
GIDEON CAPITAL CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED JUNE 30, 2012

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements as at and for the three months ended June 30, 2012 and for the period ended June 30, 2011 have not been reviewed by the Company's auditors.

GIDEON CAPITAL CORP.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at	June 30, 2012	March 31, 2012
Assets		
Current		
Cash (Note 4)	\$ 271,244	\$ 548,066
Sundry receivable	3,029	-
Prepaid expenses and deposits	22,260	27,260
Loans receivable (Note 5)	252,567	25,000
Total Assets	\$ 549,100	\$ 600,326
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 14,734	\$ 23,072
Total Liabilities	14,734	23,072
Shareholders' Equity		
Capital stock (Note 6)	654,393	654,393
Reserve for share-based payments	195,089	195,089
Deficit	(315,116)	(272,228)
Total Shareholders' Equity	534,366	577,254
Total Liabilities and Shareholders' Equity	\$ 549,100	\$ 600,326

Nature of operations and going concern (Note 1)
Related party transactions (Note 8)

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

GIDEON CAPITAL CORP.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended June 30, 2012	Period From Incorporation (June 15, 2011) to June 30, 2011
EXPENSES		
General and administrative (Note 9)	\$ 45,749	\$ 7,345
Operating loss before the following:	(45,749)	(7,345)
Interest income	2,861	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(42,888)	(7,345)
LOSS PER SHARE - BASIC AND DILUTED	\$ (0.00)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC AND DILUTED	12,500,000	-

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

GIDEON CAPITAL CORP.**Condensed Consolidated Interim Statement of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

	Number of Shares	Share Capital	Reserve for Share-based Payments	Deficit	Total
Balance, June 15, 2011	-	\$ -	\$ -	\$ -	\$ -
Comprehensive loss for the period	-	-	-	(7,345)	(7,345)
Balance, June 30, 2011	-	\$ -	\$ -	\$ (7,345)	\$ (7,345)
Balance, March 31, 2012	12,500,000	\$ 654,393	\$ 195,089	\$ (272,228)	\$ 577,254
Comprehensive loss for the period	-	-	-	(42,888)	(42,888)
Balance, June 30, 2012	12,500,000	\$ 654,393	\$ 195,089	\$ (315,116)	\$ 534,366

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

GIDEON CAPITAL CORP.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended June 30, 2012	Period From Incorporation (June 15, 2011) to June 30, 2011
Cash (used in) provided by:		
Operating Activities		
Net loss	\$ (42,888)	\$ (7,345)
Net changes in non-cash working capital:		
Sundry receivable	(3,029)	-
Prepaid expenses and deposits	5,000	-
Increase in loans receivable	(227,567)	-
Increase in accounts payable and accrued liabilities	(8,338)	7,345
Net cash used in operating activities	(276,822)	-
Change in cash during the period	(276,822)	-
Cash, beginning of period	548,066	-
Cash, end of period	\$ 271,244	\$ -

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

GIDEON CAPITAL CORP.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2012

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations and going concern

Gideon Capital Corp. (the "Company" or "Gideon") was incorporated on June 15, 2011 under the Business Corporations Act of Ontario. The Company intends to carry on business as a capital pool company ("CPC"), pursuant to policy 2.4 (the "CPC Policy") of the TSX Venture Exchange (the "Exchange"). The registered office of the Company is located at 36 Lombard St, Suite 700, Toronto, Ontario, Canada, M5C 2X3. As at June 30, 2012, the Company has not commenced commercial operations and has no assets other than cash, sundry receivable, prepaid expenses and deposits, 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 Qualifying Transaction, as defined under the policies of the TSX Venture Exchange.

The Company must complete a Qualifying Transaction, which is subject to the approval of the Exchange and, in the case of a non-arms length Qualifying Transaction, as defined in accordance with the CPC Policy, must also receive Majority of the Minority shareholders' approval. The Exchange could suspend the trading of the Company's common shares or delist these shares if the Company does not complete an approved Qualifying Transaction within 24 months from the date it was listed on the Exchange.

The ability of the Company to continue as a going concern is dependant upon, among other things, being able to obtain additional financing, and maintaining positive operating cash flows. These condensed consolidated interim financial statements have been prepared on the basis that the Company is a going concern and do not include adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments may be material.

During the three months ended June 30, 2012, the Company incurred a net loss of \$42,888 (period ended June 30, 2011 - \$7,345) and, as of that date, the Company has an accumulated deficit of \$315,116 (March 31, 2012 - \$nil). The ability of the Company to carry out its business plan rests with its ability to secure additional equity and other financing. Although the Company has been successful in obtaining financing from related parties and private placements in the past, the Company will likely require continued support. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim consolidated financial statements were approved by the Board of Directors on September 6, 2012.

2. Proposed qualifying transaction

On June 1, 2012, the Company entered into the Amalgamation Agreement with Monterra S.A. ("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, during the period the Company 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"). 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.

GIDEON CAPITAL CORP.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2012

(Expressed in Canadian Dollars)

(Unaudited)

2. Proposed qualifying transaction (Continued)

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.

As at June 30, 2012, the Amalgamation has not been completed.

3. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The policies applied in these condensed consolidated interim financial statements are based on IFRSs issued and outstanding as of September 6, 2012, the date the Board of Directors approved the statements. Except as noted below, the same accounting policies and methods of computation are followed in these condensed consolidated interim financial statements as compared with the most recent audited financial statements as at and for the period ended March 31, 2012. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending March 31, 2013 could result in restatement of these condensed consolidated interim financial statements.

Basis of Consolidation

The interim condensed consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary, Gideon Acquisition Corp. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

New standards not yet adopted and interpretations issued but not yet effective

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent audited financial statements as at and for the period ended March 31, 2012.

GIDEON CAPITAL CORP.**Notes to the Condensed Consolidated Interim Financial Statements****June 30, 2012****(Expressed in Canadian Dollars)****(Unaudited)****4. Cash restrictions**

The proceeds raised from the issuance of common shares under a prospectus may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% 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 a Qualifying Transaction by the Company as defined under the policies of the Exchange.

5. Loans receivable

Under the terms of the letter of intent signed by the Company with Monterra S.A. ("Monterra") on March 2, 2012 to complete a "Qualifying Transaction", the Company advanced a loan of \$25,000 to Monterra, which will be used to preserve Monterra's assets. The loan is unsecured and bears interest at 5% per annum. The principal and accrued interest is payable on maturity on March 31, 2013. As at June 30, 2012, interest of \$311 had accrued.

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 interest 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. As at June 30, 2012, interest of \$2,256 had accrued.

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.

6. Capital stock**(a) Authorized**

Unlimited number of common shares

(b) Common shares issued

	Number of common shares	Stated value
Balance, June 15, 2011 and June 30, 2011	-	\$ -
Balance, March 31, 2012 and June 30, 2012	12,500,000	\$ 654,393

GIDEON CAPITAL CORP.**Notes to the Condensed Consolidated Interim Financial Statements****June 30, 2012****(Expressed in Canadian Dollars)****(Unaudited)****7. Stock options**

The following table shows the continuity of options:

	Number of Options	Weighted Average Exercise Price
Balance, June 15, 2011 and June 30, 2011	-	\$ -
Balance, March 31, 2012 and June 30, 2012	1,500,000	\$ 0.10

The following table reflects the actual stock options issued and outstanding as of June 30, 2012:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Grant date fair value (\$)
January 27, 2014	0.10	1.58	250,000	250,000	\$ 23,302
January 27, 2022	0.10	9.58	1,250,000	1,250,000	171,787
		8.25	1,500,000	1,500,000	195,089

8. Related party transactions

There were no related party transactions for the three months ended June 30, 2012 or for the period from incorporation (June 15, 2011) to June 30, 2011.

9. General and administrative

	Three Months Ended June 30, 2012	Period From Incorporation (June 15, 2011) to June 30, 2011
Office and general	\$ 9,725	\$ 7,345
Professional fees	36,024	-
	\$ 45,749	\$ 7,345

10. Segmented information

The Company operates in only one business segment, namely the pursuit of a public listing and the eventual pursuit of a Qualifying Transaction. All of the Company's assets are located in Canada.