GIDEON CAPITAL CORP.

(A CAPITAL POOL COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED JUNE 30, 2013

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Gideon Capital Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three months ended June 30, 2013 and 2012 have not been reviewed by the Company's auditors.

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

	As at June 30, 2013	As at March 31, 2013
Assets		
Current		
Cash (Note 3)	**$ 27,112**	$ 27,044
Sundry receivable	**202**	13,075
Prepaid expenses and deposits	**46,875**	58,817
Loans receivable (Note 4)	**1**	1
Total Assets	**$ 74,190**	$ 98,937
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 52,709**	$ 52,133
Total Liabilities	**52,709**	52,133
Shareholders' Equity		
Capital stock (Note 5)	**654,393**	654,393
Contributed surplus (Note 6)	**195,089**	195,089
Deficit	**(828,001)**	(802,678)
Total Shareholders' Equity	**21,481**	46,804
Total Liabilities and Shareholders' Equity	**$ 74,190**	$ 98,937

Nature of operations and going concern (Note 1)
Related party transactions (Note 8)
Subsequent events (Note 11)

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

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

		Three Months Ended June 30, 2013		Three Months Ended June 30, 2012
Expenses				
General and administrative (Note 9)	**$**	**25,352**	$	45,749
Operating loss before the following:		**(25,352)**		(45,749)
Interest income		**29**		2,861
Net loss and comprehensive loss for the period	**$**	**(25,323)**	$	(42,888)
Loss per share - basic and diluted (Note 7)	**$**	**(0.00)**	$	(0.00)
Weighted average number of shares outstanding - basic and diluted (Note 7)		**10,500,000**		10,500,000

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

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

	Number of Shares		Capital Stock		Contributed Surplus		Deficit		Total
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**

Balance, March 31, 2013	**12,500,000**	**$**	**654,393**	**$**	**195,089**	**$**	**(802,678)**	**$**	**46,804**
Comprehensive loss for the period	-		-		-		(25,323)		(25,323)
Balance, June 30, 2013	**12,500,000**	**$**	**654,393**	**$**	**195,089**	**$**	**(828,001)**	**$**	**21,481**

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

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

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012
Cash (used in) provided by:		
Operating Activities		
Net loss for the period	$ (25,323)	$ (42,888)
Net changes in non-cash working capital:		
Decrease (increase) in sundry receivable	12,873	(3,029)
Decrease in prepaid expenses and deposits	11,942	5,000
Increase in loans receivable	-	(227,567)
Increase (decrease) in accounts payable and accrued liabilities	576	(8,338)
Net cash provided by (used in) operating activities	68	(276,822)
Change in cash during the period	68	(276,822)
Cash, beginning of period	27,044	548,066
Cash, end of period	$ 27,112	$ 271,244

The accompanying notes are an integral part of these unaudited condensed interim 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 June 30, 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 unaudited condensed interim 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 three months ended June 30, 2013, the Company incurred a net loss of $25,323 (three months June 30, 2012 - net loss of $42,888) and, as of that date, the Company has an accumulated deficit of $828,001 (March 31, 2013 - accumulated deficit of $802,678). 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”).

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.

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 the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim consolidated 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 unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 28, 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 unaudited condensed interim consolidated financial statements as compared with the most recent audited consolidated financial statements as at and for the year ended March 31, 2013. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending March 31, 2014 could result in restatement of these unaudited condensed interim consolidated financial statements.

2. Significant accounting policies (continued)

(b) Change in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after March 31, 2013. The following new standards have been adopted:

(i) 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. At April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(ii) 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. At April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(iii) 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. At April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(iv) 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. At April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(v) 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. At April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

2. Significant accounting policies (continued)

(b) Change in accounting policies (continued)

(vi) 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. At April 1, 2013, the Company adopted this standard and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(c) Recent accounting 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. The Company is currently assessing the impact of this pronouncement.

(ii) 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. The Company is currently assessing the impact of this pronouncement.

3. 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.

(Expressed in Canadian Dollars)

4. 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 was payable on maturity on March 31, 2013.

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 was the earlier of May 31, 2013 or completion of the Monterra QT.

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.

During the year ended March 31, 2013, the Company determined that the loans receivable were impaired since the loans were in default based on the terms of the promissory note agreements. As well, based on the current negotiations with Monterra, 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, during the year ended March 31, 2013, the Company recorded an impairment charge on the loans receivable of $263,938.

The parties continued to negotiate the terms of repayment of the loans (see Note (ii)).

5. Share capital

(a) Authorized

Unlimited number of common shares.

(b) Common shares issued

	Number of Common Shares	Stated Value
Balance, March 31, 2012 and June 30, 2012	**12,500,000**	**$ 654,393**
Balance, March 31, 2013 and June 30, 2013	**12,500,000**	**$ 654,393**

6. Contributed surplus

(a) Stock options

The following table shows the continuity of options:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2012 and June 30, 2012	**1,250,000**	**$ 0.10**
Balance, March 31, 2013 and June 30, 2013	**1,250,000**	**$ 0.10**

(Expressed in Canadian Dollars)

6. Contributed Surplus (Continued)

(a) Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of June 30, 2013:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Grant Date Fair Value ($)
August 14, 2013	0.10	0.12	900,000	900,000	123,687
January 27, 2022	0.10	8.58	350,000	350,000	48,100
		2.49	**1,250,000**	**1,250,000**	**171,787**

(b) Broker warrants

The following table shows the continuity of broker warrants:

	Number of Broker Warrants	Weighted Average Exercise Price
Balance, March 31, 2012 and June 30, 2012	**250,000**	**$ 0.10**
Balance, March 31, 2013 and June 30, 2013	**250,000**	**$ 0.10**

The following table reflects the actual broker warrants issued and outstanding as of June 30, 2013:

Expiry Date	Exercise Price ($)	Number of Broker Warrants Outstanding	Grant Date Fair Value ($)
February 3, 2014	0.10	250,000	23,302

7. Net loss per share

The calculation of basic and diluted loss per share for the three months ended June 30, 2013 was based on the loss attributable to common shareholders of $25,323 (three months ended June 30, 2012 - $42,888) and the weighted average number of common shares outstanding of 10,500,000 (three months ended June 30, 2012 - 10,500,000) for basic and diluted loss per share. Diluted loss did not include the effect of options for the three months ended June 30, 2013 and the three months ended June 30, 2012, as they are anti-dilutive.

8. 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.

As at June 30, 2013, the unaudited condensed interim consolidated statement of financial positions includes a balance of $2,567 due from a company controlled by the current Chief Executive Officer and Chief Financial Officer.

(Expressed in Canadian Dollars)

9. General and administrative

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012
Office and general	**$ 7,656**	$ 9,725
Professional fees	**4,670**	36,024
Transaction costs	**13,026**	-
	$ 25,352	$ 45,749

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.

11. Subsequent events

(i) 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 director, shareholder, regulatory and Exchange approvals, the proposed acquisition of Bathurst will qualify as the Company's Qualifying Transaction.

(ii) On August 12, 2013, the Company announced that it had entered into an agreement with Monterra for the conversion of its previously announced loans to Monterra. In connection with the Monterra QT, the Company had advanced to Monterra $25,000 as an unsecured loan which matured on March 31, 2013, and $225,000 as a secured loan which matured on May 31, 2013. The Company and Monterra have entered into an agreement to convert the unsecured loan plus accrued interest of $1,461, the secured loan plus accrued interest of $24,586, and $100,000 of expenses incurred by the Company in connection with the Monterra QT, which was subsequently terminated, into an aggregate of 7,520,948 common shares of Monterra as part of a significant re-structuring being completed by Monterra. The shares issuable to the Company will represent approximately 6% of the issued and outstanding shares of Monterra upon completion of its initial re-structuring.