



ABERDEEN

INTERNATIONAL

CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended July 31, 2020 and 2019

(expressed in Canadian dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated 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 consolidated 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 consolidated 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, 2020 \$	January 31, 2020 \$
Assets			
Cash	13	228,515	176,973
Public investments, at fair value through profit and loss	3,13,14	10,509,857	6,590,346
Amounts receivable	4,13,14	683,168	1,164,700
Loans receivable	5,13,14	1,584,040	3,563,300
Prepaid expenses	6	272,629	139,448
Private investments, at fair value through profit and loss	3,13,14	20,801,094	16,734,684
Royalty interest		1,928,200	1,928,200
Total assets		36,007,503	30,297,651
Liabilities			
Accounts payable and accrued liabilities	7,13,14	1,343,371	1,129,754
Loans payable	8	564,778	496,887
Total liabilities		1,908,149	1,626,641
Shareholders' equity			
Share capital	10	42,282,287	41,646,105
Equity reserve and treasury shares	11	6,616,785	6,464,120
(Deficit)		(14,799,718)	(19,439,215)
Total shareholders' equity		34,099,354	28,671,010
Total liabilities and shareholders' equity		36,007,503	30,297,651
Commitments and contingencies	15		

Approved on behalf of the Board of Directors:

"Bernard Wilson" (signed)
Bernard Wilson, Director

"Maurice Colson" (signed)
Maurice Colson, Director

ABERDEEN INTERNATIONAL INC.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(In Canadian dollars - unaudited)

	Notes	Three months ended July 31,		Six months ended July 31,	
		2020	2019	2020	2019
		\$	\$	\$	\$
Net investment gain (loss)					
Realized gain (loss) on investments, net		553,546	(1,563,159)	505,550	(2,296,327)
Unrealized gain (loss) on investments, net		3,078,024	518,293	4,809,950	(807,476)
Total investment gain (loss)		3,631,570	(1,044,866)	5,315,500	(3,103,803)
Other revenue					
Interest income	5,14	67,755	94,174	169,947	184,818
Advisory fees	14	16,031	11,771	32,062	29,427
Total other revenue		83,786	105,945	202,009	214,245
Expenses					
Operating, general and administration	9	496,397	513,201	804,275	880,009
Transaction costs		43,926	9,773	60,883	14,348
Interest expense		14,829	121	28,955	234
Total expenses		555,152	523,095	894,113	894,591
Income (loss) before other items		3,160,204	(1,462,016)	4,623,396	(3,784,149)
Foreign exchange (loss) gain		(85,878)	(43,982)	16,101	(7,797)
Net income (loss) and comprehensive income (loss) for the period		3,074,326	(1,505,998)	4,639,497	(3,791,946)
Income (loss) per common share based on net income (loss) for the period					
Basic and diluted		0.03	(0.02)	0.05	(0.04)
Weighted average number of common shares outstanding					
Basic and diluted		96,226,195	96,052,282	96,140,194	96,052,282

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,	
		2020	2019
		\$	\$
Cash flows from operating activities			
Income (loss) for the period		4,639,497	(3,791,946)
Adjustments to reconcile net loss to cash used in operating activities:			
Realized (gain) loss on investments		(505,550)	2,296,327
Interest and advisory fees		(201,936)	(214,245)
Interest expense on loan		27,891	-
Unrealized (gain) loss on investments		(4,809,950)	807,476
Unrealized foreign exchange (gain) loss		(16,068)	7,843
		(866,116)	(894,545)
Adjustments for:			
Purchase of investments		(3,384,754)	(467,756)
Disposal of investments		3,364,986	1,308,244
Return of capital on investment		330,324	78,401
Short-term loans provided		(135,340)	(206,625)
Short-term loans repaid		290,000	-
Prepaid and other amounts receivable		(133,181)	47,379
Accounts payable and accrued liabilities		(247,120)	200,141
Net cash (used in) provided from operating activities		(781,201)	65,239
Cash flows from financing activities			
Loan payable		40,000	-
Private placement		800,000	-
Share and warrant issue costs		(611)	-
Net cash provided from financing activities		839,389	-
Change in cash for the period		58,188	65,239
Cash, beginning of period		176,973	128,134
Effect of exchange rate on cash held		(6,646)	(125)
Cash, end of period		228,515	193,248
Supplemental cash flow information			
Interest paid		1,063	234
Shares received on conversion of loans and amount receivable	5	2,646,853	-

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	Retained earnings / (Deficit)	Total shareholders' equity
	#	\$	\$	\$	\$
Balance - January 31, 2020	96,052,282	41,646,105	6,464,120	(19,439,215)	28,671,010
Private Placement	16,000,000	800,000	-	-	800,000
Warrants issued		(152,665)	152,665	-	-
Share and warrant issued costs		(11,153)	-	-	(11,153)
Net income for the period	-	-	-	4,639,497	4,639,497
Balance - July 31, 2020	112,052,282	42,282,287	6,616,785	(14,799,718)	34,099,354
Balance - January 31, 2019	96,052,282	41,646,105	6,860,652	(21,704,270)	26,802,487
Net loss for the period	-	-	-	(3,791,946)	(3,791,946)
Balance - July 31, 2019	96,052,282	41,646,105	6,860,652	(25,496,216)	23,010,541

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

ABERDEEN INTERNATIONAL INC.

Notes to the Condensed Interim Consolidated Financial Statements

July 31, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted - unaudited)

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.

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

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, 2020 and 2019 except as disclosed below. Accordingly, these condensed interim consolidated financial statements for the three-month and six months periods ended July 31, 2020 and 2019 should be read together with the annual consolidated financial statements as at and for the years ended January 31, 2020 and 2019.

The condensed interim consolidated financial statements of the Company were approved by the Board of Directors on September 11, 2020.

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 ("C\$"). In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The Company has determined itself to be an investment entity in accordance with IFRS 10.

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.

ABERDEEN INTERNATIONAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
July 31, 2020 and 2019
(Expressed in Canadian dollars unless otherwise noted - unaudited)

2. Significant accounting policies (continued)

Basis of consolidation (continued)

During fiscal 2019, the Company filed an article of dissolution dissolving the operation of its subsidiary Great Lake Capital Management Inc. As such the condensed interim consolidated financial statements, subsequent to the date of dissolution, comprise the financial statements of the Company and its wholly owned subsidiary 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.

New accounting policies

Effective February 1, 2020, the Company adopted the amendments to refine the definition of materiality in IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors came into effect. These amendments did not have any material impact on the Company's condensed interim consolidated financial statements.

3. Investments at fair value through profit and loss

At July 31, 2020, the Company's investment portfolio consisted of nineteen publicly traded investments and thirteen privately held investments for a total fair value of \$31,310,951 (January 31, 2020 - \$23,325,030).

Public investments

At July 31, 2020, the Company's nineteen publicly traded investments had a total fair value of \$10,509,857.

	Note	Security description	Cost	Estimated Fair value	% of FV
African Gold Group, Inc.	(iii)	643 common shares 1,357,143 warrants expire Jun 28, 2021	\$ 82,095	\$ 166,029	1.6%
Earthrenew Inc.	(iii)	4,074,387 common shares	1,509,992	1,140,828	10.9%
Blue Sky Energy Inc.	(i,ii)	4,656,680 common shares	2,434,166	675,219	6.4%
Fura Gems Inc.	(i,iii)	10,000,594 common shares	2,453,173	1,050,062	10.0%
Hornby Bay Mineral Exploration Ltd		2,000,000 common shares 1,000,000 warrants expire Nov 8, 2021	100,000	277,200	2.6%
Jourdan Resources Inc.	(ii)	8,333,333 common shares	385,904	166,667	1.6%
Magnolia Colombia Limited	(iii)	1,000,000 common shares	70,509	120,000	1.1%
Origin Gold Corporation		1,791,000 common shares	238,650	573,120	5.5%
Q-Gold Resources Ltd.	(i,ii,iii)	5,000,000 common shares	625,000	1,250,000	11.9%
QMX Gold Corporation		2,500,000 warrants expire Feb 16, 2021	79,380	181,500	1.7%
QuestCap Inc.	(iii)	779,500 common shares	88,149	163,695	1.6%
Sulliden Mining Capital Inc.	(ii,iii)	6,389,607 common shares	766,584	478,772	4.6%
Trigon Metals Inc.		6,620,740 common shares 2,375,000 warrants expire Jan 8, 2023	1,687,451	4,154,263	39.5%
Yukoterre Resources Inc.	(iii)	765,000 common shares	57,765	76,500	0.7%
Total of 5 other investments	(iv)		843,581	36,002	0.3%
Total public investments			\$ 11,422,399	\$ 10,509,857	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, 2020
- (iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at July 31, 2020
- (iv) Total other investments held by the Company are not individually listed as at July 31, 2020. Directors and officers may hold investments personally.

ABERDEEN INTERNATIONAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
July 31, 2020 and 2019
(Expressed in Canadian dollars unless otherwise noted - unaudited)

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

Public investments (continued)

At January 31, 2020, the Company's twenty publicly traded investments had a total fair value of \$6,590,346.

Public Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
African Gold Group, Inc.	(iii)	2,487,143 common shares 1,357,143 warrants expire Jun 28, 2021	\$ 749,407	\$ 555,307	8.4%
Earthrenew Inc.	(iii)	8,323,160 common shares	1,140,646	665,853	10.1%
Blue Sky Energy Inc.	(i,ii)	4,156,680 common shares	2,319,166	207,834	3.2%
Fura Gems Inc.	(i,iii)	12,538,094 common shares	2,957,883	1,808,714	27.5%
Hornby Bay Exploration Ltd		2,000,000 common shares 1,000,000 warrants expire Nov 8, 2021	100,000	167,600	2.5%
Jourdan Resources Inc.	(ii)	8,333,333 common shares 8,333,333 warrants expire Jun 12, 2020	500,000	90,833	1.4%
Magnolia Colombia Limited	(iii)	1,000,000 common shares	70,509	120,000	1.8%
Q-Gold Resources Ltd.	(i,ii,iii)	2,500,000 common shares 2,500,000 warrants expire Jul 4, 2020	250,000	910,750	13.8%
QMX Gold Corporation		432,500 common shares 2,500,000 warrants expire Feb 16, 2021	133,546	120,988	1.8%
QuestCap Inc.	(iii)	3,665,000 common shares	490,332	311,525	4.7%
Sulliden Mining Capital Inc.	(ii,iii)	6,389,607 common shares	766,584	376,178	5.7%
Trigon Metals Inc.		6,620,740 common shares 500,000 warrants expire Jul 31, 2020 2,375,000 warrants expire Jan 8, 2023	1,758,465	1,062,875	16.2%
Yukoterre Resources Inc.*	(iii)	980,000 common shares	74,000	88,200	1.3%
Total of 7 other investments	(iv)		932,945	103,689	1.6%
Total public investments			\$ 12,243,483	\$ 6,590,346	100.0%

*Formerly 2560344 Ontario 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, 2020
- (iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2020
- (iv) Total other investments held by the Company are not individually listed as at January 31, 2020. Directors and officers may hold investments personally.

Private investments

At July 31, 2020, the Company's thirteen privately held investments had a total estimated fair value of \$20,801,094.

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
African Thunder Platinum Limited	(i,ii,iii)	72,440,807 common shares	\$ 15,436,372	\$ 3,570,469	17.2%
	(v)	46,230,979 options			
	(v)	46,230,979 options			
	(v)	55,477,175 options			
	(v)	64,723,371 options			
Brazil Potash Corp.	(iii)	2,679,508 common shares	4,221,165	13,468,546	64.7%
Flora Growth Corp.	(iii)	3,408,000 common shares	3,421,853	3,426,062	16.5%
International Cobalt Inc.	(i,ii)	66.67% of interest	980,000	336,017	1.6%
Total of 9 other investments	(iv)		2,786,622	-	0.0%
Total private investments			\$ 26,846,012	\$ 20,801,094	100.0%

ABERDEEN INTERNATIONAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
July 31, 2020 and 2019
(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 of International Cobalt 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, 2020 and 2019 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, 2020.
- (iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at July 31, 2020.
- (iv) Total other investments held by the Company are not individually listed as at July 31, 2020. Directors and officers may hold investments personally.
- (v) 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 ATPL assets except Kalplats project; (ii) the date upon which shareholders enter into an agreement to sell all ATPL assets to a third party, and (iii) the date upon which ATPL 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.

At January 31, 2020, the Company's twelve privately held investments had a total estimated fair value of \$16,734,684.

Private Issuer	Note	Security description	Cost	Estimated Fair value	% of FV
African Thunder Platinum Limited	(i,ii,iii)	72,440,807 common shares	\$ 15,766,695	\$ 3,748,652	22.4%
	(v)	46,230,979 options			
	(v)	46,230,979 options			
	(v)	55,477,175 options			
	(v)	64,723,371 options			
Brazil Potash Corp.	(iii)	2,512,508 common shares	3,315,639	12,468,006	74.5%
International Cobalt Inc.	(i,ii)	66.67% of interest	980,000	518,026	3.1%
Total of 9 other investments	(iv)		2,786,623	-	0.0%
Total private investments			\$ 22,848,957	\$ 16,734,684	100.0%

Note

- (i) The Company owns 66.7% of the outstanding common shares of International Cobalt 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, 2020 and 2019 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, 2020.
- (iii) A director and/or officer of the Company is a director and/or officer of the investee corporation as at January 31, 2020.
- (iv) Total other investments held by the Company are not individually listed as at January 31, 2020. Directors and officers may hold investments personally.
- (v) 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 ATPL assets except Kalplats project; (ii) the date upon which shareholders enter into an agreement to sell all ATPL assets to a third party, and (iii) the date upon which ATPL 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.

4. Amounts receivable

	July 31, 2020	January 31, 2020
Trade receivable	\$ 212	\$ 212
Interest and arrangement fees receivable (see notes 5,14)	389,756	1,019,363
Amounts receivable (see note 13)	123,750	123,750
Investment settlement receivable	116,013	-
Advisory fees receivable (see note 13,14)	53,437	21,375
	\$ 683,168	\$ 1,164,700

ABERDEEN INTERNATIONAL INC.

Notes to the Condensed Interim Consolidated Financial Statements

July 31, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted - unaudited)

5. Loans receivable

		July 31, 2020	January 31, 2020
Blue Sky Energy Inc.	Unsecured & convertible**	\$ 250,000	\$ 250,000
Brazil Potash Corp.	Unsecured & convertible**	134,040	-
Greenway Investments International Ltd.	Unsecured	1,000,000	1,000,000
Irati Energy Corp.	Unsecured & convertible**	200,000	200,000
Newdene Gold Inc.	Unsecured & convertible**	-	500,000
Siwash Holdings Inc.*	Unsecured & convertible**	-	1,323,000
Trigon Metals Inc.	Unsecured & convertible**	-	290,000
		\$ 1,584,040	\$ 3,563,000

* Formerly KAZ Invest AB

** The loan agreement contemplates that the Company and the borrower could negotiate the settlement of the amounts for shares or other securities

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 planned to convert the loan into Blue Sky shares upon completion of Blue Sky's announced reverse acquisition of Irati Energy Corp. ("RTO").

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.

On December 18, 2018, Blue Sky terminated its planned RTO transaction with Irati Energy Corp. Consequently, the Company signed an acceptance of agreement with Blue Sky to settle the total debt of \$303,924 owing as of September 30, 2019 for 607,848 common shares of Blue Sky at \$0.50 per share. The proposed settlement is pending TSXV approval. As settlement has not been received as at July 31, 2020, the loan continues to accrue interest at 12% per annum.

As of July 31, 2020, loan principal of \$250,000 (January 31, 2020 - \$250,000) plus accrued interest and arrangement fee totaling \$108,952 (January 31, 2020 - \$94,034) remained outstanding. The Company is a 10% security holder of Blue Sky as of July 31, 2020.

Brazil Potash Corp.

On July 2, 2020 the Company entered into a loan agreement with Brazil Potash Corp. ("BPC") for an unsecured loan of US\$100,00 to BPC. Interest is accrued and calculated at 12% per annum. Principal plus accrued interest are due and payable on or before January 2, 2021. BPC 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 is subject to a subsequent written agreement.

As of July 31, 2020, the loan principal of US\$100,000 (\$134,040) (January 31, 2020 - \$Nil), plus accrued interest of US\$746 (\$1,000) (January 31, 2019 - \$Nil) remained outstanding. A director and officer of the Company (Stan Bharti) and an officer of the Company (Ryan Ptolemy) are a director and an officer, respectively, of BPC.

ABERDEEN INTERNATIONAL INC.

Notes to the Condensed Interim Consolidated Financial Statements

July 31, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted - unaudited)

5. Loans receivable (continued)

Greenway Investments International Ltd.

On September 23, 2019, the Company entered into a share purchase agreement with Greenway Investments International Ltd. ("Greenway") selling 1,237,500 common shares of Vilhelmina Minerals Inc. to Greenway for cash payment of \$123,750 and a promissory note of \$1,000,000 with interest calculated at 10% per annum. The loan principal plus accrued interest will mature and be due on September 23, 2021.

As of July 31, 2020, the cash payment of \$123,750 (January 31, 2020 - \$123,750) included in amounts receivable, loan principle of \$1,000,000 (January 31, 2020 - \$1,000,000) plus accrued interest of \$90,370 (January 31, 2020 - \$35,616) remained outstanding.

Irati Energy Corp.

On June 27, 2018, the Company entered into a loan agreement with Irati Energy Inc. ("Irati") for an unsecured loan of \$200,000 to Irati. Interest is accrued and calculated at 12% per annum. Principal plus accrued interest were 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 is subject to a subsequent written agreement. The Company granted Irati extension to repay the loan until June 27, 2019 and further to January 31, 2020. As at July 31, 2020, the loan remained outstanding and continued to accrue interest at the rate of 12% per annum.

As of July 31, 2020, the loan principal of \$200,000 (January 31, 2020 - \$200,000), plus accrued interest of \$50,269 (January 31, 2020 - \$38,334) remained outstanding. A director and officer of the Company (Stan Bharti) and an officer of the Company (Ryan Ptolemy) are a director and an officer, respectively, of Irati.

Newdene Gold Inc.

On May 22, 2018, the Company entered into a loan agreement with Newdene Gold Inc. ("Newdene") for an unsecured loan of \$500,000 to Newdene. Interest is accrued and calculated at 12% per annum. Principal plus accrued interest were due and payable on or before August 31, 2018. Newdene 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 is subject to a subsequent written agreement. The Company granted Newdene extensions to repay the loan until January 31, 2019, and subsequently until January 31, 2020 and further until July 31, 2020.

On July 31, 2020, the Company negotiated the loan repayment with Newdene and received 628,400 shares of Flora Growth Corp. as full and final settlement of loan principal plus accrued interest of \$631,589.

Siwash Holdings Inc. and KAZ Invest AB

On March 14, 2017, the Company entered into a loan agreement with KAZ Invest AB ("KAZ") and provided a loan of US\$1,000,000 to KAZ. This principal and accrued interest was due and payable to the Company in cash on or before September 14, 2017. 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 extensions to repay the loan until March 13, 2018, and subsequently until September 13, 2018. In consideration for the extensions, KAZ agreed to pay extension fees of US\$50,000 on each repayment date, respectively.

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

On September 13, 2018, the Company granted Siwash an extension to repay the loan until January 31, 2019. In consideration for the extension, Siwash agreed to pay an extension fee of US\$30,000 on the repayment date. On January 31, 2019, the Company granted Siwash a further extension to repay the loan until July 31, 2019, then January 31, 2020. The loan was further extended to July 31, 2020.

On July 31, 2020, the Company negotiated the loan repayment with Siwash and received 2,004,600 shares of Flora Growth Corp. as full and final settlement of loan principal plus accrued interest of US\$1,503,479 (\$2,015,264).

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5. Loans receivable (continued)

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 provided unsecured loans of \$200,000 and \$275,000 to Trigon, respectively. Interest on these loans is accrued and calculated at 12% per annum. Principals plus accrued interest were 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 is subject to a subsequent written agreement. On September 10, 2018, the Company amended the loan agreement signed on June 26, 2018 and loaned an additional \$80,000 to Trigon repayable on December 26, 2018.

Trigon did not repay the first and second loans in November 30, 2018 and December 26, 2018. On December 31, 2018, the Company provided a further \$140,000 to Trigon and continued to accrue interest at 12% per annum. The Company granted Trigon an extension to repay all the amounts loaned up to December 31, 2018 until January 31, 2020.

In January 2020, the Company participated in Trigon's private placement financing and received 2,375,000 units against \$285,000 of loan principal owed. The Company also received repayment of principal of \$410,000 in cash during the six months ended July 31, 2020.

As at July 31, 2020, the loan principal of \$nil (January 31, 2020 - \$290,000) and accrued of \$139,166 (January 31, 2020 - \$122,527) remained outstanding.

6. Prepaid expenses

	July 31, 2020	January 31, 2020
Prepaid insurance	\$ 24,300	\$ -
Prepaid expenses	248,329	139,448
	\$ 272,629	\$ 139,448

7. Accounts payable and accrued liabilities

	July 31, 2020	January 31, 2020
Trade payables	\$ 732,154	\$ 937,649
Accrued expenses	545,217	140,760
Deferred share unit payable	66,000	44,000
HST payable	-	7,345
	\$ 1,343,371	\$ 1,129,754

8. Loans payable

Sulliden Mining Capital Inc.

On August 7, 2019, the Company entered into a loan agreement with Sulliden Mining Capital Inc. ("Sulliden") for a loan of \$470,000 with interest calculated at 12% per annum. The principal and accrued interest were due and payable in full on or before February 7, 2020. On February 7, 2020, Sulliden extended the maturity date of the loan to July 31, 2020. The Company is currently negotiating an extension with Sulliden.

As of July 31, 2020, principal of \$470,000 (January 31, 2020 - \$470,000) and interest of \$55,857 (January 31, 2020 - \$26,887) remained outstanding. A director and officer (Stan Bharti) and officer (Ryan Ptolemy) of Aberdeen, is also a director and officers of Sulliden. The Company is negotiating an extension with Sulliden.

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8. Loan payable (continued)

Canada Emergency Business Account

In April 2020, the Company received \$40,000 from the Government under the Canada Emergency Business Account (“CEBA Loan”) for small businesses impacted by the Covid-19. Under the term of the CEBA Loan, no repayment is required during 2020 and the \$40,000 will be converted to an interest free term loan effective January 1, 2021. The Company will receive a 25% early payment credit if the principal is repaid by December 31, 2022. Effective January 1, 2023, interest rate of 5% per annum will be calculated and accrued on any unpaid loan balance.

9. Expenses by nature

Details included in operating, general and administration expenses for the three and six months ended July 31, 2020 and 2019:

	Three months ended July 31,		Six months ended July 31,	
	2020	2019	2020	2019
Compensation of directors, officers, employees and consultants (including salaries, consulting fees, RSUs and DSUs)	\$ 241,882	\$ 223,356	\$ 442,277	\$ 424,644
Legal, accounting and professional fees	125,327	79,196	138,434	108,093
Filing and transfer agent fees	7,185	7,595	22,908	23,619
Shareholder communication and promotion	7,650	46,869	13,141	55,203
Travel	52,977	88,478	67,123	140,623
General office and administration costs	61,376	67,707	120,392	127,827
	\$ 496,397	\$ 513,201	\$ 804,275	\$ 880,009

10. Share capital

Authorized: Unlimited common shares with no par value

Issued and Outstanding:

	Number of shares	Amount
Issued and outstanding common shares		
Balance, January 31, 2018, 2019 and 2020	96,052,282	\$ 41,646,105
Unit issued through private placement	16,000,000	800,000
Vaule of warrants issued	-	(152,665)
Share and warrant issue costs	-	(11,153)
Balance, July 31, 2020	112,052,282	\$ 42,282,287

On July 31, 2020, the Company completed a non-brokered private placement financing of 16,000,000 units at a price of \$0.05 per unit for gross proceeds of \$800,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitle the holder to acquire a common share at a price of \$0.07 for a period of two years from the date of issuance, subject to an acceleration provision whereby in the event that at any time after the expiry of the statutory hold period, the common shares trade at \$0.20 or higher on the TSX Venture Exchange for a period of 30 consecutive days, the Company shall have the right to accelerate the expiry date of the Warrants to the date that is 30 days after the Company issues a news release announcing that it has elected to exercise the acceleration right. The issue date fair value of the warrants was estimated at \$152,665 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 115.8% (based on the Company’s historical volatility); risk-free interest rate of 0.26% and an expected life of 2 years. The Company also incurred share and warrant issue costs of \$11,153.

ABERDEEN INTERNATIONAL INC.

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11. Equity reserve and treasure shares

	Number of warrants	Weighted average exercise price	Value of warrants	Number of RSU vested (Note)	Weighted average exercise price	Value of RSU	Treasury shares adjustment	Total Value
January 31, 2020	-	\$ -	\$ -	4,850,000	\$ 0.16	\$ 775,999	\$ 5,688,121	\$ 6,464,120
Granted	8,000,000	0.07	152,665	-	-	-	-	\$ 152,665
July 31, 2020	8,000,000	\$ 0.07	\$ 152,665	4,850,000	\$ 0.16	\$ 775,999	\$ 5,688,121	\$ 6,616,785

Warrants

As at July 31, 2020, the Company had share purchase warrants outstanding as follows:

	Number outstanding	Grant date	Expiry date	Exercise price	Fair value at grant date	Expected Volatility	Risk-free Rate	Expected Life (years)	Expected Dividend Yield
Warrants	8,000,000	31-Jul-20	31-Jul-22	\$ 0.07	\$ 152,665	115.8%	0.26%	2	0%

12. 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:

- to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments;
- to give shareholders sustained growth in value by increasing shareholders' equity; while
- 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:

- raising capital through equity financings;
- realizing proceeds from the disposition of its investments; and
- 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, 2020. 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 the TSX, the listed issuer will be able to continue as a going concern. The 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 significant changes to the Company's capital management during the six months ended July 31, 2020 and 2019. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current reporting date.

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13. Financial instruments

Financial assets and financial liabilities as at July 31, 2020 are as follows:

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit and loss	TOTAL
<u>July 31, 2020</u>			
Cash	\$ 228,515	\$ -	\$ 228,515
Public investments	-	10,509,857	10,509,857
Amounts receivable	567,155	116,013	683,168
Loans receivable	1,584,040	-	1,584,040
Private investments	-	20,801,094	20,801,094
Accounts payable and accrued liabilities	(827,235)	(516,136)	(1,343,371)
Loan payable	(564,778)	-	(564,778)

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 July 31, 2020 that made up of approximately 37%, 12% and 10% of the total assets (January 31, 2020 - three positions that made up of approximately 41%, 12% and 6% respectively of the total assets).

For the six months ended July 31, 2020, a 10% (decrease) in the closing price of these three concentrated positions would result in an estimated decrease in after-tax net income of \$1.6 million (January 31, 2020 - \$1.3 million) of these three concentrated positions.

For six months ended January 31, 2020, a 10% (decrease) increase in the closing prices of its portfolio investments would result in an estimated increase (decrease) in after-tax net income (loss) of \$2.3 million (January 31, 2020 - \$1.7 million). This estimated impact on the statement of comprehensive income (loss) includes the estimated value of the non-traded warrants held, as determined using the Black-Scholes option pricing model.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments 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.

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13. Financial instruments (continued)

Liquidity risk (continued)

Assets	Liquidity by period		
	Total	Less than 1 year	1-3 years
Cash	\$ 228,515	\$ 228,515	\$ -
Public investments	10,509,857	10,509,857	-
Amounts receivable	683,168	592,797	90,371
Loans receivable	1,584,040	584,040	1,000,000
Prepaid expenses	272,629	13,549	259,080
Private investments	20,801,094	-	20,801,094
Royalty interest	1,928,200	-	1,928,200
Total assets - July 31, 2020	\$ 36,007,503	\$ 11,928,758	\$ 24,078,745

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, 2020 was \$2,151,195 (January 31, 2020 - \$4,728,000). The Company mitigates its credit risk by only providing loans to Company's where they have detailed knowledge of the company's operations and business strategy. The Company has three concentrated loans as at July 31, 2020 that are made up of 18% Blue Sky, 55% Greenway and 13% Irati (January 31, 2020 - 41% Siwash, 25% Greenway and 13% Newdene).

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, 2020 are as follows:

	July 31, 2020
1 US dollar to Canadian dollars	\$1.3404
1 British Pound to Canadian dollars	\$1.7591

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, 2020.

	July 31, 2020	
	US Dollars	British Pound
Cash	\$ 25,920	\$ -
Public investment	-	25,689
Amount receivable	1,000	-
Private investment	20,465,077	-
Loans receivable	134,040	-
Accounts payable and accrued liabilities	(5,080)	-
Balance - July 31, 2020	\$ 20,620,957	\$ 25,689

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13. Financial instruments (continued)

Currency risk (continued)

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, 2020 would result in an estimated increase (decrease) in after-tax net loss of approximately \$1.5 million or \$0.02 per share of Aberdeen (January 31, 2020 – after-tax net loss of approximately \$1.8 million or \$0.01 per share of Aberdeen). The Company does not currently hedge its foreign currency exposure.

Fair value of financial instruments

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

- i. The carrying values of cash, amounts receivable, and accounts payable and accrual liabilities and loans payable 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 of the Company's consolidated financial statements as at and for years ended January 31, 2020 and 2019.
- 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, 2020.

Financial assets (liabilities), fair value	Level 1	Level 2	Level 3	Total
	(Quoted Market price)	(Valuation technique - observable market inputs)	(Valuation technique - non-observable market inputs)	
Publicly traded investments	\$ 9,174,902	\$ -	\$ -	\$ 9,174,902
Non-trading warrants on public investments	-	1,334,955	-	1,334,955
Private investments	-	-	20,801,094	20,801,094
DSU in accounts payable and accrued liabilities	(66,000)	-	-	(66,000)
July 31, 2020	\$ 9,108,902	\$ 1,334,955	\$ 20,801,094	\$ 31,244,951

Level 2 Hierarchy

During the six months ended July 31, 2020, public investments of \$nil (January 31, 2020 - \$1,549,792) were purchased, \$320,303 (January 31, 2019 - \$818,441) were disposed and \$1,529,600 (January 31, 2020 - \$859,390) were transferred to level 1 upon the removal of restriction from this public investment.

Investments, fair value	Six months ended	Years ended
	July 31, 2020	January 31, 2020
Balance, beginning of period	\$ 1,957,350	\$ 2,769,303
Purchase at cost - shares and warrants	-	1,549,792
Disposal at cost - warrants	(320,303)	(818,441)
Transferred (to) Level 1	(1,529,600)	(859,390)
Unrealized and realized gain, net	1,227,508	(683,914)
Balance, end of period	\$ 1,334,955	\$ 1,957,350

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13. 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, 2020 and January 31, 2020. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized and unrealized gain are recognized in the statements of income (loss).

	Six months ended		Years ended	
	July 31, 2020		January 31, 2020	
Investments, fair value				
Balance, beginning of period	\$	16,734,684	\$	8,977,285
Purchase at cost - shares		4,327,379		-
Disposal at cost - shares		-		(1,237,500)
Share for debt conversion		-		397,088
Transferred to public		-		(23,999)
Return of capital on investments		(330,324)		(860,653)
Unrealized and realized gain, net		69,355		9,482,463
Balance, end of period	\$	20,801,094	\$	16,734,684

Included in unrealized and realized gain for the period ended July 31, 2020, the total gain that are attributable to change in realized and unrealized gain relating to those assets and liabilities held at July 31, 2020 were \$69,355 (January 31, 2020 - \$9,482,463).

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 July 31, 2020:

July 31, 2020				
<i>Description</i>	<i>Fair value</i>	<i>Valuation technique</i>	<i>Significant unobservable input(s)</i>	<i>Range of significant unobservable inputs</i>
African Thunder Platinum Ltd.	\$ 3,570,469	Net asset value	Net realizable value of put option	US\$17 million
			Discount rate	10.00%
Brazil Potash Corp.	13,468,546	Recent financing	Marketability of shares	0% discount
Flora Growth Corp.	3,426,062	Recent financing	Marketability of shares	0% discount
International Cobalt Inc.	336,017	Net asset value	Marketability of shares	0% discount
	\$ 20,801,094			

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.

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13. Financial instruments (continued)

Fair value of financial instruments (continued)

Level 3 Hierarchy (continued)

African Thunder Platinum Limited

The valuation as at July 31, 2020 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\$22 million over the option term and gives SAIL Group the right to redeem the shares for a revised remaining actual cash flow of US\$ 16.75 million, adjusted for the first three installments received in fiscal 2020 through Q2-2021, and amended payment schedule with instalments payable between May 2020 and March 2021. Management has determined that there are no reasonable possible alternative assumptions that would change the fair value significantly as at July 31, 2020. As at July 31, 2020, a +/- 10% change in the fair value of ATPL will result in a corresponding +/- \$357,047 (January 31, 2020 - \$374,865) change in income. As at July 31, 2020 a discount rate of 6% would increase the fair value by approximately \$85,000 (January 31, 2020: \$88,000) whereas a discount rate of 14% would decrease the fair value by approximately \$80,000 (January 31, 2020 - \$83,000).

Brazil Potash Corp.

The valuation was based on BPC's most 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, 2020. As at July 31, 2020, a +/- 10% change in the fair value of Brazil Potash Corp. will result in a corresponding +/- \$1,346,855 (January 31, 2020 - \$1,246,801) change in income. Had the Company applied a marketability discount of 5%, if would have resulted in a corresponding decrease of approximately \$641,000 (January 31, 2020 - \$594,000) in income.

Flora Growth Corp.

The Company purchased shares of Flora Growth Corp. ("Flora") at US\$0.75 per share in July 2020. The valuation was based on Flora's most recent financing of US\$0.75 per share. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at July 31, 2020. As at July 31, 2020, a +/- 10% change in the fair value of Flora will result in a corresponding +/- \$342,606 change in income. Had the Company applied a marketability discount of 5%, if would have resulted in a corresponding decrease of approximately \$163,000 in income.

International Cobalt Inc.

The underlying assets of International Cobalt Inc. are 4.2 million common shares 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 April 30, 2020. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at July 31, 2020. As at July 31, 2020, a +/- 10% change in the fair value of International Cobalt Inc. will result in a corresponding +/- \$33,602 (January 31, 2020 - \$51,803) change in income. Had the Company applied a marketability discount of 5%, if would have resulted in a corresponding decrease of approximately \$16,000 (January 31, 2020 - \$25,000) 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.

14. Related party disclosures

These condensed interim consolidated financial statements include the financial statements of the Company and its subsidiary at its respective ownership listed in the following table.

	<u>Country of Incorporation</u>	<u>% equity interest</u>
Aberdeen (Barbados) Inc.	Barbados	100%

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14. Related party disclosures (continued)

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 three and six months ended July 31, 2020 and 2019 were as follows:

	Three months ended July 31,		Six months ended July 31,	
	2020	2019	2020	2019
Short-term benefits (*)	\$ 102,000	\$ 101,500	\$ 204,000	\$ 199,000
Share-based payments	\$ 33,000	\$ 5,500	22,000	-
	\$ 135,000	\$ 107,000	\$ 226,000	\$ 199,000

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

As at July 31, 2020, the Company had accounts payable and accrued liabilities balance of \$66,000 in DSU accrual (January 31, 2020 - \$44,000) and \$nil in directors' fees (January 31, 2020 - \$17,500) owing to its key management and related companies. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

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, 2020 and January 31, 2020.

Investment	Nature of relationship	Estimated Fair value	% of FV
African Gold Group, Inc.	Director and officer (Stan Bharti) and officer (Ryan Ptolemy)	\$ 166,029	0.5%
African Thunder Platinum Limited*	Former director (George Faught), 10% security holder (Aberdeen)	3,570,469	11.4%
Apio Africa Ltd.	Director (Stan Bharti)	-	0.0%
Amazon Potash Corporation*	Director (Stan Bharti), former director (George Faught)	-	0.0%
Blue Sky Energy Inc.	10% security holder (Aberdeen)	675,219	2.2%
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy)	13,468,546	43.0%
Earthrenew Inc.	Officer (Ryan Ptolemy)	1,140,828	3.6%
Flora Growth Corp.	Director (Stan Bharti)	3,426,062	10.9%
Fura Gems Inc.	Director and (Stan Bharti) and Officer (Ryan Ptolemy)	1,050,062	3.4%
International Cobalt Inc.*	10% security holder (Aberdeen)	336,017	1.1%
Jourdan Resources Inc.	10% security holder (Aberdeen)	166,667	0.5%
Magnolia Colombia Limited	Director (Maurice Colsen)	120,000	0.4%
Panthera Resources PLC	Former director (David Stein)	25,689	0.1%
Q-Gold Resources Ltd.	Director (Maurice Colsen), 10% security holders (Aberdeen, Stan Bharti)	1,250,000	4.0%
QuestCap Inc.	Former director and officer (Stan Bharti)	163,695	0.5%
Sulliden Mining Capital Inc.	Director and officer (Stan Bharti), Officer (Ryan Ptolemy), 10% security holder (Aberdeen)	478,772	1.5%
Temujin Mining Corp.*	Director (Stan Bharti)	-	0.0%
Yukoterre Resources Inc.	Director (Maurice Colsen)	76,500	0.2%
Total of 14 other investments		5,196,396	16.7%
Total Investments - July 31, 2020		\$ 31,310,951	100.0%

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14. Related party disclosures (continued)

Investment	Nature of relationship	Estimated Fair value	% of FV
African Gold Group, Inc.	Director and officer (Stan Bharti) and officer (Ryan Ptolemy)	\$ 555,307	2.4%
African Thunder Platinum Limited*	Former director (George Faught), 10% security holder (Aberdeen)	3,748,652	16.1%
Apio Africa Ltd.	Director (Stan Bharti)	33,864	0.1%
Amazon Potash Corporation*	Director (Stan Bharti), former director (George Faught)	-	0.0%
Blue Sky Energy Inc.	10% security holder (Aberdeen)	207,834	0.9%
Brazil Potash Corp.*	Director (Stan Bharti), officer (Ryan Ptolemy)	12,468,006	53.5%
Earthrenew Inc.	Officer (Ryan Ptolemy), 10% security holder (Stan Bharti)	665,853	2.9%
Euro Sun Mining Inc.	Director (Stan Bharti)	3,605	0.0%
Fura Gems Inc.	Officer (Ryan Ptolemy), 10% security holder (Stan Bharti)	1,808,714	7.8%
International Cobalt Inc.*	10% security holder (Aberdeen)	518,026	2.2%
Jourdan Resources Inc.	10% security holder (Aberdeen)	90,833	0.4%
Magnolia Colombia Limited	Director (Maurice Colsen)	120,000	0.5%
Panthera Resources PLC	Former director (David Stein)	31,827	0.1%
Q-Gold Resources Ltd.	Director (Maurice Colsen), 10% security holders (Aberdeen, Stan Bharti)	910,750	3.9%
QuestCap Inc.	Director and officer (Stan Bharti)	311,525	1.3%
Sulliden Mining Capital Inc.	Director and officer (Stan Bharti), 10% security holder (Aberdeen)	376,178	1.6%
Temujin Mining Corp.*	Director (Stan Bharti)	-	0.0%
Yukoterre Resources Inc.**	Director (Maurice Colsen)	88,200	0.4%
Total of 14 other investments		1,385,856	5.9%
Total Investments - January 31, 2020		\$ 23,325,030	100.0%

* Private company

** Formerly 2560344 Ontario Inc.

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 Company has a diversified base of shareholders. To the Company's knowledge, other than Stan Bharti, no shareholder holds more than 10% of the Company's common shares as at July 31, 2020 and (January 31, 2020 – Stan Bharti and Neil S. Subin).

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. The Company also had debt financing 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 and note 8 for details.

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.

During the six months ended July 31, 2020, the Company applied \$nil (2019 - \$130,000 advance against 2,958,143 units of African Gold Group Inc. ("AGG") subscribed leaving \$470,000 owing to AGG). A director and an officer of the Company, Stan Bharti and Ryan Ptolemy, serves as a director and an officer of AGG.

During the six months ended July 31, 2020, the Company received return of capital from ATPL in the amount of US\$244,876 (\$330,324) (2019 - US\$74,539 (\$98,153) of which a balance of US\$15,000 (\$19,722) was received subsequent to July 31, 2019). A former director of the Company, George Faught is a director of ATPL.

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14. 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, 2020, the Company earned \$32,062 (2019 – \$29,427) in advisory fees from Ore Acquisition Partners LP (“Ore”) and incurred \$Nil (2019 - \$Nil) 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, 2020, the Company held common investments with Ore in Brazil Potash Corp., Panthera Resources PLC, and Sulliden Capital Mining Inc. David Stein, a former director of Aberdeen, is a limited partner in Ore.

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, 2020, \$nil (January 31, 2020 - \$28,250) 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, 2020, the Company incurred \$577 (2019 - \$nil) of legal and professional fees. As at July 31, 2020 \$1,405,289 (January 31, 2020 - \$1,404,712) had been incurred by the Company.

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 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, 2020, the Company advanced a total of \$169,443 (2019 - \$56,482) to FRC. As at July 31, 2020, \$523,313 (January 31, 2020 - \$353,871) had been advanced pertaining to the loan agreement. The Company has expensed these amounts 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.

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15. Commitments and contingencies

F&M cost sharing policy

See note 14.

FRC loan agreement

See note 14.

Management contracts

The Company is party to certain management contracts. These contracts contain aggregate minimum commitments of approximately \$777,000 ranging from 30 days to 28 months and additional contingent payments of up to approximately \$3,754,000 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.

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.