ABERDEEN
INTERNATIONAL

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended January 31, 2018 and 2017

(expressed in Canadian dollars)

UHY McGovern Hurley LLP
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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, 2018 and 2017, and the consolidated statements of comprehensive income, 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, 2018 and 2017, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

UHY McGovern Hurley, LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 30, 2018

ABERDEEN INTERNATIONAL INC.

Consolidated Statements of Financial Position

As at

(In Canadian dollars)

	Notes	January 31, 2018	January 31, 2017
		$	$
Assets			
Cash	14	**306,086**	626,293
Public investments, at fair value through profit and loss	3,14,15	**34,110,299**	17,344,287
Amounts receivable	4,14,15	**1,535,117**	222,217
Loans receivable	5,14,15	**2,170,601**	1,659,030
Prepaid expenses	6	**97,546**	98,616
Private investments, at fair value through profit and loss	3,14,15	**16,133,095**	15,614,855
Royalty interest	7	**1,928,200**	-
Total assets		**56,280,944**	35,565,298
Liabilities			
Accounts payable and accrued liabilities	8,14,15	**3,706,395**	1,002,850
Total liabilities		**3,706,395**	1,002,850
Shareholders' equity			
Share capital	9	**41,646,105**	40,717,905
Equity reserve and treasury shares	10	**6,679,037**	6,601,185
Retained earnings (deficit)		**4,249,407**	(12,756,642)
Total shareholders' equity		**52,574,549**	34,562,448
Total liabilities and shareholders' equity		**56,280,944**	35,565,298
Commitments and contingencies	16		
Subsequent events	17		

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 Income and Comprehensive Income

(In Canadian dollars)

	Notes	Years ended January 31,	
		2018	2017
		$	$
Net investment gain			
Realized gain on investments, net		**15,820,809**	12,385,142
Unrealized gain on investments, net		**6,381,316**	2,282,230
Total investment gain		**22,202,125**	14,667,372
Other revenue			
Interest income	15	**271,162**	103,449
Advisory fees	15	**193,490**	133,333
Total other revenue		**464,652**	236,782
Expenses			
Operating, general and administration	11	**5,980,427**	5,078,468
Transaction costs		**194,171**	21,218
Interest expense		**4,478**	274
Gain on debt settlement		**(295,090)**	-
Write down of interest receivable	5,14	**82,559**	-
Total expenses		**5,966,545**	5,099,960
Income before other items		**16,700,232**	**9,804,194**
Foreign exchange loss		**(130,683)**	(7,389)
Net income and comprehensive income for the year		**16,569,549**	**9,796,805**
Income per common share based on net income for the year			
Basic and diluted		**0.18**	0.11
Weighted average number of common shares outstanding			
Basic and diluted		**92,335,570**	92,022,507

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, 2018	2017
		$	$
Cash flows from operating activities			
Income before income taxes for the year		**16,569,549**	9,796,805
Income tax recovered		**-**	5,456,402
Adjustments to reconcile net income to cash used in operating activities:			
Share based payments		**514,352**	80,032
Realized gain on investments		**(15,820,809)**	(12,385,142)
Interest and advisory fees		**(330,632)**	-
Write down of interest receivable		**82,559**	-
Unrealized gain on investments		**(6,381,316)**	(2,282,230)
Unrealized foreign exchange loss		**131,237**	12,370
		(5,235,060)	678,237
Adjustments for:			
Purchase of investments		**(13,494,553)**	(3,790,203)
Disposal of investments		**20,872,818**	6,124,283
Short-term loans provided		**(5,301,041)**	(3,542,075)
Short-term loans repaid		**1,383,000**	1,875,000
Prepaid and other amounts receivable		**(1,150,506)**	(95,160)
Accounts payable and accrued liabilities		**2,604,372**	(23,139)
Net cash (used in) provided by operating activities		**(320,970)**	1,226,943
Cash flows from financing activities			
Shares repurchased and cancelled		**-**	(1,204,985)
Net cash (used in) financing activities		**-**	**(1,204,985)**
Change in cash for the year		**(320,970)**	21,958
Cash, beginning of year		**626,293**	604,613
Effect of exchange rate on cash held		**763**	(278)
Cash, end of year		**306,086**	626,293
Supplemental cash flow information			
Interest paid		**4,478**	274
Shares received on conversion of loans and amounts receivable	5	**3,360,393**	-

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	Retained earnings / (deficit)	Total shareholders' equity
	#	$	$	$	$
Balance - January 31, 2016	95,546,628	43,757,314	5,004,104	(22,870,822)	25,890,596
Repurchase of common shares	-	-	(1,204,985)	-	(1,204,985)
Cancellation of repurchased common shares	(6,634,346)	(3,039,409)	3,039,409	-	-
Restricted share units	-	-	80,032	-	80,032
Options expired unexercised	-	-	(317,375)	317,375	-
Net income for the year	-	-	-	9,796,805	9,796,805
Balance - January 31, 2017	88,912,282	40,717,905	6,601,185	(12,756,642)	34,562,448
Shares issued for royalties	7,140,000	928,200	-	-	928,200
Restricted share units	-	-	514,352	-	514,352
Options expired unexercised	-	-	(436,500)	436,500	-
Net income for the year	-	-	-	16,569,549	16,569,549
Balance - January 31, 2018	96,052,282	41,646,105	6,679,037	4,249,407	52,574,549

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 the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard 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 30, 2018.

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 and Aberdeen (Barbados) Inc. ("ABI"), incorporated on March 6, 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 14 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 14 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 14 for further details.

(iv) 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 12 for further details.

(v) 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.

(vi) 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 that 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 10 for further details.

2. Significant accounting policies (continued)

Significant accounting judgments, estimates and assumptions (continued)

(vii) Investment entity

The Company applies the exception to consolidation of particular subsidiaries available to investment entities with the exception of GLC and ABI 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.

(viii) Contingencies

See note 16 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 and ABI.

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 profit (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, loans receivable, accounts payable and accrued liabilities.

(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 profit (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 14, "Financial instruments"). The three levels are defined as follows:

2. Significant accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

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 that 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 14.

2. Securities that 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 14.

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 14.

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 14.

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 14. 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. 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. Significant accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

Privately-held investments: (continued)

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 that, 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 that increases the tax burden on companies, that prohibit mining where it was previously allowed, that increases the need for permitting or approvals, etc.;
- denial of the investee company's application for environmental, mining, aboriginal or similar approvals that 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 that 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)

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 profit (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 profit (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.

(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 profit (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.

2. Significant accounting policies (continued)

Financial instruments (continued)

(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 that 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, 2018 and 2017, 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 profit (loss). For financial assets measured at amortized cost, any reversal of impairment is recognized in profit (loss).

Revenue recognition

Revenue is recognized 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 recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized.

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.

2. Significant accounting policies (continued)

Royalty interests on mineral properties

The Company holds royalty interests in exploration stage mineral properties. Royalty interests are recorded at cost and capitalized as tangible assets with finite lives. The carrying value of royalty interests are depleted using the unit-of-production method over the life of the property to which the royalty interest relates, which is estimated using available estimates of proven and probable reserves specifically associated with the mineral properties. Royalty interest on exploration stage mineral properties, where there are no estimated reserves, are not amortized.

The Company evaluates its royalty interests on mineral properties for impairment whenever events or changes in circumstances, which may include significant changes in commodity prices and publicly available information from operators of the assets, indicate that the related carrying value of the royalty interests may not be recoverable. The recoverability of royalty interests is evaluated based upon estimated future undiscounted net cash flows from each royalty interest property using estimates of proven and probable reserves. Impairments in the carrying value of each property are measured and recorded to the extent that the carrying value of each property exceeds its recoverable amount, which is the higher of fair value less costs to sell or value in use, which is generally calculated using estimated discounted future cash flows.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in profit (loss) to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. Estimates of lithium prices, operator's estimates of proven and probable reserves related to the royalty properties, and the operator's production profile are subject to certain risks and uncertainties which may affect the recoverability of the Company's investment in these royalty interests in mineral properties. Although the Company has made its best assessment of these factors based on current conditions, it is possible that changes could occur, which could adversely affect the net cash flows expected to be generated from these royalty interests.

Loss per share

Basic income per share is calculated by dividing the net income 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. In the Company's case, diluted income per share is the same as basic income per share for 2018 and 2017 as the effects of including all outstanding options and warrants would be 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.

2. Significant accounting policies (continued)

Income taxes (continued)

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 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 profit (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 profit (loss) over the appropriate vesting periods using the graded vesting method.

New Accounting Policies

During 2018, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included the amendments of IAS7, and IAS12. 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, 2018 or later. Updates that are not applicable or are not consequential to the Company have been excluded. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not been adopted and are being evaluated to determine their impact on the Company.

IFRS 2 – Share-based Payment (“IFRS 2”) was amended by the IASB in June 2016 to clarify the accounting for cash settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018.

(Expressed in Canadian dollars unless otherwise noted)

2. Significant accounting policies (continued)

Future accounting changes (continued)

IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognized in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018.

3. Investments at fair value through profit and loss

At January 31, 2018, the Company's investment portfolio consisted of sixteen public-traded investments and fifteen privately-held investments for a total fair value of $50,243,394.

At January 31, 2017, the Company's investment portfolio consisted of eleven publicly-traded investments and twelve privately-held investments for a total fair value of $32,959,142.

Public investments

At January 31, 2018, the Company's sixteen publicly-traded investments had a total fair value of $34,110,299.

Public Issuer	Note	Security description		Cost		Estimated Fair value	% of FV
ARHT Media Inc.		750,000 common shares	$	300,000	$	471,075	1.4%
		375,000 warrants expire Dec 21, 2019					
Black Iron Inc.	(iii)	10,980,589 common shares		2,382,068		1,152,962	3.4%
Blue Sky Energy Inc.	(i,ii,iii)	4,156,680 common shares		2,319,166		2,078,340	6.1%
Emerita Resources Corp.		5,000,000 common shares		500,000		722,250	2.1%
		2,500,000 warrants expire Dec 20, 2019					
Euro Sun Mining Inc.	(iii)	1,428,575 common shares		2,000,000		1,728,576	5.1%
Fura Gems Inc.	(i,ii,iii)	13,347,618 common shares		3,244,805		13,390,808	39.3%
		1,190,476 warrants expire May 5, 2019					
Lithium X Energy Corp.	(v)	3,000,000 common shares		6,510,000		7,470,000	21.9%
Magnolia Colombia Limited	(iii)	1,000,000 common shares		100,000		308,800	0.9%
		1,000,000 warrants expire Dec 13, 2019					
Panthera Resources PLC*	(iii)	331,899 common shares		79,482		115,720	0.3%
QMX Gold Corporation	(iii)	12,382,500 common shares		1,784,304		3,623,015	10.6%
		769,250 warrants expire Oct 5, 2019					
Sulliden Mining Capital Inc.	(iii)	1,449,000 common shares		615,090		601,335	1.8%
Trigon Metals Inc.	(i,ii,iii)	4,245,740 common shares		1,610,401		1,550,072	4.5%
		500,000 warrants expire Jul 31, 2020					
		1,428,571 warrants expire Jan 12, 2020					
Troilus Gold Corp.**		245,750 common shares		127,790		491,500	1.4%
Valencia Ventures Inc.	(iii)	1,700,000 common shares		136,000		374,000	1.1%
Total of 2 other investments	(iv)			629,601		31,846	0.1%
Total public investments			$	22,338,707	$	34,110,299	100.0%

* Formerly Indo Gold Limited

** Formerly Pitchblack Resouces Ltd.

(Expressed in Canadian dollars unless otherwise noted)

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

Public investments (continued)

Note
(i) The Company has filed a Section 62-103 report pursuant to the *Securities Act (Ontario)* 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, 2018.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2018.
(iv) Total other investments held by the Company that are not individually listed as at January 31, 2018. Directors and officers may hold investments personally.
(v) 1,000,000 common shares of Lithium X Energy Corp. have been pledged to be paid to a director and officer as a bonus (see also note 15).

At January 31, 2017, the Company's eleven publicly-traded investments had a total fair value of $17,344,287.

Public Issuer	Note	Security description		Cost		Estimated Fair value	% of FV
Black Iron Inc.	(iii)	10,980,589 common shares	$	2,382,068	$	713,738	4.1%
Blue Sky Energy Inc.*		1,760,680 common shares		253,846		1,408,544	8.1%
Fura Gems Inc.**	(i,ii,iii)	6,800,000 common shares		886,886		2,304,880	13.3%
		2,400,000 warrants expire Jun 23, 2017					
Trigon Metals Inc.***	(i,ii)	1,817,169 common shares		944,401		699,610	4.0%
		1,000,000 warrants expired Feb 13, 2017					
Lithium X Energy Corp.		4,211,000 common shares		7,958,790		9,306,310	53.7%
Pitchblack Resouces Ltd.	(i,ii)	983,000 common shares		127,790		108,130	0.6%
QMX Gold Corporation	(iii)	10,000,000 common shares		1,000,000		2,500,000	14.4%
Sulliden Mining Capital Inc.	(iii)	373,500 common shares		242,472		119,520	0.7%
Valencia Ventures Inc.	(iii)	1,700,000 common shares		136,000		153,000	0.9%
Total of 2 other investments	(iv)			629,601		30,555	0.2%
Total public investments			$	14,561,854	$	17,344,287	100.0%

*Formerly Brookwater Capital Inc.
**Formerly Fura Emeralds Inc.
***Formerly Kombat Copper Inc.

Note
(ii) The Company has filed a Section 62-103 report pursuant to the *Securities Act (Ontario)* 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, 2017.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2017.
(iv) Total other investments held by the Company that are not individually listed as at January 31, 2017. Directors and officers may hold investments personally.

(Expressed in Canadian dollars unless otherwise noted)

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

Private investments

At January 31, 2018, the Company's fifteen privately-held investments had a total estimated fair value of $16,133,095.

Private Issuer	Note	Security description		Cost		Estimated Fair value	% of FV
2292055 Ontario Inc.	(iii)	4,189,667 common shares	$	1,256,900	$	1,256,900	7.8%
African Thunder Platinum Limited	(i,ii,iii)	72,440,807 common shares		16,627,348		4,582,739	28.5%
		46,230,979 options					
		46,230,979 options					
		55,477,175 options					
		64,723,371 options					
Brazil Potash Corp.	(iii)	213,698 common shares		273,973		985,121	6.1%
Desert Lion Energy Corp.		3,415,384 common shares		1,624,851		6,215,999	38.5%
		461,538 warrants expire Sep 8, 2019					
International Cobalt Inc.	(ii)	66.67% of interest		980,000		2,468,336	15.3%
Vilhelmina Minerals Inc.*		600,000 common shares		600,000		600,000	3.7%
Yukoterre Resources Inc.**		480,000 common shares		24,000		24,000	0.1%
Total of 8 other investments	(iv)			2,786,622		-	0.0%
Total private investments			$	24,173,694	$	16,133,095	100.0%

*Formerly 2587357 Ontario Inc.

**Formerly 2560344 Ontario Inc.

Note

(i) The Company owns 66.7% of the outstanding common shares International Cobalt Inc., 27.3% of the outstanding common shares Vilhelmina Minerals Inc. and 18.6% of the outstanding common shares and voting rights of African Thunder Platinum Limited. There are no contractual arrangements, financial support, or other restrictions with these companies. Refer to Note 2 of the Company's consolidated financial statements 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, 2018.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2018.
(iv) Total other investments held by the Company that are not individually listed as at January 31, 2018. Directors and officers may hold investments personally.

At January 31, 2017, the Company's twelve privately-held investments had a total estimated fair value of $15,614,855.

Private Issuer	Note	Security description		Cost		Estimated Fair value	% of FV
Desert Lion Energy Corp.*	(ii)	6,000,000 common shares	$	600,000	$	1,500,000	9.6%
African Thunder Platinum Limited	(i,ii,iii)	25,218,585 common shares		14,960,273		7,233,000	46.4%
Potasio y Litio de Argentina S.A.	(i,ii)	33,949,500 common shares		2,621,234		6,800,000	43.5%
Total of 9 other investments	(iv)			2,866,102		81,855	0.5%
Total private investments			$	21,047,609	$	15,614,855	100.0%

* Formerly 2523701 Ontario Inc.

Note

(i) The Company owns 47.6% of the outstanding common shares and voting rights of African Thunder Platinum Limited. There are no contractual arrangements, financial support, or other restrictions with this Mauritius Corporation. The Company owns 50% 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, 2017.
(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2017.
(iv) Total other investments held by the Company that are not individually listed as at January 31, 2017. Directors and officers may hold investments personally.

(Expressed in Canadian dollars unless otherwise noted)

4. Amounts receivable

		January 31, 2018		January 31, 2017
HST receivable	$	12,592	$	13,053
Trade receivable		10,367		-
Interest and arrangement fees receivable (see notes 5, 14)		258,922		42,497
Investment receivable (see note 14)		1,086,569		-
Advisory fees receivable (see note 14)		166,667		166,667
	$	1,535,117	$	222,217

5. Loans receivable

			January 31, 2018		January 31, 2017
African Thunder Platinum Limited	Unsecured & convertible	$	-	$	1,659,030
ARHT Media Inc.	Unsecured & convertible		591,301		-
Blue Sky Energy Inc.	Unsecured		250,000		-
KAZ Invest AB	Unsecured & convertible		1,229,300		-
2292055 Ontario Ltd.	Unsecured		100,000		-
		$	2,170,601	$	1,659,030

ARHT Media Inc.

On August 31, 2017, the Company entered into a loan agreement with ARHT Media Inc. (“ARHT”) and provided $200,000 to ARHT (“First ARHT loan”). This loan principal plus interest of $10,000 was due and payable in cash on or before November 1, 2017. ARHT may negotiate the repayment of loan with the Company via the transfer of securities or other investment product subject to a subsequent written agreement.

On September 30, 2017, the Company entered into a loan agreement with ARHT and provided $100,000 to ARHT (“Second ARHT loan”). This loan principal plus interest of $2,500 was due and payable in cash on or before November 1, 2017 in cash. ARHT will accrue interest of $2,500 for each additional 30 days if the loan was not repaid since November 1, 2017. ARHT may negotiate the repayment of loan with the Company via the transfer of securities or other investment product subject to a subsequent written agreement.

On November 27, 2017, the Company entered into an agreement with ARHT for up to $300,000 (“Third ARHT loan”). This loan bears interest of 12% per annum on the actual amount advanced. The principal plus accrued interests shall be repaid on or before June 15, 2018 in cash. ARHT may negotiate the repayment of loan with the Company via the transfer of securities or another investment product subject to a subsequent written agreement.

As of January 31, 2018, an aggregate total of the First, Second and Third loan principal of $591,301 and accrued interest of $33,145 remained outstanding.

Subsequent to January 31, 2018, ARHT repaid $500,000 in cash to the Company.

Blue Sky Energy Inc.

On May 9, 2017, the Company entered into an unsecured loan agreement with Blue Sky Energy Inc. (“Blue Sky”) and provided $250,000 to Blue Sky. The loan bears interest of 12% per annum and was due and payable in full on July 5, 2017. The Company granted Blue Sky an extension to repay the loan until December 31, 2017. In consideration for the extension, Blue Sky agreed to pay an extension fee of $12,500 on the repayment date. No further extension was made beyond December 31, 2017 as the Company plans to convert the loan into Blue Sky shares upon completion of Blue Sky’s announced reverse acquisition of Irati Energy Ltd.

As of January 31, 2018, loan principal of $250,000 plus accrued interest and arrangement fee of $34,034 remained outstanding.

5. Loans receivable (continued)

Desert Lion Energy Corp.

On July 11, 2017, the Company entered into a convertible bridge loan agreement with Desert Lion Energy Corp. ("Desert Lion") and provided $440,000 ("First Desert Lion loan") to Desert Lion. The loan bears interest of 0% per annum with $40,000 loan arrangement fee due on the effective date (received). The loan is due and payable on the earlier of (a) closing date of a unit financing, and (b) 45 days following the effective date of the bridge loan. Desert Lion has a one-time right to extend the maturity date by up to 45 days by (i) written notice to the lender prior to the maturity, and (ii) make a cash payment of $40,000. On August 20, 2017, Desert Lion exercised its one time right to extend the maturity date by up to 45 days.

On August 16, 2017, the Company entered into a second convertible bridge loan agreement with Desert Lion and provided $440,000 ("Second Desert Lion loan") to Desert Lion. The loan bears interest of 0% per annum with $40,000 loan arrangement fee due on the effective date (received). The loan is due and payable on the earlier of (a) closing date of a unit financing, and (b) 45 days following the effective date of the bridge loan. Desert Lion has a one-time right to extend the maturity date by up to 45 days by (i) written notice to lender prior to the maturity, and (ii) make a cash payment of $40,000.

On September 22, 2017, the First and Second Desert Lion loans plus loan extension fees of $920,000 were converted into shares of Desert Lion.

Fura Gems Inc.

On February 15, 2017, the Company entered into a loan agreement with Fura Gems Inc. ("Fura") and provided $408,000 to Fura. The loan bears interest at 12% per annum. The loan principal and accrued interest are due and payable to the Company (i) in cash, six months from the date of the agreement, or (ii) by the issue of 2,400,000 common shares of Fura upon such date mutually agreed upon by Fura and the Company, provided that the issue will not result in the Company holding more than 19.5% of the outstanding common shares of Fura. If the loan principal is repaid by Fura shares, Fura shall also pay to the Company an amount equal to any interest owed under the loan. This loan is unsecured and convertible into shares of Fura. On July 25, 2017, Fura repaid the principal plus accrued interest of $429,730 in full.

On November 27, 2017, the Company entered into a loan agreement with Fura and provided US$600,000 ($769,020) to Fura. The loan bears interest at 12% per annum. The loan principal and accrued interest are due and payable to the Company in cash on or before December 31, 2018. Fura may negotiate repayment of the loan via the transfer of securities or other investment products but any arrangement for repayment other than cash remains subject to a subsequent written agreement. On December 13, 2017, the loan principal plus accrued interest of US$603,353 ($773,318) were converted into 1,288,863 shares of Fura.

An officer of the Company, Ryan Ptolemy, is also an officer of Fura.

KAZ Invest AB

On March 14, 2017, the Company entered into a loan agreement with KAZ Invest AB ("KAZ") and provided US$1,000,000 to KAZ. This principal and accrued interest was due and payable to the Company in cash on or before the date that is six months from the date of the agreement. KAZ and the Company may negotiate repayment of the loan via the transfer of securities or other investment products but any arrangement for repayment other than cash remains subject to a subsequent written agreement. This loan is unsecured.

The Company granted KAZ an extension to repay the loan until March 13, 2018. In consideration for the extension, KAZ agreed to pay an extension fee of US$50,000 on the repayment date.

As of January 31, 2018, the principal balance including extension fees of US$1,050,000 ($1,290,765) plus accrued interest of US$103,890 ($127,712) remained outstanding.

5. Loans receivable (continued)

2292055 Ontario Inc.

On November 14, 2017, the Company entered into an agreement with 2292055 Ontario Inc. for a loan of $100,000 This loan bears interest of 12% per annum. The principal plus accrued interests shall be repaid in cash on or before November 14, 2018. 2292055 Ontario Inc. may negotiate the repayment of loan with the Company via the transfer of securities or other investment product subject to a subsequent written agreement.

As of January 31, 2018, principal of $100,000 and accrued interest of $2,564 remained outstanding.

An officer of the Company, Ryan Ptolemy, is also an officer of 2292055 Ontario Inc.

Newdene Gold Inc.

On May 4, 2016, the Company entered into an unsecured loan agreement with Newdene Gold Inc. ("Newdene") and provided $1,175,000 to Newdene. The loan bore interest of 12% per annum and was due and payable in full on October 31, 2016. On September 9, 2016, Newdene repaid the principal plus accrued interest totaling $1,207,836 to the Company in full.

On November 2, 2016, the Company entered into an unsecured loan agreement with Newdene and provided $500,000 to Newdene. The loan bore interest of 12% per annum and was due and payable in full on January 31, 2017. On December 23, 2016, Newdene repaid the principal plus accrued interest totaling $508,384 to the Company in full.

On June 26, 2017, the Company entered into an unsecured loan agreement with Newdene and provided $400,000 to Newdene. The loan bore interest of 12% per annum and was due and payable in full on July 31, 2017. On July 27, 2017, Newdene repaid the principal plus accrued interest totaling $403,682 in full.

On August 2, 2017, the Company entered into an unsecured loan agreement with Newdene and provided $375,000 to Newdene. The loan bore interest of 12% per annum and was due and payable in full on October 31, 2017. On October 31, 2017, Newdene repaid the principal plus accrued interest totaling $386,096 in full.

African Thunder Platinum Limited

The Company entered into two loan agreements with African Thunder Platinum Limited ("ATPL") and provided US$500,000 ("First ATPL Loan") on May 23, 2016 and US$775,000 ("Second ATPL Loan") on June 6, 2016 to ATPL. These loans bore interest of 2.5% per annum and were due and payable on the later of (a) June 21, 2016; and (b) the business day immediately after the earlier of: (i) the Macquarie Bank Limited ("MBL") repayment date; and (ii) completion of the MBL facility acquisition. Any overdue and unpaid amounts were subject to interest of 10% per annum, payable on demand. The Company may convert the loan to equity, subject to ATPL board approval, at any time prior to the repayment date without the consent of MBL. Pala Investments Limited ("Pala") completed the purchase of the MBL loan in Q3 2016. These loans are unsecured and fully subordinated to the rights of Pala.

On October 23, 2016, the Company entered into loan amendment agreements with ATPL whereby the repayment dates of the First and Second ATPL Loans were changed to December 31, 2016, or such other date ATPL and Aberdeen agree in writing.

ATPL did not repay the loan and owed the principal balance of US$1,275,000 ($1,667,075) plus accrued interest of US$32,659 ($42,496) on January 31, 2017.

On July 10, 2017, the Company signed a restructuring agreement with ATPL to convert the loan principal into 47,222,222 shares of ATPL. Upon conversion of the loans, the accrued interest of US$62,367 ($82,559) was forgiven. The Company was also granted options to subscribe for further ATP shares as follows:

(a) 46,230,979 options at an exercise price calculated as US$4,000,000 divided by the number of issued shares in the capital of ATPL on the first date of the option period.
(b) 46,230,979 options at an exercise price calculated as US$7,500,000 divided by the number of issued shares in the capital of ATPL on the first date of the option period.
(c) 55,477,175 options at an exercise price calculated as US$15,000,000 divided by the number of issued shares in the capital of ATPL on the first date of the option period.

(Expressed in Canadian dollars unless otherwise noted)

5. Loans receivable (continued)

African Thunder Platinum Limited (Continued)

(d) 64,723,371 options at an exercise price calculated as US$17,500,000 divided by the number of issued shares in the capital of ATPL on the first date of the option period.

The option period is defined as the period beginning on the earlier of (i) the date upon which proceeds of sale or disposal of all, or part of ATP assets except Kalplats project; (ii) the date upon which shareholders enter into an agreement to sell all ATP assets to a third party, and (iii) the date upon which ATP enters into an agreement with an arm's length third party to sell its rights to Kalplats Project, and ending on the date which is three years thereafter. As none of these conditions have been met, these options are not presently exercisable.

A director and a former director of the Company, George Faught and David Stein respectively, are also directors of ATPL.

QMX Gold Corporation

On May 11, 2016, the Company entered into an unsecured loan agreement with QMX Gold Corporation ("QMX") and provided $200,000 less a one-month interest advance of $2,000. The loan bore interest of 12% per annum and was due and payable in full on the earlier of (i) May 31, 2016; and (ii) receipt by QMX of funds from the sale of QMX's next gold pour.

On May 27, 2016, QMX repaid the principal of $200,000 in full. A director and officer of the Company, Stan Bharti, is a 10% security holder of QMX.

6. Prepaid expenses

	January 31, 2018	January 31, 2017
Prepaid insurance	$ 16,200	$ 16,200
Prepaid expenses	81,346	82,416
	$ 97,546	$ 98,616

7. Royalty Interest

On December 29, 2015, the Company closed a transaction pursuant to a definitive agreement ("Agreement") entered with Routemaster Capital Inc. (formerly Rodinia Lithium Inc. ("Routemaster")) 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.

In addition, Routemaster retained 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.

Routemaster 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. Routermaster is a related party due to a common director and officer.

(Expressed in Canadian dollars unless otherwise noted)

7. Royalty Interest (Continued)

On May 5, 2016, the Company entered into a deferred consideration agreement with Routemaster whereby the Company agreed to transfer 1,439,000 Lithium X Energy Corporation ("LIX") common shares as full and final settlement of the $2,000,000 payable owed to Routemaster. The Company transferred these shares, valued at $2,719,710 based on the closing price of the LIX shares on the date when these shares were transferred to Routemaster in the year ended January 31, 2017.

On July 11, 2017, the Company completed the sale to Lithium X Energy Corp. of its remaining shareholdings of Potasio y Litio de Argentina S.A. In consideration for acquiring the 50% of PLASA held by Aberdeen, Lithium X has made a cash payment to Aberdeen of $5,000,000 and issued 6,000,000 Lithium X common shares. The Lithium X common shares are subject to the standard statutory hold period of four months, with 3,000,000 of such shares subject to trade restrictions for a further six months.

On August 10, 2017, the Company exercised its pre-existing right and acquired a 1.0% net smelter returns royalty in respect of the Sal de los Angeles lithium project in Argentina.

In consideration for this royalty, Aberdeen paid Routemaster Capital Inc. $1,000,000 in cash and 7,140,000 common shares of Aberdeen. The fair value of 7,140,000 common shares was $928,200 on the closing date of this transaction, based on the quoted market value of the common shares.

An officer of the Company, Ryan Ptolemy, is an officer of Routemaster. A director and officer of the Company, Stan Bharti is a greater than 10% security holder of Routemaster.

8. Accounts payable and accrued liabilities

	January 31, 2018	January 31, 2017
Trade payable	$ 585,613	$ 229,187
Accrued expenses	3,020,782	773,663
Investment settlement payment	100,000	-
	$ 3,706,395	$ 1,002,850

During the year ended January 31, 2018, the Company negotiated a debt settlement with a creditor and wrote off an outstanding payable balance of $295,090. The Company recognized the write-off as gain on debt settlement.

9. Share capital

Issued and outstanding common shares	Number of shares	Amount
Balance, January 31, 2016	95,546,628	$ 43,757,314
Shares repurchased and cancelled (NCIB)	(6,634,346)	(3,039,409)
Balance, January 31, 2017	88,912,282	$ 40,717,905
Shares issued for royalty interest (Note 7)	7,140,000	928,200
Balance, January 31, 2018	96,052,282	$ 41,646,105

(Expressed in Canadian dollars unless otherwise noted)

9. Share capital (Continued)

Normal course issuer bid ("NCIB")

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 (the "2017 NCIB"). The maximum number of common shares that could 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.

On May 3, 2016, the Company utilized a block purchase exemption to purchase 6,616,846 shares for cancellation at $0.18 per share. The 2017 NCIB was completed following this transaction.

On July 17, 2017, the Company announced its intention to make a NCIB to buy back its common shares through the facilities of the TSX (the "2018 NCIB"). 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 62,786,282 common shares in the public float as at July 11, 2017, the maximum number of shares to be purchased and cancelled would be 6,278,628. Daily purchases will be limited to 16,608 common shares other than block purchase exceptions. During fiscal 2018, the Company did not purchase any shares for cancellation pursuant to the NCIB.

As at January 31, 2018, shares purchased and cancelled via the NCIB was $Nil (January 31, 2017 – 6,618,846 at a weighted average price of $0.18)

10. 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, 2016	10,000,000	$ 0.30	$396,532	3,075,000	$ 0.54	$ 753,875	-	$ -	$ -	$3,853,697	$5,004,104
Granted	-	$ -	$ -	-	$ -	-	4,850,000	$ 0.16	$ -	$ -	-
Vested	-	-	-	-	-	-	-	0.16	80,032	-	80,032
Expired	-	-	-	(825,000)	0.82	(317,375)	-	-	-	-	(317,375)
NCIB allocation	-	-	-	-	-	-	-	-	-	1,834,424	1,834,424
January 31, 2017	10,000,000	$ 0.30	$ 396,532	2,250,000	$ 0.44	$ 436,500	4,850,000	$ 0.16	$ 80,032	$5,688,121	$6,601,185
Vested	-	-	-	-	-	-	(2,425,000)	0.16	514,352	-	514,352
Expired	-	-	-	(2,250,000)	0.44	(436,500)	-	-	-	-	(436,500)
January 31, 2018	10,000,000	$ 0.30	$ 396,532	-	$ -	-	2,425,000	$ 0.16	$ 594,384	$5,688,121	$6,679,037

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, 2018 and 2017. There were no options outstanding as of January 31, 2018.

(Expressed in Canadian dollars unless otherwise noted)

10. Equity reserve (Continued)

Warrants

The following warrants were in existence as at January 31, 2018 and 2017:

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%

Restricted share unit incentive plan

During fiscal 2014, the Company approved the adoption of a RSU incentive plan.

On December 8, 2016, the Company granted and issued an aggregate of 4,850,000 RSUs to officers and employees of the Company. Each RSU entitles an officer or an employee of the Company to receive one common share of the Company to be purchased in the market by an independent trustee for the RSUs granted. These RSUs vest in two equal tranches, one-half on the first anniversary of the date of grant; and the second half on the second anniversary of the date of grant. The fair value of the RSUs has been determined to be $0.16 per unit on the date of grant. On December 8, 2017, 2,425,000 RSUs were vested.

During the year ended January 31, 2018, the Company recorded $514,352 to share-based payments (January 31, 2017 - $80,032) related to the RSU granted on December 8, 2016.

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 cash payment of $98,000 in relation to 600,000 DSUs that vested at an average price of $0.163. The remaining balance of 200,000 DSUs were valued at $36,000 as of January 31, 2018 (January 31, 2017 - $29,000) and included in accounts payable and accrued liabilities.

On December 8, 2016, the Company granted and issued an aggregate of 900,000 DSUs to the Company's independent directors. The fair value of the DSUs has been determined to be $0.16 per unit on the date of grant. During 2017, a director resigned from the Company and received cash payment of $42,000 in relation to 300,000 DSU that vested at $0.14. The remaining 600,000 DSUs were valued at $108,000 as of January 31, 2018 (January 31, 2017 - $87,000) based on the quoted market value of the underlying common shares at that date and included in accounts payable and accrued liabilities.

During fiscal 2018, the Company granted and issued 300,000 DSUs to a Company's independent director. The fair value of the DSUs has been deemed to be $0.125 per unit on the date of grant. These DSUs were valued at $54,000 as of January 31, 2018 (January 31, 2017 - $Nil) based on the quoted market value of the underlying common shares at that date and included in accounts payable and accrued liabilities.

(Expressed in Canadian dollars unless otherwise noted)

11. Expenses by nature

Details included in operating, general and administration expenses for the years ended January 31, 2018 and 2017.

	Years ended January 31,	
	2018	2017
Compensation of directors, officers, employees and consultants (including salaries, consulting fees, RSUs and DSUs)	$ 4,666,963	$ 2,602,879
Severance payments	-	430,000
Legal, accounting and professional fees	272,054	1,083,239
Filing and transfer agent fees	29,211	33,861
Shareholder communication and promotion	127,191	252,554
Travel	650,795	329,154
Donations	-	16,666
General office and administration costs	234,213	330,115
	$ 5,980,427	$ 5,078,468

12. Income taxes

Significant components of income tax recovery

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% (2017 – 26.5%) during the years ended:

	2018	**2017**
	$	**$**
Income before income taxes	16,569,549	9,796,805
Expected income tax recovery based on statutory rate	4,391,000	2,596,000
Adjustment to expected income tax benefit:		
Permanent tax difference	(2,037,000)	-
Expenses not deductible for tax purposes	213,000	37,000
Other	15,000	(1,136,000)
Tax benefits previously not realized	(2,582,000)	(1,497,000)
Deferred income tax provision (recovery)	-	-

Deferred taxes

Deferred tax assets and liabilities have been recognized as follows:

	2108	**2017**
	$	**$**
Investments	(3,731,000)	-
Non-capital losses	3,731,000	-
Total	-	-

(Expressed in Canadian dollars unless otherwise noted)

12. Income taxes (Continued)

Deferred taxes (continued)

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

	2018 $	2017 $
Non-capital loss carry-forwards	14,759,000	16,090,000
Capital loss carry-forwards	10,737,000	10,737,000
Investments	-	2,650,000
Resource properties	201,000	223,000
Other	7,000	11,000
Total	25,704,000	29,711,000

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 non-capital loss carry-forwards in Canada expire in 2036.

13. 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. There was no margin loan outstanding as at January 31, 2018. Any margin loan held would be secured against the Company's investment at rates that are based on the Investment Industry Regulatory Organization of Canada (IIROC) Policy.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than those of the TSX that 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 years ended January 31, 2018 and 2017. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

(Expressed in Canadian dollars unless otherwise noted)

14. Financial instruments

Financial assets and financial liabilities as at January 31, 2018 and 2017 are as follows:

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit and loss	TOTAL
January 31, 2018			
Cash	$ 306,086	$ -	$ 306,086
Public investments	-	34,110,299	34,110,299
Amounts receivable	1,522,526	-	1,522,526
Loans receivable	2,170,601	-	2,170,601
Private investments	-	16,133,095	16,133,095
Accounts payable and accrued liabilities	(3,706,395)	-	(3,706,395)
January 31, 2017			
Cash	$ 626,293	$ -	$ 626,293
Public investments	-	17,344,287	17,344,287
Amounts receivable	209,164	-	209,164
Loans receivable	1,659,030	-	1,659,030
Private investments	-	15,614,855	15,614,855
Accounts payable and accrued liabilities	(1,002,850)	-	(1,002,850)

Aberdeen's operations involve the purchase and sale of securities and in addition, the Company may, from time to time, have loans receivable outstanding. Accordingly, the majority of the Company's assets are currently comprised of financial instruments that 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 favourable 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 that is not singularly exposed to any one issuer, with exception to the Company having three positions as at January 31, 2018 that made of approximately 24%, 13% and 11% of the total assets (January 31, 2017 - three positions that made up of approximately 26%, 25% and 19% respectively of the total assets).

For the year ended January 31, 2018, a 10% decrease in the closing price of these three concentrated positions would result in an estimated increase in after-tax net loss of $2.0 million, or $0.02 per share (January 31, 2017 - $1.8 million, or $0.02 per share in three concentrated positions).

For the year ended January 31, 2018, 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 $3.4 million, or $0.04 per share (January 31, 2017 - $2.4 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.

(Expressed in Canadian dollars unless otherwise noted)

14. Financial instruments (Continued)

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 decline, 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 that 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 expected liquidity by assets as at January 31, 2018 and 2017.

Liquidity by period

Assets	Total	Less than 1 year	1-3 years	After 4 years
Cash	$ 306,086	$ 306,086	$ -	$ -
Public investments	34,110,299	34,110,299	-	-
Amounts receivable	1,535,117	1,535,117	-	-
Loans receivable	2,170,601	2,170,601	-	-
Prepaid expenses	97,546	97,546	-	-
Private investments	16,133,095	-	16,133,095	-
Royalty interest	1,928,200	-	-	1,928,200
Total assets - January 31, 2018	$ 56,280,944	$ 38,219,649	$ 16,133,095	$ 1,928,200

Liquidity by period

Assets	Total	Less than 1 year	1-3 years	After 4 years
Cash	$ 626,293	$ 626,293	$ -	$ -
Public investments	17,344,287	17,344,287	-	-
Amounts receivable	222,217	222,217	-	-
Loans receivable	1,659,030	1,659,030	-	-
Prepaid expenses	98,616	98,616	-	-
Private investments	15,614,855	-	15,614,855	-
Total assets - January 31, 2017	$ 35,565,298	$ 19,950,443	$ 15,614,855	$ -

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. The total carrying value of these financial instruments at January 31, 2018 was $3,693,127 (January 31, 2017 - $1,881,247). Management has considered the potential impairment of loans and amounts receivable and wrote off accrued interest

14. Financial instruments (Continued)

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 and Australian dollars. The currency exchange rates at January 31, 2018 and 2017 are as follows:

	Currency exchange rates as at	
	January 31, 2018	January 31, 2017
1 US dollar to Canadian dollars	$1.2293	$1.3012
1 Australian dollar to Canadian dollars	$0.9929	$0.9865
1 British Pound to Canadian dollars	$1.6263	$1.6263

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, 2018 and 2017.

January 31, 2018

	US Dollars	Australian Dollars	British Pound
Cash	$ 2,156	$ -	$ -
Public investment	31,846	-	-
Amount receivable	524,877	-	-
Private investment	5,599,706	-	115,720
Loans receivable	1,229,300	-	-
Prepaid expenses	3,820	-	-
Accounts payable and accrued liabilities	(22,865)	-	(418)
	$ 7,368,840	$ -	$ 115,302

January 31, 2017

	US Dollars	Australian Dollars	British Pound
Cash	$ 21	$ -	$ -
Public investment	30,555	-	-
Amount receivable	42,497	-	-
Private investment	7,233,000	81,855	-
Loans receivable	1,659,030	-	-
Accounts payable and accrued liabilities	(6,539)	-	-
	$ 8,958,564	$ 81,855	$ -

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, 2018 would result in an estimated increase (decrease) in after-tax net loss of approximately $0.6 million or $0.01 per share (January 31, 2017 – after-tax net loss of approximately $0.7 million or $0.01 per share). The Company does not currently hedge its foreign currency exposure.

(Expressed in Canadian dollars unless otherwise noted)

14. Financial instruments (Continued)

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, 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, 2018 and 2017:

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	$	19,369,728	$	13,294,277	$	-	$	32,664,005
Non-trading warrants on public investments		-		1,446,294		-		1,446,294
Private investments		-		-		16,133,095		16,133,095
January 31, 2018	$	19,369,728	$	14,740,571	$	16,133,095	$	50,243,394
Publicly traded investments	$	13,375,906	$	3,635,501	$	-	$	17,011,407
Non-trading warrants on public investments		-		332,880		-		332,880
Private investments		-		-		15,614,855		15,614,855
January 31, 2017	$	13,375,906	$	3,968,381	$	15,614,855	$	32,959,142

Level 2 Hierarchy

During the years ended January 31, 2018 and 2017, public investments of $19,620,009 were purchased, $276,080 were disposed and $11,376,903 were transferred from Level 2 to Level 1 as restriction had been removed from these public investments. During the year ended January 31, 2017, public investments of $208,333 were transferred from Level 1 to Level 2 as the quoted price used was from public markets that were not active.

Investments, fair value		Years ended January 31, 2018		2017
Balance, beginning of year	$	3,968,381	$	-
Purchase at cost - shares and warrants		19,620,009		2,318,356
Disposal at cost - warrants		(276,080)		-
Transferred from (to) Level 1		(11,376,903)		208,333
Unrealized and realized gain, net		2,805,164		1,441,692
Balance, end of year	$	14,740,571	$	3,968,381

(Expressed in Canadian dollars unless otherwise noted)

14. Financial instruments (continued)

Fair value of financial instruments (continued)

Level 3 Hierarchy

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 as at January 31, 2018 and 2017. 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.

	Years ended January 31,	
Investments, fair value	2018	2017
Balance, beginning of year	$ 15,614,855	$ 19,322,417
Purchase at cost - shares	3,362,056	1,562,926
Share for debt conversion	2,587,075	-
Transferred to public	(81,855)	-
Disposal at cost - shares	(2,848,416)	(2,621,234)
Unrealized and realized (loss) net	(2,500,620)	(2,649,254)
Balance, end of year	$ 16,133,095	$ 15,614,855

Included in unrealized and realized gain for the years ended January 31, 2018 and 2017, the total gains that are attributable to change in realized and unrealized losses relating to those assets and liabilities held at the end of January 31, 2018 were $2,500,620 (January 31, 2017 - $2,649,254).

Within Level 3, the Company includes private company investments that 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, 2018 and 2017:

January 31, 2018

Description	*Fair value*	*Valuation technique*	*Significant unobservable input(s)*	*Range of significant unobservable inputs*
African Thunder Platinum Limited	$ 4,582,739	Net Asset Value	Marketability of shares	0% discount
Desert Lion Energy Inc.	$ 6,215,999	Recent financing	Marketability of shares	0% discount
2292055 Ontario Inc.	$ 1,256,900	Recent financing	Marketability of shares	0% discount
Brazil Potash Corp.	$ 985,121	Recent financing	Marketability of shares	0% discount
International Cobalt Inc.	$ 2,468,336	Net Asset Value	Marketability of shares	0% discount
Other private investments	$ 624,000	Adjusted recent financing	Marketability of shares	0% - 100% discount
	$ 16,133,095			

(Expressed in Canadian dollars unless otherwise noted)

14. Financial instruments (continued)

Fair value of financial instruments (continued)

Level 3 Hierarchy (continued)

January 31, 2017

Description		*Fair value*	*Valuation technique*	*Significant unobservable input(s)*	*Range of significant unobservable inputs*
African Thunder Platinum Limited	$	7,233,000	Discounted Cash Flow Model	Platinum prices	US$1,150- US$1,347
			("DCF Model")	Palladium prices	US$850 - US$900
				ZAR/USD exchange rate	12.46-13.64
				Discount rate	16.20%
				Mine restart date	2 years
Potasio y Litio Argentina S.A.	$	6,800,000	Recent transaction	Marketability of shares	0% discount
Desert Lion Energy Inc.	$	1,500,000	Recent financing	Marketability of shares	0% discount
Other private investment	$	81,855	Adjusted recent financing	Marketability of shares	0% - 100% discount
	$	15,614,855			

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.
#
African Thunder Platinum Limited
The valuation as at January 31, 2018 was based on the net asset valuation of ATPL. ATPL entered into a sale and subscription agreement to sell its Smokey Hills Mauritius subsidiaries which includes the Smokey Hills mine in exchange for US$24 million in SAIL Group shares. The sale and subscription agreement grants ATPL the right under certain conditions to sell its shares back to SAIL Group for US$22M over the option term, and gives SAIL Group the right to redeem the shares for US$26 million. Management has determined that there are no reasonable possible alternative assumptions that would change the fair value significantly as at January 31, 2018. As at January 31, 2018, a +/- 10% change in the fair value of ATP will result in a corresponding +/-$458,274 change in income.

The valuation of January 31, 2017 was based on the DCF Model after considering the value of the loan receivable from African Thunder (for 2017 model) (note 5). The key unobservable inputs identified by the Company are commodity prices, foreign exchange rates, discount rate and the date that mining activities re-start. The DCF model is sensitive to the platinum and palladium commodity prices as these two commodities make up approximately 90% of the metals recovered.

As at January 31, 2017, a 10% decrease in the price of platinum would result in a decrease in the fair market value by approximately $2.4 million whereas a 10% increase in the price of platinum would result in an increase in the fair market value by approximately $2.2 million, keeping all other inputs constant. A 10% decrease in the price of palladium would result in a decrease in the fair market value by $1.7 million whereas a 10% increase in the price of palladium would result in an increase in the fair market value by approximately $1.7 million, keeping all other inputs constant.

As at January 31, 2017 a 10% decrease in these ZAR/USD exchange would result in a decrease in the fair value by approximately $4.2 million whereas a 10% increase in the ZAR/USD exchange rate would result in an increase in the fair market value by approximately $3.7 million, keeping all other inputs constant. It is worth noting that commodity currencies like the ZAR and commodity prices tend to inversely move, therefore varying just the ZAR/USD exchange rate and keeping the other variables constant is not necessarily reflective of the actual results.

14. Financial instruments (continued)

Fair value of financial instruments (continued)

Level 3 Hierarchy (continued)

As at January 31, 2017, a discount of 12% used in the Smokey Hills mines DCF Model would increase the fair market value by approximately $4.0 million whereas a discount rate of 17% used in the Smokey Hills mine DCF Model would result in a decrease in the fair market value by approximately $0.9 million, keeping all other inputs constant.

As at January 31, 2017, if the re-start of mining activities was after year 1 in the Smokey Hills mines DCF Model, the fair market value would increase by approximately $3.5 million whereas if the re-start of mining activities was after year 3 in the Smokey Hills mine DCF Model, the fair market value would decrease by approximately $3.0 million, keeping all other inputs constant. African Thunder management decided to place the Smokey Hill's mine on care maintenance in fiscal 2017 whereas in fiscal 2016 the Smokey Hill's mine was operating.

Desert Lion Energy Corp. (formerly 2523701 Ontario Inc.)
The valuation was based on Desert Lion's most recent financing of $1.82 per unit that closed in December 2017. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at January 31, 2018. As at January 31, 2018, a +/- 10% change in the fair value of Desert Lion Energy Corp. will result in a corresponding +/-$621,600 (January 31, 2017 - +/- $150,000) change in income.

2292055 Ontario Inc.
The valuation was based on 2292055 Ontario Inc's December 2017 financing of $0.30 per share which the Company and other arm's length investor of the Company participated in. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at January 31, 2018. As at January 31, 2018, a +/- 10% change in the fair value of 2292055 Ontario Inc. will result in a corresponding +/- $125,690 (January 31, 2017 -$Nil) change in income.

Brazil Potash Corp.
The valuation was based on a recent financing of US$3.75 per share. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at January 31, 2018. As at January 31, 2018, a +/- 10% change in the fair value of Brazil Potash Corp. will result in a corresponding +/- $98,512 (January 31, 2017 -$Nil) change in income.

International Cobalt Inc.
The underlying assets of International Cobalt Inc. are 2.8 million common shares and 1.4 million warrants held in Pacific Rim Cobalt Corp. which is traded on the Canadian stock exchange under trading symbol "BOLT". The valuation was based on the closing share price of Pacific Rim Cobalt Corp. on January 31, 2018. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at January 31, 2018. As at January 31, 2018, a +/- 10% change in the fair value of International Cobalt Inc. will result in a corresponding +/-$246,834 (January 31, 2017 -$Nil) change in income.

Potasio y Litio de Argentina S.A.
The valuation was based on a recent transaction and management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at January 31, 2017. The Company relied on the most recent transaction announced on March 3, 2016 whereby the Company sold 50% of the common shares of PLASA to LIX for 8,000,000 LIX common shares. Included in the March 3, 2016 transaction, LIX has an option to acquire 30% of the PLASA investment held by Aberdeen for shares issued with a fair market value of C$5.5 million on or before April 20, 2018, subject to completion of a feasibility study and spending of at least $3,000,000. As at January 31, 2017, a +/- 10% change in the fair value of PLASA will result in a corresponding +/- $680,000 change in income.

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.

(Expressed in Canadian dollars unless otherwise noted)

15. Related party disclosures

These 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%

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, 2018 and 2017 were as follows:

	Years ended January 31, 2018		2017	
Short-term benefits (*)(**)	$	3,400,000	$	2,303,438
Share-based payments	$	448,161	$	197,380
	$	3,848,161	$	2,500,818

* Benefits included fees and bonuses paid to Forbes & Manhattan, Inc.

** 2017 benefits included severance payment

At January 31, 2018, the Company had accounts payable and accrued liabilities balance of $2,921,000 (January 31, 2017 - $222,731) 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.

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.

The Company advanced funds to related companies for investment purposes. Included in amounts receivable are $963,640 advanced to Brazil Potash Corp. ("BPC"). Such amounts are unsecured, non-interest bearing and with no fixed terms of repayment. A director and an officer of the Company, Stan Bharti and Ryan Ptolemy, serves as a director and an officer of BPC.

Stan Bharti, a director and officer 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.

During the year ended January 31, 2018, the Company awarded F&M a management bonus of 1,000,000 common shares of Lithium X Corp. valued at $2,610,000 (January 31, 2017 - $1,300,939). As of January 31, 2018, these shares have not been transferred and $2,610,000 was included in accounts payable and accrued liabilities (January 31, 2017 - $Nil).

15. Related party disclosures (continued)

The Company was 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. As at October 31, 2016, $500,000 had been incurred by the Company. On March 27, 2017, the Board amended the cost sharing agreement whereby the Company would pay all legal, technical, and/or accounting expenses 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. During the year ended January 31, 2018, the Company incurred $28,707 (January 31, 2017 - $43,597) of legal and professional fees. As at January 31, 2018, $1,227,758 (January 31, 2017 - $1,199,051) had been incurred by the Company. Stan Bharti, an officer and director of the Company, is the Executive Chairman of F&M.

During 2017, the Company entered into a loan agreement with Forbes Royalty Corporation (“FRC”), a corporation controlled by Stan Bharti, a director and officer of the Company. Pursuant to this agreement, the Company has agreed to make loans to FRC up to a maximum of $1,000,000. The loans will mature and be due and payable on the date on which FRC completes the earlier of (i) an initial public offering of the common shares, or a reverse takeover transaction, or any similar going public transaction or a private financing which shall occur no later than January 1, 2018 (“Transaction Deadline”); (ii) the Transaction Deadline (January 1, 2018); or (iii) final settlement or decision with respect to the legal claim FRC has been filed against the estate of Patrick Sheridan and Sheridan Platinum Group.

Pleadings have closed and discoveries are complete, although the parties may conduct further examinations on answers to undertakings and advisements. The next step, once document review of third party records from underwriters is complete, is to schedule and attend at mediation.

If the loan first matures and becomes payable upon the occurrence of an event set out in subparagraphs (i) or (ii), then interest shall be payable on the principal at the rate of 10% per annum, payable on maturity. If the loan first matures and becomes payable upon the occurrence of an event set out in subparagraph (iii), then the loan shall be repaid in full upon FRC paying to the Company an amount equal to: (a) the amount of the principal draw down under this loan by FRC in first priority and senior in right of repayment to any other amount owed by FRC; plus (b) to the extent FRC receives any amount in excess of $1,000,000 and the fees of external counsel incurred by FRC in connection with an event in subparagraph (iii), 50% of such amount received in excess of the principal drawn down up to a maximum of three times the principal drawn down.

During the year ended January 31, 2018, the Company advanced a total of $37,405 (January 31, 2017 - $195,000) to FRC. As at January 31, 2018, $232,914 had been advanced pertaining to the loan agreement. The Company has expensed this amount directly in the profit (loss) due to the uncertainty of success of the final settlement or decision with respect to the legal claim FRC has filed against the estate of Patrick Sheridan and Sheridan Platinum Group.

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, 2018, the Company earned $400,000 (January 31, 2017 - $400,000) in advisory fees from Ore Acquisition Partners LP (“Ore”) and incurred $393,751 (January 31, 2017 - $266,367) in related expenses paid to David Stein and other vendors. The Company has control and direction over investments held by Ore. As at January 31, 2018, the Company held common investments with Ore in Black Iron Inc., Brazil Potash Corp., Troilus Gold Corp. (formerly Pitchblack Resources Ltd.) and Sulliden Capital Mining Inc. David Stein, a former director of Aberdeen, is a limited partner in Ore.

The Company provided loans to and earned interest and debt arrangement 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. See note 5 for details.

In August 2017, the Company exercised its pre-existing right and acquired a 1.0% royalty from Routemaster for $1,000,000 in cash and 7,140,000 common shares of Aberdeen. An officer of the Company, Ryan Ptolemy is an officer of Routemaster. A director and officer of the Company Stan Bharti is a greater than 10% security holder of Routemaster. See note 7 for details.

(Expressed in Canadian dollars unless otherwise noted)

15. Related party disclosures (continued)

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, 2018 and 2017.

Investment	Nature of relationship		Estimated Fair value	% of FV
2292055 Ontario Inc.*	Officer (Ryan Ptolemy) and shareholders	$	1,256,900	2.5%
African Thunder Platinum Limited*	Director (George Faught)		4,582,739	9.1%
Apio Africa Ltd.	Director (Stan Bharti) and shareholders		31,846	0.1%
Amazon Potash Corporation*	Directors (Stan Bharti, George Faught) and shareholders		-	0.0%
Black Iron Inc.	Officer (Stan Bharti) and shareholders		1,152,962	2.3%
Blue Sky Energy Inc.	10% security holder (Aberdeen) and shareholders		2,078,340	4.1%
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy) and shareholders		985,121	2.0%
Desert Lion Energy Corp.*	Shareholders		6,215,999	12.4%
Euro Sun Mining Inc.	Director (Stan Bharti) and shareholders		1,728,576	3.4%
Fura Gems Inc.	Officer (Ryan Ptolemy), 10% security holders (Stan Bharti, Aberdeen)		13,390,808	26.7%
International Cobalt Inc.*	10% security holder (Aberdeen)		2,468,336	4.9%
Lithium X Energy Corp.	Shareholders		7,470,000	14.9%
Magnolia Colombia Limited	Director (Maurice Colsen) and shareholders		308,800	0.6%
Panthera Resources PLC	Former director (David Stein)		115,720	0.2%
QMX Gold Corporation	10% security holder (Stan Bharti) and shareholders		3,623,015	7.2%
Sulliden Mining Capital Inc.	Director (Stan Bharti) and shareholders		601,335	1.2%
Temujin Mining Corp.*	Director (Stan Bharti) and shareholders		-	0.0%
Trigon Metals Inc.	10% security holder (Aberdeen) and shareholders		1,550,072	3.1%
Valencia Ventures Inc.	Director (Bernand Wilson), officer (Ryan Ptolemy),10% security holder (Stan Bharti) and shareholders		374,000	0.7%
Total of 12 other investments	Shareholders/warrant holders		2,308,825	4.6%
Total Investments - January 31, 2018		$	50,243,394	100.0%

* Private company

(Expressed in Canadian dollars unless otherwise noted)

15. Related party disclosures (continued)

Investment	Nature of relationship	Estimated Fair value	% of FV
African Thunder Platinum Limited*	Directors (David Stein, George Faught)	7,233,000	21.9%
Apio Africa Ltd.	Director (Stan Bharti) and shareholders	30,555	0.1%
Amazon Potash Corporation*	Directors (Stan Bharti, George Faught) and shareholders	-	0.0%
Black Iron Inc.	Officer (Stan Bharti) and shareholders	713,738	2.2%
Fura Gems Inc.**	Officer (Ryan Ptolemy), 10% security holder (Stan Bharti)	2,304,880	7.0%
Desert Lion Energy Corp.*	Shareolders	1,500,000	4.6%
Indo Gold Limited *	Director (David Stein) and former officer (Stan Bharti)	81,855	0.2%
Lithium X Energy Corp.	Shareholders	9,306,310	28.2%
QMX Gold Corporation	10% security holder (Stan Bharti) and shareholders	2,500,000	7.6%
Sulliden Mining Capital Inc.	Director (Stan Bharti) and shareholders	119,520	0.4%
Temujin Mining Corp.*	Directors (Stan Bharti, David Stein) and shareholders	-	0.0%
Valencia Ventures Inc.	Director (Bernand Wilson), 10% security holder (Stan Bharti)	153,000	0.5%
Potasio y Litio de Argentina S.A.*		6,800,000	20.6%
Total of 10 other investments	Shareholders/warrant holders	2,216,284	6.7%
Total Investments - January 31, 2017		$ 32,959,142	100.0%

* Private company

**Formerly Fura Emeralds Inc.

The Company has a diversified base of investors. To the Company's knowledge, other than Lloyd I Miller III, no shareholder holds more than 10% of the Company's common shares as at January 31, 2018 and 2017.

16. Commitments and contingencies

Management contracts

The Company is party to certain management contracts. These contracts contain aggregate minimum commitments of approximately $582,000 (January 31, 2017 - $1,190,000) ranging from 30 days to 19 months and additional contingent payments of up to approximately $5,215,000 (January 31, 2017 - $4,005,000) 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 by 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

See note 15.

16. Commitments and contingencies (Continued)

FRC loan agreement

See note 15.

17. Subsequent events

See note 5 for details.