Private placement - warrant valuation	-	(15,750,000)
Cost of issue	-	(4,563,214)
Balance, October 31, 2007	**102,930,673**	**$ 51,962,015**

8. WARRANTS

	October 31, 2007		January 31, 2007	
	Number of warrants	**Average price**	Number of warrants	Average price
Balance, beginning of period	**8,349,000**	**$0.93**	8,349,000	$0.93
Granted	**42,000,000**	**$0.98**	-	-
Expired	**(2,437,500)**	**$1.00**	-	-
Balance, end of period	**47,911,500**	**$0.97**	8,349,000	$0.93

The following is a summary of the outstanding warrants as of October 31, 2007:

Value ($)	Number of warrants	Exercise price ($)	Expiry date
$ 2,263,300	5,911,500	$ 0.90	January 23, 2008
1,453,500	4,500,000*	$ 0.80	June 6, 2009
15,750,000	37,500,000	$ 1.00	June 6, 2012
$ 19,466,800	47,911,500		

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

9. STOCK BASED COMPENSATION

The following are the stock option transactions during the nine months ended October 31, 2007:

	October 31, 2007		January 31, 2007	
	Number of stock options	**Weighted average exercise price**	Number of stock options	Weighted average exercise price
Balance, beginning of period	**1,785,000**	**$ 0.80**	1,760,000	$ 0.80
Granted	**4,800,000**	**$ 0.80**	150,000	$ 0.82
Exercised	**-**	**-**	(25,000)	$ 0.34
Cancelled or expired	**(185,000)**	**$ 1.00**	(100,000)	$ 0.85
Balance, end of period	**6,400,000**	**$ 0.80**	1,785,000	$ 0.80

As of October 31, 2007, the following stock options were outstanding:

Value ($)	Number of options outstanding	Number of options exercisable	Exercise price ($)	Expiry date
$ 223,500	500,000	500,000	$ 0.80	January 10, 2008
232,050	350,000	350,000	$ 0.85	September 19, 2010
269,500	500,000	500,000	$ 0.69	October 25, 2010
62,500	100,000	100,000	$ 0.80	January 20, 2011
96,300	150,000	150,000	$ 0.82	February 28, 2011
62,000	100,000	100,000	$ 0.85	April 9, 2012
65,700	100,000	100,000	$ 0.90	April 30, 2012
2,235,600	4,600,000	4,600,000	$ 0.80	September 14, 2012
$ 3,247,150	6,400,000	6,400,000		

During the nine months ended October 31, 2007, 4,800,000 stock options (2007 – 150,000) were granted to directors, officers and consultants of the Company. These options vest immediately and expire 5 years from the date of issue. The fair value of the options granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield 0% (2007 - 0%); expected volatility of 89% (2007 - 105%); risk-free interest rate 4.5% (2007 – 4.5%); and an expected life of 5 years (2007 - 5 years). This generated an expense to consulting and management compensation of $2,363,300 (2007 – $165,355).

10. CONTRIBUTED SURPLUS

	October 31, 2007	January 31,2007
Balance, beginning of period	**$ 1,094,265**	$ 938,831
Stock options vested during the period:		
Consultant	**503,100**	165,355
Officers and directors	**1,860,200**	-
Warrant expired, reallocation of valuation	**874,187**	-
Exercise of stock options, reallocation of valuation	**-**	(9,921)
Balance, end of period	**$ 4,331,752**	$ 1,094,265

11. RELATED PARTY TRANSACTIONS

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

The Company's officers and directors may have investments in and/or director 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 - Oct. 31, 2007
Avion Resources Corp.	Director and shareholders	$2,212,679
	Related to investee's CEO	
Central Sun Mining Inc.*	Directors and shareholders	15,342,842
Kansai Mining Corporation	Director and shareholders	1,064,000
Total of 5 other investments	Shareholders	4,399,125
Total Investments		$23,018,646

* Formerly named Glencairn Gold Corporation. Name was changed subsequent to October 31, 2007.

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 investments will be paid to management. For the three months ended October 31, 2007, the Company did not realize any gains on investments. However, during the same period, $1,098,531 has been accrued as consulting and management compensation expense on unrealized gains on investments of $10,985,310.

The Company was charged $7,500 during the quarter under review (2007 - $7,500) by a company controlled by a director of the Company for administration services. As well, the Company paid $1,165,750 to directors and officers of the Company for consulting services and fees for acting as directors and officers during the nine months ended October 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.

12. COMMITMENTS AND CONTINGENCY

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $150,000 and additional contingent payments of approximately $450,000 upon the occurrence of a change of control. As the likelihood of a change of control is not determinable, the contingent payments have not been reflected in these financial statements.

13. 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, accounts receivable, accounts payable and accrued liabilities and loans payable 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 in Note 2.
iii. The Convertible royalty debenture is carried at its estimated fair value based on management's assumptions as discussed in Note 4.
iv. The asset held for resale is carried at its estimated fair value based on the assumptions outlined in Note 5.

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

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

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