GIDEON CAPITAL CORP.

(A CAPITAL POOL COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2013 AND MARCH 31, 2012

(EXPRESSED IN CANADIAN DOLLARS)

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Schwartz Levitsky Feldman llp
CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
TORONTO • MONTREAL

SLF

INDEPENDENT AUDITOR'S REPORT

To the Shareholders' of
Gideon Capital Corp.

We have audited the accompanying consolidated financial statements of Gideon Capital Corp., which comprise the consolidated statements of financial position as at March 31, 2013 and 2012 and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Gideon Capital Corp. as at March 31, 2013 and 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company incurred a net loss of $530,450 during the year ended March 31, 2013 and the Company has an accumulated deficit of $802,678 as of that date. These conditions along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Schwartz Levitsky Feldman llp

Toronto, Ontario
July 29, 2013

Chartered Accountants
Licensed Public Accountants

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

	As at March 31, 2013	As at March 31, 2012
Assets		
Current		
Cash (Note 5)	$ 27,044	$ 548,066
Sundry receivable	13,075	-
Prepaid expenses and deposits	58,817	27,260
Loans receivable (Note 6)	1	25,000
Total Assets	$ 98,937	$ 600,326
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 52,133	$ 23,072
Total Liabilities	52,133	23,072
Shareholders' Equity		
Capital stock (Note 7)	654,393	654,393
Reserve for share-based payments (Note 8)	195,089	195,089
Deficit	(802,678)	(272,228)
Total Shareholders' Equity	46,804	577,254
Total Liabilities and Shareholders' Equity	$ 98,937	$ 600,326

Nature of operations and going concern (Note 1)
Related party transactions (Note 10)
Subsequent events (Note 14)

Approved on behalf of the Board:

"Bill G. Calsbeck", Director	"Richard A. Meloff", Director
Bill G. Calsbeck	Richard A. Meloff

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

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

	Year Ended March 31, 2013	Period from June 15, 2011 (Date of Incorporation) to March 31, 2012
Expenses		
General and administrative (Note 11)	**$ 281,009**	$ 272,228
Operating loss before the following:	**(281,009)**	(272,228)
Interest income	**14,497**	-
Impairment of loans receivable (Note 6)	**(263,938)**	-
Net loss and comprehensive loss for the year	**$ (530,450)**	$ (272,228)
Loss per share - basic and diluted (Note 9)	**$ (0.05)**	$ (0.07)
Weighted average number of shares outstanding - basic and diluted (Note 9)	**10,500,000**	3,890,710

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

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

	Number of Shares	Capital Stock	Reserve for Share-based Payments	Deficit	Total
Balance, June 15, 2011	-	$ -	$ -	$ -	$ -
Shares issued for cash	2,000,000	100,000	-	-	100,000
Private placement	8,000,000	400,000	-	-	400,000
Initial public offering	2,500,000	250,000	-	-	250,000
Issuance of stock options	-	(23,302)	195,089	-	171,787
Share issuance costs	-	(72,305)	-	-	(72,305)
Net loss and comprehensive loss for the period	-	-	-	(272,228)	(272,228)
Balance, March 31, 2012	**12,500,000**	**$ 654,393**	**$ 195,089**	**$ (272,228)**	**$ 577,254**
Net loss and comprehensive loss for the year	-	-	-	(530,450)	(530,450)
Balance, March 31, 2013	**12,500,000**	**$ 654,393**	**$ 195,089**	**$ (802,678)**	**$ 46,804**

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

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

	Year Ended March 31, 2013	Period from June 15, 2011 (Date of Incorporation) to March 31, 2012
Cash (used in) provided by:		
Operating Activities		
Net loss	**$ (530,450)**	$ (272,228)
Add items not affecting cash:		
Accrued interest	**(13,939)**	-
Impairment of loans receivable	**263,938**	-
Share-based payments	**-**	171,787
Net changes in non-cash working capital:		
Increase in sundry receivable	**(13,075)**	-
Increase in prepaid expenses and deposits	**(31,557)**	(27,260)
Increase in accounts payable and accrued liabilities	**29,061**	23,072
Net cash used in operating activities	**(296,022)**	(104,629)
Financing Activities		
Increase in loans receivable	**(225,000)**	(25,000)
Issuance of common shares	**-**	750,000
Share issuance costs	**-**	(72,305)
Net cash provided by financing activities	**(225,000)**	652,695
Change in cash during the year	**(521,022)**	548,066
Cash, beginning of year	**548,066**	-
Cash, end of year	**$ 27,044**	$ 548,066

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

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* (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 March 31, 2013, 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 consolidated 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 year ended March 31, 2013, the Company incurred a net loss of $530,450 (period from June 15, 2011 to March 31, 2012 - $272,228) and, as of that date, the Company has an accumulated deficit of $802,678 (March 31, 2012 - $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 require continued support. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern.

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, once completed, would have constituted the Company's Qualifying Transaction, pursuant to Policy 2.4 (the "Monterra QT").

2. Significant accounting policies

(a) Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended March 31, 2013. The policies set out below are based on IFRS issued and outstanding as of July 29, 2013, the date the Board of Directors approved these consolidated financial statements.

(b) Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments which are measured at fair value as explained in the accounting policies set out in Note 4.

2. Significant accounting policies (continued)

(c) Basis of consolidation

The 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.

(d) Functional and presentation currency

These consolidated financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

(e) Qualifying transaction costs

Costs incurred with respect to the Qualifying Transaction are charged to the consolidated statement of loss and comprehensive loss.

(f) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held for maturity, available for sale, loans and receivables or at fair value through profit and loss ("FVTPL").

FVTPL are measured at fair value with unrealized gain and losses recognized through profit and loss. Cash is classified as fair value through profit and loss.

Financial asset classified as held to maturity and loans and receivable are measured at amortized cost using the effective interest rate method. Sundry receivable and loans receivable are classified as loans and receivable.

Financial assets classified as available for sale and measured at fair value with unrealized gains and losses recognized in other comprehensive loss, except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. At March 31, 2013 the Company has not classified any financial liabilities as FVTPL.

2. Significant accounting policies (continued)

(f) Financial instruments (continued)

Financial instruments recorded at fair value

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is classified as level 1 and loan receivable is classified as level 3.

(g) Share capital and warrants

Common shares and warrants are classified as equity. The share capital represents the amount received upon issuance of shares. Incremental costs directly attributable to the issuance of shares or warrants are recognized as a deduction from the proceeds in equity in the period in which the transaction occurs. Proceeds from unit placements are allocated between shares and warrants issued on a pro-rata basis of their value within the unit using the Black-Scholes pricing model to determine the fair value of warrants issued.

(h) Share-based payment transactions

The Company has a share-based compensation plan that grants stock options to employees and non-employees. This plan is an equity-settled plan. For equity-settled share-based payment transactions, the Company measures the goods and services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted, using an option pricing model.

The expense is recognized over the vesting period of the options granted, and is recognized as an expense in earnings with a corresponding credit to reserve for share-based payments. At the end of each reporting period the Company re-assesses its estimate of the number of stock options expected to vest and recognizes the impact of any revisions in earnings. Any consideration paid by employees and directors on exercise of stock options is credited to capital stock combined with any related share-based payment expense originally recorded in contributed surplus.

(i) Loss per share

The Company presents basic and diluted loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

2. Significant accounting policies (continued)

(j) Provision

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Company has no material provisions as at March 31, 2013 and 2012.

(k) Income taxes

Income tax on the profit or loss for the year comprises of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

(l) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the inputs used in the Black-Scholes valuation model (volatility; interest rate; expected life and forfeiture rate) in accounting for share-based payment transactions;
- the valuation allowance of income tax accounts; and
- accrued liabilities.

2. Significant accounting policies (continued)

(m) Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after July 1, 2012 or later periods. Many are not applicable or do not have a significant impact to Gideon and have been excluded below. The following have not yet been adopted and are being evaluated to determine their impact on Gideon. The Company has no plans for early adoption of the following pronouncements.

(i) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. Earlier application is permitted.

(ii) IFRS 10 – Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. IFRS 10 is effective for annual periods beginning on or after January 1, 2013.

(iii) IFRS 11 – Joint arrangements ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013.

(iv) IFRS 12 – Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entity's reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles. IFRS 12 is effective for annual periods beginning on or after January 1, 2013.

(v) IFRS 13 – Fair value measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs. The key points of IFRS 13 are as follows:

- fair value is measured using the price in a principal market for the asset or liability, or in the absence of a principal market, the most advantageous market;
- financial assets and liabilities with offsetting positions in market risks or counterparty credit risks can be measured on the basis of an entity's net risk exposure;
- disclosure regarding the fair value hierarchy has been moved from IFRS 7 to IFRS 13, and further guidance has been added to the determination of classes of assets and liabilities;
- a quantitative sensitivity analysis must be provided for financial instruments measured at fair value;
- a narrative must be provided discussing the sensitivity of fair value measurements categorized under Level 3 of the fair value hierarchy to significant unobservable inputs; and
- information must be provided on an entity's valuation processes for fair value measurements categorized under Level 3 of the fair value hierarchy.

IFRS 13 is effective for annual periods beginning on or after January 1, 2013.

2. Significant accounting policies (continued)

(m) Recent accounting pronouncements (continued)

(vi) IAS 1 – Presentation of financial statements ("IAS 1") was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that might be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

(vii) IAS 27 - Separate financial statements ("IAS 27") was effective for annual periods beginning on or after January 1, 2013, as a result of the issue of the new consolidation suite of standards, IAS 27 has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

(viii) IAS 32 - Financial instruments, presentation ("IAS 32") was effective for annual periods beginning on or after January 1, 2014. IAS 32 was amended to clarify that the right of offset must be available on the current date and cannot be contingent on a future date. Earlier application is permitted.

3. 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.

4. Financial instruments

The Company's financial instruments consist of cash, sundry receivable, loans 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, 2013, the Company had working capital of $46,804.

Interest rate risk

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

(Expressed in Canadian Dollars)

4. Financial instruments (continued)

Fair value

Fair value of financial instruments is as follows:

	March 31, 2013		March 31, 2012	
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
Cash	**$ 27,044**	**$ 27,044**	$ 548,066	$ 548,066
Sundry receivable	**$ 13,075**	**$ 13,075**	$ -	$ -
Loans receivable	**$ 1**	**$ 1**	$ 25,000	$ 25,000
Accounts payable and accrued liabilities	**$ 52,133**	**$ 52,133**	$ 23,072	$ 23,072

5. 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.

6. Loans receivable

Under the terms of the letter of intent signed by the Company with Monterra on March 2, 2012 to complete the Monterra QT, the Company advanced a loan of $25,000 to Monterra on March 31, 2012, 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 (see Note 14). As at March 31, 2013, interest of $1,250 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 (see Note 14). As at March 31, 2013, interest of $12,689 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.

Monterra is required to repay the Company the outstanding amount of the secured loan of $239,625 (which includes interest accrued up to May 7, 2013) and the outstanding amount of the unsecured loan of $26,250. The parties are continuing to negotiate the terms of such repayment. As at March 31, 2013, the Company determined that the loans receivable are impaired since the loans are currently in default based on the terms of the promissory note agreements. As well, based on the current negotiations with Monterra S.A., and the Company's assessment as to the full recoverability of the loans, including an assessment of the security on the secured loan, namely the shares of Terrasources Minerals S.A., the Company determined the loans receivable to be uncollectible. As such, the Company has taken an impairment charge on the loans receivable of $263,938, which is recorded in the consolidated statement of loss and comprehensive loss.

Transaction costs associated with the Monterra transaction amounted to $162,709 at March 31, 2013, and were charged to the consolidated statement of loss and comprehensive loss.

(Expressed in Canadian Dollars)

7. Capital stock

(a) Authorized

Unlimited number of common shares.

(b) Common shares issued

	Number of Common Shares		Stated Value
Balance, June 15, 2011	**-**	**$**	**-**
Shares issued for cash (i)	2,000,000		100,000
Private placement (ii)	8,000,000		400,000
Initial public offering (iii)	2,500,000		250,000
Issuance of stock options	-		(23,302)
Share issuance costs	-		(72,305)
Balance, March 31, 2012 and March 31, 2013	**12,500,000**	**$**	**654,393**

(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.

(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.

(iii) On January 27, 2012, the Company completed its initial public offering by issuing 2,500,000 common shares at a price of $0.10 per share, for gross proceeds of $250,000. The Company paid Raymond James Ltd., the agent, $72,305 towards commissions and corporate finance services related to the initial public offering, and granted 250,000 agent's options (Note 8).

8. Stock options

The following table shows the continuity of options:

	Number of Options	Weighted Average Exercise Price
Balance, June 15, 2011	**-**	**$ -**
Granted (i)(ii)	1,500,000	0.10
Balance, March 31, 2012 and March 31, 2013	**1,500,000**	**$ 0.10**

(Expressed in Canadian Dollars)

8. Stock options (continued)

(i) At the closing of the initial public offering, the Company granted a total of 1,250,000 stock options to its directors and corporate secretary to acquire a total of 1,250,000 common shares, exercisable within 10 years at a price of $0.10 per share. These options were valued at $171,787 using the Black-Scholes option pricing model with the following assumptions:

Risk free interest rate	1.94%
Expected dividend	Nil
Expected volatility	100%
Expected life	3653 days
Exercise price	$0.10

(ii) At the closing of the initial public offering, the Company also granted 250,000 agent's options to Raymond James Ltd., exercisable within 24 months from the date of listing, to acquire a total of 250,000 common shares at a price of $0.10 per share (Note 7). These options were valued at $23,302 using the Black-Scholes option pricing model with the following assumptions:

Risk free interest rate	0.99%
Expected dividend	Nil
Expected volatility	100%
Expected life	736 days
Exercise price	$0.10

The following table reflects the actual stock options issued and outstanding as of March 31, 2013:

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	0.85	250,000	250,000	23,302
January 27, 2022	0.10	8.83	1,250,000	1,250,000	171,787
		7.24	**1,500,000**	**1,500,000**	**195,089**

9. Net loss per share

The calculation of basic and diluted loss per share for the year ended March 31, 2013 was based on the loss attributable to common shareholders of $530,450 (period from June 15, 2011 to March 31, 2012 - $272,228) and the weighted average number of common shares outstanding of 10,500,000 (period from June 15, 2011 to March 31, 2012 - 3,890,710) for basic and diluted loss per share. Diluted loss did not include the effect of options for the year ended March 31, 2013 and for the period from June 15, 2011 to March 31, 2012, as they are anti-dilutive.

10. Related party transactions

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year ended March 31, 2013, the Company paid $20,449 to a company in which the current CEO and CFO has significant ownership with regards to rent, bookkeeping and office support and $33,576 to the current and former CEO and CFO, with regards to reimbursement of travel expenses.

As at March 31, 2013, the statement of financial positions includes a balance of $2,567 due from a company controlled by the current CEO and CFO.

During the period ended March 31, 2012, the Company granted 1,250,000 stock options fair-valued at $171,787 using the Black-Scholes option pricing model, to its directors and corporate secretary. Also see Note 8.

(Expressed in Canadian Dollars)

11. General and administrative

	Year Ended March 31, 2013	Period from June 15, 2011 (Date of Incorporation) to March 31, 2012
Office and general	$ 59,076	$ 40,315
Professional fees	59,224	60,126
Share-based payments	-	171,787
Transaction costs (Note 6)	162,709	-
	$ 281,009	$ 272,228

12. Income taxes

(i) Income tax expense

The Company does not have any current income tax expense. The following table reconciles the expected income tax recovery at the statutory income tax rate of 26.5% (2012 - 25%) to the amount recognized in the statements of operations:

	Year Ended March 31, 2013	Period from June 15, 2011 (Date of Incorporation) to March 31, 2012
Net loss for the year	$ (530,450)	$ (272,228)
Expected income tax recovery at statutory income tax rates	(140,570)	(68,057)
Share-based compensation	-	42,947
Share issuance costs	(3,832)	(3,615)
Impairment loss on loans receivable	69,944	-
Other adjustments	1,246	162
Tax benefit or non-capital losses not recognized	73,212	28,563
Income tax expense	$ -	$ -

(ii) Unrecognized deferred tax assets

The temporary differences that give rise to the future income tax asset or future income tax liability at the substantively enacted tax rate of 26.5% are as follows:

March 31,	2013	2012
Non-capital loss carry-forwards	$ 103,489	$ 26,366
Share issuance costs	11,496	3,796
Unrecognized deferred tax asset	$ 114,985	$ 30,162

The deferred tax asset has not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize benefits.

(Expressed in Canadian Dollars)

12. Income taxes (continued)

(iii) Tax losses

As at March 31, 2013, the Company had non-capital losses of approximately $390,524 which are available to reduce future taxable income. The future benefit of these losses has not been recognized in these consolidated financial statements. The losses expire as follows:

2032	$ 114,254
2033	276,270
Total	$ 390,524

13. 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.

14. Subsequent events

(i) On May 7, 2013, the Company announced the termination of the Amalgamation Agreement between Gideon and Monterra for the acquisition of 100% of the common shares of Monterra. Accordingly, the common shares of Gideon resumed trading on the Exchange at the opening of the market on May 9, 2013.

Monterra is required to repay the Company the outstanding amount of the Secured Loan of $239,625 (which include interest accrued up to May 7, 2013) and the outstanding amount of the Unsecured Loan of $26,250 and the parties are negotiating the terms of such repayment. As at March 31, 2013, the Company has taken an impairment charge on the loans receivable of $263,938, which is recorded in the consolidated statement of loss and comprehensive loss.

(ii) On July 12, 2013, the Company announced that it had entered into a letter of intent dated July 12, 2013 (the "LOI") for the arm's length acquisition of 100% of the common shares of Bathurst Resources Corp. ("Bathurst"). Pursuant to the terms of the LOI and subject to completion of certain conditions precedent, including, satisfactory due diligence, execution of a definitive agreement, completion of a concurrent financing and receipt of all necessary regulatory and Exchange approvals, the proposed acquisition of Bathurst will qualify as the Company's Qualifying Transaction.

15. Comparative figures

Certain of the prior period's numbers have been reclassified and item descriptions changed to conform to the current year's presentation.