GIDEON CAPITAL CORP.

(a Capital Pool Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD FROM DATE OF INCORPORATION (JUNE 15, 2011) TO MARCH 31, 2012

Introduction

This Management's Discussion and Analysis ("**MD&A**") is dated August 2, 2012, unless otherwise indicated and should be read in conjunction with the audited financial statements of Gideon Capital Corp. (the "**Company**") for period from June 15, 2011 (date of incorporation) to March 31, 2012, and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. Results are reported in Canadian dollars, unless otherwise noted. The results presented for period ended March 31, 2012, are not necessarily indicative of the results that may be expected for any future period.

The audited financial statements for the period from June 15, 2011 (date of incorporation) to March 31, 2012, have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Further information about the Company and its operations can be obtained from the offices of the Company or from **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Description of Business

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Ontario) on June 15, 2011. The authorized share capital of the Company consists of an unlimited number of common shares, without nominal or par value.

The Company's head office and registered and records office address is 36 Lombard Street, Suite 700, Toronto, Ontario, Canada M5C 2X3.

The Company's financial year end is March 31.

The Company is classified as a Capital Pool Company as defined in Policy 2.4 – *Capital Pool Companies* ("**Policy 2.4**") of the TSX Venture Exchange ("**Exchange**"). The Company has not commenced commercial operations and has no assets other than cash, prepaids and a loan receivable. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a transaction where the Company acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means (a "**Qualifying Transaction**"). Any proposed Qualifying Transaction must be accepted by the Exchange.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

The Company has not conducted commercial operations and it is focused on the identification and evaluation of businesses or assets to acquire. Until Completion of the Qualifying Transaction (as such term is defined in Policy 2.4), the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. Except as described in the Company's prospectus dated December 1, 2011, the funds raised pursuant to the Company's initial public offering (the "**Offering**") will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses. While the Company has commenced the process of identifying potential acquisitions, it has not yet entered into a definitive agreement for any particular transaction.

On January 27, 2012, the Company completed the Offering by issuing 2,500,000 common shares at a price of $0.10 per common share pursuant to Policy 2.4. The common shares were listed and posted for trading on the Exchange under the trading symbol "GOL.P" at the opening of the market on February 3, 2012. The proceeds of the Offering will be used to identify and evaluate assets or business for acquisition with a view to completing a Qualifying Transaction pursuant to Policy 2.4. In connection with the Offering the Company paid cumulative costs of $72,305. The agent was also granted non-transferable stock options to purchase 250,000 common shares at a price of $0.10 per common share until February 3, 2014. An incentive stock option plan was established for the benefit of directors, officers, employees and consultants of the Company. Pursuant to the option plan options to purchase up to 1,250,000 common shares of the Company at an exercise price of $0.10 per common share, expiring 10 years from the date of grant, were issued on January 27, 2012.

On June 1, 2012, the Company entered into an amalgamation agreement (the "**Amalgamation Agreement**") with Monterra S.A. ("**Monterra**"). The transactions contemplated in the Amalgamation Agreement (the "**Proposed QT**"), once completed, will constitute the Company's Qualifying Transaction, pursuant to Policy 2.4. For further details, please see the section entitled "Proposed Transaction", on page 5.

On June 13, 2012, the Company incorporated a wholly owned subsidiary under the laws of the Republic of Panama. This subsidiary is intended to be used to complete the Proposed QT.

Discussion of Operations

As at March 31, 2012, the Company was a CPC and had no business operations. Until the completion of its Qualifying Transaction, corporate expenditures were restricted to the costs of raising equity financing, administrative costs to maintain the Company in good standing and those costs necessary to identify and evaluate and close potential Qualifying Transactions.

Selected Annual Information

June 15, 2011 (the date of incorporation) to March 31, 2012

The Company's net loss totaled $272,228 for the period from June 15, 2011 (the date of incorporation) to March 31, 2012, with basic and diluted loss per share of $0.07. Net loss principally related to the fair value ascribed to the stock options issued upon the close of the initial public offering ($171,787), professional and regulatory fees of $60,126 associated with accounting, auditing and legal services, and general and administrative costs of $40,315. The Company has no comparative financial information as it was incorporated on June 15, 2011.

Selected Quarterly Information

A summary of selected information for each of the quarters presented below is as follows:

	Three Months Ended March 31, 2012	Three Months Ended December 31, 2011	Period From Incorporation (June 15, 2011) September 30, 2011
Expenses	$261,233	$3,650	$7,345
Net loss and comprehensive loss	($261,233)	($3,650)	($7,345)
Total assets	$600,326	$492,505	$nil
Net loss per share, basic and diluted	($0.07)	($0.00)	($0.00)
Cash, end of period	$548,066	$471,255	$Nil

<u>Three months ended March 31, 2012</u>

The Company's net loss totaled $261,233 for the three months ended March 31, 2012 with a basic and diluted loss per share of $0.07. The net loss is principally related to the fair value ascribed to the fourth quarter option grant and costs associated with the preparation and filing of the Company's year end financial statements.

<u>Three months ended December 31, 2011</u>

The Company's net loss totaled $3,650 for the three months ended December 31, 2011, with basic and diluted loss per share of $nil. The net loss is principally related to sundry office and bookkeeping expenditures.

<u>Period from Incorporation (June 15, 2011) to September 30, 2011</u>

The Company's net loss totaled $7,345 for the period from Incorporation (June 15, 2011) to September 30, 2011, with basic and diluted loss per share of $nil. The net loss is principally related to sundry office and bookkeeping expenditures.

Liquidity

At March 31, 2012, the Company had working capital of $577,254. The Company manages its capital structure and makes adjustments to it, based on available funds to the Company. Capital levels for capital pool companies are regulated pursuant to guidelines issued by the Exchange. These guidelines state that proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% ($225,000) of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until Completion of the Qualifying Transaction by the Company. Management believes the Company's working capital is sufficient for the Company to meet its ongoing obligations and meet its objective of completing its Qualifying Transaction.

Capital Resources

The following financings have been completed by the Company:

Date	Gross Proceeds	Type of Transaction
October 24, 2011	$100,000	Private Placement
October 25, 2011	$400,000	Private Placement
January 27, 2012 (1)	$250,000	Initial Public Offering

(1) On January 27, 2012 the Company completed the Offering by issuing 2,500,000 common shares at a price of $0.10 per common share pursuant to Policy 2.4.

Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Proposed Transaction

On June 1, 2012, the Company entered into the Amalgamation Agreement with Monterra pursuant to which the Company will complete a "three-cornered amalgamation" (the "**Amalgamation**") whereby the Company will acquire all of the issued and outstanding common shares of Monterra (each, a "**Monterra Share**"). The Amalgamation, when completed, will constitute the Company's "Qualifying Transaction" pursuant to Policy 2.4.

Pursuant to the Amalgamation Agreement, the Company 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 the Company (each, a "**Gideon Share**") on a one-for-one basis. Upon completion of the Amalgamation, Amalco will be a wholly-owned subsidiary of the Company.

In accordance with the terms and conditions of the Amalgamation Agreement, it is anticipated that the Company 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 the Company, consisting of one Gideon Share and one-half of a common share purchase warrant of the Company (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.

On May 1, 2012, as part of the Proposed QT, the Company granted a secured promissory note of $225,000 to Monterra that bears interest at 0.5% per month, compounded monthly. The principal and accrued interests are payable at maturity which is the earlier of May 31, 2013 or completion of the Proposed QT. The loan will be used by Monterra to cover its portion of the Proposed QT transaction costs.

The loan is secured by a pledge agreement dated May 1, 2012 made between the parties that pledge all of the issued and outstanding shares of Terrasources Minerals S.A., a wholly owned Ecuadorian subsidiary of Monterra, as security.

As at the date of this document, the Amalgamation has not been completed.

Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

Remuneration of Directors and key management of the Company were as follows:

Detail	Three Months Ended March 31, 2012	From June 15, 2011 (date of incorporation) to March 31, 2012
Share based payments (1)(2)	$171,787	$171,787

(1) As of the date hereof, the Company had not yet completed a Qualifying Transaction. Accordingly, the officers and directors of the Company have not been paid any compensation since incorporation (other than the grant of incentive stock options), as the policies of the Exchange prohibit directors and officers from receiving remuneration while the Company is a Capital Pool Company.

(2) On January 27, 2012, options to purchase 1,250,000 common shares were granted to the following participants in the respective numbers, option exercise prices and expiry dates set forth below:

Participant	Position	No. of Shares	Exercise Price	Expiry Date
Martin J. Doane	Director	900,000	$0.10	January 27, 2022
Richard A. Meloff	Director	150,000	$0.10	January 27, 2022
Bill G. Calsbeck	Director	150,000	$0.10	January 27, 2022
Laura C. Young	Officer	50,000	$0.10	January 27, 2022

Risk Factors

Investing in the common shares involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

No Operating History

The Company was incorporated on June 15, 2011, has not commenced commercial operations and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until Completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Company where the Company has failed to complete a Qualifying Transaction within the 24 months of the date of listing or if the Company fails to meet initial listing requirements of the Exchange upon Completion of the Qualifying Transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Company held by Insiders. Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required.

Halt of Trading

Upon public announcement of a potential Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted until Completion of the Qualifying Transaction, or sooner pursuant to Policy 2.4. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

Exchange May Not Approve a Qualifying Transaction

Completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the Exchange may not approve a Qualifying Transaction:

(a) if the Company fails to meet the initial listing requirements prescribed by Policy 2.1 – *Initial Listing Requirements* of the Exchange upon Completion of the Qualifying Transaction;

(b) if, following Completion of the Qualifying Transaction, the Company will be a finance company or a mutual fund as defined under applicable securities laws;

(c) the consideration proposed to be paid by the Company in connection with the Qualifying Transaction is not acceptable to the Exchange; or

(d) for any other reason at the sole discretion of the Exchange.

Approval by the Majority of the Minority
Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

Dilution
If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

Directors and Officers
The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

Reliance on Management
The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

Foreign Acquisition
In the event the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Loans or Advances
Subject to prior acceptance from the Exchange, the Company may be permitted to loan or advance up to an aggregate of $250,000 ($25,000 without prior Exchange approval) of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover the loan or advance.

Future Accounting Pronouncements

International Financial Reporting Standard 9, Financial Instruments ("IFRS 9")

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories; amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. This standard is effective as of April 1, 2015 but early adoption is permitted. The extent of impact has not yet been determined.

Amendments to IFRS 7 Financial Instruments: Disclosures

Increase in disclosure with regards to the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period.

The Company has not applied the new and revised standards in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, except for IFRS 9, which becomes mandatory as of April 1, 2013 and is expected to impact classification and measurement of financial assets. The extent of the impact has not yet been determined.

IFRS 10 Consolidated Financial Statements

IFRS 10, Consolidated Financial Statements, requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation - Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements. The standard is effective as of April 1, 2013.

IFRS 11 Joint Arrangements

In May 2011, the IASB issued IFRS 11 Joint Arrangements. IFRS 11 supersedes IAS 31 Interests in Joint Ventures, and SIC-13 Jointly Controlled Entities – Nonmonetary Contributions by Venturers. IFRS 11 focuses on the rights and obligations of the arrangement rather than its legal form. The standard requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under IFRS 11, entities no longer have a choice to proportionately consolidate or equity account for interests in joint ventures. Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment's opening balance is tested for impairment in accordance with IAS 28 Investment in Associates and Joint Ventures and IAS 36 Impairment of Assets. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. The standard is effective as of April 1, 2013. The Company does not expect the adoption of IFRS 11 to have a significant impact on its financial statements.

IFRS 12 Disclosure of Interest in Other Entities

IFRS 12, Disclosure of Interest in Other Entities, establishes minimum disclosure requirements for interest in other entities. This standard combines disclosure requirements for subsidiaries, joint arrangement, associates and unconsolidated structures entities which were previously addressed through individual applicable standards. The standard is effective as of April 1, 2013.

IFRS 13 Fair Value Measurement

On May 12, 2011, the IASB has issued IFRS 13 Fair Value Measurement (IFRS 13). IFRS 13, which is to be applied prospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. IFRS 13 defines fair value, provides a framework for measuring fair value and includes disclosure requirements for fair value measurements. IFRS 13 will be applied in most cases when another IFRS requires (or permits) fair value measurement. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company's financial statements. The standard is effective as of April 1, 2013.

IAS 1 Presentation of Financial Statements

IAS 1, Presentation of Financial Statements requires that an entity present separately the items of other comprehensive income that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. This amendment is applicable for annual periods beginning on or after July 1, 2012 and is to be applied retrospectively. Early adoption is permitted. The Company does not expect this amendment to have a significant impact on its financial statements.

Financial Instruments and Risk Factors

The Company's financial instruments consist of cash, loan receivable and accounts payable and accrued liabilities. The Company's financial risk exposure and the impact of the Company's financial instruments are summarized below:

Credit Risk

All of the Company's cash is held at one financial institution which is a Canadian Chartered Bank in which Management believes that the risk of loss is minimal but the Company is subject to concentration of credit risk.

Liquidity Risk

The Company does not have any borrowings nor does it have any capacity to borrow funds. The liquidity risk of the Company is that it may not have sufficient funds to meet financial obligations as they fall due. However, as at March 31, 2012, the Company had working capital of $577,254. As a result, the Company is not exposed to any liquidity risk, and has sufficient funds to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction.

Interest Rate Risk

It is management's opinion that the Company is not exposed to significant interest risk arising from these financial instruments.

Fair Value

Fair value of financial instruments is as follows as at March 31, 2012:

	Book value	Fair value
Cash	$ 548,066	$ 548,066
Loan receivable	25,000	25,000
Accounts payable and accrued liabilities	23,072	23,072

Critical Accounting Estimates

The preparation of the Company's financial statements requires management to make certain estimates that affect the amounts reported in the financial statements. The accounting estimates considered to be significant include estimates of stock-based compensation.

The Company uses a Black-Scholes model to determine the fair value of options and warrants. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Company uses historical price data and comparable entities in the estimate of future volatilities.

Subsequent Events

There are no reportable subsequent events, aside from those described in Note 14 of the March 31, 2012 audited financial statements.

Capital Management

The Company's objective when managing its capital is to ensure sufficient equity financing to fund a Qualifying Transaction in a way that maximizes the shareholders' return given the assumed risks of its operations. The Company considers shareholders' equity as capital. The Company may raise additional capital through the equity markets as additional capital is required. The Company is not subject to any externally imposed capital requirements and does not currently utilize any quantitative measures to monitor its capital.

Additional Disclosure for Venture Issuers without Significant Revenue

	Three Months Ended March 31, 2012	Three Months Ended December 31, 2011	Period From Incorporation (June 15, 2011) September 30, 2011
Share-based compensation	$171,787	$nil	$nil
Professional fees	$60,126	($nil)	($nil)
Office and general	$29,320	$3,650	$7,345

Outlook

For the immediate future, the Company intends to evaluate direct or indirect acquisitions of assets to complete a Qualifying Transaction. The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

Disclosure of Outstanding Share Data

As of the date of this document, the Company had 12,500,000 issued and outstanding common shares. In addition the Company had 250,000 outstanding stock options issued to an agent exercisable for 250,000 common shares at $0.10 per common share until February 3, 2014 and 1,250,000 stock options issued to the officers and directors of the Company exercisable for 1,250,000 common shares at $0.10 per common share until January 27, 2022. Therefore, the Company had 14,000,000 common shares on a fully diluted basis.