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**GIDEON CAPITAL CORP.**  
**(A CAPITAL POOL COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED DECEMBER 31, 2012**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**NOTICE TO READER**

The accompanying unaudited condensed consolidated interim financial statements of Gideon Capital Corp. (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 and nine months ended December 31, 2012 and for the period ended December 31, 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)**

	December 31, 2012	March 31, 2012
<b>Assets</b>		
<b>Current</b>		
Cash (Note 4)	\$ 27,615	\$ 548,066
Sundry receivable	10,862	-
Prepaid expenses and deposits	68,192	27,260
Loans receivable (Note 5)	260,092	25,000
<b>Total Assets</b>	<b>\$ 366,761</b>	<b>\$ 600,326</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,775	\$ 23,072
<b>Total Liabilities</b>	<b>1,775</b>	<b>23,072</b>
<b>Shareholders' Equity</b>		
Capital stock (Note 6)	654,393	654,393
Reserve for share-based payments	195,089	195,089
Deficit	(484,496)	(272,228)
<b>Total Shareholders' Equity</b>	<b>364,986</b>	<b>577,254</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 366,761</b>	<b>\$ 600,326</b>

**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)**

	<b>Three Months Ended December 31, 2012</b>	<b>Three Months Ended December 31, 2011</b>	<b>Nine Months Ended December 31, 2012</b>	<b>Period from Incorporation (June 15, 2011) to December 31, 2011</b>
<b>EXPENSES</b>				
General and administrative (Note 9)	\$ 157,372	\$ 3,650	\$ 222,917	\$ 10,995
Operating loss before the following:	(157,372)	(3,650)	(222,917)	(10,995)
Interest income	3,881	-	10,649	-
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>\$ (153,491)</b>	<b>\$ (3,650)</b>	<b>\$ (212,268)</b>	<b>\$ (10,995)</b>
<b>LOSS PER SHARE - BASIC AND DILUTED</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.02)</b>	<b>\$ (0.00)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC AND DILUTED</b>	<b>12,500,000</b>	<b>7,384,615</b>	<b>12,500,000</b>	<b>9,094,891</b>

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

	<b>Number of Shares</b>	<b>Capital Stock</b>	<b>Reserve for Share-based Payments</b>	<b>Deficit</b>	<b>Total</b>
Balance, June 15, 2011	-	\$ -	\$ -	\$ -	\$ -
Shares issued for cash	2,000,000	100,000	-	-	100,000
Private placement	8,000,000	400,000	-	-	400,000
Net loss and comprehensive loss for the period	-	-	-	(10,995)	(10,995)
<b>Balance, December 31, 2011</b>	<b>10,000,000</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ (10,995)</b>	<b>\$ 489,005</b>
Balance, March 31, 2012	12,500,000	\$ 654,393	\$ 195,089	\$ (272,228)	\$ 577,254
Net loss and comprehensive loss for the period	-	-	-	(212,268)	(212,268)
<b>Balance, December 31, 2012</b>	<b>12,500,000</b>	<b>\$ 654,393</b>	<b>\$ 195,089</b>	<b>\$ (484,496)</b>	<b>\$ 364,986</b>

*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)**

	<b>Nine Months Ended December 31, 2012</b>	Period from Incorporation (June 15, 2011) to December 31, 2011
<b>Cash (used in) provided by:</b>		
<b>Operating Activities</b>		
Net loss	\$ (212,268)	\$ (10,995)
Add items not affecting cash:		
Accrued interest	(10,092)	-
Net changes in non-cash working capital:		
Increase in sundry receivable	(10,862)	-
Increase in prepaid expenses and deposits	(40,932)	-
Increase in loans receivable	(225,000)	-
(Decrease) increase in accounts payable and accrued liabilities	(21,297)	3,500
<b>Net cash used in operating activities</b>	<b>(520,451)</b>	<b>(7,495)</b>
<b>Financing Activities</b>		
Share issuance costs	-	(21,250)
Issuance of common shares	-	500,000
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>478,750</b>
<b>Change in cash during the period</b>	<b>(520,451)</b>	<b>471,255</b>
<b>Cash, beginning of period</b>	<b>548,066</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ 27,615</b>	<b>\$ 471,255</b>

*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**

**December 31, 2012**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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#### **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 December 31, 2012, the Company has not commenced commercial operations and has no assets other than cash, sundry receivable, prepaid expenses and deposits and loans 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 such term is defined in the CPC Policy).

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 such term is defined in the CPC Policy) must also receive Majority of the Minority Approval (as such term is defined in the CPC Policy). 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 the prescribed time.

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 nine months ended December 31, 2012, the Company incurred a net loss of \$212,268 (period ended December 31, 2011 - loss of \$10,995) and, as of that date, the Company has an accumulated deficit of \$484,496 (March 31, 2012 - deficit of \$272,228). 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 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.

#### **2. Proposed Qualifying Transaction**

On June 1, 2012, the Company entered into an amalgamation agreement (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 the CPC Policy.

Pursuant to the Amalgamation Agreement, during the nine months ended December 31, 2012, 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**

**December 31, 2012**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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#### **2. Proposed Qualifying Transaction (continued)**

The Amalgamation is subject to the 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, 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 Amalgamation.

As at December 31, 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 March 1, 2013, 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 consolidated financial statements for the year ending March 31, 2013 could result in restatement of these condensed consolidated interim financial statements.

##### *Basis of consolidation*

The condensed consolidated interim 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**

December 31, 2012

(Expressed in Canadian Dollars)

(Unaudited)

**4. Cash restrictions**

The 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 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 not related to the identification and evaluation of a Qualifying Transaction. These restrictions apply until completion of a Qualifying Transaction by the Company pursuant to the CPC Policy.

**5. Loans receivable**

Under the terms of the letter of intent signed by the Company with Monterra on March 2, 2012 to complete the Amalgamation, the Company advanced a loan of \$25,000 to Monterra, to 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 December 31, 2012, interest of \$933 was accrued.

On May 1, 2012, 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 Amalgamation. As at December 31, 2012, interest of \$9,159 was accrued.

The loan is secured by a pledge agreement dated May 1, 2012 made between the parties that pledge 99.98% of the issued and outstanding shares of Terrasources Minerals S.A., a wholly-owned Ecuadorian subsidiary of Monterra, as security.

Transaction costs associated with the Monterra transaction amounted to \$154,565 at December 31, 2012.

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

Unlimited number of common shares

**(b) Common shares issued**

	Number of Common Shares	Stated Value
<b>Balance, June 15, 2011</b>	-	\$ -
Shares issued for cash (i)	2,000,000	100,000
Private placement (ii)	8,000,000	400,000
<b>Balance, December 31, 2011</b>	<b>10,000,000</b>	<b>\$ 500,000</b>
<b>Balance, March 31, 2012 and December 31, 2012</b>	<b>12,500,000</b>	<b>\$ 654,393</b>

- (i) On October 24, 2011, the Company issued 2,000,000 seed shares at a price of \$0.05 per common share which are subject to a CPC Escrow Agreement pursuant to the policies of the Exchange. Under the terms of the CPC Escrow Agreement, 10% of the escrowed common shares will be released from escrow upon receiving notice from the Exchange that the Company has completed a Qualifying Transaction (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the Initial Release. However, the release of the escrowed shares will be accelerated if the Company meets the Exchange Tier 1 initial listing requirements. Shares held in escrow may be cancelled should the Company fail to complete its Qualifying Transaction or become de-listed. The seed shares will be considered contingently issuable until the Company completes a Qualifying Transaction and, accordingly, they are not considered to be outstanding shares for the purposes of loss per share calculations.



**GIDEON CAPITAL CORP.****Notes to the Condensed Consolidated Interim Financial Statements**

December 31, 2012

(Expressed in Canadian Dollars)

(Unaudited)

**6. Capital stock (continued)****(b) Common shares issued (continued)**

- (ii) On October 25, 2011, the Company completed a non-brokered private placement by issuing 8,000,000 common shares at a price of \$0.05 per share, for gross proceeds of \$400,000, which are also subject to a CPC Escrow Agreement.

**7. Stock options**

The following table shows the continuity of options:

	Number of Options	Weighted Average Exercise Price
<b>Balance, June 15, 2011 and December 31, 2011</b>	-	\$ -
<b>Balance, March 31, 2012 and December 31, 2012</b>	<b>1,500,000</b>	<b>\$ 0.10</b>

The following table reflects the actual stock options issued and outstanding as of December 31, 2012:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Grant Date Fair Value (\$)
February 3, 2014	0.10	1.07	250,000	250,000	23,302
January 27, 2022	0.10	9.08	1,250,000	1,250,000	171,787
		<b>7.75</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>195,089</b>

**8. Related party transactions**

There were no related party transactions for the three and nine months ended December 31, 2012 or for the period from incorporation (June 15, 2011) to December 31, 2011.

**9. General and administrative**

	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Nine Months Ended December 31, 2012	Period from Incorporation (June 15, 2011) to December 31, 2011
Office and general	\$ 19,199	\$ 3,650	\$ 45,396	\$ 10,995
Professional fees	9,141	-	22,956	-
Transaction costs (Note 5)	129,032	-	154,565	-
	<b>\$ 157,372</b>	<b>\$ 3,650</b>	<b>\$ 222,917</b>	<b>\$ 10,995</b>

**10. Segmented information**

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