

**FORM 51-102F3
MATERIAL CHANGE REPORT
UNDER NATIONAL INSTRUMENT 51-102**

Item 1 Name and Address of Company

Gideon Capital Corp.
36 Lombard Street, Suite 700
Toronto, Ontario M5C 2X3

(“Gideon” or the “Company”).

Item 2 Date of Material Change

June 6, 2012

Item 3 News Release

A news release was issued by the Company through Marketwire on June 6, 2012.

Item 4 Summary of Material Change

The Company announced that it has entered into a formal amalgamation agreement dated June 1, 2012 with Monterra S.A. pursuant to which Gideon will complete a “three-cornered amalgamation” whereby Gideon will acquire all of the issued and outstanding common shares of Monterra S.A. on terms as previously announced on March 16, 2012.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that it has entered into a formal amalgamation agreement dated June 1, 2012 (the “**Amalgamation Agreement**”) with Monterra S.A. (“**Monterra**”) pursuant to which Gideon will complete a “three-cornered amalgamation” (the “**Amalgamation**”) whereby Gideon will acquire all of the issued and outstanding common shares of Monterra (each, a “**Monterra Share**”) on terms as previously announced on March 16, 2012. The Amalgamation, when completed, will constitute the Company’s “Qualifying Transaction” pursuant to Exchange Policy 2.4.

Pursuant to the Amalgamation Agreement, Gideon has incorporated a wholly-owned subsidiary, Gideon Acquisition Corp., under the laws of the Republic of Panama, which will amalgamate with Monterra to form an amalgamated entity (“**Amalco**”), and all of the shareholders of Monterra will exchange all their Monterra Shares for common shares of Gideon (each, a “**Gideon Share**”) on a one-for-one basis. Upon completion of the Amalgamation, Amalco will be a wholly-owned subsidiary of Gideon.

In accordance with the terms and conditions of the Amalgamation Agreement, it is anticipated that Gideon will issue approximately 75,000,000 Gideon Shares in exchange for all of the issued and outstanding Monterra Shares. At the effective time of the Amalgamation, each share purchase option (“**Monterra Option**”) and share purchase warrant (“**Monterra Warrant**”) of Monterra outstanding will, without any further action on the part of the holder of such Monterra Option or Monterra Warrant, be replaced with a Gideon share purchase option or share purchase warrant, as the case may be, on substantially the same terms and conditions as were applicable under the particular Monterra Option or Monterra Warrant.

The Amalgamation is subject to the conditional approval of the Exchange and all other applicable regulatory approvals. The completion of the Amalgamation is also subject to additional conditions precedent, including, among other things, shareholder approval of Monterra and the completion of a brokered private placement by Monterra (the “**Monterra Private Placement**”) of subscription receipts (each, a “**Subscription Receipt**”) at a price of \$0.35 per Subscription Receipt, for gross proceeds of a minimum of \$5,000,000 and a maximum of \$10,000,000, to be completed on or before the closing of the Amalgamation. Upon the satisfaction of certain release events, including, among other things, the completion or satisfaction of all conditions precedent to the Amalgamation and the receipt of shareholder and applicable regulatory approvals required for the Amalgamation, each Subscription Receipt will be deemed to be exchanged, without any further payment on the part of the holder thereof, into one unit of Gideon, consisting of one Gideon Share and one-half of a common share purchase warrant of Gideon (each whole warrant, a “**Gideon Warrant**”). Each Gideon Warrant will entitle the holder thereof to purchase one additional Gideon Share for a period of twenty-four months at an exercise price of \$0.45 per Gideon Share in the first twelve months and an exercise price of \$0.55 per Gideon Share in the second twelve months, subject to acceleration.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Martin J. Doane
Chief Executive Officer
Telephone: 416-366-6691.

Item 9 Date of Report

June 6, 2012