ABERDEEN INTERNATIONAL

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended July 31, 2018 and 2017

(expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada (CPA Canada) for a review of interim financial statements by an entity's auditor.

ABERDEEN INTERNATIONAL INC.

Condensed Interim Consolidated Statements of Financial Position

As at

(In Canadian dollars - unaudited)

	Notes	July 31, 2018	January 31, 2018
		$	$
Assets			
Cash	11	**483,026**	306,086
Public investments, at fair value through profit and loss	3,11,12	**19,876,623**	34,110,299
Amounts receivable	4,11,12	**1,604,590**	1,535,117
Loans receivable	5,11,12	**4,249,701**	2,170,601
Prepaid expenses	6	**88,749**	97,546
Private investments, at fair value through profit and loss	3,11,12	**8,898,171**	16,133,095
Royalty interest		**1,928,200**	1,928,200
Total assets		**37,129,060**	56,280,944
Liabilities			
Accounts payable and accrued liabilities	7,11,12	**1,387,896**	3,706,395
Total liabilities		**1,387,896**	3,706,395
Shareholders' equity			
Share capital		**41,646,105**	41,646,105
Equity reserve and treasury shares	8	**6,778,100**	6,679,037
(Deficit) earnings		**(12,683,041)**	4,249,407
Total shareholders' equity		**35,741,164**	52,574,549
Total liabilities and shareholders' equity		**37,129,060**	56,280,944
Commitments and contingencies	13		

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 condensed interim consolidated financial statements

ABERDEEN INTERNATIONAL INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(In Canadian dollars - unaudited)

	Notes	Three months ended July 31,		Six months ended July 31,	
		2018	2017	**2018**	2017
		$	$	**$**	$
Net investment gain					
Realized gain on investments, net		**-**	15,466,485	**1,320,000**	15,159,225
Unrealized (loss) on investments, net		**(6,067,825)**	(1,586,031)	**(17,864,616)**	(3,892,773)
Total investment (loss) income		**(6,067,825)**	13,880,454	**(16,544,616)**	11,266,452
Other revenue					
Interest income	12	**99,318**	61,864	**153,674**	128,863
Advisory fees	12	**97,739**	52,500	**162,300**	52,500
Total other revenue		**197,057**	114,364	**315,974**	181,363
Expenses					
Operating, general and administration	9	**347,885**	754,127	**812,537**	1,307,096
Transaction costs		**-**	45,902	**-**	105,963
Interest expense		**113**	340	**169**	479
Write down of interest receivable		**-**	82,559	**-**	82,559
Total expenses		**347,998**	882,928	**812,706**	1,496,097
(Loss) income before other items		**(6,218,766)**	13,111,890	**(17,041,348)**	9,951,718
Foreign exchange gain (loss)		**27,407**	(226,113)	**108,900**	(108,013)
Net loss (income) and comprehensive loss (income) for the period		**(6,191,359)**	12,885,777	**(16,932,448)**	**9,843,705**
(Loss) income per common share based on net income for the period					
Basic and diluted		**(0.06)**	0.14	**(0.18)**	0.11
Weighted average number of common shares outstanding					
Basic and diluted		**96,052,282**	88,912,282	**96,052,282**	88,912,282

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

ABERDEEN INTERNATIONAL INC.

Condensed Interim Consolidated Statements of Cash Flows

(In Canadian dollars - unaudited)

	Notes	Six months ended July 31, 2018	2017
		$	$
Cash flows from operating activities			
Loss (income) for the period		**(16,932,448)**	9,843,705
Adjustments to reconcile net loss to cash used in operating activities:			
Share based payments		**99,063**	271,550
Realized (gain) on investments		**(1,320,000)**	(15,159,225)
Interest and advisory fees		**185,654**	(181,363)
Write down of interest receivable		**-**	82,559
Unrealized loss on investments		**17,864,616**	3,892,773
Unrealized foreign exchange (gain) loss		**(109,612)**	109,678
		(212,727)	(1,140,323)
Adjustments for:			
Purchase of investments		**(1,966,016)**	(4,392,598)
Disposal of investments		**7,830,000**	12,939,728
Short-term loans provided		**(2,478,200)**	(2,830,700)
Loan arrangement fee and interest received		**130,320**	-
Short-term loans repaid		**470,000**	808,000
Prepaid and other amounts receivable		**(337,859)**	(934,473)
Accounts payable and accrued liabilities		**(3,259,216)**	(180,307)
Net cash provided by operating activities		**176,302**	4,269,327
Change in cash for the period		**176,302**	4,269,327
Cash, beginning of period		**306,086**	626,293
Effect of exchange rate on cash held		**638**	649
Cash, end of period		**483,026**	4,896,269
Supplemental cash flow information			
Interest paid		**169**	479

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

ABERDEEN INTERNATIONAL INC.

Condensed Interim Consolidated Statements of Changes in Equity

(In Canadian dollars - unaudited)

	Number of common shares	Share capital	Equity reserve and treasury shares	(Deficit)	Total shareholders' equity
	#	$	$	$	$
Balance - January 31, 2017	**88,912,282**	**40,717,905**	**6,601,185**	**(12,756,642)**	**34,562,448**
Restricted share units	-	-	271,550	-	271,550
Option expired unexercised	-	-	(436,500)	436,500	-
Net income for the period	-	-	-	9,843,705	9,843,705
Balance - July 31, 2017	**88,912,282**	**40,717,905**	**6,436,235**	**(2,476,437)**	**44,677,703**
Balance - January 31, 2018	**96,052,282**	**41,646,105**	**6,679,037**	**4,249,407**	**52,574,549**
Restricted share units	-	-	99,063	-	99,063
Net loss for the period	-	-	-	(16,932,448)	(16,932,448)
Balance - July 31, 2018	**96,052,282**	**41,646,105**	**6,778,100**	**(12,683,041)**	**35,741,164**

The accompanying notes are an integral part of the condensed interim 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 condensed interim consolidated financial statements of the Company have been prepared in accordance with the International Accounting Standards ("IAS") 34, *Interim Financial Reporting* issued by the International Accounting Standard Board ("IASB"). These condensed interim consolidated financial statements have been prepared in accordance with the accounting policies described in Note 2 of the Company's annual consolidated financial statements as at and for the year ended January 31, 2018 and 2017 except as disclosed below. Accordingly, these condensed interim consolidated financial statements for the three and six months ended July 31, 2018 and 2017 should be read together with the annual consolidated financial statements as at and for the years ended January 31, 2018 and 2017.

The condensed interim consolidated financial statements of the Company were approved by the Board of Directors on September 14, 2018.

Basis of preparation

The condensed interim 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 condensed interim 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 condensed interim 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 condensed interim 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 condensed interim 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.

2. Significant accounting policies (continued)

Future accounting changes (continued)

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. The adoption of this standard did not have a material effect on the Company's financial statements.

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. The adoption of this standard did not have a material effect on the Company's financial statements.

(Expressed in Canadian dollars unless otherwise noted - unaudited)

3. Investments at fair value through profit and loss

At July 31, 2018, the Company's investment portfolio consisted of twenty public-traded investments and fourteen privately-held investments for a total fair value of $28,774,794.

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.

Public investments

At July 31, 2018, the Company's twenty publicly-traded investments had a total fair value of $19,876,623.

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
Apogee Opportunities (USA) Inc.		625,000 subscription receipts	$ 250,000	$ 250,000	1.3%
ARHT Media Inc.		1,961,094 common shares	784,437	648,750	3.3%
		375,000 warrants expire Dec 21, 2019			
		605,547 warrants expire Feb 9, 2020			
Aguia Resources Limited	(iii)	1,429,000 common shares	500,150	241,572	1.2%
		714,500 warrants expire Apr 12, 2021			
Black Iron Inc.	(iii)	10,980,589 common shares	2,382,068	1,043,156	5.2%
Blue Sky Energy Inc.	(i,ii,iii)	4,156,680 common shares	2,319,166	2,078,340	10.5%
Desert Lion Energy Corp.		3,415,384 common shares	1,624,851	2,558,815	12.9%
		461,538 warratns expire Dec 13, 2019			
Emerita Resources Corp.		5,000,000 common shares	500,000	259,500	1.3%
		2,500,000 warrants expire Dec 20, 2019			
Euro Sun Mining Inc.	(iii)	1,428,575 common shares	2,000,000	1,228,575	6.2%
Fura Gems Inc.	(i,ii,iii)	13,347,618 common shares	3,566,234	6,542,142	32.9%
		1,190,476 warrants expire May 5, 2019			
Jourdan Resources Inc.	(ii)	8,333,333 common shares	500,000	1,042,500	5.2%
		8,333,333 warrants expire Jun 12, 2020			
Magnolia Colombia Limited	(iii)	1,000,000 common shares	100,000	212,000	1.1%
		1,000,000 warrants expire Dec 13, 2019			
Panthera Resources PLC	(iii)	331,899 common shares	79,482	29,210	0.1%
Q-Gold Resources Ltd.	(i,ii)	2,500,000 common shares	250,000	561,000	2.8%
		2,500,000 warrants expire July 5, 2020			
QMX Gold Corporation	(iii)	12,382,500 common shares	1,784,304	1,304,163	6.6%
		769,250 warrants expire Oct 5, 2019			
Sulliden Mining Capital Inc.	(iii)	1,449,000 common shares	615,090	376,740	1.9%
Trigon Metals Inc.	(i,ii,iii)	4,245,740 common shares	1,610,401	787,569	4.0%
		500,000 warrants expire Jul 31, 2020			
		1,428,571 warrants expire Jan 12, 2020			
Troilus Gold Corp.		245,750 common shares	127,790	307,188	1.5%
Valencia Ventures Inc.	(iii)	1,700,000 common shares	136,000	374,000	1.9%
Total of 2 other investment	(iv)		879,600	281,403	1.4%
Total public investments			$ 19,759,573	$ 19,876,623	100.0%

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 July 31, 2018.

(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at July 31, 2018.

(iv) Total other investments held by the Company that are not individually listed as at July 31, 2018. Directors and officers may hold investments personally.

(Expressed in Canadian dollars unless otherwise noted - unaudited)

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

Public investments (continued)

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.

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, 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 note 12).

(Expressed in Canadian dollars unless otherwise noted - unaudited)

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

Private investments

At July 31, 2018, the Company's fourteen privately-held investments had a total estimated fair value of $8,898,171.

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	14.1%
African Thunder Platinum Limited	(i,ii,iii)	72,440,807 common shares		16,627,348		4,852,640	54.5%
		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		1,043,140	11.7%
International Cobalt Inc.	(ii)	66.67% of interest		980,000		521,491	5.9%
Vilhelmina Minerals Inc.		1,200,000 common shares		1,200,000	$	1,200,000	13.5%
Total of 9 other investments	(iv)			2,810,622	$	24,000	0.3%
Total private investments			$	23,148,843	$	8,898,171	100.0%

Note

(i) The Company owns 66.7% of the outstanding common shares International Cobalt Inc., 35.3% of the outstanding common shares Vilhelmina Minerals Inc. and 16.9% 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 as at and for the years ended January 31, 2018 and 2017 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 July 31, 2018.

(iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at July 31, 2018.

(iv) Total other investments held by the Company that are not individually listed as at July 31, 2018. Directors and officers may hold investments personally.

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,iii)	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.

(Expressed in Canadian dollars unless otherwise noted - unaudited)

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

Private investments (continued)

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.

4. Amounts receivable

	July 31, 2018	January 31, 2018
HST receivable	$ 12,732	$ 12,592
Trade receivable	10,367	10,367
Interest and arrangement fees receivable (see notes 5, 12)	426,925	258,922
Investment receivable (see note 12)	987,899	1,086,569
Advisory fees receivable (see note 12)	166,667	166,667
	$ 1,604,590	$ 1,535,117

5. Loans receivable

		July 31, 2018	January 31, 2018
ARHT Media Inc.	Unsecured & convertible	121,301	591,301
Blue Sky Energy Inc.	Unsecured & convertible	250,000	250,000
Siwash Holdings Inc.	Unsecured & convertible	1,301,700	1,229,300
2292055 Ontario Inc.	Unsecured	100,000	100,000
Irati Energy Corp.	Unsecured & convertible	200,000	-
Brazil Potash Corp.	Unsecured	1,301,700	-
Newdene Gold Inc.	Unsecured & convertible	500,000	-
Trigon Metals Inc.	Unsecured & convertible	475,000	-
		$ 4,249,701	$ 2,170,601

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.

5. Loans receivable (continued)

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.

On February 15, 2018, ARHT repaid $500,000 in cash to the Company. As of July 31, 2018, the principal of $121,301 and accrued interest of $13,606 on the third loan remained outstanding.

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 Corp.

On November 9, 2017, the Company signed a loan settlement agreement with Blue Sky whereby Blue Sky will settle the total debt owing at the time of settlement by issuing common shares of Blue Sky valued at $0.50 per share to Aberdeen in full and final satisfaction of the total debt.

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

As of July 31, 2018, loan principal of $250,000 plus accrued interest and arrangement fee totaling $48,911 remained outstanding.

Siwash Holdings Inc. (formerly 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.

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

On June 5, 2018, the KAZ loan was assigned to Siwash Holdings Inc. All the terms and condition remained unchanged.

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.

As of July 31, 2018, the principal balance including extension fees of US$1,100,000 ($1,431,870) plus accrued interest totaling US$163,367 ($212,694) remained outstanding.

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. As of July 31, 2018, principal of $100,000 and accrued interest totaling $8,515 remained outstanding.

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

(Expressed in Canadian dollars unless otherwise noted - unaudited)

5. Loans receivable (continued)

Newdene Gold Inc.

On May 22, 2018, the Company entered into a loan agreement with Newdene Gold Inc. ("Newdene") whereby the Company loaned $500,000 to Newdene. Interest is accrued and calculated at 12% per annum. Principal plus accrued interest and due and payable on or before August 31, 2018. Newdene and the Company may negotiate repayment of the loans via the transfer of securities or other investment products but any arrangement for repayment other than cash are subject to a subsequent written agreement.

As of July 31, 2018, the loan principal of $500,000 plus accrued interest of $11,507 remained outstanding.

Brazil Potash Corp.

On May 24, 2018, the Company entered into a loan agreement with Brazil Potash Corp. ("BPC") whereby the Company loaned US$1 million to BPC. The loan is due and payable no later than August 22, 2018 at interest rate of 10% per annum. BPC agreed to prepay the 10% in the amount of US$25,000 and arrangement fees in the amount of US$75,000. BPC has the right to extend the loan to November 22, 2018 by prepaying 10% interest of US$25,000 and an arrangement fee of US$25,000.

As of July 31, 2018, the loan principal of $1,000,000 ($1,301,700) remained outstanding.

A director of the Company, Stan Bharti and an officer of the Company, Ryan Ptolemy, are director and officer of BPC.

Trigon Metals Inc.

The Company entered into a loan agreement with Trigon Metals Inc. ("Trigon") on May 30, 2018 and June 26, 2018 whereby the Company loaned $200,000 and $275,000 to Trigon respectively. Interest on these loans are accrued and calculated at 12% per annum. Principals plus accrued interest are due and payable in cash on November 30, 2018 and December 26, 2018 respectively. Trigon and the Company may negotiate repayment of the loans via the transfer of securities or other investment products but any arrangement for repayment other than cash are subject to a subsequent written agreement.

As of July 31, 2018, the loan principal of $475,000 plus accrued interest of $7,241 remained outstanding.

Irati Energy Corp.

On June 27, 2017, the Company entered into a loan agreement with Irati Energy Inc. ("Irati") whereby the Company loaned $200,000 to Irati. Interest is accrued and calculated at 12% per annum. Principal plus accrued interest and due and payable on or before December 27, 2018. Irati and the Company may negotiate repayment of the loans via the transfer of securities or other investment products but any arrangement for repayment other than cash are subject to a subsequent written agreement.

As of July 31, 2018, the loan principal of $200,000 plus accrued interest of $2,236 remained outstanding.

A director of the Company (Stan Bharti) and an officer of the Company (Ryan Ptolemy) are director and officer of Irati.

6. Prepaid expenses

	July 31, 2018	January 31, 2018
Prepaid insurance	$ 6,480	$ 16,200
Prepaid expenses	82,269	81,346
	$ 88,749	$ 97,546

(Expressed in Canadian dollars unless otherwise noted - unaudited)

7. Accounts payable and accrued liabilities

	July 31, 2018	January 31, 2018
Trade payable	$ 119,766	$ 585,613
Accrued expenses	328,130	3,020,782
Investment settlement payment	940,000	100,000
	$ 1,387,896	$ 3,706,395

8. 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, 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)	-	**(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**
Vested	-	-	**-**	-	-	**-**	(619,146)	-	99,063	-	**99,063**
July 31, 2018	10,000,000	$ 0.30	**$ 396,532**	-	$ -	**$ -**	1,805,854	$ 0.16	**$ 693,447**	**$5,688,121**	**$6,778,100**

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 six months July 31, 2018, the Company recorded $99,063 to share-based payments (January 31, 2018 - $514,352) 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 $25,000 as of July 31, 2018 (January 31, 2018 - $36,000) 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 $75,000 as of July 31, 2018 (January 31, 2018 - $108,000) 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 - unaudited)

8. Equity reserve

Deferred share unit incentive plan (continued)

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 $37,500 as of July 31, 2018 (January 31, 2018 - $54,000) based on the quoted market value of the underlying common shares at that date and included in accounts payable and accrued liabilities.

9. Expenses by nature

Details included in operating, general and administration expenses for the three and six months ended July 31, 2018 and 2017.

	Three months ended July 31,		Six months ended July 31,	
	2018	2017	2018	2017
Compensation of directors, officers, employees and consultants (including salaries, consulting fees, RSUs and DSUs)	$ 195,323	$ 395,264	$ 427,483	$ 709,405
Legal, accounting and professional fees	58,992	46,325	90,257	123,565
Filing and transfer agent fees	970	411	17,506	16,530
Shareholder communication and promotion	21,460	52,080	62,801	68,149
Travel	13,714	197,140	101,495	266,570
General office and administration costs	57,426	62,907	112,995	122,877
	$ 347,885	$ 754,127	$ 812,537	$ 1,307,096

10. 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 July 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 six months ended July 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 - unaudited)

11. Financial instruments

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

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit and loss	TOTAL
July 31, 2018			
Cash	$ 483,026	$ -	$ 483,026
Public investments	-	19,876,623	19,876,623
Amounts receivable	1,591,859	-	1,591,859
Loans receivable	4,249,701	-	4,249,701
Private investments	-	8,898,171	8,898,171
Accounts payable and accrued liabilities	(1,387,896)	-	(1,387,896)
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)

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 two positions as at July 31, 2018 that made of approximately 13% and 18% of the total assets (January 31, 2018 - three positions that made up of approximately 24%, 13% and 11% respectively of the total assets).

For the six months ended July 31, 2018, a 10% decrease in the closing price of these two concentrated positions would result in an estimated increase in after-tax net loss of $0.8 million, or $0.01 per share (January 31, 2018 - $2.0 million, or $0.02 per share in three concentrated positions).

For the six months ended July 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 $2.1 million, or $0.02 per share (January 31, 2018 - $3.4 million, or $0.04 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 - unaudited)

11. 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 July 31, 2018 and January 31, 2018.

Liquidity by period

Assets	Total	Less than 1 year	1-3 years	After 4 years
Cash	$ 483,026	$ 483,026	$ -	$ -
Public investments	19,876,623	19,876,623	-	-
Amounts receivable	1,604,590	1,604,590	-	-
Loans receivable	4,249,701	4,249,701	-	-
Prepaid expenses	88,749	88,749	-	-
Private investments	8,898,171	-	8,898,171	-
Royalty interest	1,928,200	-	-	1,928,200
Total assets - July 31, 2018	$ 37,129,060	$ 26,302,689	$ 8,898,171	$ 1,928,200

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

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 July 31, 2018 was $5,841,560 (January 31, 2018 - $3,693,127).

11. 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 British Pounds. The currency exchange rates at July 31, 2018 and January 31, 2018 are as follows:

	Currency exchange rates as at	
	July 31, 2018	January 31, 2018
1 US dollar to Canadian dollars	$1.3017	$1.2293
1 British Pound to Canadian dollars	$1.7089	$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 July 31, 2018 and January 31, 2018.

July 31, 2018

	US Dollars	British Pound
Cash	$ 639	$ -
Public investment	31,403	-
Amount receivable	694,867	-
Private investment	5,895,780	29,210
Loans receivable	2,603,400	-
Prepaid expenses	3,492	-
Accounts payable and accrued liabilities	(3,775)	-
	$ 9,225,806	$ 29,210

January 31, 2018

	US 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

A 10% increase (decrease) in the value of the Canadian dollar against all foreign currencies in which the Company held financial instruments as of July 31, 2018 would result in an estimated increase (decrease) in after-tax net loss of approximately $0.7 million or $0.01 per share (January 31, 2018 – after-tax net loss of approximately $0.6 million or $0.01 per share). The Company does not currently hedge its foreign currency exposure.

(Expressed in Canadian dollars unless otherwise noted - unaudited)

11. 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 and private investments 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 July 31, 2018 and January 31, 2018:

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	$	17,144,620	$	1,967,376	$	-	$	19,111,996
Non-trading warrants on public investments		-		764,627		-		764,627
Private investments		-		-		8,898,171		8,898,171
July 31, 2018	$	17,144,620	$	2,732,003	$	8,898,171	$	28,774,794
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

Level 2 Hierarchy

During the six months ended July 31, 2018, public investments of $2,242,682 were purchased, $85.043 were disposed and $12,640,123 were transferred from Level 2 to Level 1 as restriction had been removed from these public investments. During the year ended January 31, 2018, 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.

Investments, fair value		Six months ended 31-Jul-18		Years ended 31-Jan-18
Balance, beginning of period	$	14,740,571	$	3,968,381
Purchase at cost - shares and warrants		2,242,682		19,620,009
Disposal at cost - warrants		(85,043)		(276,080)
Transferred (to) Level 1		(12,640,123)		(11,376,903)
Unrealized and realized (loss) gain, net		(1,526,084)		2,805,164
Balance, end of period	$	2,732,003	$	14,740,571

(Expressed in Canadian dollars unless otherwise noted - unaudited)

11. 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 July 31 and January 31, 2018. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized losses and net unrealized gains are recognized in the statements of loss.

Investments, fair value		Six months ended 31-Jul-18		Years ended 31-Jan-18
Balance, beginning of period	$	16,133,095	$	15,614,855
Purchase at cost - shares		600,000		3,362,056
Share for debt conversion		-		2,587,075
Transferred to public		(6,215,999)		(81,855)
Disposal at cost - shares		-		(2,848,416)
Unrealized and realized (loss) net		(1,618,925)		(2,500,620)
Balance, end of period	$	8,898,171	$	16,133,095

Included in unrealized and realized gain for the periods ended July 31, 2018 and January 31, 2018, the total loss that are attributable to change in realized and unrealized losses relating to those assets and liabilities held at the end of July 31, 2018 were $1,618,925 (January 31, 2018 - $2,500,620).

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 July 31, 2018 and January 31, 2018:

July 31, 2018

Description		*Fair value*	*Valuation technique*	*Significant unobservable input(s)*	*Range of significant unobservable inputs*
African Thunder Platinum Ltd.	$	4,852,640	Net Asset Value	Marketability of shares	0% discount
2292055 Ontario Inc.	$	1,256,900	Recent financing	Marketability of shares	0% discount
Brazil Potash Corp.	$	1,043,140	Recent financing	Marketability of shares	0% discount
International Cobalt Inc.	$	521,491	Net asset Value	Marketability of shares	0% discount
Vilhelmina Minerals Inc.	$	1,200,000	Recent financing	Marketability of shares	0% discount
Other private investments	$	24,000	Adjusted recent financing	Marketability of shares	0% - 100% discount
	$	8,898,171			

(Expressed in Canadian dollars unless otherwise noted - unaudited)

11. Financial instruments (continued)

Fair value of financial instruments (continued)

Level 3 Hierarchy (continued)

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			

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 July 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 July 31, 2018. As at July 31, 2018, January 31, 2018, a +/- 10% change in the fair value of ATP will result in a corresponding +/-$485,264 (January 31, 2018 - +/- $458,274) 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 July 31, 2018. As at July 31, 2018, a +/- 10% change in the fair value of 2292055 Ontario Inc. will result in a corresponding +/- $125,690 (January 31, 2018 - $125,690) 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 July 31, 2018. As at July 31, 2018, a +/- 10% change in the fair value of Brazil Potash Corp. will result in a corresponding +/- $104,314 (January 31, 2018 - $98,512) change in income.

(Expressed in Canadian dollars unless otherwise noted - unaudited)

11. Financial instruments (continued)

Fair value of financial instruments (continued)

Level 3 Hierarchy (continued)

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 July 31, 2018. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at July 31, 2018. As at July 31, 2018, a +/- 10% change in the fair value of International Cobalt Inc. will result in a corresponding +/-$52,149 (January 31, 2018 - $246,834) change in income.

Vilhelmina Minerals Inc.
The valuation was based on a recent financing of $1.00 per share. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at July 31, 2018. As at July 31, 2018, a +/- 10% change in the fair value of Brazil Potash Corp. will result in a corresponding +/- $120,000 (January 31, 2018 - $60,000) 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.

12. Related party disclosures

These condensed interim 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 July 31, 2018 and 2017 were as follows:

	Six months ended July 31, 2018	Six months ended July 31, 2017
Short-term benefits (*)	$ 195,000	$ 195,000
Share-based payments	$ 774	$ 198,969
	$ 195,774	$ 393,969

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

12. Related party disclosures (continued)

At July 31, 2018, the Company had accounts payable and accrued liabilities balance of $137,500 (January 31, 2018 - $2,921,000) owing to its key management and related companies for 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. At July 31, 2018, included in amounts receivable are $983,411 (January 31, 2018 - $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. As of July 31, 2018, $Nil (January 31, 2018 - $2,610,000 management bonus of 1,000,000 common shares of Lithium X Corp) was owed to F&M.

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 six months ended July 31, 2018, the Company incurred $27,251 (2017 - $323) of legal and professional fees. As at July 31, 2018, $1,255,009 (January 31, 2018 - $1,227,758) 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 six months ended July 31, 2018, the Company advanced a total of $9,005 (2017 - $13,943) to FRC. As at July 31, 2018, $241,919 (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.

(Expressed in Canadian dollars unless otherwise noted - unaudited)

12. Related party disclosures (continued)

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 six months ended July 31, 2018, the Company earned $200,000 (2017 - $200,000) in advisory fees from Ore Acquisition Partners LP ("Ore") and incurred $195,602 (2017 - $198,345) in related expenses paid to David Stein and other vendors. The Company has control and direction over investments held by Ore. As at July 31, 2018, the Company held common investments with Ore in Black Iron Inc., Brazil Potash Corp., Panthera Resources PLC, Troilus Gold Corp. 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.

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 July 31, 2018 and January 31, 2018.

Investment	Nature of relationship	Estimated Fair value	% of FV
2292055 Ontario Inc.*	Officer (Ryan Ptolemy) and shareholders	1,256,900	4.4%
African Thunder Platinum Limited*	Director (George Faught)	4,852,640	16.9%
Apio Africa Ltd.	Director (Stan Bharti) and shareholders	31,403	0.1%
Amazon Potash Corporation*	Directors (Stan Bharti, George Faught) and shareholders	-	0.0%
Aguia Resources Limited	Director (Stan Bharti), officer (Ryan Ptolemy) and shareholders	241,572	0.8%
Black Iron Inc.	Officer (Stan Bharti) and shareholders	1,043,156	3.6%
Blue Sky Energy Inc.	10% security holder (Aberdeen) and shareholders	2,078,340	7.2%
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy) and shareholders	1,043,140	3.6%
Desert Lion Energy Corp.	Shareholders	2,558,815	8.9%
Euro Sun Mining Inc.	Director (Stan Bharti) and shareholders	1,228,575	4.3%
Fura Gems Inc.	Officer (Ryan Ptolemy), 10% security holders (Stan Bharti, Aberdeen)	6,542,142	22.7%
International Cobalt Inc.*	10% security holder (Aberdeen)	521,491	1.8%
Jourdan Resources Inc.	10% security holder (Aberdeen)	1,042,500	3.6%
Magnolia Colombia Limited	Director (Maurice Colsen) and shareholders	212,000	0.7%
Panthera Resources PLC	Former director (David Stein)	29,210	0.1%
Q-Gold Resources Ltd.	10% security holder (Aberdeen) and shareholders	561,000	1.9%
QMX Gold Corporation	10% security holder (Stan Bharti) and shareholders	1,304,163	4.5%
Sulliden Mining Capital Inc.	Director and officer (Stan Bharti) and shareholders	376,740	1.3%
Temujin Mining Corp.*	Director (Stan Bharti) and shareholders	-	0.0%
Trigon Metals Inc.	10% security holder (Aberdeen) and shareholders	787,569	2.7%
Valencia Ventures Inc.	Director (Bernard Wilson), officer (Ryan Ptolemy),10% security	374,000	1.3%
Total of 13 other investments	Shareholders/warrant holders	2,689,438	9.6%
Total Investments - July 31, 2018		$ 28,774,794	100.0%

* Private company

(Expressed in Canadian dollars unless otherwise noted - unaudited)

12. Related party disclosures (continued)

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

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 July 31 and January 31, 2018.

13. Commitments and contingencies

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.

13. Commitments and contingencies (continued)

Management contracts

The Company is party to certain management contracts. These contracts contain aggregate minimum commitments of approximately $455,000 (January 31, 2018 - $582,000) ranging from 30 days to 13 months and additional contingent payments of up to approximately $5,170,000 (January 31, 2018 - $5,215,000) 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 condensed interim consolidated financial statements.

F&M costs sharing policy

See note 12.

FRC loan agreement

See note 12.