ABERDEEN
INTERNATIONAL

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDING JANUARY 31, 2016

ABERDEEN
INTERNATIONAL

ABERDEEN INTERNATIONAL INC.
NOTICE OF ANNUAL AND GENERAL MEETING OF SHAREHOLDERS

You are invited to our 2016 annual and general meeting of shareholders (the "**Meeting**") of Aberdeen International Inc. (the "**Corporation**"):

When: Wednesday, July 27, 2016 at 10:00 a.m. (Toronto time)

Where: 65 Queen Street West, Suite 800, Toronto, Ontario M5H 2M5

The purpose of the Meeting is as follows:

1. **Financial Statements**. Receive and consider the audited financial statements as at and for the fiscal year ended January 31, 2016, together with the report of the auditors thereon;

2. **Auditor Appointment.** Consider and appoint McGovern Hurley Cunningham LLP as auditor of the Corporation;

3. **Elect Directors**. Consider and elect the directors for the ensuing year; and

4. **Other Business**. Consider other business as may properly come before the Meeting or any postponement(s) or adjournment(s) thereof.

This notice is accompanied by a form of proxy, a management information circular (the "**Circular**"), and the audited consolidated financial statements of the Corporation as at and for the fiscal years ended January 31, 2016 and 2015 and the related management's discussion and analysis of financial condition.

You may vote your shares by proxy if you are unable to attend the meeting. Please review the enclosed Circular and date, sign and return the enclosed form of proxy to the Corporation's transfer agent by Monday, July 25, 2016.

The directors of the Corporation have fixed the close of business on June 22, 2016 as the record date, being the date for the determination of the registered holders entitled to notice and to vote at the Meeting and any adjournments(s) thereof.

DATED at Toronto, Ontario as of the 23rd day of June, 2016

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) David Stein

President & Chief Executive Officer

ABOUT THE SHAREHOLDER MEETING

Solicitation of Proxies

You have received this management information circular (the "**Circular**") because you owned common shares ("**Common Shares**") of Aberdeen International Inc. ("**Aberdeen**" or the "**Corporation**") as of June 22, 2016. You are therefore entitled to vote at the 2016 annual and general meeting of shareholders (the "**Meeting**") to be held on July 27, 2016, and any postponement(s) or adjournment(s) thereof.

The board of directors of the Corporation has set the record date for the Meeting as June 22, 2016 (the "**Record Date**").

Management is soliciting your proxy for the Meeting. The board of directors of Aberdeen (the "**Board**") has fixed 10:00 a.m. (Toronto time) on July 25, 2016, or 48 hours (excluding Saturdays, Sundays or holidays) before any adjournment(s) of the Meeting, as the time by which proxies to be acted upon at the Meeting shall be deposited with the Corporation's transfer agent. Costs associated with the solicitation by management will be borne by Aberdeen.

These materials are being sent to both registered and non-registered owners of the securities. The Corporation or its agent has obtained information regarding non-registered owners in accordance with the applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation shall make a list of all persons who are registered shareholders of the Corporation ("**Shareholders**") on the Record Date and the number of Common Shares registered in the name of each person on that date. Each Shareholder is entitled to one vote on each matter to be acted on at the Meeting for each Common Share registered in his name as it appears on the list.

Unless otherwise stated, the information contained in this Circular is as of the Record Date. All dollar amount references in this Circular, unless otherwise indicated, are expressed in Canadian dollars. United States dollars are referred to as "United States dollars" or "US$".

Voting

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **You may appoint some other person or entity to represent you at the Meeting by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent of the Corporation indicated on the enclosed envelope not later than the times set out above.**

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Shareholder or by an attorney authorized in writing at 65 Queen Street West, Suite 800, Toronto, Ontario M5H 2M5 at any time up to and including the last business day preceding the day of the Meeting.

Voting of Proxies

Registered Shareholders

You can vote in person or vote by proxy. Voting by proxy is the easiest way to vote because you can appoint anyone to be your proxyholder to attend the meeting and vote your shares according to your instructions. This person does not need to be a shareholder. The executive officers named in the proxy form can act as your proxyholder and vote your shares according to your instructions.

If you appoint the Aberdeen proxyholders and do not indicate your voting instructions, they will vote your shares:

- **FOR the appointment of the auditors**
- **FOR the nominated directors**

If you want to appoint someone else as your proxyholder, print that person's name in the blank space provided in the proxy form (or complete another proxy form) and send the form to the Corporation's transfer agent. Make sure this person is aware that you appointed them as your proxyholder and that they must attend the meeting to vote on your behalf and according to your instructions. If you do not indicate your voting instructions, your proxyholder can vote as he or she sees fit.

At the time of printing this Circular, management is not aware of any amendments, variations or other matters to come before the Meeting. If other matters are properly brought before the Meeting, your proxyholder can vote as he or she sees fit.

The transfer agent must receive the completed proxy form by 10:00 a.m. (Toronto time) on July 25, 2016, or 48 hours (excluding Saturdays, Sundays or holidays) before any adjournment(s) of the Meeting.

Non-Registered Shareholders

Non-Registered Shareholders are those holders who beneficially own Common Shares in the name of an intermediary such as, banks, trust companies, securities dealers (all, an "**Intermediary**") or in the name of a clearing agency such as CDS&Co. Securities laws require the Corporation to send the meeting materials to the Intermediaries and clearing agencies so they can distribute them to our non-registered shareholders. These materials include the notice of the meeting, the circular, a proxy or voting instruction form, a consent form to receive supplemental mailings, a copy of the Corporation's 2016 annual report if the Non-Registered Shareholder requested a copy and documents by electronic delivery.

Intermediaries and clearing agencies must forward the meeting materials to Non-Registered Shareholders unless the shareholder has waived the right to receive them. If you're a Non-Registered Shareholder and have not waived the right to receive the materials, your package includes either a voting instruction form (not signed by your intermediary), or a proxy form (signed by your intermediary).

Either form instructs your intermediary (the respective registered shareholder) to vote your shares according to your instructions. Be sure to send back your completed form as soon as possible to ensure your intermediary carries out your voting instructions.

Voting Securities and Principal Holders

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the Record Date, the Corporation had 88,912,282 Common Shares issued and outstanding and no preferred shares issued and outstanding. To the knowledge of the directors and officers of the Corporation, as at the Record Date, no person beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to the Common Shares, other than

Mr. Lloyd I. Miller III, who has disclosed publicly that he holds or controls 11,876,000 Common Shares, which represents approximately 13.4% of the outstanding Common Shares.

BUSINESS OF THE MEETING

Other than in respect of the election of directors, no informed person (as such term is defined under applicable securities laws) of the Corporation or Nominee (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation since February 1, 2015 or in any proposed transaction that has materially affected or would materially affect the Corporation or its subsidiaries.

Financial Statements

The financial statements as at and for the financial year ended January 31, 2016, together with the auditor's report thereon, will be presented to Shareholders for review at the Meeting and were mailed to Shareholders with the Notice of Meeting and this Circular. No vote by the Shareholders is required with respect to this matter.

Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of McGovern Hurley Cunningham LLP, Chartered Accountants, as auditors of the Corporation until the close of the next annual meeting of shareholders of the Corporation and to authorize the directors to fix their remuneration. McGovern Hurley Cunningham LLP, Chartered Accountants, have been the auditors of the Corporation since March 7, 2006.

The following table sets out the fees billed by the Corporation's auditors for the years ended January 31, 2016 and 2015.

Service	2016	2015
Audit Fees	$63,000	$80,000
Audit-Related Fees	NIL	NIL
Tax Fees	NIL	NIL
Other Fees	NIL	NIL
Total:	**$63,000**	**$80,000**

For additional information about the Corporation's auditors and the Audit Committee, please refer to the section "Committees of the Board – Audit Committee".

Election of Directors

The Corporation has nominated six persons (the "**Nominees**") for election as directors of the Corporation, who will hold office until the next annual meeting of the Corporation or until his or her successor is elected or appointed. At the Meeting, Shareholders will be asked to elect these Nominees as directors of the Corporation. **The persons in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director.**

As the Corporation has adopted a Majority Voting Policy, the process for voting for election of each director will be by individual voting and not by slate. The Shareholders can vote for or withhold from voting on the election of each director on an individual basis. See "Corporate Governance Practices" for more information on our Majority Voting Policy.

Director Profiles

Each of the six nominated directors is profiled below, including his background and experience, committee memberships, meeting attendance for the year ended January 31, 2016, share ownership and other public company directorships.

STAN BHARTI, EXECUTIVE CHAIRMAN
AGE: 63 — DIRECTOR SINCE AUGUST 2005
ONTARIO, CANADA

Mr. Bharti has over 30 years of experience in operations, public markets and finance. Over the last ten years Mr. Bharti has been involved in acquiring, restructuring and financing resource companies. He is a Professional Mining Engineer and holds a Masters Degree in Engineering from Moscow, Russia and the University of London, England. During the past five years, Mr. Bharti's principal occupation has been as the Executive Chairman of Forbes & Manhattan, Inc. ("**F&M**"). In addition, Mr. Bharti is a director of several public and private companies.

Shareholdings:	7,285,000 Common Shares (8.19%)
2015 Board Attendance:	5 of 7 (71%)
Other Reporting Issuer Boards:	ARHT Media Inc. Belo Sun Mining Corp. Sulliden Mining Capital Inc. Stetson Oil and Gas Ltd.

GEORGE FAUGHT, EXECUTIVE VICE-CHAIRMAN
AGE: 66 — DIRECTOR SINCE NOVEMBER 2005
ONTARIO, CANADA

Mr. Faught is a Chartered Professional Accountant and Chartered Accountant with over 30 years of senior management experience. From 2006 to 2012, Mr. Faught was the Chief Executive Officer of the Corporation. Since 2012, Mr. Faught has served as the Executive Vice Chairman of the Corporation. He has served as the Chief Financial Officer of publicly traded companies in the natural resources, financial services and pharmaceutical industries. Mr. Faught has broad financial management, corporate development and operating experience and from 1999 to 2005 served as the Chief Financial Officer for North American Palladium Ltd., a mid-tier platinum group metal producer. Prior to that, he served as Chief Financial Officer for Hudson Bay Mining & Smelting Co. Ltd., an integrated base metals producer, and William Resources Inc., an international gold producer. He also serves as a director of Marathon Gold Corporation.

Shareholdings:	6,460,000 Common Shares (7.26%)
2015 Board Attendance:	6 of 7 (85%)
Other Reporting Issuer Boards:	Marathon Gold Corporation

DAVID STEIN, PRESIDENT AND CEO
AGE: 39 — DIRECTOR SINCE OCTOBER 2009
ONTARIO, CANADA

Mr. Stein has been the President of Aberdeen since 2009 and the CEO of Aberdeen since 2011. He was previously a mining equities analyst (gold mining) with Cormark Securities Inc. Mr. Stein joined Cormark's predecessor Sprott Securities Inc. in 2001 and was a publishing analyst for nine years. Mr. Stein holds a Master of Science degree (Economic Geology) and Bachelor of Applied Science (Geological Engineering) from Queen's University, and is a CFA charter holder.

Shareholdings:	7,149,666 Common Shares (8.04%)
2015 Board Attendance:	7 of 7 (100%)
Other Public Company Boards:	Rodinia Lithium Inc.

MAURICE COLSON, DIRECTOR
AGE: 73 DIRECTOR SINCE JANUARY 2015
ONTARIO, CANADA

Mr. Colson has worked in the investment industry for more than 35 years and was for many years managing director for a major Canadian investment dealer in the United Kingdom. He is actively involved in providing strategic counsel and assistance with financing to emerging private and public companies in Canada and to Canadian companies operating internationally. He sits on the board of directors of several Toronto Stock Exchange and TSX Venture Exchange listed companies and is the former President and Chief Executive Officer of Lithium One Inc. Mr. Colson holds a Masters of Business Administration degree.

Shareholdings:	Nil
2015 Board Attendance:	6 of 7 (85%)
Other Public Company Boards:	Banro Corporation Hornby Bay Mineral Exploration Inc. Delrand Resources Limited Loncor Resources Inc. Stetson Oil & Gas Ltd. China Goldcorp Ltd.

JOHN BEGEMAN, DIRECTOR
AGE: 62 DIRECTOR SINCE JANUARY 2015
SOUTH DAKOTA, USA

Mr. Begeman is a Professional Mining Engineer with over 35 years of mining experience. He currently sits on the board of directors of Yamana Gold Inc. and Premier Gold Mines Limited. Mr. Begeman is the Chairman of the Sustainability Committee for Yamana Gold Inc. which oversees health, safety and environmental matters as well as performs a review of reserves and resources. In this capacity he takes an active role in ensuring closed mines are properly reclaimed in accordance with applicable governmental and industry standards. Mr. Begeman is also a member of the Audit Committee of Yamana Gold Inc. Mr. Begeman is also the Executive Chairman of the board of Premier Gold Mines Limited. He has previously served as the President and Chief Executive Officer of Avion Gold Corporation from 2008 to 2012. Mr. Begeman holds a B.Sc. in Mining Engineering, a M.S. in Engineering Management and a Masters of Business Administration degree.

Shareholdings:	15,000 (0.016%)
2015 Board Attendance:	7 of 7 (100%)
Other Reporting Issuer Boards:	Yamana Gold Inc. Premier Gold Mines Limited

BERNIE WILSON
AGE: 73 DIRECTOR SINCE MARCH 2007
ONTARIO, CANADA

Mr. Wilson is a senior financial professional. He is the former Vice-Chairman of PriceWaterhouseCoopers LLP. Further, Mr. Wilson is the Chairman of the Founders Board of the Institute of Corporate Directors. Mr. Wilson has served as Chairman of the Canadian Chamber of Commerce; Chairman of the International Chamber of Commerce – Canada; and Member of the Canada/US Trade Committee. Mr. Wilson is currently a director of a number of other public Canadian companies.

Shareholdings:	10,000 (0.01%)
2015 Board Attendance:	7 of 7 (100%)
Other Reporting Issuer Boards:	Imperus Technologies Corp. Valencia Ventures Inc.

Meeting Attendance

The following table shows the director attendance record for the year ended January 31, 2016.

Director	Board	Audit Committee	Compensation Committee	Corporate Governance Committee
Stan Bharti	5 of 7 (71%)	N/A	N/A	N/A
George Faught	6 of 7 (85%)	N/A	N/A	N/A
David Stein	7 of 7 (100%)	N/A	N/A	N/A
Maurice Colson	6 of 7 (85%)	3 of 3 (100%)	1 of 1	N/A
John Begeman	7 of 7 (100%)	3 of 3 (100%)	1 of 1	N/A
Ken Taylor(1)	4 of 5 (80%)	N/A	N/A	N/A
Bernie Wilson	7 of 7 (100%)	3 of 3 (100%)	1 of 1	N/A

Notes:
(1) Ken Taylor, O.C. passed away on October 15, 2015.

Other Information about the Director Nominees

Mr. Bharti was a director of Kansai Mining Corporation ("**Kansai**"), a company listed on the TSX Venture Exchange. On January 29, 2008, a cease trade order was issued against Kansai and each of the directors and officers, as a result of Kansai failing to file comparative financial statements for the year ended September 30, 2007 and management's discussion and analysis for the period ended September 30, 2007. On March 5, 2008, the cease trade order was revoked.

Mr. Bharti was an officer and director of Stetson Oil & Gas Ltd. which on May 7, 2008 became subject to a cease trade order for failing to file its financial statements. On May 30, 2008, the cease trade order was revoked.

No director or executive officer of the Corporation is or has been, within the ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No director or executive officer has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

No proposed director has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Other than as set forth above, no other director or executive officer of the Corporation is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to an order that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the director ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

CORPORATE GOVERNANCE

The Corporation and the Board recognize the importance of corporate governance in effectively managing the Corporation, protecting employees and shareholders, and enhancing shareholder value.

The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed regarding the Corporation's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks the Corporation faces.

The Corporation believes that its corporate governance practices are in compliance with applicable Canadian requirements. The Corporation is committed to monitoring governance developments to ensure its practices remain current and appropriate.

Ethical Business Conduct

The Board is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct.

Code of Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") for its directors, officers and employees. The Corporate Governance Committee has responsibility for monitoring compliance with the Code by ensuring all directors, officers and employees receive and become thoroughly familiar with the Code and acknowledge their support and understanding of the Code. Any non-compliance with the Code is to be reported to the CEO. In addition, the Board conducts regular audits to test compliance with the Code.

The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Corporation has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from the Corporation's Directors and the Chairman and CEO regarding any potential conflicts of interest.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations in all jurisdictions in which the Corporation conducts business; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

A copy of the Code and other corporate governance policies may be found under the profile of the Corporation on SEDAR at www.sedar.com or upon request to the Corporation by contacting the Corporate Secretary of the Corporation by email at ryanp@fmfinancialgroup.com or by telephone at (416) 861-5882.

Whistleblower Policy

The Corporation has adopted a Whistleblower Policy that allows its directors, officers, consultants and employees who feel that a violation of the Code has occurred, or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such violations or concerns on a confidential and anonymous basis. Reporting a violation of the Code is made by informing anonymously to the Whistleblower hotline or URL or (if desired) to a member of the Audit Committee, who then investigates each matter so reported and takes corrective and disciplinary action, if appropriate. Reporting concerns regarding financial statement disclosure or other appropriate issues are to be forwarded in a sealed envelope to the Chairman of the Audit Committee who then investigates each matter reported and takes corrective and disciplinary action, if appropriate.

ABOUT THE BOARD

Independence of the Board

The Board is currently comprised of six members, three members of whom the Board (50%) has determined are independent as at the year ended January 31, 2016.

Director	Independent	Not Independent	Reason for Non-Independence
Stan Bharti		√	Executive Chairman of the Board
George Faught		√	Executive Vice Chairman of the Board
David Stein		√	President and Chief Executive Officer of the Corporation
Maurice Colson	√		
John Begeman	√		
Bernie Wilson	√		

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- the Board has appointed a lead director who is independent of the Corporation;
- members of management, including without limitation, the President and CEO of the Corporation, are not present for the discussion and determination of certain matters at meetings of the Board unless required;
- each of the Audit, Corporate Governance and Compensation Committees of the Board are comprised solely of independent directors;
- under the by-laws of the Corporation, any two directors may call a meeting of the Board;
- the President and CEO's compensation is considered by the Board, in his absence, and by the Compensation Committee at least once a year;
- in addition to the standing committees of the Board, independent committees will be appointed from time to time, when appropriate;
- a committee comprised solely of independent and non-conflicted members will be convened to consider and, if deemed appropriate, approve any investment by the Corporation that is considered non-arm's length, and
- the Board policy holds in-camera meetings with the independent directors at the end of each meeting of the Board.

Executive Chairman

The Executive Chairman of the Board is Stan Bharti. In terms of the governance of the Corporation, the Executive Chairman's primary roles are to chair all meetings of the Board and shareholder meetings in a manner that promotes meaningful discussion, to manage the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Executive Chairman's responsibilities include, without limitation, ensuring that the Board works together as a cohesive team with open communication, ensuring that the resources available to the Board are adequate to support its work, and working with the corporate governance committee to ensure that the necessary processes are in place to assess the effectiveness of the Board and its committees at least annually. The Executive Chairman also acts as the primary spokesperson for the Board, ensuring that management is aware of concerns of the Board, Shareholders, other stakeholders and the public and, in addition, ensures that management strategies, plans and performance are appropriately presented to the Board. The Executive Chairman of the Board maintains communications with the Corporation's executive management and consults regularly with the Board and management on the development and operation of the Corporation's projects.

Lead Director

In connection with its enhancement of its corporate governance practices, the Corporation has re-appointed Bernie Wilson, who will draw upon his wealth of experience as Chairman of the ICD, as the Lead Director of the Board. Mr. Wilson is an independent director and will facilitate the functioning of the Board independently of management.

The Lead Director, nominated by the Corporate Governance Committee and appointed by the Board, is an independent director who is designated by the Board to aid and assist the Executive Chairman and, where applicable, the Executive Vice-Chairman and the remainder of the Board in assuring effective corporate governance in managing the affairs of the Board and the Corporation and to enhance and protect the independence of the Board. The Lead Director's responsibilities include, but are not limited to: chairing Board meetings when the Executive Chairman or the CEO is unavailable or when there is any potential conflict; providing leadership to the Board to enhance effectiveness, including ensuring that responsibilities of the Board are well understood by the Board and by management; ensuring the Board works together as a cohesive team; ensuring that a process is in place by which the effectiveness of the CEO, the Executive Chairman, the Board and its committees is assessed on a regular basis; chairing in camera sessions of independent directors, in association with regularly scheduled Board meetings, to discuss issues relating to the Corporation's business without the presence of management or the Executive Chairman and CEO; and communicating with the Executive Chairman and CEO and the entire
Board, as appropriate, the results of private discussions among outside directors or the results of in camera sessions of the independent directors.

In addition, the Lead Director shall assist with managing the Board, including but not limited to: adopting procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings; ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board; ensuring that a succession planning process is in place to appoint the Executive Chairman, the CEO, President and other members of management when necessary; working with the Corporate Governance Committee to consider questions of possible conflicts of interest or breaches of the Code, as such questions arise, and working with the Investment Committee to consider questions of possible conflicts of interests.

Further, at the request of the Board and the CEO and/or the Executive Chairman, or in the event of the absence or the incapacity of the Executive Chair or the CEO, the Lead Director shall represent the Corporation to external groups such as Shareholders and other stakeholders, including community groups and governments.

Position Descriptions

The Corporation has not developed position descriptions for the Executive Chairman, the Committee Chairmen or the Chief Executive Officer. The Board assists in defining the roles of these positions through its regular meetings and past practices. The responsibilities of these positions are well-known by the Board and the respective officers due to their extensive experience and knowledge in the industry and based on customary practice.

The Board Mandate

The Board has adopted a written Board mandate in its Charter of the Board (the "**Charter**"), pursuant to which the Board assumes responsibility for the stewardship of the Corporation, the supervision of the Corporation's business affairs and acting in the best interests of the Corporation and the Shareholders. In
discharging its mandate, the Board is responsible for the oversight and review of the following, among
other things:

- the strategic planning process of the Corporation;
- identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training and monitoring senior management;

- a communications policy for the Corporation to facilitate communications with investors and other interested parties; and
- the integrity of the Corporation's internal control and management information systems.

The Board discharges its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Compensation Committee, the Corporate Governance Committee and an ad hoc Investment Committee. See "Committees of the Board of Directors". A copy of the Charter is attached hereto as Schedule "A".

Meetings of Independent Directors

The independent directors comprise the committees of the Board and hold in camera sessions without management at their committee meetings to review the business operations, corporate governance, compensation, and financial results of the Corporation. For each Director's attendance at duly scheduled meetings for the year ended January 31, 2016, please see above under "Business of the Meeting – Election of Directors – Meeting Attendance".

Nomination of Directors

Generally, the Corporate Governance Committee, which is composed entirely of independent directors, is responsible for identifying and recruiting new candidates for nomination to the Board, and reviewing the qualifications of new candidates proposed by other members of the Board. The process by which the Board anticipates that it will identify new candidates is through recommendations of the Corporate Governance Committee whose responsibility it is to develop, and periodically update and recommend to the Board for approval, a long-term plan for Board composition that takes into consideration the following: (a) the independence of each director; (b) the competencies and skills the Board, as a whole, should possess such as financial literacy, integrity and accountability, the ability to engage in informed judgment, governance, strategic business development, excellent communications skills and the ability to work effectively as a team; (c) the current strengths, skills and experience represented by each director, as well as each director's personality and other qualities as they affect Board dynamics; and (d) the strategic direction of the Corporation.

Board Assessments

The Board and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

Majority Voting Policy

The Corporation has adopted a Majority Voting Policy to provide a meaningful way for the Corporation's shareholders to hold individual directors accountable and to require the Corporation to closely examine directors that do not have the support of a majority of Shareholders. The policy provides that forms of proxy for the election of directors will permit a Shareholder to vote in favour of, or to withhold from voting, separately for each director nominee and that where a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Pursuant to the policy, such a nominee will forthwith submit his or her resignation to the Board, such resignation to be effective on acceptance by the Board. The Board will then establish an advisory committee (the "**Committee**") to which it shall refer the resignation for consideration. In such circumstances, the Committee will make a recommendation to the Board as to the director's suitability to continue to serve as a director after reviewing, among other things, the results of the voting for the nominee and the Board will consider such recommendation. This policy does not apply where an election involves a proxy battle (i.e., where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the Board).

Orientation and Continuing Education

Generally, the Corporate Governance Committee is responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, board committees and the role of the Board including the business and operations of the Corporation, documents from recent board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board notes that it has benefited from the experience and knowledge of individual members of the Board in respect of the evolving governance regime and principles. The Board ensures that all directors are apprised of changes in the Corporation's operations and business as well as developments in the resource industry and applicable laws.

F&M hosted its annual director education seminar on December 10, 2015. Expert speakers from various backgrounds discussed a variety of topics with the directors in attendance, including representatives from McGovern, Hurley, Cunningham, LLP who presented on trending issues for audit committees and Patricia Mohr, Vice-President & Commodity Market Specialist at Scotiabank who presented on commodity prices, currencies and global growth. Messrs. Stein and Colson were each in attendance.

Mr. Wilson has completed, and is a founding member of, the Directors Education Program from the Rotman School of Business.

Aberdeen's Diversity Policy

Aberdeen introduced a diversity policy in January 2015 as part of an amendment and update of its corporate governance and nominating committee charter. Aberdeen believes the diversity policy evidences Aberdeen's commitment to increased diversity, including the identification and nomination of women to the board of directors. In the policy, the Company recognizes the value and unique contribution people can make because of their individual background and different skills, experiences and perspectives. To support this, when identifying candidates to recommend for appointment or nomination to the board and its various committees, the corporate governance and nominating committee will, among other things, consider diversity criteria including gender, age, ethnicity and geographic background. In practice, since introducing the diversity policy, the corporate governance and nominating committee has actively sought and considered female director candidates. Aberdeen aspires towards board composition in which each gender comprises at least one-third of the independent directors.

At present, there are no female members among the Company's six board members or its small executive management team. However, the Company is in process of identifying female candidates for the board. With regard to increasing the diversity among its executive officers, during this commodity downturn, Aberdeen has focused on rationalizing costs and reducing compensation. In this context, it has not looked to hire any executive officers, nor does it expect to add any executive officers of any gender.

COMMITTEES OF THE BOARD

As of the Record Date, the Board had the following three standing committees:

- Audit Committee
- Corporate Governance Committee
- Compensation Committee

In addition, as of the Record Date, the Board had an ad hoc Investment Committee which meets on a regular basis, as needed, to consider and approve any investments in respect of which members of the Board or management may have conflicting interests.

All of the standing committees are comprised of directors who are independent of management and each of the committees report directly to the Board. From time to time, when appropriate, ad hoc committees of the Board may be appointed by the Board.

Audit Committee

The purposes of the Audit Committee are to assist the Board's oversight of: the integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the qualifications and independence of the Corporation's independent auditors; and the performance of the independent auditors and the Corporation's internal audit function.

As of January 31, 2016, the Corporation's Audit Committee was comprised of three directors: Maurice Colson (Chair), Bernie Wilson and John Begeman and each of the members is considered financially literate and independent, as required by applicable securities laws. Please refer to "Director Profiles", above, for the relevant education and experience of each of the members of the Audit Committee.

The members of the Audit Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

External Auditor

The Audit Committee pre-approves all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditors.

Please see page 4 for the fees paid to external auditors in 2016 and 2015. You can find more information about the audit committee in our Annual Information Form dated April 29, 2016 on SEDAR (www.sedar.com). The Annual information Form includes a copy of the Audit Committee Charter at Schedule B.

Corporate Governance Committee

The Corporate Governance Committee is comprised of Bernie Wilson (Chair), Maurice Colson and John Begeman, each of whom is an independent director. Please refer to "Director Profiles", commencing on page 5, for the relevant education and experience of each of the members of the Corporate Governance Committee.

The Corporate Governance Committee's responsibilities include periodically reviewing the charters of the Board and the committees of the Board; assisting the Chairman and Lead Director of the Board in carrying out their responsibilities; considering and, if thought fit, approving requests from directors for the engagement of independent counsel in appropriate circumstances; preparing and recommending to the Board a set of corporate governance guidelines, the Code and annually preparing and reviewing the Corporation's Corporate Governance disclosure to be included in the Corporation's management information circular; annually reviewing the Board's relationship with management to ensure the Board is able to, and in fact does, function independently of management; assisting the Board by identifying individuals qualified to become Board members and members of Board committees; leading the Board in its annual review of the Board's performance; and assisting the Board in monitoring compliance by the Corporation with legal and regulatory requirements.

The members of the Corporate Governance Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

Compensation Committee

The Compensation Committee is comprised of John Begeman (Chair), Maurice Colson and Bernie Wilson, each of whom is an independent director. Please refer to "Director Profiles", commencing on page 5, for the relevant education and experience of each of the members of the Compensation Committee.

The Compensation Committee is established by the Board to assist the Board in fulfilling its responsibilities relating to human resources and compensation issues and to establish a plan of continuity for executive officers and other members of senior management (collectively, "**Executive Management**"). The Compensation Committee ensures that the Corporation has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance of executive management of a quality and nature that will enhance the sustainable profitability and growth of the Corporation.

The Compensation Committee's role is to review compensation philosophy and practices for the Corporation, which includes reviewing the compensation philosophy and practices (a) for Executive Management, for recommendation to the Board for its consideration and approval, and (b) relating to all employees, including annual salary and incentive policies and programs, and material new benefit programs, or material changes to existing benefit programs.

The members of the Compensation Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

It is the general compensation philosophy of the Corporation to provide a blend of base salaries, bonuses and an equity incentive component, as summarized under the heading "Executive Compensation: Compensation Discussion & Analysis".

The Compensation Committee:

(a) will periodically review the terms of reference for the Corporation's President and Chief Executive Officer and recommend any changes to the Board for approval;

(b) will review corporate goals and objectives relevant to the compensation of the President and Chief Executive Officer and recommend them to the Board for approval; and

(c) reviews, and if appropriate recommends to the Board for approval, any agreements between the Corporation and the President and Chief Executive Officer, as appropriate.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

For the financial year ended January 31, 2016, the objectives of the Corporation's compensation strategy were to ensure that compensation for its NEOs (as defined herein) is sufficiently attractive to recruit, retain and motivate high performing individuals to assist Aberdeen in achieving its goals. The Corporation attempts to ensure that compensation is also fair, balanced and linked to the performance of the Corporation and the individual NEO.

Compensation for the NEOs is composed primarily of three components: base fees, performance bonuses and security based compensation. The determination of each component is based on informal discussions among the members of the Compensation Committee who may draw upon their experience and broad knowledge of industry standards and performance based on informal expectations and goals. In establishing the levels of base fees, the award of stock options and performance bonuses, the Corporation informally considers individual performance, responsibilities and length of service. Performance is broadly reviewed and includes achievement of the Corporation's strategic objective of growth and the enhancement of shareholder value through increases in the net asset value of its investments. Performance bonuses are considered from time to time on a discretionary basis, as discussed in further detail below. The compensation determination process is discretionary and is not based on formal benchmarks or formal and specific quantified measures, other than with respect to the bonus pool calculation set out below.

The Board does not have a pre-determined compensation plan, but rather reviews the performance of the NEOs and considers a variety of factors informally. The Board believes that the compensation paid to each NEO during the last fiscal year was commensurate with the NEO's position, experience and performance.

Executive Chairman Compensation

In his capacity as director and Executive Chairman, Mr. Bharti provides management of the Corporation with advisory services relating to capital raising and strategic transactions, development of investment opportunities and relationship building with key investors, in addition to his contacts made through his extensive 30-year career in the areas of management team building, mergers, acquisitions, restructuring and financings. The services provided by Mr. Bharti are advisory in nature stemming from his specific expertise.

In addition, Mr. Bharti is the Executive Chairman of F&M, which is owned by a family member of Mr. Bharti. F&M provides services to the Corporation through a number of individuals, including administrative, financial and information technology. For completeness and for the purposes of providing full disclosure, the Summary Compensation Table factors into Mr. Bharti's compensation the $25,000 monthly fee payable to F&M in accordance with the consulting agreement described under "Executive Compensation – Compensation of Officers - Termination of Employment, Change in Responsibilities and Employment Contracts", set out below. For clarity, this is not compensation paid directly to Mr. Bharti.

F&M provides various administrative, strategic and technical services to the Corporation through its team of geologists, mining engineers and financial professionals. The nature of the services provided includes assistance with strategic planning and development of business plans, development of capital markets strategy, assessment of strategic transactions, including business, technical and geological, and financial due diligence, fostering public and government relationships and fostering relationships with strategic investors and investment banks. The Corporation believes these services contribute to the success of the Corporation and its ability to procure strategic portfolio investments.

See "Executive Compensation – Compensation of Officers - Termination of Employment, Change in Responsibilities and Employment Contracts" below for detailed information with respect to Mr. Bharti's compensation.

The Board believes that the compensation paid to each NEO during the last fiscal year was commensurate with the NEO's position, experience and performance.

Chief Executive Officer Compensation

The components of the President and Chief Executive Officer's compensation are the same as those that apply to the other senior executive officers of the Corporation, namely base salary, cash bonus and long-term security-based compensation.

Risks Associated with Compensation

In light of the Corporation's size and the balance between long-term objectives and short-term financial goals with respect to the Corporation's executive compensation program, the Board does not presently deem it necessary to consider the implications of the risks associated with its compensation policies and practices.

Financial Instruments

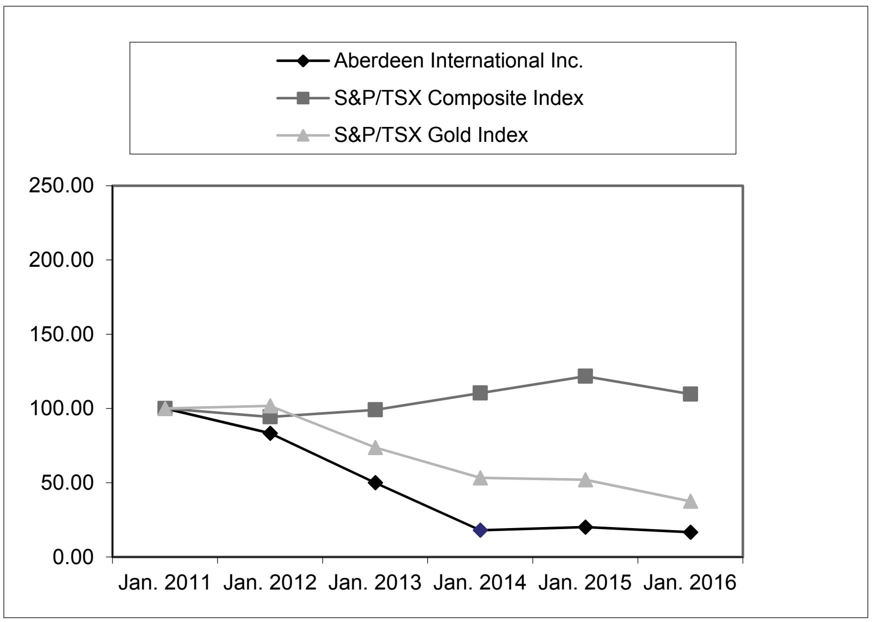
The Corporation does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the Corporation as of the date of hereof, no director or NEO of the Corporation has participated in the purchase of such financial instruments.

Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return for $100 invested in Common Shares on February 1, 2011 against the cumulative total shareholder return of the S&P/TSX Composite Index and the S&P/TSX Gold Index for the five most recently completed financial years of the Corporation, assuming the reinvestment of all dividends.

Broadly, executive compensation has tracked both the share price and shareholder's equity over the past several years due in part to the long-term bear market trend in the mining sector. However since discretionary compensation such as bonuses are typically based, at least in part, on recent performance of the investment portfolio (i.e. the previous year's performance) and share price, executive compensation will often lag by as much as a year or more. The performance graph relates to the total cumulative shareholder return.

	Jan. 2011	Jan. 2012	Jan. 2013	Jan. 2014	Jan. 2015	Jan. 2016
Aberdeen International Inc.	100.00	83.33	50.00	18.06	20.14	16.67
S&P/TSX Composite Index	100.00	94.35	99.08	110.38	121.70	109.67
S&P/TSX Gold Index	100.00	101.76	73.72	53.31	52.00	37.51



Components of Compensation

Base Fees

Salaries form an essential component of the Corporation's compensation mix as they are the first base measure to remain competitive relative to industry compensation practices, are fixed and therefore not subject to uncertainty and can be used as the base to determine other elements of compensation and benefits. In determining the base salary of an executive officer, the Compensation Committee takes into account the recommendations from the President and Chief Executive Officer of the Corporation and may consider the particular responsibilities related to the position; what the Compensation Committee members believe is industry practice; the experience, expertise and level of the executive officer; his or her length of service; level of responsibilities; and his or her overall performance based on informal feedback. There is no mandatory framework that determines which of these factors may be more or less important and the emphasis placed on any of these factors may vary among the executive officers. The determination of base salaries relies principally on negotiations between the respective NEO and the Corporation and is therefore heavily discretionary.

Bonus Payments

The purpose of the Corporation's bonus program is to provide the NEOs with the opportunity to receive an annual cash incentive that is related to the progress of the Corporation and individual performance. Through informal discussions among management, as approved by the Compensation Committee and the Board, executive officers are eligible for annual cash bonuses. The Corporation is focused on the investment and management of small-cap companies in the resource sector. As a result, the Compensation Committee believes that financial incentives should relate to the accomplishment of a key milestone relating to the success of the Corporation's investment portfolio, among other corporate developments. Executive officers are also eligible to receive a discretionary bonus based on the performance of the Corporation's portfolio. During the year ended January 31, 2016, the Corporation did pay bonuses to certain directors as more particularly described in the Director Summary Compensation Table on page 25.

Long-term Incentives and Options

Stock Option Awards

The Compensation Committee believes that granting stock options to key personnel encourages retention and more closely aligns the interests of Executive Management with the interests of shareholders. As the investment of the Corporation's financial resources into portfolio companies is central to its business, the inclusion of options in compensation packages allows the Corporation to compensate employees while not drawing on limited cash resources. The number of options to be granted is based on the relative contribution and involvement of the individual in question and consideration of previous option grants.

During the financial year ended January 31, 2016, the Corporation did not grant any stock options to any NEO, director, officer, consultant or employee of the Corporation.

The Corporation has adopted a stock option plan (the "**Stock Option Plan**"). The Stock Option Plan was approved by the shareholders of the Corporation at its last annual meeting held on June 26, 2014. The following is a summary of the terms of the Stock Option Plan, which is qualified in its entirety by the provisions of the Stock Option Plan.

- The number of options ("**Options**") that may be granted may not exceed 10% of the number of issued and outstanding Common Shares at the time of the stock option grant, from time to time. The Stock Option Plan is considered to be an "evergreen plan" since the Common Shares covered by options which have been exercised shall be available for subsequent grants under the Stock Option Plan, and the number of options available to grant increases as the number of issued and outstanding Common Shares increase.
- Options are non-assignable and may be granted to employees, officers, directors and certain consultants of the Corporation and designated affiliates.
- Upon the termination of an optionholder's engagement with the Corporation, the cancellation or early vesting of any stock option shall be in the discretion of the Board. In general, the Corporation expects that stock options will be cancelled 90 days following an optionholder's termination from the Corporation.
- The aggregate number of Shares issuable pursuant to the Stock Option Plan and any other Share Compensation Arrangement (as defined in the Stock Option Plan) (pre-existing or otherwise) to Insiders (as defined in the Stock Option Plan) shall not exceed 10% of the Shares outstanding at any time.
- The aggregate number of Shares issued upon exercise of the Options granted pursuant to the Stock Option Plan and any other Share Compensation Arrangement (as defined in the Stock Option Plan) pre-existing or otherwise) to Insiders (as defined in the Stock Option Plan) shall not exceed 10% of the Shares then outstanding.
- The periods within which Options may be exercised and the number of Shares which may be issuable upon the exercise of Options in any such period shall be determined by the Board at the time of granting the Options provided, however, that all Options must be exercisable during a period not extending beyond five years from the date of the Option grant.

- In the event that the expiry of an Option Period (as defined in the Stock Option Plan) falls within, or within two days of, a trading blackout period imposed by the Company (the "**Blackout Period**"), the expiry date of such Option Period shall be automatically extended to the tenth business day following the end of the Blackout Period.
- The exercise price per Option shall be determined by the Board at the time the Option is granted, but, in any event, shall not be less than the closing price of the Common Shares on the TSX on the trading day immediately preceding the date of the grant of the Option.
- Amendments to the Stock Option Plan require shareholder approval, except in certain instances, including but not limited to the following: (i) amendments of a housekeeping nature; (ii) the addition of or a change to vesting provisions of a security or the Stock Option Plan; (iii) a change to the termination provisions of a security or the Stock Option Plan that does not entail an extension beyond the original expiry date; and (iv) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Stock Option Plan reserve.
- There is no transformation of stock options granted under the Stock Option Plan into stock appreciation rights involving the issuance of securities from the treasury of the Corporation.
- The Corporation will not provide financial assistance to any optionholder to facilitate the exercise of options under the Stock Option Plan.

In accordance with TSX policy, the Corporation is required to seek shareholder approval for its Stock Option Plan every three years. Shareholders of the Corporation approved the Stock Option Plan at its annual general and special meeting held on June 26, 2014 and accordingly, the Corporation is not seeking Shareholder approval of the Stock Option Plan at the Meeting.

The table below sets out the outstanding options under the Stock Option Plan, being the Corporation's only compensation plan under which Common Shares are authorized for issuance, as of January 31, 2016.

.	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a))**
Plan Category	**(a)**	**(b)**	**(c)**
Equity compensation plans approved by security holders	3,075,000	$0.54	477,913
Equity compensation plans not approved by security holders	NIL	NIL	NIL
TOTAL	**3,075,000**	**$0.54**	**477,913**

The total number of Common Shares issuable on the exercise of actual Stock Options that have been granted and remain outstanding under the Stock Option Plan is 3,075,000 Common Shares, representing approximately 3.22% of the Common Shares outstanding as at January 31, 2016. There were 95,529,128 Common Shares of the Corporation outstanding and 10% of the current issued and outstanding share capital is 9,552,913. Based on the current number of issued and outstanding Common Shares, 6,477,913 Stock Options remain available for issuance under the plan (representing approximately 6.78% of the issued and outstanding Common Shares).

Restricted Share Unit Incentive Plan and Deferred Share Unit Incentive Plan

Prior to the year ended January 31, 2013, the Board approved and authorized the creation of a Restricted Share Unit Incentive Plan (the "**RSU Plan**") and a Deferred Share Unit Incentive Plan (the "**DSU Plan**") (the RSU Plan and the DSU Plan, collectively the "**Plans**"). The RSU Plan shall provide for the issuance of units ("**RSUs**") to acquire Common Shares by way of purchases of Common Shares by an independent trustee pursuant to a trust set up and funded by the Corporation. Each RSU shall entitle each participant to receive one Common Share, without payment of additional consideration, on the applicable vesting date without any further action on the part of the holder of the RSU.

The DSU Plan shall provide for the issuance of units ("**DSUs**") by way of cash payments to each participant in an amount that represents the value of one Common Share for each DSU held on the date upon which the Participant ceases to be a director of the Corporation.

The purpose of the Plans is to attract, retain and motivate individuals with the requisite training, experience and leadership to carry out key roles with the Corporation, to advance the interests of the Corporation by providing such individuals with appropriate compensation and to strengthen the alignment of the RSU and DSU holders' interest with the interests of shareholders.

Directors, officers and key management employees of the Corporation are eligible to participate in the Plans. The Plans are administered by the Board, which may determine from time to time, after considering recommendations of the Compensation Committee, the number and timing of RSUs and/or DSUs to be awarded and the applicable vesting criteria, provided that the vesting period does not exceed three years. The value of a RSU and a DSU is based on the trading price of the Common Shares.

During the year ended January 31, 2016 the Corporation did not grant any RSUs and there were not any RSUs outstanding. Similarly, the Corporation did not grant any DSUs to board members of the Corporation.

Other Compensation Matters

Indebtedness of Directors and Officers

As at the date of this Circular, and during the financial year ended January 31, 2016, no director or executive officer of the Corporation or Nominee (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended January 31, 2016, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

Directors' and Officers' Insurance and Indemnification

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of directors and officers an aggregate of $5,000,000 in coverage. The approximate amount of premiums paid by the Corporation during the financial year ended January 31, 2016 in respect of such insurance was $19,440.

2015 Executive Compensation

Summary Compensation Table

The following table summarizes the compensation paid during the three financial years ended January 31, 2016, 2015 and 2014 in respect of the individuals who were carrying out the role of the CEO, the Chief Financial Officer of the Corporation (the "**CFO**") and each of the three most highly compensated executive officers other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was individually more than $150,000 for that financial year (the "**Named Executive Officers**" or "**NEOs**").

Name and principal position	Year Ended	Salary ($)(1)	Share - based awards ($)(2)	Option - based awards ($)(3)	Non-equity incentive plan compensation ($)		All other compensation ($)(5)	Total compensation ($)
					Annual incentive plans(4)	Long-term incentive plans		
Stan Bharti Executive Chairman	2016	300,000	NIL	NIL	NIL	NIL	NIL	300,000
	2015	300,000	137,500	NIL	NIL	NIL	NIL	437,500
	2014	300,000	275,000	NIL	NIL	NIL	NIL	575,000
George Faught Vice Executive Chairman	2016	250,000	NIL	NIL	NIL	NIL	NIL	250,000
	2015	250,000	100,000	NIL	NIL	NIL	NIL	350,000
	2014	250,000	200,000	NIL	NIL	NIL	NIL	450,000
David Stein President and Chief Executive Officer	2016	300,000	NIL	NIL	NIL	NIL	NIL	300,000
	2015	300,000	112,500	NIL	NIL	NIL	NIL	412,500
	2014	300,000	225,000	NIL	NIL	NIL	NIL	525,000
Ryan Ptolemy Chief Financial Officer and Corporate Secretary	2016	20,000	NIL	NIL	NIL	NIL	NIL	20,000
	2015	20,000	10,000	NIL	NIL	NIL	NIL	30,000
	2014	20,000	20,000	NIL	NIL	NIL	NIL	40,000
Richard Bishop(6) Former Vice President, Investments	2016	245,000	NIL	NIL	NIL	NIL	NIL	245,000
	2015	210,000	25,000	NIL	NIL	NIL	NIL	235,000
	2014	210,000	50,000	NIL	NIL	NIL	NIL	260,000

Notes:

(1) Compensation paid as consulting fees under the independent contractor agreements with the Named Executive Officers as described under the heading "Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts" of this Circular.

(2) The figures shown reflect the grant day fair value of RSUs approved by the Compensation Committee for the specific years as at the date of grant. For the July 1, 2014 RSU grants, the last trading day preceding the date of grant is the grant date fair value. Grant day fair value is determined by multiplying the number of RSUs by the closing price of the Common Shares on the Toronto Stock Exchange on the day preceding the grant date.

(3) The value ascribed to option grants represents non-cash consideration and has been estimated using the Black-Scholes Model, as at the date of grant. Key assumption and parameter described in Aberdeen's financial statements.

(4) Compensation received in the form of discretionary performance based bonuses in accordance with the bonus compensation policy of the Corporation as described under the heading "Executive Compensation - Compensation of Officers – Compensation Discussion and Analysis" set out above.

(5) Other benefits did not exceed the lesser of $50,000 and 10% of the total annual compensation for the Named Executive Officer.

(6) Subsequent to the year ended January 31, 2015, Mr. Bishop was terminated as an employee and officer of the Corporation. The compensation figures provided include severance payments.

Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each Named Executive Officer outstanding as of January 31, 2016.

Outstanding Share-Based Awards and Option-Based Awards

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(1)	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Stan Bharti Executive Chairman	500,000	500,000 at $0.44	June 12, 2017	Nil	NIL	NIL	NIL
George Faught Vice Executive Chairman	500,000	500,000 at $0.44	June 12, 2017	Nil	NIL	NIL	NIL

David Stein President & Chief Executive Officer	875,000	875,000 at $0.44	June 12, 2017	Nil	NIL	NIL	NIL
Ryan Ptolemy Chief Financial Officer and Corporate Secretary	50,000	50,000 at $0.44	June 12, 2017	Nil	NIL	NIL	NIL
Richard Bishop Vice President, Investments	100,000	100,000 at $0.44	June 12, 2017	Nil	NIL	NIL	NIL

Notes:
(1) Based on the closing market price of $0.12 of the Common Shares on January 31, 2016.
(2) These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
(3) Subsequent to the year ended January 31, 2015, Mr. Bishop was terminated as an employee and officer of the Corporation.

Value on Pay-Out or Vesting of Incentive Plan Awards

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the financial year ended January 31, 2016.

Name	Option-based awards – Value during the year on vesting ($)(1)	Share-based awards – Value during the year on vesting ($)	Non-equity incentive plan compensation – Pay-out during the year ($)
Stan Bharti Executive Chairman	NIL	n/a	n/a
George Faught Vice Executive Chairman	NIL	n/a	n/a
David Stein President and Chief Executive Officer	NIL	n/a	n/a
Ryan Ptolemy Chief Financial Officer and Corporate Secretary	NIL	n/a	n/a
Richard Bishop(2) Vice President, Investments	NIL	n/a	n/a

Notes:
(1) None of the Named Executive Officers, other than Stan Bharti, exercised any options during the year ending January 31, 2016.
(2) Subsequent to the year ended January 31, 2015, Mr. Bishop was terminated as an employee and officer of the Corporation.

Termination of Employment, Change in Responsibilities, and Employment Contracts

The following describes the respective consulting agreements entered into by the Corporation and the Named Executive Officers in effect as of the Record Date.

Stan *Bharti, Executive Chairman*

The Corporation has a contract with F&M, of which Mr. Bharti is the Executive Chair, for administrative and managerial services, dated August 1, 2005 and amended February 1, 2008, January 1, 2009 and September 1, 2011, pursuant to which F&M is entitled to compensation for the provision of such services of base fees of $25,000 per month. The term of this agreement is for three years, but may be terminated at any time for just cause without notice and may be terminated for any reason by either party upon 30 days written notice to the other party. Additionally, in the event that there is a Change in Control (as hereinafter defined) of the Corporation, either the Corporation or F&M may terminate this agreement within one year from the date of such Change in Control upon making a lump sum termination payment to F&M equivalent to 36 months in base fees plus an amount that is equivalent to all cash bonuses paid to F&M in the 36 months prior to the Change in Control. The estimated incremental payments, payables and benefits that might be paid to F&M pursuant to this agreement in the event of termination without cause or after a Change of Control (assuming such termination or Change of Control was effective as of January 31, 2016) are $175,068 and $900,000 respectively. All options granted but not vested vest automatically upon a Change in Control (where applicable).

George Faught, Executive Vice-Chairman

The Corporation entered into a contract with George Faught effective from November 1, 2005 (and subsequently amended on March 1, 2006 and February 1, 2008) pursuant to which Mr. Faught agreed to provide management services to the Corporation commencing on that day. Mr. Faught is entitled to compensation for the provision of such services in the amount of $20,833.33 per month, effective February 1, 2008.

On May 25, 2016 the Corporation and Mr. Faught entered into a termination agreement effective May 3, 2016 whereby the Corporation accepted Mr. Faught's resignation as President of Aberdeen Barbados Inc., a wholly-owned subsidiary of the Corporation. As per the termination agreement Mr. Faught will continue to serve as Vice Chairman of the Corporation for a period of twelve months. Pursuant to the terms of Mr. Faught's consulting agreement, the Corporation will pay Mr. Faught twelve equal instalments of $20,833.33 representing termination pay. Additionally, in the event that there is a change of control of the Corporation (as hereinafter defined), either the Corporation or Mr. Faught may terminate this agreement within one year from the date of such Change in Control upon making a lump sum termination payment to Mr. Faught equivalent to 36 months in base fees plus an amount that is equivalent to all cash bonuses paid to Mr. Faught in the 36 months prior to the Change in Control. The estimated incremental payments, payables and benefits that might be paid to Mr. Faught pursuant to this agreement in the event of termination without cause or after a Change of Control (assuming such termination or Change of Control was effective as of January 31, 2016) are $250,000 and $750,000 respectively. All options granted but not vested vest automatically upon a change of control (where applicable).

David Stein, President and CEO

The Corporation entered into a consulting agreement with David Stein on September 1, 2009, as amended on June 5, 2012, pursuant to which Mr. Stein agreed to provide management services to the Corporation in the capacity of President and Chief Executive Officer. Mr. Stein is entitled to compensation for the provision of such services in the amount of $25,000 per month. In the event of termination, Mr. Stein is entitled to the equivalent of 12 months base fees. Additionally, in the event of Change in Control, either the Corporation or Mr. Stein may terminate this agreement within one year from the date of such Change in Control upon making a lump sum termination payment to Mr. Stein that is equivalent to 36 months base fees plus an amount that is equivalent to all cash bonuses paid to Mr. Stein in the 36 months prior to the Change in Control. The estimated incremental payments, payables and benefits that might be paid to Mr. Stein pursuant to this agreement in the event of termination without cause or after a Change in Control (assuming such termination or Change in Control was effective as of January 31, 2016) are $300,000 and $900,000 respectively. All options granted but not vested vest automatically upon a Change in Control (where applicable).

Ryan Ptolemy, CFO and Corporate Secretary

The Corporation entered into a consulting agreement with Ryan Ptolemy effective October 7, 2010 pursuant to which Mr. Ptolemy agreed to provide management consulting services to the Corporation. Mr. Ptolemy is entitled to compensation for the provision of such services in the amount of $1,666.67 per month. In the event of termination without cause, Mr. Ptolemy is entitled to receive the equivalent of 3 months in base fees. Additionally, in the event of a Change in Control of the Corporation, either the Corporation or Mr. Ptolemy may terminate the agreement within one year from the date of such Change in Control upon making a lump sum termination payment to Mr. Ptolemy equivalent to 24 months base fees plus an amount that is equivalent to all cash bonuses paid to Mr. Ptolemy in the 24 months prior to the Change in Control. On December 13, 2010, Mr. Ptolemy was appointed as the Corporate Secretary. The estimated incremental payments, payables and benefits that might be paid to Mr. Ptolemy pursuant to this agreement in the event of termination without cause or after a Change in Control (assuming such termination or Change in Control was effective as of January 31, 2016) are $20,000 and $40,000 respectively. All options granted but not vested vest automatically upon a Change in Control (where applicable).

"**Change in Control**" is defined as:

(1) the acquisition, directly or indirectly, by any person (person being defined as an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Canada Business Corporations Act*) or group of persons acting jointly or in concert, as such terms are defined in the *Securities Act* (Ontario) of: (A) shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation; (B) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or (C) other than in the ordinary course of business of the Corporation, more than 30% of the material assets of the Corporation, including the acquisition of more than 30% of the material assets of any material subsidiary of the Corporation; or

(2) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation or any of its Affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Corporation for election to the Corporation's board of directors do not constitute a majority of the Corporation's board of directors.

Summary of Termination Payments

The estimated incremental payments, payables and benefits that might be paid to the Named Executive Officers pursuant to the above noted agreements in the event of termination without cause or after a Change in Control are detailed below:

Named Executive Officer	Termination not for Cause ($)	Termination on a Change of Control as of January 31, 2016 ($)
Forbes & Manhattan Inc.		
Salary and Quantified Benefits	175,068	900,000
Bonus	-	-
Total	175,068	900,000
David Stein		
Salary and Quantified Benefits	300,000	900,000
Bonus	-	-
Total	300,000	900,000
George Faught		
Salary and Quantified Benefits	250,000	750,000
Bonus	-	-
Total	250,000	750,000
Ryan Ptolemy		
Salary and Quantified Benefits	20,000	40,000
Bonus	-	-
Total	20,000	40,000
TOTAL	**745,068**	**2,590,000**

DIRECTOR COMPENSATION

Compensation of directors for the financial year ended January 31, 2016 was determined on a case-by-case basis with reference to the role that each director provided to the Corporation. The following information details compensation paid in the recently completed financial year. Compensation of directors who are also NEO's is disclosed above under the table entitled "2016 Executive Compensation – Summary Compensation Table".

In 2011, the Corporation adopted a non-executive independent director fee compensation plan. Pursuant to this compensation plan, non-executive independent directors are entitled to receive $5,000 in directors' fees per quarter ($20,000 per annum). In addition, the Chairs of the Corporate Governance Committee and the Compensation Committees are each entitled to receive a $2,500 fee per annum, and the Audit Committee Chair is entitled to an additional $5,000 fee per annum.

Director Summary Compensation Table

Name	**Fees earned ($)**	**Share–based awards ($)**	**Option-based awards ($)(1)**	**Non-equity incentive plan compensation ($)(2)**	**All other compensation ($)(3)**	**Total ($)**
John Begeman	22,500	N/A	NIL	25,000	NIL	47,500
Maurice Colson	25,000	N/A	NIL	15,000	NIL	40,000
Ken Taylor	16,667	N/A	NIL	25,000	NIL	41,667
Bernard Wilson, FCA	22,709	N/A	NIL	30,000	NIL	52,709
TOTALS	**86,876**	**N/A**	**NIL**	**95,000**	**NIL**	**181,876**

Notes:

(1) The dollar value ascribed to option grants represents non-cash consideration and has been estimated using the Black Scholes Model as at the date of grant.

(2) Compensation received in the form of discretionary performance based bonuses accrued in accordance with the bonus compensation policy as described in further detail under the heading "Compensation of Officers" set out above.

(3) Other benefits did not exceed the lesser of $50,000 and 10% of the total annual compensation for the named director.

Directors may also receive discretionary cash bonuses from time to time, which the Corporation awards to directors for serving in their capacity as a member of the Board. The directors were awarded cash bonuses during the year ended January 31, 2016 totalling $95,000.

The Corporation does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather the Corporation uses informal goals which may include an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation. Precise goals or milestones are not pre-set by the Board with the exception of the calculation of the bonus pool as it relates to performance bonuses, as set out under the heading "Executive Compensation – Compensation of Officers – Compensation Discussion & Analysis".

In addition, as a director, directors are entitled to participate in the Stock Option Plan, the Restricted Share Unit Plan and Deferred Share Unit Plan, as applicable, which are designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation.

Executive officers who also act as directors of the Corporation do not receive any additional compensation for services rendered in their capacity as directors.

During the financial year ended January 31, 2016, directors were granted the fees in their capacity as directors of the Corporation as is set out in the table below. Note that disclosure regarding the compensation of Stan Bharti, George Faught and David Stein can be found above under the heading "Executive Compensation – Summary Compensation Table". The directors, other than George Faught, David Stein and Stan Bharti, received their compensation exclusively in their capacity as directors.

Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each director outstanding as of January 31, 2016, other than Messrs. Bharti, Faught and Stein, whose compensation was included above under "Executive Compensation".

Outstanding Share-Based Awards and Option-Based Awards

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)(1)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
John Begeman	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Maurice Colson	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Bernard Wilson	50,000	50,000 at $0.44	June 12, 2017	NIL	NIL	28,000	NIL

Notes:
(1) Based on the closing market price of $0.12 of the Common Shares on January 31, 2016.
(2) These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on date of exercise.

Value on Pay-Out or Vesting of Incentive Plan Awards

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the financial year ended January 31, 2016.

Name	Option awards – Value during the year on vesting ($)[1]	Share awards – Value during the year on vesting ($)	Non-equity incentive plan compensation – Pay-out during the year ($)
John Begeman	NIL	n/a	n/a
Stan Bharti[2]	NIL	n/a	n/a
Maurice Colson	NIL	n/a	n/a
George Faught[2]	NIL	n/a	n/a
David Stein[2]	NIL	n/a	n/a
Ken Taylor	NIL	n/a	n/a
Bernard Wilson, FCA	NIL	n/a	n/a

Notes:
(1) Based on the closing market price of $0.12 of the Common Shares on January 31, 2016.
(2) Information for director also disclosed above on page 22 “Value on Pay-Out of Vesting of Incentive Plan Awards”.

ADDITIONAL INFORMATION AND CONTACT INFORMATION

Additional Information

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation’s audited financial statements and related management’s discussion and analysis for the financial year ended January 31, 2016, which can be found under the profile of the Corporation on SEDAR. Shareholders may also request these documents from the Corporate Secretary of the Corporation by email at ryanp@fmfinancialgroup.com or by telephone at (416) 861-5882.

Board of Directors Approval

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

“David Stein”

President & Chief Executive Officer

Toronto, Ontario
June 23, 2016

SCHEDULE "A"

ABERDEEN INTERNATIONAL INC.
Charter of the Board of Directors

I. GENERAL

The Board of Directors of Aberdeen International Inc. (the "**Company**") is responsible for the stewardship and the general supervision of the management of the business and for acting in the best interests of the Company and its shareholders. The Board will discharge its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Compensation Committee and the Corporate Governance Committee. In addition, the Board may from time to time, appoint such additional committees as it deems necessary and appropriate in order to discharge its duties, including but not limited to an Investment Committee, as constituted from time to time. Each committee shall have its own charter. The Board shall meet regularly, but not less than once each quarter, to review the business operations, corporate governance and financial results of the Company. Meetings of the Board of Directors will also include regular meetings (not less than once annually) of the independent members of the Board without management being present.

II. COMPOSITION

The Board of Directors shall be constituted at all times of at least 50% of "independent directors" within the meaning of National Policy 58-201 *Corporate Governance Guidelines*. Pursuant to Canadian corporate governance guidelines (except in respect of British Columbia), in order to be considered "independent", directors shall have no direct or indirect material relationship with the Company. In British Columbia, a director shall be considered independent unless a reasonable person with knowledge of all relevant circumstances would conclude that the director is in fact not independent of management or of any significant shareholder.

III. RESPONSIBILITIES

The Board of Directors' mandate is the stewardship of the Company and its responsibilities include, without limitation to its general mandate, the following specific responsibilities:

- The assignment to the various committees of directors the general responsibility for developing the Company's approach to: (i) corporate governance and nomination of directors; (ii) financial reporting and internal controls; and (iii) compensation of officers and senior employees.

- With the assistance of the Corporate Governance Committee:
  - Reviewing the composition of the Board and ensuring it respects its independence criteria.
  - Satisfying itself as to the integrity of the Chief Executive Officer and other senior officers and that such officers create a culture of integrity throughout the organization.
  - The assessment, at least annually, of the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including, consideration of the appropriate size of the Board.
  - Ensuring that an appropriate review selection process for new nominees to the Board is in place.
  - Ensuring that an appropriate orientation and education program for new members of the Board is in place.
  - Approving and revising from time to time as circumstances warrant a corporate disclosure and communications policy to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and communities in which the business of the Company is conducted.

- With the assistance of the Audit Committee:
  - Ensuring the integrity of the Company's internal controls and management information systems.

- Ensuring the Company's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Company's own governing documents.
- Identifying the principal risks of the Company's business and ensuring that appropriate systems are in place to manage these risks.
- Reviewing and approving significant operational and financial matters and the provision of direction to management on these matters.
- As required and agreed upon, providing assistance to shareholders concerning the integrity of the Company's reported financial performance.

• With the assistance of the Compensation Committee and the Chief Executive Officer, the approval of the compensation of the senior management team.

• With the assistance of the Investment Committee, as constituted from time to time, once established and implemented, reviewing and considering certain investment decisions to be made by the Company above certain thresholds and reviewing and considering possible conflicts of interest.

• Succession planning including the selection, training, appointment, monitoring evaluation and, if necessary, the replacement of the senior management to ensure management succession.

• The adoption of a strategic planning process, approval at least annually of a strategic plan that takes into account business opportunities and business risks identified by the Board and/or the Audit Committee and monitoring performance against such plans.

• The review and approval of corporate objectives and goals applicable to the Company's senior management.

• Enhancing congruence between shareholder expectations, Company plans and management performance.

• Reviewing with senior management material transactions outside the ordinary course of business and such other major corporate matters which require Board approval including the payment of dividends, the issue, purchase and redemption of securities, acquisitions and dispositions of material assets and material capital expenditures and approving such decisions as they arise.

• Retaining outside financial, legal or other advisors to the Company at the expense of the Company.

• Performing such other functions as prescribed by law or assigned to the Board in the Company's constating documents and by-laws.

Schedule "B"

ABERDEEN INTERNATIONAL INC.

AUDIT COMMITTEE CHARTER

I. PURPOSE

The Audit Committee shall provide assistance to the Board of Directors of Aberdeen International Inc. (the "Corporation") in fulfilling its financial reporting and control responsibilities to the shareholders of the Corporation and the investment community. The external auditors will report directly to the Audit Committee. The Audit Committee's primary duties and responsibilities are to:

- Oversee the accounting and financial reporting processes of the Corporation, and the audit of its financial statements, including: (i) the integrity of the Corporation's financial statements; (ii) the Corporation's compliance with legal and regulatory requirements; and (iii) the external auditors' qualifications and independence.
- Serve as an independent and objective party to monitor the Corporation's financial reporting processes and internal control systems.
- Review and appraise the audit activities of the Corporation's external auditors.
- Provide open lines of communication among the external auditors, financial and senior management, and the Board of Directors for financial reporting and control matters, and meet periodically with management and with the external auditors.

II. COMPOSITION

The Audit Committee shall be comprised of at least three directors. Each Committee member shall be an "independent director" within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* ("NI 52-110"), as may be amended from time to time. Pursuant to NI 52-110, a member will be considered "independent" if he has no direct or indirect, material relationship with the Corporation. NI 52-110 sets forth certain relationships which deem one not to be independent. In addition, the composition of the Audit Committee shall comply with the rules and regulations of the Toronto Stock Exchange and any other stock exchange on which the shares of the Corporation are listed, subject to any waivers or exceptions granted by such stock exchange.

All members shall, to the satisfaction of the Board of Directors, be financially literate in accordance with the requirements of the NI 52-110 (i.e. will have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements).

The Committee members will be appointed annually at the first meeting of the Board of Directors following the annual general meeting of shareholders and will serve at the pleasure of the board or until their successors are duly appointed.

Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall be resolution determine.

III. RESPONSIBILITIES AND POWERS

Responsibilities and powers of the Audit Committee include:

- Annual review and revision of this Charter as necessary with the approval of the Board of Directors provided that this Charter may be amended and restated from time to time without the approval of the Board of Directors to ensure that that the composition of the Audit Committee and the Responsibilities and Powers of the Audit Committee comply with applicable laws and stock exchange rules.

- Making recommendations to the Board of Directors regarding the selection and, if necessary, the replacement of the external auditors (to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation).

- Approving the appropriate audit engagement fees and the funding for payment of the external auditors' compensation and any advisors retained by the Audit Committee.

- Ensuring that the external auditors report directly to the Audit Committee and are made accountable to the Board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible.

- Confirming the independence of the auditors, which will require receipt from the external auditors of a formal written statement delineating all relationships between the external auditors and the Corporation and any other factors that might affect the independence of the auditors and reviewing and discussing with the auditors any significant relationships and other factors identified in the statement. Reporting to the Board of Directors its conclusions on the independence of the auditors and the basis for these conclusions.

- Overseeing the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, including (to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation).

- Pre-approving all non-audit services to be provided by the external auditors to the Corporation or its subsidiaries.

- Ensuring that the external auditors are prohibited from providing the following non-audit services and determining which other non-audit services the external auditors are prohibited from providing:

  - bookkeeping or other services related to the accounting records or financial statements of the Corporation;
  - financial information systems design and implementation;
  - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
  - actuarial services;
  - internal audit outsourcing services;
  - management functions or human resources;
  - broker or dealer, investment adviser or investment banking services;
  - legal services and expert services unrelated to the audit; and

- any other services which the Public Corporation Accounting Oversight Board determines to be impermissible.

- Pre-approving all audit services, internal control related services and approving any permissible non-audit engagements of the external auditors, in accordance with applicable legislation.

- Meeting with the external auditors and financial management of the Corporation to review the scope of the proposed audit for the current year, and the audit procedures to be used.

- Meeting quarterly with external auditors in "in camera" sessions to discuss reasonableness of the financial reporting process, system of internal control, significant comments and recommendations and management's performance.

- Reviewing with management and the external auditors:

  - the Corporation's annual financial statements (and interim financial statements as applicable) and related notes, management's discussion and analysis and the annual information form, for the purpose of recommending approval by the Board of Directors prior to their release, and ensuring that:

    - management has reviewed the audited financial statements with the audit committee, including significant judgments affecting the financial statements
    - the members of the Committee have discussed among themselves, without management or the external auditors present, the information disclosed to the Committee
    - the Committee has received the assurance of both financial management and the external auditors that the Corporation's financial statements are fairly presented in conformity with Canadian GAAP in all material respects

  - Any significant changes required in the external auditors' audit plan and any serious issues with management regarding the audit.

  - the Corporation's internal controls report and the external auditors' certification of the report, and review disclosures made to the Committee by the CEO and CFO about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls.

  - Other matters related to the conduct of the audit that are to be communicated to the Committee under generally accepted auditing standards.

- Satisfying itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and assessing the adequacy of such procedures periodically.

- Reviewing with the external auditors and management the adequacy and effectiveness of the financial and accounting controls of the Corporation.

- Establishing procedures: (i) for receiving, handling and retaining of complaints received by the Corporation regarding accounting, internal controls, or auditing matters, and (ii) for employees to submit confidential anonymous concerns regarding questionable accounting or auditing matters.

- Reviewing with the external auditors any audit problems or difficulties and management's response and resolving disagreements between management and the auditors and reviewing and discussing material written communications between management and the external auditors, such as any management letter of schedule of unadjusted differences.

- Making inquires of management and the external auditors to identify significant business, political, financial and control risks and exposures and assess the steps management has taken to minimize such risk to the Corporation.

- Obtaining reports from management and the Corporation's external auditors that the Corporation is in conformity with legal requirements and the Corporation's Code of Business Conduct and Ethics and reviewing reports and disclosures of insider and affiliated party transactions.

- Discussing any earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

- Reviewing any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.

- Ensuring that the Corporation's Annual Information Form and the Corporation's Management Information Circular contains the disclosure as required by law, including that required by NI 52-110.

- Reviewing with financial management and the external auditors interim financial information, including interim financial statements, management discussion and analysis and financial press releases for the purpose of recommending approval by the Board of Directors prior to its release.

- At least annually obtaining and reviewing a report prepared by the external auditors describing (i) the auditors' internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditors, or by any inquiry of investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues; and (iii) all relationships between the external auditors and the Corporation (to assess auditors' independence).

- Reviewing and approving the Corporation's hiring policies for employees or former employees of the past and present external auditors.

- Engaging independent counsel and other advisors, without seeking approval of the Board of Directors or management, if the Committee determines such advisors are necessary to assist the Committee in carrying out its duties and setting and paying for any counsel or advisors employed by the Audit Committee for such purpose. The Committee shall advise the Board of Directors and management of such engagement.

- Discussing with the Corporation's legal counsel legal matters that may have a material impact on the financial statements or on the Corporation's compliance policies and internal controls.

- Conducting special investigations, independent of the Board of Directors or management, relating to financial and non-financial related matters concerning the Corporation and/or any one or more of its directors, officers, employees, consultants and/or independent contractors, if determined by the Committee to be in the best interests of the Corporation and its shareholders. The Committee may advise the Board of Directors with respect to the initiations of such investigations and shall periodically report any findings such investigation to the Board of Directors.

- Establishing the budget process, which process shall include the setting of spending limits and authorizations and periodical reports from the Chief Financial Officer of actual spending as compared to the budget.

- Adopting such policies and procedures as the Committee deems appropriate to operate effectively.

IV. MEETINGS

The Audit Committee will meet regularly at times necessary to perform the duties described above in a timely manner, but not less than four times a year and any time the Corporation proposes to issue a press release with its quarterly or annual earnings information. Meetings may be held at any time deemed appropriate by the Committee.

The Audit Committee shall meet periodically in separate executive sessions with management (including the Chief Financial Officer), the internal auditors and the independent auditors, and have such other direct and independent interaction with such persons from time to time as the members of the Audit Committee deem appropriate. The Audit Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The external auditors will have direct access to the Committee at their own initiative.

The Chairman of the Committee will report periodically the Committee's findings and recommendations to the Board of Directors.

ABERDEEN
INTERNATIONAL

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended January 31, 2016 and 2015

(expressed in Canadian dollars)

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

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M2J 5B4, Canada
Phone 416-496-1234
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Web www.mhc-ca.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Aberdeen International Inc.

We have audited the accompanying consolidated financial statements of Aberdeen International Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at January 31, 2016 and 2015, and the consolidated statements of comprehensive loss, consolidated statements of cash flows, and consolidated statements of changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Aberdeen International Inc. and its subsidiaries as at January 31, 2016 and 2015, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
April 29, 2016

ABERDEEN INTERNATIONAL INC.
Consolidated Statements of Financial Position
As at
(In Canadian dollars)

	Notes	January 31, 2016	January 31, 2015
		$	$
Assets			
Cash	15	**604,613**	355,188
Public investments, at fair value through profit and loss	3,15,16	**3,178,368**	18,971,776
Amounts receivable	4,15,16	**293,447**	311
Loan receivable	5	**-**	61,538
Prepaid expenses	7,16	**63,431**	16,200
Income taxes recoverable	18	**5,456,402**	2,834,817
Private investments, at fair value through profit and loss	3,15,16	**19,322,417**	17,700,622
Total assets		**28,918,678**	39,940,452
Liabilities			
Due to broker	14,15	**-**	387,585
Accounts payable and accrued liabilities	8,15,16	**3,028,082**	3,701,060
Total liabilities		**3,028,082**	4,088,645
Shareholders' equity			
Share capital	11	**43,757,314**	44,583,233
Equity reserve and treasury shares	12	**5,004,104**	4,938,376
(Deficit)		**(22,870,822)**	(13,669,802)
Total shareholders' equity		**25,890,596**	35,851,807
Total liabilities and shareholders' equity		**28,918,678**	39,940,452
Commitments and contingencies	17		
Subsequent events	18		

Approved on behalf of the Board of Directors:

"Bernard Wilson" (signed)
Bernard Wilson, Director

"Maurice Colson" (signed)
Maurice Colson, Director

The accompanying notes are an integral part of the consolidated financial statements

ABERDEEN INTERNATIONAL INC.

Consolidated Statements of Comprehensive Loss

(In Canadian dollars)

	Notes	Years ended January 31, 2016 $	2015 $
Net investment (losses) gain			
Realized (loss) gain on investments, net		**(23,356,005)**	6,531,830
Unrealized gain (loss) on investments, net		**16,382,702**	(9,496,898)
Total investment (losses)		**(6,973,303)**	(2,965,068)
Other revenue			
Interest and dividend income		**93,592**	191,628
Advisory fees	16	**601,522**	-
Total other revenue		**695,114**	191,628
Expenses			
Operating, general and administration	13	**3,539,339**	7,522,937
Transaction costs		**21,039**	484,456
Interest (recovery) expense		**(524,484)**	344,776
Provision for loan, interest, dividend, amounts and investment receivable	15	**434,855**	2,690,128
Total expenses		**3,470,749**	11,042,297
(Loss) before other items		**(9,748,938)**	(13,815,737)
Foreign exchange gain (loss)		**33,556**	(170,376)
(Loss) before income taxes		**(9,715,382)**	(13,986,113)
Income tax recovery	10	**-**	167,343
Net (loss) and comprehensive (loss) for the year		**(9,715,382)**	(13,818,770)
(Loss) per common share based on net loss for the year			
Basic and diluted		**(0.10)**	(0.15)
Weighted average number of common shares outstanding			
Basic and diluted		**96,636,001**	89,239,833

The accompanying notes are an integral part of the consolidated financial statements

ABERDEEN INTERNATIONAL INC.
Consolidated Statements of Cash Flows
(In Canadian dollars)

	Notes	Years ended January 31, 2016	2015
		$	$
Cash flows from operating activities			
(Loss) before income taxes for the year		**(9,715,382)**	(13,986,113)
Income tax (paid)		**(2,078,978)**	(415,796)
Adjustments to reconcile net (loss) to cash used in operating activities:			
Realized loss (gain) on investments, net		**23,356,005**	(6,531,830)
Provision for loan, interest, dividend, amounts and investment receivable		**434,855**	2,690,128
Unrealized (gain) loss on investments, net		**(16,382,702)**	9,496,898
Interest and penalties on tax assessment (recovered)		**(542,607)**	344,828
Share-based compensation		**-**	190,277
Unrealized foreign exchange (gain)		**(61,245)**	(165,044)
		(4,990,054)	(8,376,652)
Adjustments for:			
Purchase of investments		**(13,077,692)**	(8,569,459)
Disposal of investments		**21,952,288**	11,262,786
Short-term loans provided		**-**	(324,420)
Short-term loans repaid		**-**	242,739
Prepaid and other amounts receivable		**(366,838)**	(70,400)
Due to broker		**(387,585)**	387,585
Accounts payable and accrued liabilities		**(2,671,616)**	2,821,021
Net cash provided by (used in) operating activities		**458,503**	(2,626,800)
Cash flows from financing activities			
Private placement	11	**-**	2,000,000
Costs of issuance of common shares and warrants	11	**-**	(15,699)
Shares repurchased and cancelled	11	**(239,402)**	-
Debt financing	9	**400,000**	-
Loan repaid	9	**(400,000)**	-
Net cash (used in) provided by financing activities		**(239,402)**	**1,984,301**
Change in cash for the year		**219,101**	(642,499)
Cash, beginning of year		**355,188**	868,267
Effect of exchange rate on cash held		**30,324**	129,420
Cash, end of year		**604,613**	355,188
Supplemental cash flow information			
Shares received on conversion of loans and amounts receivable	5	**153,846**	1,374,635
Interest paid		**353,719**	86,536

The accompanying notes are an integral part of the consolidated financial statements

ABERDEEN INTERNATIONAL INC.
Consolidated Statements of Changes in Equity
(In Canadian dollars)

	Number of common shares	Share capital	Equity reserve and treasury shares	(Deficit)	Total shareholders' equity
	#	$	$	$	$
Balance - January 31, 2015	**97,349,422**	**44,583,233**	**4,938,376**	**(13,669,802)**	**35,851,807**
Repurchase of common shares	-	-	(245,829)	-	(245,829)
Cancellation of repurchased common shares	(1,802,794)	(825,919)	825,919	-	-
Options expired unexercised	-	-	(514,362)	514,362	-
Net loss for the year	-	-	-	(9,715,382)	(9,715,382)
Balance - January 31, 2016	**95,546,628**	**43,757,314**	**5,004,104**	**(22,870,822)**	**25,890,596**
Balance - January 31, 2014	**87,349,422**	**42,995,464**	**3,818,764**	**681,771**	**47,495,999**
Shares issued through private	10,000,000	2,000,000	-	-	2,000,000
Warrants issued with private placement	-	(396,532)	396,532	-	-
Share issue costs	-	(15,699)	-	-	(15,699)
Share-based compensation expense	-	-	190,277	-	190,277
Restricted share units	-	-	532,803	(532,803)	-
Net loss for the year	-	-	-	(13,818,770)	(13,818,770)
Balance - January 31, 2015	**97,349,422**	**44,583,233**	**4,938,376**	**(13,669,802)**	**35,851,807**

The accompanying notes are an integral part of the consolidated financial statements

1. Nature of operations

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

2. Significant accounting policies

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies as set out below were consistently applied to all the periods presented unless otherwise noted.

The consolidated financial statements of the Company were approved by the Board of Directors on April 29, 2016.

Basis of preparation

The consolidated financial statements have been prepared using the historical cost convention except for certain financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("$"). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

Subsidiaries consist of entities over which the Company is exposed to or has rights to, variable returns as well as the ability to affect these returns through the power to direct the relevant activities of the entity. To the extent that subsidiaries provide services that relate to the Company's investment activities, they are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions. All other investments in subsidiaries are not consolidated, but are measured at fair value through profit or loss in accordance with IFRS 9.

These consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiaries Great Lake Capital Management Inc. ("GLC"), incorporated on October 17, 2014, Aberdeen (Barbados) Inc. ("ABI"), incorporated on March 6, 2015 and Aberdeen Ram Holdings Inc.("ARH"), incorporated on October 19, 2015. All material intercompany transactions and balances between the Company and its subsidiaries have been eliminated on consolidation. Intercompany balances and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Significant accounting judgments, estimates and assumptions

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

2. Significant accounting policies (continued)

Significant accounting judgments, estimates and assumptions (continued)

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

(i) Fair value of investment in securities not quoted in an active market or private company investments

Where the fair values of financial assets and financial liabilities recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Refer to Notes 3 and 15 for further details.

(ii) Fair value of financial derivatives

Investments in options and warrants which are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants and options are valued at intrinsic value. Refer to Notes 3 and 15 for further details.

(iii) Fair value / impairment of loans receivable

The recoverability of loans receivable is assessed when events occur indicating impairment. Recoverability is based on factors such as failure to pay interest on time and failure to pay the principal. An impairment loss is recognized in the period when it is determined that the carrying amount of the assets will not be recoverable. Convertible debentures and convertible notes issued to publicly traded companies are carried at the higher of the loan receivable value or the fair value of the common shares or units receivable from the conversion assuming the conversion can be done at the Company’s option. Refer to Notes 5 and 15 for further details.

(iv) Fair value / impairment of preferred shares

Preferred shares are designated at fair value through profit or loss, with changes in fair value reported in the consolidated statement of comprehensive loss. The preferred shares are initially recorded at cost, being the fair value at the time of acquisition. Upward or downward adjustments to carrying values are made when there is evidence of a change in value as indicated by the assessment of the financial condition of the investment. Refer to Note 6 for further details.

(v) Recognition of deferred taxes

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. Refer to Note 10 for further details.

(vi) Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company’s provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company’s income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company’s interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made

2. Significant accounting policies (continued)

Significant accounting judgments, estimates and assumptions (continued)

(vii) Share-based payments

The Company uses the Black-Scholes option pricing model to fair value options in order to calculate share-based compensation expense. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price of the Company's shares at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share based compensation expense. Refer to Note 12 for further details.

(viii) Investment entity

The Company applies the exception to consolidation of particular subsidiaries available to investment entities with the exception of GLC, ABI and ARH as these subsidiaries provide services related to the Company's investment activities. Management has determined that the Company qualifies for the exemption from consolidation given that the Company has the following typical characteristics of an investment entity:

(a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
(b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
(c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

(ix) Contingencies

See Note 17 for details.

Functional and presentation currency

The functional currency for each subsidiary within the Company is the currency of the primary economic environment in which it operates. The Company's consolidated financial statements are presented in Canadian dollars. The Canadian dollar is the functional currency of the Company and its wholly owned subsidiaries GLC, ABI and ARH.

Foreign currency translation

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

Financial instruments

Financial assets and financial liabilities are recognized on the Company's consolidated statement of financial position when the Company has become a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company's financial instruments consist of cash, amounts receivable, public and private investments, loan receivable, due to broker, accounts payable and accrued liabilities.

2. Significant accounting policies (continued)

Financial instruments (continued)

(i) Investments

Purchases and sales of investments are recognized on a trade date basis. Public and private investments at fair value through profit or loss are initially recognized at fair value, with changes in fair value reported in profit (loss).

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

Transaction costs are expensed as incurred in the statements of comprehensive loss. The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in the statements of comprehensive loss. The Company is also required to present its investments (and other financial assets and liabilities reported at fair value) into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (see Note 15, "Financial instruments"). The three levels are defined as follows:

Level 1 – investment with quoted market price;
Level 2 – investment which valuation technique is based on observable market inputs; and
Level 3 – investment which valuation technique is based on non-observable market inputs.

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 statement of financial position date or the closing price on the last day the security traded if there were no trades at the statement of financial position date. These are included in Level 1 as disclosed in Note 15.

2. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted. In determining the discount for such investments, the Company considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. These are included in Level 2 in Note 15.

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 if sufficient and reliable observable market inputs are available. If no such market inputs are available or reliable, the warrants and options are valued at intrinsic value. These are included in Level 2 as disclosed in Note 15.

4. Performance shares are convertible into common shares if or when the investee companies meet certain milestones. Performance shares are recorded at fair value when the certainty of meeting these milestones is reasonably assured. These are included in Level 3 as disclosed in Note 15.

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

Privately-held investments:

1. Securities in privately-held companies (other than options and warrants) are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements. These are included in Level 3 as disclosed in Note 15. Options and warrants of private companies are carried at their intrinsic value.

2. Significant accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

Privately-held investments: (continued)

With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable. In addition to the events described below, which may affect a specific investment, the Company will take into account general market conditions when valuing the privately-held investments in its portfolio. In the absence of occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

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

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

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

- political changes in a country in which the investee company operates which increases the tax burden on companies, which prohibit mining where it was previously allowed, which increases the need for permitting or approvals, etc.;
- denial of the investee company's application for environmental, mining, aboriginal or similar approvals which prohibit the investee company from proceeding with its projects;
- the investee company releases negative exploration results;
- changes to the management of the investee company take place which the Company believes will have a negative impact on the investee company's ability to achieve its objectives and build value for shareholders;
- the investee company is placed into receivership or bankruptcy; and
- based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.

The resulting values may differ from values that would be realized had a ready market existed. The amounts at which the Company's privately-held investments could be disposed of may differ from the carrying value assigned. Such differences could be material.

2. Significant accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

Preferred shares:

Preferred shares are designated at fair value through profit or loss, with changes in fair value reported in the statement of comprehensive loss. The preferred shares are initially recorded at cost, being the fair value at the time of acquisition. Upward or downward adjustments to carrying values are made when there is evidence of a change in value as indicated by the assessment of the financial condition of the investment. Cumulative dividends expected to be received are included in the fair value of each investment. Preferred shares are included in Level 3 as described in Note 15.

Investments in associates:

Investments in associates are those entities over which the Company has or is deemed to have significant influence, but not control over, the financial and operating policies. Investments in associates are held as part of the Company's investment portfolio and carried in the statement of financial position at fair value even though the Company may have significant influence over the companies. This treatment is permitted by IAS 28, Investments in Associates and Joint Ventures ("IAS 28"), which allows investments held by venture capital or similar organizations to be excluded from its scope where those investments are measured at fair value through profit or loss in accordance with IFRS 9, with changes in fair value recognized in the statement of comprehensive loss within unrealized gains or losses on investments.

Investments in subsidiaries:

As an investment entity, the Company does not consolidate its investments in subsidiaries, except for those subsidiaries providing services that relate to the Company's investment activities. Instead, the investment in a subsidiary is measured at fair value through profit or loss. This treatment is permitted by IFRS 10, consolidated financial statements ("IFRS 10"), which allows investments held by venture capital or similar organizations to be excluded from its scope where those investments are measured at fair value through profit or loss in accordance with IFRS 9, with changes in fair value recognized in the statement of comprehensive loss within unrealized gains or losses on investments.

Loans receivable:

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

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

(ii) Amounts receivable

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

2. Significant accounting policies (continued)

Financial instruments (continued)

(iii) Financial liabilities

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

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

(iv) Offsetting of financial instruments

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

Financial assets other than investments at fair value

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

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

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and deposits that generally mature within 90 days from the date of acquisition. Deposits are held in Canadian chartered banks or in a financial institution controlled by a Canadian chartered bank. At January 31, 2016 and 2015, the Company had no cash equivalents.

Impairment of financial assets

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

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

Due to broker

Due to broker consists of margin borrowings collateralized by the Company's investments held at brokers.

2. Significant accounting policies (continued)

Revenue recognition

Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognised as an expense, rather than as an adjustment of the amount of revenue originally recognised.

Realized gains and losses on the disposal of investments and unrealized gains and losses in the value of investments are reflected in the statement of comprehensive loss on a trade date 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. Management fees and advisory and other fees are recorded as income on an accrual basis when earned.

Loss per share

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

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss.

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

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

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

Share-based payments

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

2. Significant accounting policies (continued)

Share-based payments (continued)

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For options that expire unexercised, the recorded value is transferred to deficit.

Deferred share unit ("DSU") incentive plan

The initial fair value of the DSU compensation liability is calculated as of the grant date. Subsequently, the Company's DSU compensation liability is accounted for based on the number of units outstanding and the quoted market value of the Company's common shares at the statement of financial position date. The Company recognizes the compensation cost in the statements of comprehensive loss on the date of grant and makes adjustment for changes in fair value until the end of the performance date.

Restricted share unit ("RSU") incentive plan

The Company purchases shares of the Company from the open market to distribute to management as compensation. These shares are restricted and reserved in trust for future issuances. The RSUs vesting conditions are set by the Board at the time the RSUs are granted. The RSUs are measured at the fair value at the grant date and reflected as an equity-settled share-based payment. The Company recognizes the compensation cost in the statements of comprehensive loss over the appropriate vesting periods using the graded vesting method.

New accounting policies

During 2016, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS13 and IAS24. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

Future accounting changes

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on February 1, 2016 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 7 – Financial Instruments: Disclosures ("IFRS 7") was amended in September 2014 to clarify whether a servicing contract is continuing involvement in a transferred asset for purposes of determining the disclosures required. IFRS 7 was also amended to clarify that the additional disclosures relating to offsetting are not specifically required for interim periods unless required by IAS 34. The amendments are effective for annual periods beginning on or after January 1, 2016.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

(Expressed in Canadian dollars unless otherwise noted)

2. Significant accounting policies (continued)

Future accounting changes

In December 2014, the IASB amended IFRS 10 - Consolidated Financial Statements ("IFRS 10"), IFRS 12 - Disclosure of Interests in Other Entities ("IFRS 12") and IAS 28 - Investment in associates and Joint Ventures ("IAS 28") to address issues that have arisen in the context of applying the consolidation exception for investment entities. The amendments confirm, among other things, that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value. An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12. These amendments are applicable to annual periods beginning on or after January 1, 2016.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

3. Investments at fair value through profit and loss

At January 31, 2016, the Company's investment portfolio consisted of 9 publicly-traded investments and 11 privately-held investments for a total fair value of $22,500,785.

At January 31, 2015, the Company's investment portfolio consisted of 20 publicly-traded investments and 19 privately-held investments for a total fair value of $36,672,398.

Public investments

At January 31, 2016, the Company's 9 publicly-traded investments had a total fair value of $3,178,368.

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Arena Minerals Inc.	(iii)	73,000 common shares	$ 17,706	$ 17,520	0.6%
Aguia Resources Ltd.		4,284,756 common shares	599,841	469,182	14.8%
Black Iron Inc.	(iii)	10,980,589 common shares	2,382,068	329,418	10.4%
Fura Emeralds Inc.*	(i,ii,iii)	6,300,000 common shares	801,886	1,282,920	40.4%
		2,900,000 warrants expire Jun 23, 2017			
Kombat Copper Inc.	(i,ii)	10,000,000 common shares	500,000	649,000	20.4%
		10,000,000 warrants expire Feb 13, 2017			
Sulliden Mining Capital Inc.	(iii)	373,500 common shares	242,472	93,375	2.9%
Total of 3 other investments	(iv)		783,447	336,953	10.5%
Total public investments			$ 5,327,420	$ 3,178,368	100.0%

* Formerly Wolf Resource Development Corp.

Note

(i) The Company has filed a Section 62-103 report pursuant to the Ontario Securities Act for this investment and has filed an early warning report on SEDAR.

(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2016.

(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2016.

(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2016. Directors and officers may hold investments personally.

(Expressed in Canadian dollars unless otherwise noted)

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

At January 31, 2015, the Company's 20 publicly-traded investments had a total fair value of $18,971,776.

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Black Iron Inc.	(iii)	4,971,500 common shares	$ 2,904,028	$ 248,575	1.3%
Buffalo Coal Corp.*		2,394,976 common shares	3,418,812	145,384	0.8%
Falco Resources Inc.		1,094,505 common shares	492,527	645,758	3.4%
Kincora Copper Limited		4,723,000 common shares	1,129,355	141,690	0.7%
Mason Graphite Corp.		157,500 common shares	105,483	106,725	0.6%
		250,000 warrants expire Jun 28, 2015			
Portex Minerals Inc.	(i,ii,iii)	21,172,315 common shares	1,058,616	105,862	0.6%
Rio Alto Mining Ltd.	(iii)	4,162,500 common shares	10,364,625	15,109,875	79.6%
Rodinia Lithium Inc.	(i,ii,iii)	17,362,811 common shares	1,890,336	694,512	3.7%
Savary Gold Corp.		4,488,000 common shares	466,253	179,520	0.9%
Silver Bear Resources Inc.	(iii)	4,533,461 common shares	1,845,261	226,673	1.2%
		1,449,275 warrants expire Jun 7, 2015			
		238,461 warrants expire Dec 18, 2015			
		1,025,000 warrants expire Jun 4, 2016			
Sulliden Mining Capital Inc.	(iii)	1,823,500 common shares	1,183,796	601,755	3.2%
Xanadu Mines Ltd.		5,000,000 common shares	289,110	444,150	2.3%
Total of 8 other investments	(iv)		2,653,342	321,297	1.7%
Total public investments			$ 27,801,544	$ 18,971,776	100.0%

* Formerly Forbes & Manhattan (Coal) Corp.

Note
(i) The Company has filed a Section 62-103 report pursuant to the Ontario Securities Act for this investment and has filed an early warning report on SEDAR.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2015.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2015.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2015. Directors and officers may hold investments personally.

Private investments

At January 31, 2016, the Company's 11 privately-held investments had a total estimated fair value of $19,322,417.

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
African Thunder Platinum Ltd.	(i,ii,iii)	22,207,222 common shares	$ 14,226,684	$ 14,226,684	73.6%
Potasio y Litio de Argentina S.A.	(i,ii)	67,899,000 common shares	5,013,131	5,013,131	26.0%
Total of 9 other investments	(iv)		2,866,102	82,602	0.4%
Total private investments			$ 22,105,917	$ 19,322,417	100.0%

Note
(i) The Company owns 47% of the outstanding common shares and voting rights of African Thunder Platinum Ltd. There are no contractual arrangements, financial support, or other restrictions with this Mauritius corporation. The Company owns 100% of the outstanding common shares and voting rights of Potasio y Litio Argentina S.A. Refer to Note 2 for details relating to the exemption to consolidating particular subsidiaries and the exemption from accounting for associates using the equity method for investment entities.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2016.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2016.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2016. Directors and officers may hold investments personally.

(Expressed in Canadian dollars unless otherwise noted)

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

At January 31, 2015, the Company's 19 privately-held investments had a total estimated fair value of $17,700,622.

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
African Thunder Platinum Ltd.	(i,ii,iii)	7,000,000 common shares	$ 7,475,222	$ 7,475,222	42.3%
Brazil Potash Corp.	(iii)	1,650,062 common shares	-	3,130,399	17.7%
DT Plantations Limited*	(i,ii)	6,102,891 common shares 500,000 warrants	533,289	-	0.0%
Indo Gold Limited	(ii,iii)	8,100,000 common shares	1,590,000	800,000	4.5%
Irati Energy Corp.		2,213,179 common shares	1,994,975	1,000,000	5.6%
Legacy Platinum Corp.	(i,ii,iii)	3,515,000 common shares	2,352,377	-	0.0%
Forbes Ram Holdings Inc.	(i,ii,iii)	8,000,000 common shares	8,000,000	4,754,286	26.9%
Ram River Coal Corp.		750,000 common shares	37,500	445,714	2.5%
Total of 11 other investments	(iv)		5,763,237	95,001	0.5%
Total private investments			$ 27,746,600	$ 17,700,622	100.0%

* Warrants expire 12 months after listing date

Note

(i) The Company owns 42% of the outstanding common shares and voting rights of African Thunder Platinum Ltd., 80% of the outstanding common shares and voting rights of Forbes Ram Holdings Inc., 50% of the outstanding common shares and voting rights of Legacy Platinum Corp.; and 28% of the outstanding common shares and voting rights of DT Plantations Limited as at January 31, 2015. There are no contractual arrangements, financial support, or other restrictions with these Canadian corporations. Refer to Note 2 for details relating to the exemption to consolidating particular subsidiaries and the exemption from accounting for associates using the equity method for investment entities.

(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2015.

(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2015.

(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2015. Directors and officers may hold investments personally.

4. Amounts receivable

	Note	January 31, 2016	January 31, 2015
Amount receivable		$ 251	$ 311
Dividend receivable		17,818	-
Investment settlement receivable		108,711	-
Advisory fees receivable	16	166,667	-
		$ 293,447	$ 311

5. Loans receivable

		January 31, 2016	January 31, 2015
Brookwater Venture Inc.	Unsecured	$ -	$ 61,538
		$ -	$ 61,538

5. Loans receivable (continued)

Brookwater Venture Inc.

On February 7, 2013, Brookwater Venture Inc. ("Brookwater") issued a promissory note to the Company for $100,000. The principal of the note matured and was due and payable on February 7, 2014. The note is unsecured and earns interest at 13% per annum calculated monthly and payable on maturity. In the event of default, interest at 15% will be charged on overdue and unpaid principal and accrued interest calculated daily and compounded monthly.

On November 5, 2013, Brookwater issued another promissory note to the Company for $25,000. The principal of the note will mature, be due and payable on November 5, 2015. The note is unsecured and earns interest at 10% per annum calculated monthly and payable on maturity. In the event of default, interest at 12% will be charged on overdue and unpaid principal and accrued interest calculated daily and compounded monthly.

On November 4, 2014, the Company entered into a shares for debt settlement agreement with Brookwater. Pursuant to the agreement, Brookwater will settle all outstanding amounts owing in the amount of $153,846 for 1,538,458 common shares of Brookwater, subject to the approvals of the shareholders of Brookwater and the TSX Venture Exchange ("TSXV"). As at January 31, 2015, TSXV approval was still pending and the common shares had not been issued. However, in light of the expected settlement, the Company recorded a loss of $92,307 on the carrying value of the loan based on the closing price of Brookwater shares as at January 31, 2015.

On May 8, 2015, the Company received 1,538,458 common shares of Brookwater in full settlement of all outstanding amounts owing of $153,846 pursuant to a shares for debt settlement agreement signed in November 2014. The Company recorded a gain of $92,307 from the settlement of loan based on the closing price of Brookwater shares on the date of settlement.

Coastal Gold Corp.

On April 11, 2013, the Company entered into a term loan agreement with Coastal Gold Corp. ("Coastal") and converted the outstanding receivable of $118,650 to a term loan. The loan is unsecured and earns 10% interest per annum. Principal of the loan plus accrued interest will mature and become due and payable in cash on December 31, 2014. In the event of a change of control that occurs to Coastal, the outstanding principal and all interest accrued will become due and payable in cash on the date on which such change of control occurs. As of January 31, 2014, principal plus accrued interest totaling $128,272 remained outstanding.

On April 29, 2014, the Company entered into a debt settlement agreement presented by Coastal. Pursuant to the agreement, the Company received 2,653,859 common shares of Coastal on June 23, 2014 in full settlement of the outstanding principal plus accrued interest totaling $132,693. The fair market value of these Coastal shares and the carrying value of the loan resulted in an unrealized loss of $92,885 on the day of the debt settlement. A director of Aberdeen, Stan Bharti is a 10% security holder of Coastal Gold Corp.

Forbes Royalty Corporation

On September 10, 2013, the Company entered into a loan agreement with Forbes Royalty Corporation ("Forbes Royalty"), whereby the Company agreed to loan to Forbes Royalty from time to time up to a maximum of $500,000. The loan is unsecured and earns 10% interest per annum. The funds shall be used for paying for certain fees and expenses related to a going public transaction or private financing to be completed by Forbes Royalty. The principal and accrued interest will mature and be due and payable on the date on which the borrower completes an initial public offering of the common shares, or a reverse takeover transaction, or any similar going public transaction on the Toronto Stock Exchange or any other internationally recognized stock exchange or a private financing which shall occur no later than January 1, 2018.

Through fiscal 2014 and 2015, the Company loaned an aggregate total of $382,135 to Forbes Royalty. During the year ended January 31, 2015, the Company reviewed the recoverability of the loan and made a provision of $412,929 on the outstanding principal and interest. Directors and an officer of Aberdeen, Stan Bharti, George Faught and Ryan Ptolemy, serve as directors and an officer of Forbes Royalty.

5. Loans receivable (continued)

Irati Energy Corp. / Amazon Potash Corp.

During fiscal 2014, the Company provided Irati Energy Corp. ("Irati") with cash advances of $400,000 and $200,000 respectively. These cash advances were unsecured and interest free with no fixed term of repayment. Of the $200,000 advanced, $115,107 was repaid to the Company on September 18, 2013 and the remaining balance was written off. Of the $400,000 advanced, an agreement of assignment of debt was made on March 19, 2014 among the Company, Irati and Amazon Potash Corp. ("APC"), whereby the Company agreed to forgive US$156,080 ($173,842) of the indebtedness effective December 31, 2013, leaving a remaining loan balance of US$220,000 ($245,036) ("assigned indebtedness"). Pursuant to the term of the agreement, APC, to which the indebtedness was assigned, agreed to repay the US$220,000 ($245,036) to the Company in full on May 15, 2014.

As of January 31, 2014, the forgiven amount of US$156,080 ($173,842) was written off leaving US$220,000 ($245,036) as the remaining balance of the loan. This amount was repaid to the Company in full on July 2, 2014. Directors of Aberdeen, Stan Bharti and George Faught, serve as directors of APC.

Legacy Platinum Corp.

On June 10, 2011, the Company entered into a loan agreement with Legacy Platinum Corp. ("Legacy"). The Company loaned Legacy $320,000 (the "First Loan"), which was originally due and payable on June 10, 2012, and extended further to December 31, 2013 and 2014 respectively. The loan is unsecured and earns interest of 10% per annum calculated and payable semi-annually in kind by an increase to the principal amount owing. Legacy has an option to either repay the loan plus accrued interest any time prior to the maturity date in cash, or issue such number of shares of Legacy with an aggregate value equal to the value of the principal outstanding plus accrued interest based on the price per share equal to the net asset value of Legacy's common shares at the time of conversion.

On June 21, 2011, the Company entered into a second loan agreement with Legacy for an additional loan of US$500,000, which was originally due and payable on June 21, 2012, extended further to December 31, 2013 and 2014 respectively. This loan is unsecured and carries the same terms and conditions as the First Loan.

On April 16, 2012, the Company loaned an additional US$400,000 to Legacy, which is due and payable on demand. This loan is unsecured and carries the same terms and conditions as the First Loan. On August 15, 2013, the term of the agreement was amended to include a loan to a maximum amount of US$1,000,000, secured against all the assets of Legacy and ranked senior in priority and preference to any unsecured indebtedness of Legacy and is due and payable on December 31, 2013, extended further to December 31, 2014.

Through fiscal 2014 and 2015, the Company loaned an additional US$492,576 ($525,647) to Legacy and received repayment of $7,867. During the year ended January 31, 2015, the Company reviewed the recoverability of the loan and made a provision of $427,013 and US$1,696,450 ($1,853,479) on the outstanding principal and interest. A former officer of Aberdeen, Richard Bishop, was also a former officer of Legacy.

Metal Prospecting AS

On November 12, 2012, the Company entered into an unsecured loan agreement with Metal Prospecting AS ("Metpro"), whereby the Company agreed to advance Metpro Norwegian Krone ("NOK") 1,200,000 ($219,120). The principal of the loan will mature, to be due and payable in cash on the earlier of (a) December 31, 2013, and (b) the date when Portex Minerals Inc. ("Portex") completes its acquisition of Metpro, (c) at any time when the Company declares the principal to be due in the event of a default, or (d) the Company exercises the option to convert the outstanding loans into shares of Metpro at NOK2.40 ($0.44) per share in the event of default. Interest on the principal is calculated at a rate of 1.5% per month, compounded monthly and payable quarterly commencing January 1, 2013. The loans ranked senior in priority and preference to any other indebtedness of Metpro.

On March 18, 2014, the outstanding loan principal plus accrued interest totaling NOK1,308,382 ($243,359) was converted into 545,159 shares of Metpro. The estimated fair market value of these Metpro shares and the carrying value of the loan was approximately the same on the date of conversion. An officer, also a director of Aberdeen, David Stein, serves as a director of Metpro.

5. Loans receivable (continued)

Rodinia Lithium Inc.

On February 25, 2013, the Company entered into a secured loan agreement with Rodinia Lithium Inc. (“Rodinia”) whereby the Company agreed to make available to Rodinia a secured line of credit up to a maximum of $2,000,000 (“Line of Credit”). Rodinia made an initial drawdown of $300,000 on February 27, 2013. All subsequent drawdown requests from Rodinia are subject to approval by the Company. Interest on each drawdown shall be accrued at 10% per annum, calculated and payable quarterly with the first quarterly interest payment due on June 30, 2013. The principal and accrued interest of the final drawdown will mature and become due and payable on demand on the third anniversary date, or in an event of default, the Company may declare the principal due. The Line of Credit is secured against each of the properties that Rodinia owns in Salar de Centenario and shall rank senior in priority and preference to any unsecured indebtedness of Rodinia. On July 30, 2013, the term of the agreement was amended to include a drawdown of $100,000 per month up to $600,000 until December 31, 2013. The overdue and unpaid quarterly interest installment was capitalized to loan principal. During fiscal 2014, Rodinia made an additional $600,000 drawdown.

On August 22, 2014, the Company entered into a share for debt settlement agreement with Rodinia. Pursuant to the agreement, Rodinia settled all outstanding amounts owing in the amount of $998,583 for 15,362,811 common shares of Rodinia in full. These shares were issued to the Company on October 1, 2014. The fair market value of these Rodinia shares and the carrying value of the loan resulted in an unrealized loss of $384,070 on the date of debt settlement. Officers of Aberdeen, David Stein, who is also a director, and Ryan Ptolemy, serve as a director and officer of Rodinia.

Temujin Mining Corp.

Pursuant to a loan agreement dated January 27, 2012, the Company agreed to provide a loan facility to Temujin Mining Corp. (“Temujin”) from time to time at the sole discretion of the Company. The principal of the loan was to mature, and become due and payable on December 31, 2012, and was subsequently extended to December 31, 2013 and 2014 respectively. The loan is unsecured and earned interest of 10% per annum calculated and payable semi-annually. Temujin has an option to either repay the loan plus accrued interest any time prior to the maturity date in cash, or issue shares of Temujin that equal the total value of the principal plus accrued interest to the Company at a price per common share agreeable between both parties at the time of conversion. During fiscal 2013, the Company loaned $88,400 and US$1,257,100 ($1,253,706) to Temujin. As of January 31, 2013, the loan principal and accrued interest totalling $95,592 and US$1,337,434 ($1,333,823) remained outstanding.

During fiscal 2014, the Company loaned an additional $19,620 and US$145,898 ($150,160) to Temujin, and received cash repayment of US$618,000 ($674,084) and 5 million shares of Xanadu Mining Ltd. with a fair value of $289,110. During the year ended January 31, 2014, the Company reviewed the recoverability of the loan and determined that an impairment provision was required. Consequently, the loan principal and accrued interest totaling US$860,829 ($958,791) was written off. During fiscal 2015, the Company loaned US$16,789 ($18,600) to Temujin. This amount was also written off. Directors of Aberdeen, Stan Bharti and David Stein, who is also an officer, serve as directors of Temujin.

6. Preferred shares

On June 27, 2012, the Company acquired 3,000,000 units of Rodinia Lithium Inc. (“Rodinia”) at a price of $1.00 per unit. Each unit consisted of one cumulative rate reset non-voting potash stream preferred share and one-half of a common share purchase warrant. Each whole warrant entitled the Company to acquire one common share of Rodinia at a price of $0.45 until December 26, 2013. These warrants expired unexercised. Holders of the potash stream preferred shares are entitled to receive a 9% cumulative, preferential cash dividend and a price adjustment subject to certain market conditions ranging between an additional 0-2.5% dividend, payable annually on the last day of January following the relevant completed fiscal year ending December 31 of the first year of initial potash production. After the first year of potash production, the dividend rate will be reset such that quarterly dividends equal the total amount of net potash revenue for the quarter divided by 20,000,000, payable on the last day of the month following the quarter. Net potash revenue shall be calculated based on the quantity of potash sold and the potash sales price realized less a potash production cost of US$185 per tonne of potash sold. The potash stream preferred shares are not retractable, convertible or redeemable by the holder thereof. They are redeemable by Rodinia in certain circumstances.

(Expressed in Canadian dollars unless otherwise noted)

6. Preferred shares (continued)

During fiscal 2014 and 2015, no dividend income was accrued. The Company reviewed the recoverability of the dividend and made an impairment provision on its $162,000 dividend receivable in fiscal 2014. Given the financial position of Rodinia, the Company also wrote down the principal amount of the preferred shares in fiscal 2015. The Company sold all of the Rodinia preferred shares in fiscal 2016 for nominal consideration. Officers of Aberdeen, David Stein, who is also a director, and Ryan Ptolemy, serve as a director and officer of Rodinia.

7. Prepaid expenses

	January 31, 2016	January 31, 2015
Prepaid insurance	$ 16,200	$ 16,200
Prepaid expenses	47,231	-
	$ 63,431	$ 16,200

8. Accounts payable and accrued liabilities

	January 31, 2016	January 31, 2015
Trade payables	$ 218,134	$ 1,454,480
Investment payable	2,001,464	-
Accrued expenses	808,484	2,246,580
	$ 3,028,082	$ 3,701,060

On October 8, 2015, the Company entered into a definitive agreement (“Agreement”) with Rodinia to purchase all of the shares of its wholly-owned subsidiary, Potasio y Litio de Argentina SA (“PLASA”), which holds a 100% interest in the Diablillos lithium-potash project located in Argentina. Under the terms of the Agreement, the Company was required to make aggregate cash payments of $5,000,000 as follows:

- $250,000 was placed into an escrow account within five business days of the signing of the Agreement and such amount was released to Rodinia upon closing of the transaction;
- $2,750,000 paid on the closing date of the transaction; and
- $2,000,000 to be paid by Aberdeen to Rodinia within six months of the closing date of the transaction, reflected as investment payable at January 31, 2016.

The transaction with Rodinia closed on December 24, 2015.

If the final outstanding balance is not paid on or before six months following the closing date, Rodinia will notify Aberdeen of such balance being due six months from the date such notice is given, with annualized interest of 10%, accrued daily and compounded semi-annually.

In addition, Rodinia will retain a 2% transferrable net smelter royalty (“NSR”) on all commercial sales from the project, including the sale of potassium and lithium concentrates or products. Half of the NSR can be purchased by Aberdeen for $2,000,000 within 24 months of the closing date of the transaction. The remaining 1% NSR does not have a predetermined purchase price nor is it subject to any rights in regards to its purchase or disposition by Aberdeen.

Rodinia has indemnified Aberdeen against any undisclosed liabilities outside the normal course of business in excess of US$50,000 for a period of 12 months from the closing date of the transaction. Rodinia is a related party. See Notes 6 and 16.

(Expressed in Canadian dollars unless otherwise noted)

9. Loan payable

On July 30, 2015, the Company entered into a secured loan agreement with Black Iron Inc. for $400,000. The loan was secured against 5,800,000 common shares of Fura Emeralds Inc. and ranked senior in priority and had preference to any other indebtedness of the Company. The principal and accrued interest at 8% per annum will mature and become due and payable on the earlier of (i) three months from the date thereof; (ii) 10 business days after closing of the Company's proposed transaction with Landmark Capital Partners; or (iii) any other due date declared by the lender. The Company received $400,000 cash on July 31, 2015 and repaid the principal plus interest of $3,682 for a total of $403,682 on September 11, 2015. A director of Aberdeen, Stan Bharti, is deemed to be an executive officer of Black Iron Inc.

10. Income taxes

Significant components of income tax recovery

		January 31, 2016		January 31, 2015
Current tax (recovery)	$	-	$	(3,263,343)
Deferred tax expense		-		3,096,000
Income tax (recovery)	$	-	$	(167,343)

Provision for income taxes

The following are major items causing the Company's income tax rate to differ from the Canadian combined federal and provincial statutory rate of approximately 26.5% (2015 – 26.5%) during the periods ended:

		January 31, 2016		January 31, 2015
(Loss) before income taxes	$	(9,715,382)	$	(13,986,113)
Expected income tax expense (recovery)	$	(2,575,000)	$	(3,706,000)
Adjustments to benefit resulting from:				
Share-based compensation		-		50,000
Net realized gain on foreign exchange		54,000		(120,000)
Other		10,000		-
Tax benefits not realized		2,511,000		3,608,657
Income tax (recovery)	$	-	$	(167,343)

Deferred taxes

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

		January 31, 2016		January 31, 2015
Non-capital losses carryforwards	$	19,424,000	$	4,525,000
Capital loss carryforwards		10,737,000		10,737,000
Investments		4,944,000		23,598,000
Resource properties		248,000		215,000
Other		15,000		191,000
	$	35,368,000	$	39,266,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

The Company has approximately $19,424,000 of non-capital losses in Canada as at January 31, 2016 which under certain circumstances can be used to reduce the taxable income of future years. The non-capital losses expire from 2034 to 2036.

(Expressed in Canadian dollars unless otherwise noted)

11. Share capital

Authorized: Unlimited common shares with no par value

Common shares

Issued and outstanding common shares	Number of shares		Amount
Balance, January 31, 2014	87,349,422	$	42,995,464
Shares issued on private placement	10,000,000		2,000,000
Value of warrants issued with private placement	-		(396,532)
Share issue costs	-		(15,699)
Balance, January 31, 2015	97,349,422	$	44,583,233
Shares repurchased and cancelled (NCIB)	(1,802,794)		(825,919)
Balance, January 31, 2016	95,546,628	$	43,757,314

Private Placement

On November 24, 2014, the Company closed its TSX approved non-brokered private placement financing of 10,000,000 units of the Company at a price of $0.20 per unit for gross proceeds of $2,000,000. Each unit consisted of one common share of the Company and one common share purchase warrant entitling the holder to acquire a common share at a price of $0.30 until November 24, 2019. The common shares, warrants and shares underlying the warrants were subject to a four month and one day statutory hold period. The issue date fair value of the warrants was estimated at $396,532 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 47%; risk-free interest rate of 1.49% and an expected life of 5 years. $15,699 of cash share issue costs were incurred as part of the private placement.

Sulliden Mining Corp. (“Sulliden”) participated in the private placement financing and purchased 4,790,000 units. Directors of Aberdeen, Stan Bharti and George Faught, serve as director, and former director of Sulliden, respectively. Former directors of Aberdeen, Bruce Humphrey and Pierre Pettigrew are current directors of Sulliden.

Directors of Aberdeen, Stan Bharti, George Faught and David Stein, who is also an officer, participated in the private placement financing and purchased an aggregate total of 1,910,000 units.

Normal course issuer bid (“NCIB”)

On February 12, 2015, the Company announced its intention to make a NCIB to buy back its common shares through the facilities of the TSX. Any purchases made pursuant to the NCIB will be made in accordance with the rules of the TSX. 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. Based on the 77,965,256 common shares in the public float as at February 11, 2015, the maximum number of shares to be purchased and cancelled would be 7,796,525. Daily purchases will be limited to 40,078 common shares other than block purchase exceptions. Purchases under the NCIB are permitted to commence on February 16, 2015 and will terminate on February 15, 2016 or the date upon which the maximum number of common shares have been purchased by Aberdeen pursuant to the NCIB. Aberdeen intends that any shares acquired pursuant to the NCIB will be cancelled.

During the year ended January 31, 2016, the Company purchased and cancelled 1,802,794 (2015 - Nil) shares at an average price of $0.136 (2015 - $Nil) per share. At January 31, 2016, 5,993,731 common shares remain available for purchase under the NCIB until February 16, 2016.

(Expressed in Canadian dollars unless otherwise noted)

12. Equity reserve

	Number of warrants	Weighted average exercise price	Value of warrants	Number of options	Weighted average exercise price	Value of options	Number of RSU	Weighted average exercise price	Value of RSU	Treasury shares adjustment	Total Value
January 31, 2014	-	$ -	$ -	4,907,500	$ 0.53	$ 1,268,237	6,066,671	$ 0.15	$ 266,389	$ 2,284,138	$ 3,818,764
Granted and vested	10,000,000	0.30	396,532	-	-	-	3,033,329	0.15	190,277	-	586,809
RSUs settled	-	-	-	-	-	-	-	-	(456,666)	989,469	532,803
January 31, 2015	10,000,000	$ 0.30	$ 396,532	4,907,500	$ 0.53	$ 1,268,237	9,100,000	$ 0.15	$ -	$ 3,273,607	$ 4,938,376
Expired	-	-	-	(1,832,500)	0.51	(514,362)	-	-	-	-	(514,362)
NCIB allocation	-	-	-	-	-	-	-	-	-	580,090	580,090
January 31, 2016	10,000,000	$ 0.30	$ 396,532	3,075,000	$ 0.54	$ 753,875	9,100,000	$ 0.15	$ -	$ 3,853,697	$ 5,004,104

Employee share option plan

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

The Company did not grant any options during the years ended January 31, 2016 and 2015.

The following stock options were in existence as at January 31, 2016:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Expected Volatility	Risk-free Rate	Expected Life (years)	Expected Dividend Yield
725,000	725,000	20-Apr-11	20-Apr-16	$ 0.87	$ 297,975	70%	2.65%	5	3%
2,350,000	2,350,000	12-Jun-12	12-Jun-17	$ 0.44	$ 455,900	66%	1.21%	5	3%
3,075,000	3,075,000				$ 753,875				

The weighted average exercise price of stock options outstanding and exercisable as at January 31, 2016 was $0.54 (January 31, 2015 - $0.53). The weighted average remaining contractual life of options outstanding and exercisable as at January 31, 2016 was 1.09 years (January 31, 2015 – 1.49 years).

The following warrants were in existence as at January 31, 2016:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Expected Volatility	Risk-free Rate	Expected Life (years)	Expected Dividend Yield
10,000,000	10,000,000	24-Nov-14	24-Nov-19	$ 0.30	$ 396,532	47%	1.49%	5	0%

(Expressed in Canadian dollars unless otherwise noted)

12. Equity reserve (continued)

Deferred share unit incentive plan

During fiscal 2014, the Company approved the adoption of a DSU plan. The Company granted and issued an aggregate of 800,000 DSUs to the Company's independent directors. The DSUs are deferred and will be issued in the form of cash in an amount that represents the value of one common share of the Company for each DSU held on the date upon which the holder ceases to be a director of the Company.

During fiscal 2014 and 2015, three directors resigned from the Company and received a total of $98,000 cash in relation to 600,000 DSUs that vested at an average price of $0.163. The remaining balance of 200,000 DSUs was valued at $24,000 as of January 31, 2016 (January 31, 2015 - $29,000) and was included in accounts payable and accrued liabilities.

The Company did not grant any DSU during the years ended January 31, 2016 and 2015.

Restricted share unit incentive plan

During fiscal 2014, the Company approved the adoption of a RSU plan. The Company was authorized to grant and issue an aggregate of 9,100,000 RSUs to directors and officers of the Company. Each RSU shall entitle the director or officer to receive one common share of the Company upon completion of certain terms. The common shares are to be purchased by the Company from the open market and held in trust for subsequent conversion of RSUs.

During fiscal 2014, the Company purchased 9,100,000 common shares, granted and issued 6,066,671 RSUs to certain directors and officers of the Company. The remaining 3,033,329 RSUs were granted during fiscal 2015. Compensation cost of $190,277 was recognized in the statements of comprehensive loss using the graded vesting method and a loss of $532,803 was charged to retained earnings upon the settlement of the RSUs that had vested.

The Company did not grant any RSU during the year ended January 31, 2016.

13. Expenses by nature

Details included in operating, general and administration expenses for the years ended January 31, 2016 and 2015:

	Years ended January 31, 2016	2015
Compensation of directors, officers, employees and consultants (including salaries, consulting fees, bonuses, RSUs, DSUs and stock options)	$ 2,046,305	$ 2,463,614
Proxy contest costs (including advisory, professional and legal fees)	-	3,147,323
Severance payments	282,300	-
Legal, accounting and professional fees	374,471	592,277
Filing and transfer agent fees	33,385	22,789
Shareholder communication and promotion	201,279	62,489
Travel	271,211	170,280
General office and administration costs	320,388	351,705
Charitable donations	10,000	-
Business development costs*	-	712,460
	$ 3,539,339	$ 7,522,937

* Incurred in strategic asset management venture and other business development activities.

(Expressed in Canadian dollars unless otherwise noted)

14. Capital disclosure

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

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

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

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

The Company may on occasion utilize leverage in the form of broker margin or bank indebtedness. As at January 31, 2016 there was no margin loan (January 31, 2015 - $387,585) outstanding. The margin loan held as at January 31, 2015 was secured against the Company's holdings on Tahoe Resources Inc. at rates that were based on the Investment Industry Regulatory Organization of Canada (IIROC) Policy. The interest rate on the margin loan was 1.25% per annum.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX which requires adequate working capital or financial resources such that, in the opinion of TSX, the listed issuer will be able to continue as a going concern. TSX will consider, among other things, the listed issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings in the financial statements regarding the listed issuer's ability to continue as a going concern. There were no changes to the Company's capital management during the year ended January 31, 2016. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

15. Financial instruments

Financial assets and financial liabilities as at January 31, 2016 and 2015 are as follows:

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit and loss	TOTAL
January 31, 2016			
Cash	$ 604,613	$ -	$ 604,613
Public investments	-	3,178,368	3,178,368
Amounts receivable	184,736	108,711	293,447
Private investments	-	19,322,417	19,322,417
Accounts payable and accrued liabilities	3,028,082		3,028,082
January 31, 2015			
Cash	$ 355,188	$ -	$ 355,188
Public investments	-	18,971,776	18,971,776
Amounts receivable	311	-	311
Loans receivable	61,538	-	61,538
Private investments	-	17,700,622	17,700,622
Due to broker	(387,585)	-	(387,585)
Accounts payable and accrued liabilities	(3,701,060)	-	(3,701,060)

(Expressed in Canadian dollars unless otherwise noted)

15. Financial instruments (continued)

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

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favorable prices. In addition, most of the Company's investments are in the resource sector. The Company mitigates this risk by attempting to have a portfolio which is not singularly exposed to any one issuer, with exception to the Company having one position as at January 31, 2016 which made up of approximately 63% (January 31, 2015 – 41%) of the total equity portfolio.

For the year ended January 31, 2016, a 10% decrease in the closing price of this concentrated position would result in an estimated increase in after-tax net loss of $1.05 million, or $0.01 per share (January 31, 2015 - $1.11 million, or $0.01 per share).

For the year ended January 31, 2016, a 10% decrease (increase) in the closing prices of its portfolio investments would result in an estimated increase (decrease) in after-tax net loss of $1.65 million, or $0.02 per share (January 31, 2015 - $2.7 million, or $0.03 per share). This estimated impact on the statement of comprehensive loss includes the estimated value of the non-traded warrants held, as determined using the Black-Scholes option pricing model.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. In addition, some of the investments the Company holds are lightly traded public corporations or not publicly traded and may not be easily liquidated. The Company generates cash flow from dividend income and proceeds from the disposition of its investments, in addition to interest income and advisory fees. Aberdeen believes that it has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions. All of the Company's liabilities and obligations are due within one year.

The following tables show the Company's source of liquidity by assets as at January 31, 2016 and 2015.

Liquidity by period

Assets	Total	Less than 1 year	1-3 years
Cash	$ 604,613	$ 604,613	$ -
Public investments	3,178,368	3,178,368	-
Amounts receivable	293,447	293,447	-
Prepaid expenses	63,431	63,431	-
Taxes recoverable	5,456,402	5,456,402	-
Private investments	19,322,417	2,506,566	16,815,851
Total assets - January 31, 2016	$ 28,918,678	$ 12,102,827	$ 16,815,851

15. Financial instruments (continued)

Liquidity risk (continued)

Liquidity by period

Assets		Total		Less than 1 year		1-3 years
Cash	$	355,188	$	355,188	$	-
Public investments		18,971,776		18,971,776		-
Amounts receivable		311		311		-
Loans receivable		61,538		61,538		-
Prepaid expenses		16,200		16,200		-
Taxes recoverable		2,834,817		-		2,834,817
Private investments		17,700,622		-		17,700,622
Total assets - January 31, 2015	$	39,940,452	$	19,405,013	$	20,535,439

Credit risk

Credit risk is the risk associated with the inability of a third party to fulfill its payment obligations. The Company is exposed to the risk that third parties that owe it money or securities will not perform their underlying obligations. Security was obtained against specific assets of the counterparty, in case of non-performance. The total carrying value of these financial instruments at January 31, 2016 was $293,447 (January 31, 2015 - $61,849).

Management has considered the potential impairment of loans and amounts receivable and made a provision of $434,855 during the year ended January 31, 2016 (see Note 16) (January 31, 2015 - $2,690,128).

	Years ended January 31,			
Provisions on loan and amount receivables		2016		2015
Forbes Royalty Corporation*	$	-	$	412,929
Legacy Platinum Corp.*		-		2,280,492
Temujin Mining Corp.*		-		18,390
Amounts receivable		434,855		10,443
Accounts payable		-		(32,126)
	$	434,855	$	2,690,128

* Refer to loan and interest tables under Note 16 Related party disclosures

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's operations are exposed to foreign exchange fluctuations, which could have a significant adverse effect on its results of operations from time to time. The Company currently has financial instruments denominated in U.S. dollars, Australian dollars, South African Rand, European Euro and British Pound. The currency exchange rates at January 31, 2016 and 2015 are as follows:

	Currency exchange rates as at	
	January 31, 2016	January 31, 2015
1 US dollar to Canadian dollars	$1.4006	$1.2711
1 Australian dollar to Canadian dollars	$0.9915	$0.9870
1 Sourth African Rand to Canadian dollars	$0.0882	$0.1091
1 European Euro to Canadian dollars	$1.5173	$1.4357
1 British Pound to Canadian dollars	$1.9959	$1.9109

15. Financial instruments (continued)

Currency risk (continued)

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

The following assets and liabilities were denominated in foreign currencies presented in Canadian dollars as of:

January 31, 2016

	US Dollars	Australian Dollars	South African Rand	European Euro	British Pound
Cash	$ 121	$ -	$ -	$ -	$ -
Public investment	221,569	469,183	-	-	-
Private investment	14,226,684	82,601	-	-	-
Accounts payable and accrued liabilities	(8,193)	-	(117)	(16,976)	(1,397)
	$ 14,440,181	$ 551,784	$ (117)	$ (16,976)	$ (1,397)

January 31, 2015

	US Dollars	Australian Dollars	South African Rand	European Euro	British Pound
Cash	$ 2,968	$ -	$ 1,051	$ -	$ -
Public investment	-	494,059	4,246	-	-
Private investment	10,605,620	800,000	-	-	-
Due to broker	(1,938,720)	-	-	-	-
Accounts payable and accrued liabilities	(91,946)	-	(144)	(16,063)	-
	$ 8,577,922	$ 1,294,059	$ 5,153	$ (16,063)	$ -

A 10% increase (decrease) in the value of the Canadian dollar against all foreign currencies in which the Company held financial instruments as of January 31, 2016 would result in an estimated increase (decrease) in after-tax net loss of approximately $1.1 million or $0.01 per share (January 31, 2015 – after-tax net loss of approximately $0.7 million or $0.01 per share). The Company does not currently hedge its foreign currency exposure.

Fair value of financial instruments

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

i. The carrying values of cash, amounts receivable, due to broker, and accounts payable and accrual liabilities approximate their fair values due to the short-term nature of these instruments.

ii. Loan receivable, public investments, private investments and preferred shares are carried at amounts in accordance with the Company's accounting policies as set out in Note 2.

iii. Prior to maturity, the outstanding loans receivable are carried at their discounted value. Following their maturity, loans receivable are carried at their estimated realizable value.

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at January 31, 2016 and 2015:

(Expressed in Canadian dollars unless otherwise noted)

15. Financial instruments (continued)

Fair value of financial instruments (continued)

Investments, fair value	Level 1 (Quoted Market price)	Level 2 (Valuation technique - observable market Inputs)	Level 3 (Valuation technique - non-observable market inputs)	Total
Publicly traded investments	$ 2,754,448	$ -	$ -	$ 2,754,448
Non-trading warrants on public investments	-	423,920	-	423,920
Private investments	-	-	19,322,417	19,322,417
January 31, 2016	$ 2,754,448	$ 423,920	$ 19,322,417	$ 22,500,785
Publicly traded investments	$ 18,941,776	$ -	$ -	$ 18,941,776
Non-trading warrants on public investments	-	30,000	-	30,000
Private investments	-	-	17,700,622	17,700,622
January 31, 2015	$ 18,941,776	$ 30,000	$ 17,700,622	$ 36,672,398

Level 3 Hierarchy

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the years ended January 31, 2016 and 2015. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized losses and net unrealized gains are recognized in the statements of loss.

Investments, fair value	For the Years ended January 31, 2016	2015
Balance, beginning of year	$ 17,700,622	$ 25,197,564
Purchase at cost - shares	11,844,075	7,580,222
Disposal at cost - shares	(19,831,957)	
Unrealized and realized gain (loss) net	9,609,677	(13,198,911)
Conversion - debt to shares	-	243,359
Conversion of debenture to private / public company shares	-	(376,052)
Convertible debenture net (reduction)	-	(1,745,560)
Balance, end of year	$ 19,322,417	$ 17,700,622

Included in unrealized gain (loss) for the years ended January 31, 2016 and 2015, the total gains/losses that are attributable to change in unrealized gains/losses relating to those assets and liabilities held at the end the January 31, 2016 were $(91,882) (2015 - $(12,999,002)).

Within Level 3, the Company includes private company investments which are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies.

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at:

(Expressed in Canadian dollars unless otherwise noted)

15. Financial instruments (continued)

Fair value of financial instruments (continued)

	January 31, 2016		January 31, 2015	
Valuation technique	Fair Value	Unobservable inputs	Fair Value	Unobservable inputs
Recent financing / transaction price	$ 19,322,417	Transaction price	$ 10,700,621	Transaction price
General market conditions	-		7,000,001	Adjustment range (-26% to -100%)
	$ 19,322,417		$ 17,700,622	

Included in unrealized gain (loss) for the years ended January 31, 2016 and 2015, the total gains/losses that are attributable to change in unrealized gains/losses relating to those assets and liabilities held at the end the January 31, 2016 were $(91,882) (2015 - $(12,999,002)).

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

For those investments valued based on a recent financing or transaction price, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at January 31, 2016 and 2015. A +/- 25% change in the fair value of these Level 3 investments as at January 31, 2016 will result in a corresponding +/- $4,831,000 (2015 - +/- $2,675,000). For those investments valued based on trends in general market conditions, the inputs used can be highly judgmental. A +/- 25% change on the fair value of these investments will result in a corresponding +/- $Nil (January 31, 2015: +/- $1,750,000) change to the total fair value of the investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. The sensitivity analysis is intended to reflect the significant uncertainty inherent in the valuation of private investments under current market conditions, and the results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the estimated fair value of these investments. Furthermore, the analysis does not indicate a probability of changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

16. Related party disclosures

The annual consolidated financial statements include the financial statements of the Company and its subsidiaries at its respective ownership listed in the following table.

	Country of Incorporation	% equity interest
Great Lakes Capital Management Inc.	Canada	100%
Aberdeen (Barbados) Inc.	Barbados	100%
Aberdeen Ram Holdings Inc.	Canada	100%

The Company shares office space with other companies who may have common officers or directors. The costs associated with this space are administered by an unrelated company.

Stan Bharti, a director of the Company, is the Executive Chairman of Forbes & Manhattan, Inc. ("F&M"), a corporation that provides administrative and consulting services to the Company, including but not limited to strategic planning and business development. F&M charges a monthly consulting fee of $25,000. As of January 31, 2016, $Nil (January 31, 2015 - $Nil) was owed to F&M.

16. Related party disclosures (continued)

The Company is party to a cost sharing policy with F&M whereby the Company will be responsible for 50% of costs, including any reasonable third party costs such as legal, technical, and/or accounting expenses jointly incurred in connection with, or arising as a result of the pursuit of certain investment opportunities and the subsequent development of any such investment opportunities that are acquired by the Company and F&M up to a maximum of $500,000. In the event any expenses incurred with respect to the investment opportunities are recouped by either party, such amounts will be allocated 50% to each party. During the year ended January 31, 2016, the Company incurred $237,233 (2015 - $219,170) legal and professional fees in relation to the policy. Stan Bharti, a director of the Company, is the Executive Chairman of F&M.

The Company earns financing advisory fees from companies of which directors and officers are also directors and officers of Aberdeen. Directors and officers of Aberdeen may also hold investments in these companies. During the year ended January 31, 2016, the Company earned US$350,000 ($434,855) (2015 - $Nil) in advisory fees from African Thunder Platinum Ltd. ("ATP"). These fees have been determined to be uncollectible. As such, the Company made an impairment provision of US$350,000 ($490,210) in amounts receivable in 2016. Stan Bharti and George Faught are common directors of both Aberdeen and ATP. During the year ended January 31, 2016, the Company earned $166,667 (2015 - $Nil) in advisory fees from Ore Acquisition Partners LP. David Stein, a director and an officer of Aberdeen, is a limited partner in Ore Acquisition Partners LP.

The Company may receive loans from companies who may have common directors and officers of Aberdeen. Directors and officers of Aberdeen may also hold investments in these companies. During the year ended January 31, 2016, the Company borrowed $400,000 from Black Iron Inc. (See Note 9 for details). The principal plus interest of $403,682 was repaid during the year ended January 31, 2016. Stan Bharti, a director of the Company, is deemed to be an executive officer of Black Iron Inc.

On October 8, 2015, the Company entered into a share purchase agreement with Rodinia Lithium Inc. to acquire all of the shares of its subsidiary PLASA for cash consideration of $5,000,000 in cash (See Note 8 for details). David Stein and Ryan Ptolemy are a common director and officer of both Aberdeen and Rodinia.

Sulliden Mining Corp. ("Sulliden") participated in the Company's November 24, 2014 private placement financing and purchased 4,790,000 units. Directors of Aberdeen, Stan Bharti and George Faught, serve as director, and former director of Sulliden, respectively. Former directors of Aberdeen, Bruce Humphrey and Pierre Pettigrew are current directors of Sulliden.

Directors of Aberdeen, Stan Bharti, George Faught and David Stein, who is also an officer, participated in the Company's November 24, 2014 private placement financing and purchased an aggregate total of 1,910,000 units.

The Company's directors and officers may have investments in and hold management and/or director and officer positions in some of the investments that the Company holds. The following is a list of total investments and the nature of the relationship of the Company's directors or officers with the investment as of January 31, 2016 and 2015.

(Expressed in Canadian dollars unless otherwise noted)

16. Related party disclosures (continued)

Investment	Nature of relationship	Estimated Fair value	% of FV
African Thunder Platinum Ltd.*	Directors (Stan Bharti, George Faught)	$ 14,226,684	63.1%
Apio Africa Ltd.	Director (Stan Bharti) and shareholders	221,569	1.0%
Arena Minerals Inc.	Officer (Ryan Ptolemy), and shareholders	17,520	0.1%
Amazon Potash Corporation*	Directors (Stan Bharti, George Faught) and shareholders	-	0.0%
Black Iron Inc.	Officer (Stan Bharti) and shareholders	329,418	1.5%
Fura Emeralds Inc.**	10% security holder (Stan Bharti) and shareholders	1,282,920	5.7%
Indo Gold Limited *	Director (David Stein) and former officer (Stan Bharti)	82,601	0.4%
Potasio y Litio de Argentina S.A.*	Director (David Stein)	5,013,131	22.3%
Sulliden Mining Capital Inc.	Director (Stan Bharti) and shareholders	93,375	0.4%
Temujin Mining Corp.*	Directors (Stan Bharti, David Stein) and shareholders	-	0.0%
Total of 9 other investments	Shareholders/warrant holders	1,233,567	5.5%
Total Investments - Janurary 31, 2016		$ 22,500,785	100.0%

* Private company

** Formerly Wolf Resource Development Corp.

Investment	Nature of relationship	Estimated Fair value	% of FV
African Thunder Platinum Limited*	Directors (Stan Bharti, George Faught)	$ 7,475,222	20.4%
Arena Minerals Inc.	Former director (Bruce Humphrey), Officer (Ryan Ptolemy) and shareholder:	37,530	0.1%
Amazon Potash Corporation*	Directors (Stan Bharti, George Faught) and shareholders	-	0.0%
Black Iron Inc.	Former directors (Bruce Humphrey,Pierre Pettigrew), officer (Stan Bharti)	248,575	0.7%
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy) and shareholders	3,130,399	8.5%
Coastal Gold Corp	10% security holder (Stan Bharti) and shareholders	53,077	0.1%
Forbes Ram Holdings Inc.*	Director (Stan Bharti) and shareholders	4,754,286	13.0%
Indo Gold Limited *	Director (Stan Bharti)	800,000	2.2%
Legacy Platinum Inc.*	Officer (Richard Bishop) and shareholders	-	0.0%
Metal Prospecting AS *	Director (David Stein)	-	0.0%
Portex Minerals Inc.	Officer (Richard Bishop)	105,862	0.3%
Rio Alto Mining Ltd.	Former director (Bruce Humphrey) and shareholders	15,109,875	41.2%
Rodinia Lithium Inc.	Director (David Stein), officer (Ryan Ptolemy) and shareholders	694,512	1.9%
Scandinavian Metals Inc.*	Director (Stan Bharti) and shareholders	-	0.0%
Silver Bear Resources Inc.	Former director (Stan Bharti) and shareholders	226,673	0.6%
Sulliden Mining Capital Inc.	Former directors (Bruce Humphrey,Pierre Pettigrew), Director (Stan Bharti)	601,755	1.6%
Temujin Mining Corp.*	Directors (Stan Bharti, David Stein) and shareholders	-	0.0%
Wolf Resource Development Corp.	10% security holder (Stan Bharti) and shareholders	82,500	0.2%
Total of 21 other investments	Shareholders/warrant holders	3,352,132	9.2%
Total Investments - January 31, 2015		$ 36,672,398	100.0%

* Private company

The Company has a diversified base of investors. To the Company's knowledge, other than Lloyd I Miller, no shareholder holds more than 10% of the Company's common shares as at January 31, 2016 (January 31, 2015 – Nil).

In addition to the investments listed above, the Company also provided loans to companies of which directors and officers are also directors and officers of Aberdeen. Directors and officers of Aberdeen may also hold investments in these companies. Below are transactions and balances outstanding at the end of each reporting period:

(Expressed in Canadian dollars unless otherwise noted)

16. Related party disclosures (continued)

	Loans provided to related parties		Loans receivable from related parties	
	Years ended January 31,		As at January 31,	As at January 31,
	2016	2015	2016	2015
Forbes Royalty Corporation(**)	$ -	$ 33,195	$ -	$ -
Legacy Platinum Corp.(*)(**)	$ -	$ 272,625	$ -	$ -
Temujin Mining Corp.(**)	$ -	$ 18,600	$ -	$ -
	$ -	$ 324,420	$ -	$ -

* loan receivable includes capitalized interest
** loan written off during the year-ended January 31, 2015

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

	Interest and dividend income earned from related parties		Interest and dividend receivable from related parties	
	Years ended January 31,		As at January 31,	As at January 31,
	2016	2015	2016	2015
Coastal Gold Corp.(***)	$ -	$ 4,421	$ -	$ -
Forbes Royalty Corporation(**)	$ -	$ 17,740	$ -	$ -
Legacy Platinum Corp.(*)(**)	$ -	$ 101,456	$ -	$ -
Metal Prospecting AS(***)	$ -	$ 6,071	$ -	$ -
Rodinia Lithium Inc.(*)(***)	$ -	$ 47,192	$ -	$ -
	$ -	$ 176,880	$ -	$ -

* overdue interest was capitalized to loan receivable
** interest/dividend written off during the year-ended January 31, 2015
*** interest converted to shares during the year ended January 31, 2015

Compensation of key management personnel of the Company

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

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

The remuneration of directors and other members of key management personnel during the years ended January 31, 2016 and 2015 were as follows:

	Years ended January 31,	
	2016	2015
Short-term benefits (*)(**)	$ 1,299,798	$ 1,212,250
Share-based payments	$ -	$ 475,666
	$ 1,299,798	$ 1,687,916

* Benefits include fees paid to Forbes & Manhattan, Inc.
** Benefits include severance payment

At January 31, 2016, the Company had accounts payable and accrued liabilities balance of $191,460 (January 31, 2015 - $279,701) owing to its key management and related companies for severance, DSU accrual, and expense reimbursement. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

17. Commitments and contingencies

Management contracts

The Company is party to certain management contracts. These contracts contain aggregate minimum commitments of approximately $1,025,000 (January 31, 2015 - $1,426,000) ranging from 30 days to 7 months and additional contingent payments of up to approximately $3,100,000 (January 31, 2015 - $6,250,000) upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

Tax positions

In assessing the probability of realizing income tax assets and the valuation of income tax liabilities, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

F&M costs sharing policy

The Company entered into a costs and liabilities sharing policy with F&M as disclosed in Note 16. Pursuant to the policy, the Company will be responsible for 50% of costs, including any reasonable and third party costs such as legal, technical, and/or accounting expenses jointly incurred in connection with, or arising as a result of the pursuit of certain investment opportunities and the subsequent development of any such investment opportunities that are acquired by the Company and F&M up to a maximum of $500,000. In the event any expenses incurred with respect to the investment opportunities are recouped by either party, such amounts will be allocated 50% to each party. To January 31, 2016, $456,403 had been incurred by the Company.

Landmark agreement

Until the first anniversary of the closing of the sale of Aberdeen's historical portfolio to Landmark Equity Advisors, LLC, Aberdeen shall retain at least $10,000,000 in cash or securities and shall not make any dividends, returns of capital or other distributions to its equity holders without Landmark's prior written consent; provided that nothing shall in any way limit Aberdeen from investing the proceeds received in pre-IPO and/or public resource companies in keeping with its current business model.

PALA Investment Limited ("Pala") / African Thunder

The Company has an obligation to pay US$1,275,000 to Pala for 50% of the ATP March and April cash call due May 31, 2016.

18. Subsequent events

NCIB

Subsequent to January 31, 2016, 17,500 additional shares of Aberdeen were purchased and cancelled relating to the 2016 NCIB at an average price of $0.12 per share.

On March 8, 2016, the Company announced its intention to make a NCIB to buy back its common shares through the facilities of the TSX. Any purchases made pursuant to the NCIB will be made in accordance with the rules of the TSX. 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. Based on the 66,168,462 common shares in the public float as at March 2, 2016, the maximum number of shares to be purchased and cancelled would be 6,616,846. Daily purchases will be limited to 11,322 common shares other than block purchase exceptions. Purchases under the NCIB are permitted to commence on March 10, 2016 and will terminate on March 9, 2017 or the date upon which the maximum number of common shares have been purchased by Aberdeen pursuant to the NCIB. Aberdeen intends that any shares acquired pursuant to the NCIB will be cancelled.

Lithium X

On March 3, 2016, the Company entered into a binding letter of agreement with Lithium X Energy Corp. (“Lithium X”) to sell up to 80% of PLASA, which owns 100% of the Sal de los Angeles lithium-potash brine project, which was previously known as the Diablillos Project in Argentina. (See Note 8)

Pursuant to the agreement, Lithium X will issue 8,000,000 common shares of Lithium X to the Company for a 50% interest in PLASA. Lithium X has the option for a two month period (the “Option”) to acquire an additional 30% interest by issuing common shares worth $5,000,000 to Aberdeen and fulfilling several terms, including incurring $3,000,000 in exploration and development expenditures over a two-year period and completing a feasibility study on the project. As part of the agreement, Lithium X will be considered the initial operator of the project for as long as the Company maintains an interest greater than or equal to 50% in the joint venture.

In order to exercise the Option for an additional 30% interest, Lithium X must issue common shares to Aberdeen valued at $5,000,000 based on a 10% discount to the 20-day volume-weighted average price of its common shares at the date of exercise. If Lithium X does not exercise the Option, Aberdeen has the right following the Option expiry for a 30-day period to acquire a 1% interest in PLASA back from Lithium X for $166,000 in cash. In the event that Lithium X does not meet the expenditure commitment or complete the feasibility study within two years, Lithium X must transfer 20% of the PLASA shares back to Aberdeen, resulting in Lithium X holding 30% of the outstanding PLASA shares. Lithium X and Aberdeen will enter into a shareholders’ agreement governing PLASA following closing that will provide for management of the project, including that Lithium X shall be the operator, and including other standard joint-venture terms including dilution of interest.

Pursuant to the Agreement, Lithium X has agreed to increase its Board of Directors to seven members at its next annual general meeting, after which Aberdeen has the right, so long as it owns over 15% of the outstanding shares of Lithium X, to nominate two members to the Board for a period of one year. After that, so long as it holds 10% of the outstanding shares of Lithium X, Aberdeen has the right to nominate one member to the Board. Aberdeen also has a pro rata right to participate in any future equity financings so long as it holds a minimum of 8,000,000 Lithium X common shares and 10% of the outstanding shares.

The transaction was subject to the parties entering into a definitive agreement in respect of the acquisition by April 15, 2016, and to the approval of the Toronto Stock Exchange and the TSX Venture Exchange. On April 20, 2016, the Company closed the transaction with Lithium X.

Option expiration

Subsequent to January 31, 2016, 725,000 options with an exercise price of $0.87 expired unexercised.

Taxes recoverable

Subsequent to January 31, 2016, the Company received $5,456,402 in full settlement of its income tax recovery.

ABERDEEN
INTERNATIONAL

Management's Discussion and Analysis

FOR THE YEAR ENDED JANUARY 31, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JANUARY 31, 2016
(All amounts stated in Canadian dollars, unless otherwise indicated)

GENERAL

This management's discussion and analysis of the operations, results and financial condition of Aberdeen International Inc. ("Aberdeen", or the "Company") should be read in conjunction with the annual consolidated financial statements as at and for the years ended January 31, 2016 and 2015, including the notes thereto. The annual consolidated financial statements and related notes of Aberdeen have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). A detailed summary of the Company's significant accounting policies is included in Note 2 of the Company's annual audited financial statements as at and for the years ended January 31, 2016 and 2015, which have been consistently applied. The Company's functional and reporting currency is the Canadian dollar. Unless otherwise noted, all references to currency in this Management's Discussion and Analysis ("MD&A") refer to Canadian dollars.

Additional information regarding Aberdeen, including our Annual Information Form ("AIF") dated April 29, 2016 and press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under the Company's profile at www.sedar.com. This MD&A is dated April 29, 2016 and reports on the Company's activities through April 29, 2016.

Aberdeen's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol AAB.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

The annual report, including this MD&A, may contain certain "forward-looking information" 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; and future plans and objectives of Aberdeen are forward-looking information 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 include, but are not limited to, in particular, past success or achievement does not guarantee future success; 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, US and global economies and financial markets, foreign exchange fluctuations, competition, political and economic risks in the countries and financial markets 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 AIF of the Company filed on April 29, 2016, under the profile of the Company at www.sedar.com. Estimates and assumptions that have been considered when formulating forward-looking information include, with respect to the investments and investment philosophy of Aberdeen, management expertise and knowledge of the resources industry and the continued involvement of the current management team with Aberdeen. With regard to all information included herein relating to investee companies, Aberdeen has relied on information provided by its investees as well as any 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 information. Shareholders are cautioned not to place undue reliance on forward-looking information. 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 that affect this information, except as required by law.

OVERVIEW

Aberdeen is a publicly traded global resource investment company and merchant bank focused on small capitalization companies in the metals and mining sector. In general, the Company's investment philosophy is to acquire equity participation in:

- pre-IPO and/or early stage public companies with undeveloped and 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's primary investment objective is to realize exceptional returns by investing in pre IPO and/or early stage public resource companies with undeveloped or undervalued high quality resources. Aberdeen's investments are carried out according to an opportunistic and disciplined process to maximize returns while minimizing risk, taking advantage of investment opportunities identified from the industry contacts of the Board, the officers of the Company and the members of the Investment Committee.

Aberdeen provides valued-added strategic advice to these companies in addition to investment capital. The Company's strategy is to optimize the return on its investments over a 24 to 36 month investment time frame. Aberdeen also has access to key experts in the mining and financial sector who can provide further assistance in evaluating and monitoring companies and their progress.

The Company began operating as a global resource investment company and merchant bank in October 2007. As at January 31, 2016, the portfolio had investments in 20 companies with an estimated fair market value of $22,500,785 (cost – $27,433,337).

FISCAL 2016 PERFORMANCE HIGHLIGHTS

Operating Results	2016	2015
	$	$
Realized (loss) gain on investments, net	(23,356,005)	6,531,830
Unrealized gain (loss) on investments, net	16,382,702	(9,496,898)
Net investment (loss)	(6,973,303)	(2,965,068)
Other revenue	695,114	191,628
Net (loss) for the period	(9,715,382)	(13,818,770)
Basic and diluted (loss) per share	(0.10)	(0.15)

	January 31, 2016	January 31, 2015
Investments	$	$
Total equities, at fair value	22,500,785	36,672,398
Loans receivable	-	61,538
Total investments	22,500,785	36,733,936
Shareholders' equity	25,890,596	35,851,807

During the year ended January 31, 2016, the Company had a net investment loss of $6,973,303 compared to a net investment loss $2,965,068 in 2015. The 2016 net investment loss was due to the sale of certain investments to Ore Acquisition Partners' LP. ("Ore"), an investment vehicle owned by funds managed by Landmark Equity Advisors, LLC ("Landmark") of $6,618,012 and $355,292 on the remaining investment portfolio. The Company's net loss for the year ended January 31, 2016 was $9,715,382 ($0.10 per basic share) compared to a loss of $13,818,770 ($0.15 per basic share) in 2015. The decreased net loss for 2016 was from no proxy contest costs in 2016, decreasing operating, general and administration expenses. For more details see the Results of Operations in this MD&A.

As at January 31, 2016, the Company's total investments decreased to $22,500,785 from $36,733,936 as at January 31, 2015. During the year ended January 31, 2016, the Company's shareholders' equity decreased to $25,890,596 from $35,851,807 as at January 31, 2015. The loss and the decrease in the value of the Company's investment portfolio during 2016 was mainly due to net investment loss realized from the sale of certain investments to Ore and the continued losses and decline of the value of the Company's investment portfolio during 2016 reflecting weaker equity markets as it relates to the resource sector. For more details see the 2016 Investment Activities in this MD&A.

Shareholders' Equity		
Opening balance, as at February 1, 2015	**$**	**35,851,807**
Net investment loss		(6,973,303)
Ore advisory fees		166,667
Dividend income		93,592
Operating, general and administration		(3,002,338)
Shares cancelled via NCIB		(245,829)
Ending balance, as at January 31, 2016	**$**	**25,890,596**

INVESTMENTS, AT FAIR VALUE THROUGH PROFIT AND LOSS, AS AT JANUARY 31, 2016.

At January 31, 2016, the Company's investment portfolio consisted of 9 publicly-traded investments and eleven privately-held investments for a total fair value of $22,500,785. At January 31, 2015, the Company's investment portfolio consisted of 20 publicly-traded investments and 19 privately-held investments for a total fair value of $36,672,398.

PUBLIC INVESTMENTS

At January 31, 2016 the Company's investment portfolio consisted of 9 publicly-traded investments for a total fair value of $3,178,368.

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Arena Minerals Inc.	(iii)	73,000 common shares	$ 17,706	$ 17,520	0.6%
Aguia Resources Ltd.		4,284,756 common shares	599,841	469,182	14.8%
Black Iron Inc.	(iii)	10,980,589 common shares	2,382,068	329,418	10.4%
Fura Emeralds Inc.*	(i,ii,iii)	6,300,000 common shares	801,886	1,282,920	40.4%
		2,900,000 warrants expire Jun 23, 2017			
Kombat Copper Inc.	(i,ii)	10,000,000 common shares	500,000	649,000	20.4%
		10,000,000 warrants expire Feb 13, 2017			
Sulliden Mining Capital Inc.	(iii)	373,500 common shares	242,472	93,375	2.9%
Total of 3 other investments	(iv)		783,447	336,953	10.5%
Total public investments			$ 5,327,420	$ 3,178,368	100.0%

* Formerly Wolf Resource Development Corp.

Note

(i) The Company has filed a Section 62-103 report pursuant to the Ontario Securities Act for this investment and has filed an early warning report on SEDAR.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2016.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2016.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2016. Directors and officers may hold investments personally.

At January 31, 2015, the Company's investment portfolio consisted of 20 publicly-traded investments for a total fair value of $18,971,776.

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Black Iron Inc.	(iii)	4,971,500 common shares	$ 2,904,028	$ 248,575	1.3%
Buffalo Coal Corp.*		2,394,976 common shares	3,418,812	145,384	0.8%
Falco Resources Inc.		1,094,505 common shares	492,527	645,758	3.4%
Kincora Copper Limited		4,723,000 common shares	1,129,355	141,690	0.7%
Mason Graphite Corp.		157,500 common shares	105,483	106,725	0.6%
		250,000 warrants expire Jun 28, 2015			
Portex Minerals Inc.	(i,ii,iii)	21,172,315 common shares	1,058,616	105,862	0.6%
Rio Alto Mining Ltd.	(iii)	4,162,500 common shares	10,364,625	15,109,875	79.6%
Rodinia Lithium Inc.	(i,ii,iii)	17,362,811 common shares	1,890,336	694,512	3.7%
Savary Gold Corp.		4,488,000 common shares	466,253	179,520	0.9%
Silver Bear Resources Inc.	(iii)	4,533,461 common shares	1,845,261	226,673	1.2%
		1,449,275 warrants expire Jun 7, 2015			
		238,461 warrants expire Dec 18, 2015			
		1,025,000 warrants expire Jun 4, 2016			
Sulliden Mining Capital Inc.	(iii)	1,823,500 common shares	1,183,796	601,755	3.2%
Xanadu Mines Ltd.		5,000,000 common shares	289,110	444,150	2.3%
Total of 8 other investments	(iv)		2,653,342	321,297	1.7%
Total public investments			$ 27,801,544	$ 18,971,776	100.0%

* Formerly Forbes & Manhattan (Coal) Corp.

Note

(i) The Company has filed a Section 62-103 report pursuant to the Ontario Securities Act for this investment and has filed an early warning report on SEDAR.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2015.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2015.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2015. Directors and officers may hold investments personally.

PRIVATE INVESTMENTS

At January 31, 2016, the Company's eleven privately-held investments had a total fair value of $19,322,417.

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
African Thunder Platinum Ltd.	(i,ii,iii)	22,207,222 common shares	$ 14,226,684	$ 14,226,684	73.6%
Potasio y Litio de Argentina S.A.	(i,ii)	67,899,000 common shares	5,013,131	5,013,131	26.0%
Total of 9 other investments	(iv)		2,866,102	82,602	0.4%
Total private investments			$ 22,105,917	$ 19,322,417	100.0%

Note

(i) The Company owns 47% of the outstanding common shares and voting rights of African Thunder Platinum Ltd. There are no contractual arrangements, financial support, or other restrictions with this Mauritius corporation. The Company owns 100% of the outstanding common shares and voting rights of Potasio y Litio Argentina S.A. Refer to Note 2 of the Company annual consolidated financial statements as at and for the years ended January 31, 2016 relating to the exemption to consolidating particular subsidiaries and the exemption from accounting for associates using the equity method for investment entities.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2016.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2016.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2016. Directors and officers may hold investments personally.

At January 31, 2015, the Company's 19 privately-held investments had a total fair value of $17,700,622.

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
African Thunder Platinum Ltd.	(i,ii,iii)	7,000,000 common shares	$ 7,475,222	$ 7,475,222	42.3%
Brazil Potash Corp.	(iii)	1,650,062 common shares	-	3,130,399	17.7%
DT Plantations Limited*	(i,ii)	6,102,891 common shares	533,289	-	0.0%
		500,000 w arrants			
Indo Gold Limited	(ii,iii)	8,100,000 common shares	1,590,000	800,000	4.5%
Irati Energy Corp.		2,213,179 common shares	1,994,975	1,000,000	5.6%
Legacy Platinum Corp.	(i,ii,iii)	3,515,000 common shares	2,352,377	-	0.0%
Forbes Ram Holdings Inc.	(i,ii,iii)	8,000,000 common shares	8,000,000	4,754,286	26.9%
Ram River Coal Corp.		750,000 common shares	37,500	445,714	2.5%
Total of 11 other investments	(iv)		5,763,237	95,001	0.5%
Total private investments			$ 27,746,600	$ 17,700,622	100.0%

* Warrants expire 12 months after listing date

Note

(i) The Company owns 42% of the outstanding common shares and voting rights of African Thunder Platinum Ltd., 80% of the outstanding common shares and voting rights of Forbes Ram Holdings Inc., 50% of the outstanding common shares and voting rights of Legacy Platinum Corp.; and 28% of the outstanding common shares and voting rights of DT Plantations Limited as at January 31, 2015. There are no contractual arrangements, financial support, or other restrictions with these Canadian corporations. Refer to Note 2 of the Company's annual audited financial statements as at and for the year ended January 31, 2015 relating to the exemption to consolidating particular subsidiaries and the exemption from accounting for associates using the equity method for investment entities.
(ii) The Company owns, on a partially diluted basis, at least a 10% interest in the investee as at January 31, 2015.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2015.
(iv) Total other investments held by the Company, which are not individually listed as at January 31, 2015. Directors and officers may hold investments personally.

2016 INVESTMENT ACTIVITIES

During the year ended January 31, 2016, the Company invested approximately $13.1 million and disposed of investments receiving proceeds of approximately $22.0 million for a realized loss of approximately $23.4 million (details below).

Landmark Transaction

On September 10, 2015, the Company closed its transaction whereby it sold certain public and private equity holdings to Ore. As part of the transaction, Aberdeen transferred its shares in Tahoe Resources Inc. (“Tahoe”) to the partnership, with payment for those shares being deferred until such shares are sold to a third party.

Aberdeen sold a portfolio of public and private holdings owned prior to September 2014 for an aggregate price of approximately $11.8 million to Ore for a realized loss of approximately $21.9 million. Aberdeen received gross proceeds of approximately $8.1 million on closing. Included in the sale are 325,000 shares of Tahoe, for which payment will be deferred until the entire Tahoe position is sold. The deferred payment to Aberdeen will be equal to the net proceeds received from the future sales of these Tahoe shares. On November 30, 2015, the Tahoe position was sold for proceeds of approximately $3.7 million. As part of the terms of the sale, Aberdeen has the right to an additional $2 million earn out, which is payable upon achievement of certain milestones. Aberdeen will provide management and administrative services to the partnership for a minimum of three and up to five years and will receive a management fee in addition to a small minority interest in the net profits of the partnership.

African Thunder Platinum Ltd.

During the year ended January 31, 2016, the Company invested approximately $6.8 million into Africa Thunder Platinum Ltd. (“Africa Thunder”). There were no realized or unrealized gains or losses on African Thunder during the year. As at January 31, 2016, African Thunder represented 49% of the total assets of the Company. A 10% decline in the fair market value of African Thunder would result in an estimated increase in after-tax loss to Aberdeen of approximately $1.05 million.

African Thunder Operations Update

At the end of 2014, African Thunder closed the acquisition of its platinum assets with the start-up of the Smokey Hills mine occurring in January 2015 and the completion of mill commissioning on April 29, 2015. During the second half of calendar year 2015, African Thunder continued to experience significant progress increasing production from the mine; however, the pace of the underground development and production ramp-up fell short of African Thunder’s initial expectations due to several factors, including poor equipment availability, several senior management changes and employee absenteeism that was at the root of low overall mining productivity. For 2015, the mine produced 234,000 tons or ore and development material at an average grade of 3.1 grams per ton 4E Platinum Group Metals – platinum, palladium, rhodium and gold (“4E PGM”) for total production of 16,381 ounces of 4E PGM. Production early in 2016 had improved over the fourth calendar quarter of 2015, with underground production in February 2016 achieving approximately 80% of the full production plan of 42,000 tonnes per month. African Thunder estimates that its year-to-date mining costs (on a per-tonne basis) would place the mine in a very competitive position relative to the South African platinum mining sector. That being said, the mine is still ramping up production and the ratio of development material to stoping ore is higher than it would be at steady-state production, so the company is still seeing lower grade delivered to the mill than what is required to achieve the full production rate of 60,000 ounces 4E PGM per year. Please refer to the Risk and Uncertainty section of this MD&A for operational risks associated with African Thunder.

On December 3, 2015, African Thunder hired Rodney O'Reilly as Chief Operating Officer. Mr. O'Reilly is a professional certified mining engineer in South Africa, with more than 30 years of experience in the mining industry. Immediately prior to joining African Thunder, Mr. O'Reilly was general manager of Glencore's Eland platinum mine near Rustenburg, South Africa. Over seven years, Mr. O'Reilly managed all facets of the operation, including an open-pit, underground mine more than double the size and throughput of Smokey Hills, as well as the PGM concentrator plant. Production at Eland was suspended in 2015 due to low platinum-palladium prices. African Thunder also appointed Sakhile Ngcobo, PhD candidate with a master's degree in rural resource management, to the board of directors, and in addition he has taken on a consulting role with the company, helping manage community relations, permitting and government matters. Mr. Ngcobo recently served as executive head of corporate affairs for DeBeers South Africa. He is an expert in managing stakeholder relations in the mining sector and serves on several other corporate boards in South Africa.

In April 2016, African Thunder decided to temporarily suspend mining operations at the Smokey Hills platinum-palladium mine, effective immediately. African Thunder was engaged in a process to review mine activities for 2016, including consultation with its work force and concluded that the best way to optimize the long-term value of the Smokey Hills mine and 2,000-ton-per-day plant facility was to suspend operations and focus on the planning and permitting required to optimize production and costs in the future. Since 2015, production rates and efficiency had increased, equipment availability improved, costs decreased, and the safety record improved. However, the continued weak platinum and palladium prices have continued to drag on cash flow. With several more months of underground development required to achieve full production, African Thunder decided that it made the most sense to defer this expenditure until metal prices improve and other optimization plans can be implemented. Among the expected future optimizations, African Thunder has commenced the permitting process for open-cast production at the mine to add to low-cost tonnage that can be mined upon restart. The open cast is a critical development to the overall plan, as it should provide additional tonnage and improve operating flexibility. Permitting of the open pit is expected to take the remainder of 2016. In addition to the operational improvements currently being addressed, the major shareholders of African Thunder, Aberdeen and Pala Investments Ltd. ("Pala") are reviewing options to restructure the financial position of African Thunder to provide greater financial flexibility and less risk upon the future restart of operations.

While the past year has seen continued weakness in the mining sector, including lower platinum and palladium prices, the longer-term fundaments of platinum and palladium continue to be strong as governments commit to tackling air pollution from vehicles. Please see the Risk and Uncertainties section this MD&A for additional risk factors related to African Thunder.

Potasio y Litio de Argentina S.A.

During the year ended January 31, 2016, the Company invested approximately $3.0 million to acquire 100% of Potasio y Litio de Argentina SA ("PLASA") from Rodinia Lithium Inc. ("Rodinia"). To complete the acquisition the Company needs to make an additional payment of $2.0 million to Rodinia by June 24, 2016. If the final outstanding balance is not paid by June 24, 2016, Rodinia will notify Aberdeen of such balance being due six months from the date such notice is given, with annualized interest of 10%, accrued daily and compounded semi-annually. There were no realized or unrealized gains or losses on PLASA during the year. As at January 31, 2016, PLASA represented 17% of the total assets of the Company. A 10% decline in the fair market value of PLASA would result in an estimated increase in after-tax loss of approximately $0.4 million.

On April 20, 2016, the Company closed an agreement to sell 50% of PLASA to Lithium X Energy Corp. ("Lithium X"). PLASA owns 100% of the Sal de Los Angeles lithium brine project (formerly known as the Diablillos project) in Argentina. Lithium X will issue 8,000,000 Lithium X common shares to Aberdeen for a 50% interest in the project and has committed to $3 million in exploration and development expenditures over a two-year period and to complete a feasibility study on the project. Upon completing a feasibility study and its expenditure commitment, Lithium X has the option to acquire an additional 30% interest by issuing common shares worth $5-million based on a 10% discount to the 20-day volume-weighted average price of its common shares at the date of exercise to Aberdeen. If Lithium X elects not to exercise the option, Aberdeen has the right following the option expiry for a 30-day period to acquire a 1% interest in PLASA back from Lithium X for $166,000 in cash. In the event that Lithium X does not meet the expenditure commitment or complete the feasibility study within two years, Lithium X must transfer 20 % of the PLASA shares back to Aberdeen, resulting in Aberdeen holding 70% of the outstanding Plasa shares. Please see the Risk and Uncertainties section of this MD&A for additional risk factors related to PLASA.

Other Public and Private Equity Investments

During the year ended January 31, 2016, the Company invested $3.3 million in other public and private equity investments and disposed of investments receiving proceeds of $10.2 million for a realized loss of $1.5 million.

During the year ended January 31, 2016, the Company made investments in Aguia Resources Ltd. (agriculture), Apio Africa Ltd. (other), Arena Minerals Inc. (copper), Black Iron Inc. (iron), Fura Emeralds Inc. (emeralds), Indo Gold Limited (gold) and Kombat Copper Limited (copper). Aberdeen also received shares in Brookwater Ventures Inc. (energy) through a shares for debt conversion, First Mining Corp. (gold) through the merger with Coastal Gold Corp., and Tahoe (silver and gold) through the merger between Tahoe and Rio Alto Mining Limited. Please refer to the companies SEDAR profiles for additional information on these companies.

As at January 31, 2016, the fair market value of the Company's investment portfolio had a cumulated unrealized loss of $4.9 million. The Company had cumulated unrealized losses of approximately $1.9 million from its base metals holdings, $0.1 million loss from its gold holdings, $2.4 million loss from its agriculture holdings, $1.0 million loss from other holdings, offset by $0.5 million unrealized gain from its emerald holdings.

LOANS

As a normal course of business, Aberdeen may provide loans to junior resource companies both to support existing investments and to seed new investments. Loans are considered by management to be part of the investment portfolio and are provided in addition to, or as an alternative to equity financing, in order to enhance overall returns and reduce investment risk. The Company enters into secured loans where possible but many of the Company's loans are on an unsecured basis.

Aberdeen's loan portfolio as at January 31, 2016 and January 31, 2015 were as follows:

		January 31, 2016	January 31, 2015
Brookwater Venture Inc.	Unsecured	$ -	$ 61,538
		$ -	$ 61,538

Brookwater Venture Inc.

On November 4, 2014, the Company entered into a shares for debt settlement agreement with Brookwater Venture Inc. ("Brookwater"). Pursuant to the agreement, Brookwater will settle all outstanding amounts owing in the amount of $153,846 for 1,538,458 common shares of Brookwater, subject to the approvals of the shareholders of Brookwater and the TSX Venture Exchange ("TSXV"). As at January 31, 2015, TSXV was still pending and the common shares had not been issued. However, in light of the expected settlement, the Company recorded a loss of $92,307 on the carrying value of the loan based on the closing price of Brookwater shares as at January 31, 2015.

On May 8, 2015, the Company received 1,538,458 common shares of Brookwater in full settlement of all outstanding amounts owing of $153,846 pursuant to a shares for debt settlement agreement signed in November 2014. The Company recorded a gain of $92,307 from the settlement of loan based on the closing price of Brookwater shares on the date of settlement.

SELECTED ANNUAL INFORMATION

The following are highlights of audited financial data of the Company for the most recently completed three financial years ended January 31:

	2016 $	2015 $	2014 $
Investment (losses) & revenue	(6,278,189)	(2,773,440)	(13,517,655)
Net (loss) for the year	(9,715,382)	(13,818,770)	(16,292,936)
Basic and diluted (loss) per share	(0.10)	(0.15)	(0.19)
Total assets	28,918,678	39,940,452	48,915,975
Total liabilities	3,028,082	4,088,645	1,419,976
Total dividends declared and distributed	-	-	-

QUARTERLY INFORMATION

The following is a summary of unaudited financial data for the most recently completed eight quarters:

(Tabular amounts in $000, except for per share amounts)

Summary Financial Information for the Eight Quarters Ended January 31, 2016

Period	Investment gains (losses) & revenues	Total assets	Net income (loss)	Basic and diluted income (loss) per share
2016-4th Qtr	(253)	28,919	(498)	(0.01)
2016-3rd Qtr	288	27,480	(1,113)	(0.01)
2016-2nd Qtr	(7,909)	30,654	(8,611)	(0.09)
2016-1st Qtr	1,596	42,642	507	0.01
2015-4th Qtr	5,819	39,940	2,796	0.03
2015-3rd Qtr	(2,324)	32,161	(3,254)	(0.04)
2015-2nd Qtr	(5,939)	35,356	(12,237)	(0.14)
2015-1st Qtr	(330)	47,318	(1,124)	(0.01)

During Q1, Q2 and Q3 of 2015, the Company recorded a loss on its portfolio investment due to decreased value in its private investments and a valuation allowance taken on the Company's deferred tax assets which was offset by an increased value of its Rio Alto Mining Ltd ("RIO") holdings.

During Q4 of 2015, the gain on portfolio investment and net income was mainly driven by the increased fair value of Rio.

During Q1 of 2016, the gain on portfolio investment and net income was driven by the Tahoe and Rio merger along with advisory service fees earned from African Thunder.

During Q2 of 2016, the loss was driven by the decreased market value of our Tahoe investment along with additional portfolio investment write downs taken in light of the expected closing of the Landmark transaction.

During Q3 and Q4 of 2016, the loss was driven by operating, general and administration expenses offset by unrealized gain on the public investment portfolio and advisory service fees on Ore.

RESULTS OF OPERATIONS

The following is a discussion of the results of operations of the Company for the three and twelve months ended January 31, 2016 and 2015. This should be read in conjunction with the Company's annual consolidated financial statements for the twelve months ended January 31, 2016 and 2015 and related notes.

Three months ended January 31, 2016 and 2015

	Three months ended January 31,	
	2016	2015
	$	$
Net (loss) income	(498,192)	2,795,949
Realized gain on investments, net	206,093	15,340
Unrealized (loss) gain on investments, net	(609,434)	5,801,321
Interest and dividend income	17,853	2,680
Advisory service fees	133,334	-
Operating, general and administration	(768,389)	(4,061,452)
Transaction costs	(21,039)	(484,456)
Interest recovery (expense)	542,607	(186,338)
Foreign exchange gain (loss)	783	(161,347)
Current tax recovery	-	1,870,201

The net loss for the three months ended January 31, 2016 was $498,192 compared to net income of $2,795,949 for the three months ended January 31, 2015. The net loss was a result of loss on its investment portfolio, no tax recovery partially offset by advisory service fees, decreased operating, general and administration expenses, decreased transaction costs, and interest recovery.

The Company recognized a realized gain on investment of $206,093 and an unrealized loss of $609,434 during the three months ended January 31, 2016 compared to a realized gain of $15,340 and unrealized gain of $5,801,321 in the prior year. In Q4 2016 the Company realized a gain on investments from selling the Tahoe investment, which was part of the deferred settlement with Ore, as Tahoe's price improved in Q4 2016. Whereas in Q4 2015, the realized gain on investments was largely due to the share price increase following the merger between Rio and Sulliden Gold Corporation Ltd. In Q4 2016, $563,909 of the unrealized loss was due to the decline in share prices of the current portfolio and $45,525 was due to accounting reversal on the realized gains in Q4 2016. In Q4 2015 the unrealized gain was largely due to the Company's holdings in Rio.

During the three months ended January 31, 2016, the Company recorded interest and dividend revenue of $17,853 compared to $2,680 for the three months ended January 31, 2015. Interest was earned on the Company's cash balance and dividend income was earned from its Tahoe holdings.

Operating, general and administrative expense for the three months ended January 31, 2016 was $768,389 compared to $4,061,452 for the three months ended January 31, 2015. The decrease was primarily due to decreased compensation resulting from layoffs, no proxy contest costs, decreased legal, accounting and professional fees, no business development costs partially offset by increased travel relating to the acquisition of PLASA and increased shareholder communication and promotions. For the three months ended January 31, 2016 and 2015, other major expenses of the Company that comprise general and administrative expenses include compensation of $479,159 (2015 - $587,798), proxy contest costs of $Nil (2015 - $3,147,323), accounting and professional fees of $51,927 (2015 - $245,005), filing and transfer agent fees of $907 (2015 – ($4,730)), shareholder communication and promotion of $69,412 (2015 - $15,986), travel of $100,636 ($2015 - $78,211); general office and administration costs of $76,348 (2015 - $79,834), and business development costs of $Nil (2015 - ($87,976)) relating to the transition to an asset management business and other business development activities.

The Company recorded interest recovery of $542,607 due to the reversal of previously accrued interest expense relating to the CRA tax dispute during the three months ended January 31, 2016 compared to an expenses of $186,338 during the three months ended January 31, 2015.

The Company recorded a foreign exchange gain of $783 during the three months ended January 31, 2016 compared to a loss of $161,347 during the three months ended January 31, 2015. The gain reflects a stronger currency exchange in the Company's cash and amounts receivable denominated in US dollars.

During the three months ended January 31, 2016, the Company recorded no current income tax compared to a current income tax recovery of $1,870,201 during the three months ended January 31, 2015. No deferred tax expense was recorded as a result of valuation allowance taken on the Company's deferred tax assets in the three months ended January 31, 2016 and 2015.

Year ended January 31, 2016 and 2015

	Years ended January 31,	
	2016	2015
	$	$
Net (loss)	(9,715,382)	(13,818,770)
Realized (loss) gain on investments, net	(23,356,005)	6,531,830
Unrealized gain (loss) on investments, net	16,382,702	(9,496,898)
Interest and dividend income	93,592	191,628
Advisory service fees	601,522	-
Operating, general and administration	(3,539,339)	(7,522,937)
Transaction costs	(21,039)	(484,456)
Interest recovery (expense)	524,484	(344,776)
Provision on loan, interest, dividend, investment and amounts receivable	(434,855)	(2,690,128)
Foreign exchange (loss) gain	33,556	(170,376)
Current tax recovery	-	3,263,343
Deferred tax (expense)	-	(3,096,000)

The net loss for the year ended January 31, 2016 was $9,715,382 compared to $13,818,770 for the year ended January 31, 2015. The lower net loss was a result of decreased operating, general and administration expenses, decreased transaction costs, decreased interest expense, decreased provision for loan, interest, dividend, investment and amounts receivable, increased advisory service fees, and foreign exchange gain offset by higher losses on its investment portfolio, lower interest and dividend income and no tax recovery.

The Company recognized a realized loss on investments of $23,356,005 and an unrealized gain of $16,382,702 during the year ended January 31, 2016 compared to a realized gain of $6,531,830 and unrealized loss of $9,496,898 in the previous year. In 2016 the realized loss on investment was made up of $21,945,543 from the sale of certain investments to Ore and $1,410,463 on the balance of the investments. As at January 31, 2016, the current investment portfolio had an unrealized gain of $1,055,171 and an unrealized gain of $15,327,531 relating to the accounting reversal of the prior year cumulative unrealized loss from the sale of certain investments to Ore.

During the year ended January 31, 2016, the Company recorded interest and dividend revenue of $93,592 compared to $191,628 for the year ended January 31, 2015. Dividends were earned on the Company's holdings in Tahoe. Interest was earned on the Company's cash balance.

During the year ended January 31, 2016, the Company recorded advisory fee revenue of $601,522 for services provided to Ore and African Thunder compared to $Nil for the year ended January 31, 2015.

Operating, general and administrative expense for the year ended January 31, 2016 was $3,539,339 compared to $7,522,937 for the year ended January 31, 2015. The decrease was mainly due to no proxy contest costs, decreased management compensation, decreased legal, accounting and professional fees relating to the cost sharing policy with Forbes and Manhattan, Inc. (“F&M”), decreased general office and administration costs and no business development costs, partially offset by severance payments, increased filing and transfer agency, increased shareholder communications and promotion and increased travel. Other major expenses of the Company that comprise general and administrative expenses include compensation of $2,046,305 (2015 - $2,463,614), proxy contest costs of $Nil (2015 - $3,147,323), severance payments of $282,300 (2015 - $Nil), legal, accounting and professional fees of $374,471 (2015 - $592,277), filing and transfer agent fees of $33,385 (2015 - $22,789), shareholder communication and promotion of $201,279 (2015 - $62,489); travel of $271,211 (2015 - $170,280); general office and administration costs of $320,388 (2015 - $351,705); donation of $10,000 (2015 - $Nil) and business development costs of $Nil (2015 - $712,460) related to the transition to an asset management business and other business development activities.

The Company recorded transaction costs of $21,039 relating to investment portfolio purchases and sales during the year ended January 31, 2016 compared to $484,456 for the year ended January 31, 2015 of which $418,531 was incurred for the acquisition of African Thunder.

The Company recorded interest (recovery) expense of $(524,484) from the reversal of previous years interest expense accrual relating the CRA tax dispute offset by interest charges relating to the margin account and loan payable during the year ended January 31, 2016 compared to $344,776 relating to CRA tax dispute during the year ended January 31, 2015.

The Company recorded a provision on amounts receivable of $438,855 on the Company’s advisory fees relating to African Thunder during the year ended January 31, 2016 compared to $2,609,128 on loan impairment during the year ended January 31, 2015 on the Company’s loan portfolio.

The Company recorded a foreign exchange gain of $33,556 during the year ended January 31, 2016 compared to a loss of $170,376 during the year ended January 31, 2015.

During the year ended January 31, 2016, the Company did not record any tax expenses, compared to a current income tax recovery of $3,263,343 and a deferred tax expense of $3,096,000 during the year ended January 31, 2015.

CASH FLOWS

Three months ended January 31, 2016

Cash (used in) by operating activities during the three months ended January 31, 2016 was $(2,106,704) compared to $4,946,598 during the three months ended January 31, 2015. The difference between the operating cash flow and the net income for the quarter largely reflects the unrealized nature of gain from the Company’s holding in Rio, net of loss recorded on the investments. Operating cash flow was largely generated by interest and dividend income, offset by general and administrative expenses, and net changes in investment, loan, due to broker and non-cash working capital. During the three months ended January 31, 2016, $5,521,540 was used in the purchase of portfolio investments, while proceeds on the disposal of portfolio investments was $4,221,735. In the three months ended January 31, 2015, $7,475,337 was used to purchase portfolio investments, while proceeds on the disposal of portfolio investments was $1,967,022.

Cash (used in) financing activities during the three months ended January 31, 2016 was $82,320 for share purchases relating to the Normal Course Issuer Bid (“NCIB”) compared to $1,984,301 generated from private placement during the three months ended January 31, 2015.

Year ended January 31, 2015

Cash generated from (used in) operating activities during the year ended January 31, 2016 was $458,503 compared to $2,626,800 during the year ended January 31, 2015. The difference between the operating cash flow and the net loss for the year largely reflects the unrealized nature of many of the losses recorded on the investments. Operating cash flow was largely generated by interest and dividend income, offset by general and administrative expenses, and net changes in investment, loan, due from broker and non-cash working capital. During the year ended January 31, 2016, $387,585 was used in repaying the margin loan, $13,077,692 was used in the purchase of portfolio investments, while proceeds on the disposal of portfolio investments was $21,952,288. During the year ended January 31, 2015, $387,585 was provided through the margin loan, $8,569,459 was used to purchase portfolio investments, while proceeds on the disposal of portfolio investments was $11,262,786, short-term loans totaling $324,42 was provided and $242,739 was repaid.

Cash (used in) financing activities during the year ended January 31, 2016 was $239,402 for the purchase of common shares relating to NCIB, $400,000 was generated from debt financing and $400,000 was used in loan repayment, compared to $1,984,301 generated through private placement during the year ended January 31, 2015.

LIQUIDITY AND CAPITAL RESOURCES

Aberdeen relies upon various sources of funds for its ongoing operating activities. These resources include proceeds from dispositions of investments, interest and dividend income from investments, advisory fees, and corporate borrowings on the Company's margin account.

Aberdeen generated $458,503 from its operating activities and used $239,402 in its financing activities during the year ended January 31, 2016. Included in cash used in operations are $13,077,692 in new investments and $21,952,288 generated from the disposal of portfolio investments. The estimated fair value of its portfolio investments is $22,500,785, amounts receivable of $293,447 and cash of $604,613. This was partially offset by liabilities of $3,028,082. The Company also maintains up to $10 million margin loan facility with its prime broker to help manage its short-term cash flow needs. As at January 31, 2016, the Company has a margin loan of $Nil (January 31, 2015 - $387,585) outstanding.

On April 25, 2016, the Company received $5,456,402 in full settlement of its income tax recovery further increasing its liquidity and capital resources.

OUTLOOK

Aberdeen closed its acquisition of PLASA which holds the Diablillos project from Rodinia Lithium in the fourth quarter, following on our strategy to reposition our portfolio and take larger stakes in companies with high quality undervalued resource projects. Earlier in the quarter Aberdeen exited its remaining Tahoe position and with the PLASA acquisition completed, Aberdeen had approximately 70% of its total assets in long-term opportunities. As such, Aberdeen had very little direct exposure to the weak public resources market that continued throughout December and January.

Since the end of Aberdeen's fiscal year, certain commodities, including lithium and precious metals have seen a resurgence of interest among investors. With lithium, the interest had been building over the second half of 2015, and has continued in 2016 with bullish views for demand from larger format and automotive batteries, as well as anecdotal transaction announcements suggesting spot prices for lithium chemicals have already risen substantially. In March we announced our deal with Lithium X (see 2016 Investment Activities section) that effectively transfers part of our interest in the lithium project into publicly traded stock, allowing Aberdeen shareholders to gain exposure to the bullish sentiment for this sector. The rise in precious metals in recent months is probably more correctly described as a recovery off the bottom, as investors have started cautiously to come back into an oversold market. Many junior companies with good projects have doubled or tripled in value this year, which is a sign that the worst may be over for precious metals in the short to medium term. Most of the headlines, as usual, have been around gold - the commodity and the companies that are mining it - but platinum/palladium companies have seen strong share upward price moves too. Should this trend continue, we will look to unlock further value in our private platinum investment, African Thunder, later this year.

At this point in the cycle, the Company's strategy will be to focus on more advanced, less risky projects in mining-friendly jurisdictions to generate superior risk-adjusted returns for Aberdeen's shareholders.

Aberdeen manages its portfolio among three broad categories of investments in the metals and mining sector and over the longer investment cycle will vary its target ratio between the three categories:

1. Long-term opportunities: Dominantly private companies where Aberdeen can acquire a meaningful controlling position through an equity investment or convertible loans. The holding period is expected to be possibly three plus years. For these types of investments, Aberdeen will typically seek to take a lead role in financing and strategic planning. Aberdeen would expect to achieve liquidity from a public listing in the future, or through a merger/acquisition of the private assets.

2. Short/medium-term opportunities: Dominantly small or micro cap public companies with moderate to low trading liquidity. Aberdeen will typically enter a position in a private placement where it can obtain warrants as well as common shares, and in many cases may be a significant shareholder (i.e. >5%) of the Company. The holding period is expected to be six months to two years. While Aberdeen may not be a lead investor in these cases, it will seek to maintain close contact with management and monitor the growth and risk against our expectations, and seek liquidity as the Company delivers on its growth targets.

3. Trading opportunities: Aberdeen will at times maintain small minority positions in companies where it can capitalize on its expertise in the sector to realize on short-term opportunities or catalysts. Typically positions would be held for less than six months. This is not a focus for management currently.

NORMAL COURSE ISSUER BID ("NCIB")

During the year ended January 31, 2016, the Company purchased and cancelled 1,802,794 shares at an average price of $0.136 per share. At January 31, 2016, 5,993,731 common shares remain available for purchase under the NCIB commencing February 16, 2015. Subsequent to January 31, 2016, 17,500 additional shares of Aberdeen was purchased and cancelled relating to the 2016 NCIB at an average price of $0.12 per share.

On March 8, 2016, the Company announced its intention to make a NCIB to buy back its common shares through the facilities of the TSX. Any purchases made pursuant to the NCIB will be made in accordance with the rules of the TSX. 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. Based on the 66,168,462 common shares in the public float as at March 2, 2016, the maximum number of shares to be purchased and cancelled would be 6,616,846. Daily purchases will be limited to 11,322 common shares other than block purchase exceptions. The actual number of common shares that would be purchased, if any, and the timing of such purchases will be determined by Aberdeen considering market conditions, share price, its cash position, and other factors including other investment opportunities. Purchases under the NCIB are permitted to commence on March 10, 2016 and will terminate on March 9, 2017 or the date upon which the maximum number of common shares have been purchased by Aberdeen pursuant to the NCIB. Aberdeen intends that any shares acquired pursuant to the NCIB will be cancelled.

COMMITMENT AND CONTINGENCIES

Management contracts

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $1,025,000 ranging from 30 days to 7 months and additional contingent payments of up to approximately $3,100,000 upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the annual consolidated financial statements as at and for the year ended January 31, 2016.

Tax positions

In assessing the probability of realizing income tax assets and the valuation of income tax liabilities, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

F&M costs sharing policy

The Company entered into a costs and liabilities sharing policy with F&M. Pursuant to the policy, the Company will be responsible for 50% of costs, including any reasonable and third party costs such as legal, technical, and/or accounting expenses jointly incurred in connection with, or arising as a result of the pursuit of certain investment opportunities and the subsequent development of any such investment opportunities that are acquired by the Company and F&M up to a maximum of $500,000. In the event any expenses incurred with respect to the Investment Opportunities are recouped by either party, such amounts will be allocated 50% to each party. A director of Aberdeen, Stan Bharti, is the Executive Chairman of F&M. To January 31, 2016, $456,403 had been incurred by the Company.

Landmark agreement

Until the first anniversary on the closing of the transaction, Aberdeen shall retain at least $10,000,000 in cash or securities and shall not make any dividends, returns of capital or other distributions to its equity holders without Landmark's prior written consent; provided that nothing shall in any way limit Aberdeen from investing the proceeds received in pre-IPO and/or public resource companies in keeping with its current business model.

Pala / African Thunder

The company has an obligation to pay US$1,275,000 to Pala for 50% of the African Thunder March and April cash call due May 31, 2016.

FINANCIAL INSTRUMENTS

Fair value

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statements of financial position 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, amounts receivable, due to brokers, accounts payable and accrued liabilities reflected on the statements of financial position approximate fair value because of the limited terms of these instruments.
ii. Loans receivable, public and private investments and preferred shares are carried at amounts in accordance with the Company's accounting policies as set out in Note 2 of the annual audited financial statements as at and for the years ended January 31, 2016 and 2015.
iii. Prior to maturity, the outstanding loans receivable are carried at their discounted value. Following their maturity, loans receivable are carried at their estimated realizable value.

The following table illustrates the classification of the Company's financial instruments, measured at fair value on the statements of financial position as at January 31, 2016 and 2015 categorized into levels of the fair value hierarchy:

Investments, fair value	**Level 1** *(Quoted Market price)*	**Level 2** *(Valuation technique - observable market Inputs)*	**Level 3** *(Valuation technique - non-observable market inputs)*	Total
Publicly traded investments	$ 2,754,448	$ -	$ -	$ 2,754,448
Non-trading warrants on public investments	-	423,920	-	423,920
Private investments	-	-	19,322,417	19,322,417
January 31, 2016	$ 2,754,448	$ 423,920	$ 19,322,417	$ 22,500,785
Publicly traded investments	$ 18,941,776	$ -	$ -	$ 18,941,776
Non-trading warrants on public investments	-	30,000	-	30,000
Private investments	-	-	17,700,622	17,700,622
January 31, 2015	$ 18,941,776	$ 30,000	$ 17,700,622	$ 36,672,398

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the periods ended January 31, 2016 and 2015. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized losses and net unrealized gains are recognized in the statements of operations and comprehensive income.

Investments, fair value	For the Years ended January 31, 2016	2015
Balance, beginning of year	$ 17,700,622	$ 25,197,564
Purchase at cost - shares	11,844,075	7,580,222
Disposal at cost - shares	(19,831,957)	
Unrealized and realized gain (loss) net	9,609,677	(13,198,911)
Conversion - debt to shares	-	243,359
Conversion of debenture to private / public company shares	-	(376,052)
Convertible debenture net (reduction)	-	(1,745,560)
Balance, end of year	$ 19,322,417	$ 17,700,622

Within Level 3, the Company included private company investments which are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies.

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at:

	January 31, 2016		January 31, 2015	
Valuation technique	Fair Value	Unobservable inputs	Fair Value	Unobservable inputs
Recent financing / transaction price	$ 19,322,417	Transaction price	$ 10,700,621	Transaction price
General market conditions	-		7,000,001	Adjustment range (-26% to -100%)
	$ 19,322,417		$ 17,700,622	

Included in unrealized gain (loss) for the years ended January 31, 2016 and 2015, the total gains/losses that are attributable to change in unrealized gains/losses relating to those assets and liabilities held at the end the January 31, 2016 were $(91,882) (2015 - $(12,999,002)).

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

For those investments valued based on a recent financing or transaction price, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at January 31, 2016 and 2015. A +/- 25% change in the fair value of these Level 3 investments as at January 31, 2016 will result in a corresponding +/- $4,831,000 (2015 - +/- $2,675,000). For those investments valued based on trends in general market conditions, the inputs used can be highly judgmental. A +/- 25% change on the fair value of these investments will result in a corresponding +/- $Nil (January 31, 2015: +/- $1,750,000) change to the total fair value of the investments. The sensitivity analysis is intended to reflect the significant uncertainty inherent in the valuation of private investments under current market conditions, and the results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the estimated fair value of these investments. Furthermore, the analysis does not indicate a probability of changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

TRANSACTIONS WITH RELATED PARTIES

The annual consolidated financial statements include the financial statements of the Company and its subsidiaries at its respective ownership listed in the following table.

	Country of Incorporation	% equity interest
Great Lakes Capital Management Inc.	Canada	100%
Aberdeen (Barbados) Inc.	Barbados	100%
Aberdeen Ram Holdings Inc.	Canada	100%

The Company shares office space with other companies who may have common officers or directors. The costs associated with this space are administered by an unrelated Company.

Mr. Stan Bharti, a director of the Company, is the Executive Chairman of F&M, a corporation that provides administrative and consulting services to the Company, including but not limited to strategic planning and business development. F&M charges a monthly consulting fee of $25,000. As of January 31, 2016, $Nil (January 31, 2015 - $Nil) was owed to F&M.

The Company is party to a cost sharing policy with F&M whereby the Company will be responsible for 50% of costs, including any reasonable third party costs such as legal, technical, and/or accounting expenses jointly incurred in connection with, or arising as a result of the pursuit of certain investment opportunities and the subsequent development of any such investment opportunities that are acquired by the Company and F&M up to a maximum of $500,000. In the event any expenses incurred with respect to the investment opportunities are recouped by either party, such amounts will be allocated 50% to each party. During the year ended January 31, 2016, the Company incurred $237,233 (2015 - $219,170) legal and professional fees in relation to the policy. Mr. Stan Bharti, a director of the Company, is the Executive Chairman of F&M.

The Company may earn financing advisory service fees from companies of which directors and officers are also directors and officers of Aberdeen. Directors and officers of Aberdeen may also hold investments in these companies.

During the year ended January 31, 2016, the Company earned US$350,000 ($434,855) (2015 - $Nil) in advisory fees from African Thunder. These fees are determined to be uncollectible. As such, the Company made an impairment provision of US$350,000 ($490,210) in amounts receivable in 2016. Stan Bharti and George Faught are common directors of both Aberdeen and African Thunder.

During the year ended January 31, 2016, the Company earned $166,667 (2015 - $Nil) in advisory fees from Ore. David Stein, a director and an officer of Aberdeen, is a limited partner in Ore.

The Company may receive loans from companies which directors and officers are also directors and officers of Aberdeen. Directors and officers of Aberdeen may also hold investments in these companies. During the year ended January 31, 2016, the Company borrowed $400,000 from Black Iron Inc. (See Note 9 of the consolidated financial statements for the years ended January 31, 2016 and 2015). The principal plus interest of $403,682 was repaid. Stan Bharti, a director of the Company, is deemed to be an executive officer of Black Iron Inc.

On October 8, 2015, the Company entered into a share purchase agreement with Rodinia to acquire all of the shares of its subsidiary PLASA for cash consideration of $5,000,000 in cash (See Note 8 of the consolidated financial statements for years ended January 31, 2016 and 2015). David Stein is a common director of Aberdeen and Rodinia and Ryan Ptolemy is a common officer of both Aberdeen and Rodinia.

Sulliden Mining Corp. ("Sulliden") participated in the Company's November 24, 2014 private placement financing and purchased 4,790,000 units. Directors of Aberdeen, Stan Bharti and George Faught, serve as director, and former director of Sulliden, respectively. Former directors of Aberdeen, Bruce Humphrey and Pierre Pettigrew are current directors of Sulliden.

Directors of Aberdeen, Stan Bharti, George Faught and David Stein, who is also an officer, participated in the Company's November 24, 2014 private placement financing and purchased an aggregate total of 1,910,000 units.

The Company's officers and directors may have investments in and hold management and/or director and officer positions in some of the investments that the Company holds. The following is a list of total investments and the nature of the relationship of the Company's officers or directors with the investment as at January 31, 2016 and 2015.

Investment	Nature of relationship	Estimated Fair value	% of FV
African Thunder Platinum Ltd.*	Directors (Stan Bharti, George Faught)	$ 14,226,684	63.1%
Apio Africa Ltd.	Director (Stan Bharti) and shareholders	221,569	1.0%
Arena Minerals Inc.	Officer (Ryan Ptolemy), and shareholders	17,520	0.1%
Amazon Potash Corporation*	Directors (Stan Bharti, George Faught) and shareholders	-	0.0%
Black Iron Inc.	Officer (Stan Bharti) and shareholders	329,418	1.5%
Fura Emeralds Inc.**	10% security holder (Stan Bharti) and shareholders	1,282,920	5.7%
Indo Gold Limited *	Director (David Stein) and former officer (Stan Bharti)	82,601	0.4%
Potasio y Litio de Argentina S.A.*	Director (David Stein)	5,013,131	22.3%
Sulliden Mining Capital Inc.	Director (Stan Bharti) and shareholders	93,375	0.4%
Temujin Mining Corp.*	Directors (Stan Bharti, David Stein) and shareholders	-	0.0%
Total of 9 other investments	Shareholders/warrant holders	1,233,567	5.5%
Total Investments - Janurary 31, 2016		$ 22,500,785	100.0%

* Private company

** Formerly Wolf Resource Development Corp.

Investment	Nature of relationship	Estimated Fair value	% of FV
African Thunder Platinum Limited*	Directors (Stan Bharti, George Faught)	$ 7,475,222	20.4%
Arena Minerals Inc.	Former director (Bruce Humphrey), Officer (Ryan Ptolemy) and shareholder	37,530	0.1%
Amazon Potash Corporation*	Directors (Stan Bharti, George Faught) and shareholders	-	0.0%
Black Iron Inc.	Former directors (Bruce Humphrey,Pierre Pettigrew), officer (Stan Bharti)	248,575	0.7%
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy) and shareholders	3,130,399	8.5%
Coastal Gold Corp	10% security holder (Stan Bharti) and shareholders	53,077	0.1%
Forbes Ram Holdings Inc.*	Director (Stan Bharti) and shareholders	4,754,286	13.0%
Indo Gold Limited *	Director (Stan Bharti)	800,000	2.2%
Legacy Platinum Inc.*	Officer (Richard Bishop) and shareholders	-	0.0%
Metal Prospecting AS *	Director (David Stein)	-	0.0%
Portex Minerals Inc.	Officer (Richard Bishop)	105,862	0.3%
Rio Alto Mining Ltd.	Former director (Bruce Humphrey) and shareholders	15,109,875	41.2%
Rodinia Lithium Inc.	Director (David Stein), officer (Ryan Ptolemy) and shareholders	694,512	1.9%
Scandinavian Metals Inc.*	Director (Stan Bharti) and shareholders	-	0.0%
Silver Bear Resources Inc.	Former director (Stan Bharti) and shareholders	226,673	0.6%
Sulliden Mining Capital Inc.	Former directors (Bruce Humphrey,Pierre Pettigrew), Director (Stan Bharti)	601,755	1.6%
Temujin Mining Corp.*	Directors (Stan Bharti, David Stein) and shareholders	-	0.0%
Wolf Resource Development Corp.	10% security holder (Stan Bharti) and shareholders	82,500	0.2%
Total of 21 other investments	Shareholders/warrant holders	3,352,132	9.2%
Total Investments - January 31, 2015		$ 36,672,398	100.0%

* Private company

The Company has a diversified base of investors. To the Company's knowledge, other than Lloyd I Miller, no shareholder holds more than 10% of the Company's common shares as of January 31, 2016 (January 31, 2015 – Nil).

The Company also provided loans to companies of which directors and officers are also directors and officers of Aberdeen. Directors and officers of Aberdeen may also hold investments in these companies. Below are transactions and balances outstanding at the end of each reporting period:

	Loans provided to related parties		Loans receivable from related parties	
	Years ended January 31,		As at January 31,	As at January 31,
	2016	2015	2016	2015
Forbes Royalty Corporation(**)	$ -	$ 33,195	$ -	$ -
Legacy Platinum Corp.(*)(**)	$ -	$ 272,625	$ -	$ -
Temujin Mining Corp.(**)	$ -	$ 18,600	$ -	$ -
	$ -	$ 324,420	$ -	$ -

* loan receivable includes capitalized interest

** loan written off during the year-ended January 31, 2015

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

	Interest and dividend income earned from related parties		Interest and dividend receivable from related parties	
	Years ended January 31,		As at January 31,	As at January 31,
	2016	2015	2016	2015
Coastal Gold Corp.(***)	$ -	$ 4,421	$ -	$ -
Forbes Royalty Corporation(**)	$ -	$ 17,740	$ -	$ -
Legacy Platinum Corp.(*)(**)	$ -	$ 101,456	$ -	$ -
Metal Prospecting AS(***)	$ -	$ 6,071	$ -	$ -
Rodinia Lithium Inc.(*)(***)	$ -	$ 47,192	$ -	$ -
	$ -	$ 176,880	$ -	$ -

* overdue interest was capitalized to loan receivable

** interest/dividend written off during the year-ended January 31, 2015

*** interest converted to shares during year ended January 31, 2015

Compensation of Key Management Personnel of the Company

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

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

The remuneration of directors and other members of key management personnel during the period was as follows:

	Years ended January 31,	
	2016	2015
Short-term benefits (*)(**)	$ 1,299,798	$ 1,212,250
Share-based payments	$ -	$ 475,666
	$ 1,299,798	$ 1,687,916

* Benefits include fees paid to Forbes & Manhattan, Inc.

** Benefits include severance payment

At January 31, 2016, the Company had accounts payable and accrued liabilities balance of $191,460 (January 31, 2015 - $279,701) owing to its key management and related companies for severance, DSU accrual, and expense reimbursement. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not committed to any off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are described in Note 2 of the consolidated financial statements for the years ended January 31, 2016 and 2015. The preparation of financial statements in conformity with IFRS 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

Purchases and sales of investments are recognized on a trade date basis. Public and private investments at fair value through profit or loss are initially recognized at fair value with changes in fair value reported in profit (loss).

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

Transaction costs are expensed as incurred in the statements of comprehensive loss. The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in the statements of comprehensive loss. The Company is also required to present its investments (and other financial assets and liabilities reported at fair value) into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith. The three levels are defined as follows:

Level 1 – investment with quoted market price;
Level 2 – investment which valuation technique is based on observable market inputs; and
Level 3 – investment which valuation technique is based on non-observable market inputs.

Publicly-traded investments:

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

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

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 if sufficient and reliable observable market inputs are available. If no such market inputs are available or reliable, the warrants and options are valued at intrinsic value. These are included in Level 2.

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

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

Privately-held investments:

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

   With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable. In addition to the events described below, which may affect a specific investment, the Company will take into account general market conditions when valuing the privately-held investments in its portfolio. The absence of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

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

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

3. Downward adjustments to carrying values are made when there is evidence of a decline in value as indicated by the assessment of the financial condition of the investment based on third party financing, operational results, forecasts, and other developments since acquisition, or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and therefore

its fair value. The amount of the change to the fair value of the investment is based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

- political changes in a country in which the investee company operates which increases the tax burden on companies, which prohibit mining where it was previously allowed, which increases the need for permitting or approvals, etc.;
- denial of the investee company's application for environmental, mining, aboriginal or similar approvals which prohibit the investee company from proceeding with its projects;
- the investee company releases negative exploration results;
- changes to the management of the investee company take place which the Company believes will have a negative impact on the investee company's ability to achieve its objectives and build value for shareholders;
- the investee company is placed into receivership or bankruptcy; and
- based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.

The resulting values may differ from values that would be realized had a ready market existed. The amounts at which the Company's privately-held investments could be disposed of may differ from the carrying value assigned. Such differences could be material.

Preferred shares:

Preferred shares are designated at fair value through profit or loss, with changes in fair value reported in the statement of comprehensive loss. The preferred shares are initially recorded at cost, being the fair value at the time of acquisition. Upward or downward adjustments to carrying values are made when there is evidence of a change in value as indicated by the assessment of the financial condition of the investment. Cumulative dividends expected to be received are included in the fair value of each investment. Preferred shares are included in Level 3 in the financial instrument section.

Investments in associates:

Investments in associates are those entities over which the Company has or is deemed to have significant influence, but not control over, the financial and operating policies. Investments in associates are held as part of the Company's investment portfolio and carried in the statement of financial position at fair value even though the Company may have significant influence over the companies. This treatment is permitted by IAS 28, Investments in Associates and Joint Ventures ("IAS 28"), which allows investments held by venture capital or similar organizations to be excluded from its scope where those investments are measured at fair value through profit or loss in accordance with IFRS 9, with changes in fair value recognized in the statement of comprehensive (loss) within unrealized gains or losses on investments.

Investments with control:

The Company owns 47% of the outstanding common shares and voting rights of African Thunder Platinum Ltd. and 100% of the outstanding common shares and voting rights of PLASA. There are no contractual arrangements, financial support, or other restrictions with these Canadian corporations. The Company has reviewed the guidance on the adoption of IFRS 10, *Consolidated Financial Statements,* and determined that it qualifies for the exemption from consolidation given that the Company has the following typical characteristics of an investment entity, with the exception of Great Lake Capital Management Inc Aberdeen (Barbados) Inc. and Aberdeen Ram Holdings Inc. to the extent that these subsidiaries provide services that relate to the Company's investment activities.

(a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
(b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
(c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

As a result of this exemption, the Company's investment in these companies are recorded as a financial instrument, similarly to Aberdeen's other private investments.

Loans receivable:

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

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

Financial assets other than investments at fair value

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

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

Impairment of financial assets

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

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

Revenue Recognition

Realized gains and losses on the disposal of investments and unrealized gains and losses in the value of investments are reflected in the statement of comprehensive loss on a trade date 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 advisory service fees as well as interest and dividend income. Such revenue is recognized based on contractual obligations and when collection is reasonably assured.

Income Taxes

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

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

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

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

Share-Based Payments

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

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For options that expire unexercised, the recorded value is transferred to retained earnings.

SIGNIFICANT ACCOUNTING POLICIES

New accounting policies

During 2016, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS13 and IAS24. These new standards and changes did not have any material impact on the Company’s consolidated financial statements.

New and future accounting change

Certain new standards, interpretations, amendments and improvements to existing standards was issued by the IASB or IFRIC that are mandatory for accounting periods beginning on February 1, 2016 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 7 – Financial Instruments: Disclosures (“IFRS 7”) was amended in September 2014 to clarify whether a servicing contract is continuing involvement in a transferred asset for purposes of determining the disclosures required. IFRS 7 was also amended to clarify that the additional disclosures relating to offsetting are not specifically required for interim periods unless required by IAS 34. The amendments are effective for annual periods beginning on or after January 1, 2016.

IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

In December 2014, the IASB amended IFRS 10 - Consolidated Financial Statements (“IFRS 10”), IFRS 12 - Disclosure of Interests in Other Entities (“IFRS 12”) and IAS 28 - Investment in associates and Joint Ventures (“IAS 28”) to address issues that have arisen in the context of applying the consolidation exception for investment entities. The amendments confirm, among other things, that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value. An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12. These amendments are applicable to annual periods beginning on or after January 1, 2016.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

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 Company’s Annual Information Form filed on April 29, 2016, 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 investment 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 effect on its business. Additionally, the Company’s investments are mostly in small-cap businesses that may never 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 investment gains and 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 affecting the Company's portfolio of investments. Company-specific risks, such as the risks associated with mining operations generally, could have an adverse effect on one or more of the investments in the portfolio at any point in time. Company-specific and industry-specific risks that materially adversely affect the Company's investment portfolio may have a materially adverse impact on operating results.

Concentration of Investments

Other than as described herein, 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, commodity or geographic area, resulting in the performance of the Company depending significantly on the performance of such company, commodity or geographic area. As at January 31, 2016 African Thunder and PLASA represented approximately 49% and 17% of the Company's total assets, respectively.

Private Issuers and Illiquid Securities

Aberdeen invests in securities of private issuers. Securities of private issuers may be subject to trading restrictions, 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.

Cash Flow and Revenue

Aberdeen's revenue and cash flow is generated primarily from financing activities, proceeds from the disposition of investments and management fees from Ore. 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 losses upon disposition.

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 that 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 consultants to 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.

Sensitivity to Macro-Economic Conditions

Due to the Company's focus on the resource industry, the success of Aberdeen's investments is interconnected to the strength of the mining, agriculture and other commodity industries. The Company may be adversely affected by the falling share prices of the securities of investee companies; as Aberdeen's share prices have directly and negatively affected the estimated value of Aberdeen's portfolio of investments. The Company may also be adversely affected by fluctuations in commodity prices which may dictate the prices at which resource companies can sell their product. The participation and involvement of Aberdeen representatives with investee companies, the related demand on their time and the capital resources required of Aberdeen may be expected to increase in the event of any weaknesses in the macro-economic conditions affecting these companies, as it would be expected that the Company would be required to expend increased time and efforts reviewing strategic alternatives and attracting any funding required for such investee companies. The factors affecting current macro-economic conditions are beyond the control of the Company.

Possible Volatility of Stock Price

The market prices of the Company's common shares have 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 the common shares. The purchase of 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 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 common share. This risk is separate and distinct from the risk that the market price of the 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 that 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, results of exploration and development activities, 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.

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 to 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 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 US 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 was 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.

Commodity Price

The value of Aberdeen's investment portfolio will be significantly affected by changes in the market price of platinum, palladium, rhodium and other commodities. Platinum prices fluctuate substantially and are affected by numerous factors beyond the control of Aberdeen, including levels of supply and demand, inflation and the level of interest rates, the strength of the US dollar and geopolitical events. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments.

Platinum, by its nature, is subject to wide price fluctuations and future material price declines will result in a decrease in revenue or, in the case of severe declines that cause a suspension or termination of production, a complete cessation of revenue from these royalties. The platinum market tends to be cyclical, and a general downturn in overall commodity prices could result in a significant decrease in overall revenue. Any such price decline may result in a material and adverse effect on Aberdeen's profitability, results of operation and financial condition.

Lithium Carbonate is not an exchange traded commodity and is sold directly to end users. The profitability of PLASA's operations will be dependent upon the market price of lithium. Lithium prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of lithium has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the PLASA's business, financial condition and result of operations.

Third Parties Operations

The value of investment that Aberdeen holds is based on production by third party property owners and operators. Aberdeen does not participate in the decision making process, as the owners and operators have the power to determine the manner in which the subject properties are exploited, including decisions to expand, continue or reduce production from a property, decisions about the marketing of products extracted from the property and decisions to advance exploration efforts and conduct development of non-producing properties. The interests of third party owners and operators and those of Aberdeen on the relevant properties may not always be aligned. As an example, it will usually be in the interest of Aberdeen to advance development and production on properties as rapidly as possible in order to maximize near-term cash flow, while third party owners and operators may take a more cautious approach to development as they are at risk on the cost of development and operations.

Exploration, Development and Operating Risks

The exploration for, development, mining and processing of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. Mining operations generally involve a high degree of risk. The mining operations of African Thunder Platinum (the “Mining Operations”) are subject to most of the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by PLASA towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Limited Access to Operations Information

As a shareholder, Aberdeen has limited access to data on the operations of investees and to the actual properties themselves. The limited access to data and disclosure regarding the operations of the properties in which Aberdeen has an interest may restrict Aberdeen’s ability to enhance its performance that may result in a material and adverse effect on Aberdeen’s profitability, results of operation and financial condition.

In addition, the Company relies on projections of platinum production from the Mining Operations that are prepared by African Thunder and their respective advisors for investment valuation purposes. Differences between estimated and actual future platinum production could result in an adverse effect on Aberdeen’s results of operations and financial condition.

PLASA has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop processes to extract the commodity from the ore. If such parties’ work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on PLASA.

Impact of Adverse Developments Related to Subject Properties

The investments that Aberdeen holds are significant to the business and valuation of Aberdeen. Any adverse development affecting the operation of, production from or recoverability of reserves from the African Thunder or PLASA properties, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, hiring suitable personnel and engineering contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on Aberdeen’s profitability, financial condition and results of operations. In addition, Aberdeen has no control over operational decisions made by the third party owners and operators of these projects. Any adverse decision made by the owners and operators, including for example, alterations to mine plans or production schedules, may impact the timing and amount of royalty revenue that Aberdeen receives and may have a material adverse effect on Aberdeen’s profitability, financial condition and results of operation.

Environmental Risks and Hazards

All phases of the Mining Operations are subject to environmental regulation in the various jurisdictions in which they operate. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Mining Operations. Environmental hazards may exist on the properties that are unknown to the Mining Operations at present which have been caused by previous or existing owners or operators of the properties. African Thunder may become liable for such environmental hazards caused by previous owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

PLASA's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by PLASA to comply fully with all applicable laws and regulations could have significant adverse effects on PLASA, including the suspension or cessation of operations.

Government Regulation, Permits and Licenses

The exploration and development activities related to the Mining Operations are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration, development and mining activities are also subject to various laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards and land reclamation. These laws also place limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Although the Company is not aware that the Mining Operations are not currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development, mining and milling or that more stringent implementation thereof could have a substantial adverse impact on the Mining Operations.

Government approvals, licences and permits are currently, and will in the future be, required in connection with the Mining Operations. To the extent such approvals are required and not obtained, the Mining Operations may be curtailed or prohibited from proceeding with planned operations, which could have an impact on the business and financial condition of the Company. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Mining Operations and cause reduction in levels of production or require abandonment or delays in operations at the Mining Operations.

Permitting

The Mining Operations are subject to receiving and maintaining permits from appropriate governmental authorities. Although the Company believes that the owners and operators of the Mining

Operations currently have, or will obtain in due course, all required permits for their respective operations, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations, additional permits for any possible future changes to operations or additional permits associated with new legislation. Prior to any development on any of the properties, permits from appropriate governmental authorities may be required. There can be no assurance that the owners or operators of the Mining Operations will continue to hold all permits necessary to develop or continue operating at any particular property.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed. Parties engaged in Mining Operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, may have a material adverse impact on the owners or operators of the Mining Operations, resulting in increased capital expenditures or production costs, reduced levels of production at producing properties or abandonment or delays in development of properties.

Dependence on Good Relations with Employees

Production at the Mining Operations depends on the efforts of its employees. There is intense competition for geologists and persons with mining expertise. The ability of African Thunder to hire and retain geologists and persons with mining expertise is key to the Mining Operations. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant South African governmental authorities. Changes in such legislation or otherwise in African Thunder's relationships with their employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on the Mining Operations. To the extent these factors cause African Thunder to decide to cease or curtail production at one or more of the properties, such decision could have a material adverse effect on the business and financial condition of the Company.

Uninsured Risks

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. Where African Thunder considers it practical to do so, it maintains insurance in amounts that it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. Accordingly, African Thunder's insurance policies may not provide coverage for all losses related to their business (and specifically do not cover environmental liabilities and losses). The occurrence of losses, liabilities or damage not covered by such insurance policies could have a material adverse effect on African Thunder's profitability, results of operations and financial condition. To the extent that these factors cause African Thunder to cease or curtail production, such decision could have a material adverse effect on the business and financial condition of the Company.

Land Title

There can be no assurances that there are no title defects affecting the Mining Operations. African Thunder may not have conducted surveys of the claims in which they hold direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. It is possible that the Mining Operations may be subject to prior unregistered liens, agreements, transfers or claims and title may be affected by, among other things, undetected defects. In addition, African Thunder may be unable to operate the Mining Operations as permitted or to enforce its rights with respect to its Mining Operations. To the extent these factors cause African Thunder to decide to cease or curtail production at one or more of the Mining Operations, such decision could have a material adverse effect on the business and financial condition of the Company.

South Africa Country Risks

The Mining Operations are subject to risks normally associated with the conduct of business in South Africa. Risks may include, among others, problems relating to power supply, labour disputes, delays or invalidation of governmental orders and permits, corruption, uncertain political and economic environments, civil disturbances and crime, arbitrary changes in laws or policies, foreign taxation and exchange controls, opposition to mining from environmental or other non-governmental organizations or changes in the political attitude towards mining, limitations on foreign ownership, limitations on repatriation of earnings, infrastructure limitations and increased financing costs. HIV is prevalent in Southern Africa. Employees of African Thunder may have or could contract this potentially deadly virus. The prevalence of HIV could cause substantial lost employee man-hours and may make finding skilled labour more difficult. The above risks may limit or disrupt African Thunder's business activities. The Mining Operations must remain compliant with the Mining Charter and the Black Economic Empowerment ("BEE") participation requirements. However, no assurance can be given that African Thunder will be able to meet the objectives of the Mining Charter going forward, including the 26% historically disadvantaged South Africans ownership objective. There is also no guarantee that the interests of African Thunder will be wholly aligned with the interests of its (direct or indirect) BEE shareholders.

Argentina Country Risks

PLASA will conduct exploration activities in Argentina which has, from time to time, experienced political and economic instability. PLASA may be materially adversely affected by risks associated with political instability and violence, war and civil disturbance, acts of terrorism, expropriation or nationalization, change in fiscal regimes, fluctuations in currency exchange rates, high rates of inflation, underdeveloped industrial and economic infrastructure; and enforceability of contractual rights. Provincial governments of Argentina have considerable authority over exploration and mining in their province and there are Argentinean provinces that have passed various laws to curtail or ban mining activities in those provinces. Argentina has had and is currently enduring a period of high inflation that could increase the operating costs. In addition, the Argentinean peso has been subject to large devaluations and revaluations in the past and may be subject to significant fluctuations in the future.

SUBSEQUENT EVENTS

Subsequent to January 31, 2016, 725,000 options with a strike price of $0.87 expired unexercised.

MULTILATERAL INSTRUMENT 52-109 DISCLOSURE

Evaluation of disclosure controls and procedures

The Company maintains disclosure controls and procedures designed to ensure that information required to be disclosed in annual filings, interim filings or other reports filed or submitted under provincial and territorial securities legislation, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

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 (CEO) and Chief Financial Officer (CFO), together with other members of Management, have designed internal controls over financial reporting based on the Internal Control– Integrated Framework set forth by the Committee of Sponsoring Organizations of the Treadway

Commission (COSO - 1992). These controls are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

We have not identified any changes to our internal control over financial reporting which would materially affect, or is reasonably likely to materially affect, our internal control over financial reporting.

The CEO and CFO, together with other members of Management, have evaluated the effectiveness of internal controls over financial reporting as defined by National Instrument 52-109, and have concluded, based on our evaluation that they are operating effectively as at January 31, 2016.

SUPPLEMENT TO THE ANNUAL FINANCIAL STATEMENTS

As at April 29, 2016, the following common shares, common share purchase warrants and options, and deferred share units ("DSUs") was issued and outstanding:

- 95,529,128 common shares;
- 10,000,000 common share purchase warrants with an exercise price of $0.30 expiring November 24, 2019;
- 2,350,000 common share purchase options with exercise price of $0.44 expiring June 12, 2017;
- 200,000 DSUs with no fixed vesting date.