

**BETHPAGE CAPITAL CORP.**

Condensed Interim Financial Statements

June 30, 2013

Presented in Canadian dollars - unaudited

## **BETHPAGE CAPITAL CORP.**

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by the entity's auditor.

**BETHPAGE CAPITAL CORP.**Condensed Interim Statements of Financial Position  
(Presented in Canadian dollars - unaudited)

	June 30, 2013	December 31, 2012
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 308,447	\$ 343,233
Receivables (Note 3)	4,905	35,918
Prepaid expenses	2,600	-
	<u>315,952</u>	<u>379,151</u>
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 4)	109,047	108,330
<b>Total assets</b>	<u>\$ 424,999</u>	<u>\$ 487,481</u>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 9,015	\$ 11,185
<b>Shareholders' equity</b>		
Share capital (Note 6)	518,020	518,020
Reserves (Note 6)	154,780	142,381
Deficit	(256,816)	(184,105)
<b>Total shareholders' equity</b>	<u>415,984</u>	<u>476,296</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 424,999</u>	<u>\$ 487,481</u>

Nature of operations and continuance of operations (Note 1)  
Commitments (Notes 4)

These financial statements have been approved by the Board of directors and authorized for issue on July 30, 2013:

(s) *Vince Sorace*  
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Vince Sorace, Director

(s) *Steve Bajic*  
\_\_\_\_\_  
Steve Bajic, Director

The accompanying notes are an integral part of these financial statements

**BETHPAGE CAPITAL CORP.**Condensed Interim Statements of Comprehensive Loss  
(Presented in Canadian dollars - unaudited)

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
<hr/>				
Expenses				
Accounting and Audit (Note 7)	\$ 13,134	\$ 11,270	\$ 19,134	\$ 17,270
Consulting fees (Note 7)	7,500	-	15,000	-
Regulatory and listing fees	6,229	10,829	11,196	12,425
General and administrative	9,037	2,211	16,595	2,260
Stock-based compensation (Note 6)	-	-	12,399	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(35,900)	(24,310)	(74,324)	(31,955)
<hr/>				
Other item				
Interest income	638	-	1,613	-
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Comprehensive loss for the period	\$ (35,262)	\$ (24,310)	\$ (72,711)	\$ (31,955)
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Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
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Weighted average number of shares outstanding	8,300,000	5,573,626	8,300,000	5,386,813
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**BETHPAGE CAPITAL CORP.**

Condensed Interim Statement of Changes in Equity  
(Presented in Canadian dollars - unaudited)

	Share capital		Reserves			Total shareholders' equity
	Common shares	Amount	Stock-based compensation	Warrant	Deficit	
Balance, December 31, 2011	5,200,000	\$ 135,172	\$ 31,812	\$ 75,578	\$ (91,001)	\$ 151,561
Share issued for cash	3,000,000	450,000	-	-	-	450,000
Share issue costs, cash	-	(41,500)	-	-	-	(41,500)
Share issue costs, warrants	-	(20,897)	-	20,897	-	-
Shares issued for resource property	100,000	15,000	-	-	-	15,000
Net loss for the period	-	-	-	-	(31,955)	(31,955)
Balance, June 30, 2012	8,300,000	\$ 537,775	\$ 31,812	\$ 96,475	\$ (122,956)	\$ 543,106
Balance, December 31, 2012	8,300,000	\$ 518,020	\$ 45,907	\$ 96,474	\$ (184,105)	\$ 476,296
Stock-based compensation	-	-	12,399	-	-	12,399
Net loss for the period	-	-	-	-	(72,711)	(72,711)
Balance, June 30, 2013	8,300,000	\$ 518,020	\$ 58,306	\$ 96,474	\$ (256,816)	\$ 415,984

The accompanying notes are an integral part of these financial statements

**BETHPAGE CAPITAL CORP.**Condensed Interim Statements of Cash Flows  
(Presented in Canadian dollars - unaudited)

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
<b>Cash provided by (used in):</b>				
<b>Operating activities</b>				
Net loss for the period	\$ (35,262)	\$ (24,310)	\$ (72,711)	\$ (31,955)
Non-cash item:				
Stock-based compensation	-	-	12,399	-
Changes in non-cash working capital items:				
Receivables	1,886	(3,802)	31,013	(3,653)
Prepaid expenses	1,300	-	(2,600)	-
Accounts payable and accrued liabilities	(2,765)	(14,028)	(2,170)	(32,437)
Net cash used in operating activities	(34,841)	(42,140)	(34,069)	(67,045)
<b>Investing activities:</b>				
Exploration and evaluation expenditures	-	(10,000)	(717)	(14,709)
<b>Financing activities:</b>				
Proceeds from share issues, net of issuance costs	-	408,500	-	408,500
Change in cash	(34,841)	356,360	(34,786)	325,746
Cash, beginning	343,288	25,134	343,233	55,748
Cash, ending	\$ 308,447	\$ 381,494	\$ 308,447	\$ 381,494

The accompanying notes are an integral part of these financial statements

# BETHPAGE CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2013 and 2012

(Presented in Canadian dollars - unaudited)

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## 1. Nature and continuance of operations

Bethpage Capital Corp. (the "Company") was incorporated pursuant to the Business Corporations Act of British Columbia on May 13, 2010. The Company is a resource exploration company that is acquiring and exploring mineral properties. The Company is domiciled in Canada and its office is at Suite 918 – 1030 West Georgia Street, Vancouver, BC.

Pursuant to a prospectus filed with the British Columbia and Alberta Securities Commissions, the Company completed an Initial Public Offering ("IPO") on June 19, 2012 and its shares were listed for trading on the TSX Venture Exchange (the "Exchange"), as a Tier 2 issuer on June 21, 2012.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2013, the Company has not generated any revenue and has incurred a loss since inception. The Company has not yet determined whether its property contains mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amounts capitalized for its mineral property is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of the properties. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and to obtain additional financing and satisfy current commitments with loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## 2. Significant accounting policies

### (a) Basis of preparation and statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international Accounting Standards Board ("IASB"), and comply with IAS 34. The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency. This interim financial report does not include all of the information required of a full annual financial report and it is therefore recommended that this report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2012. The accounting policies as reported in Note 2 of the audited annual consolidated financial statements for the year ended December 31, 2012, have been applied in preparing these condensed interim financial statements.

### (b) Use of estimates and judgments

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

## BETHPAGE CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2013 and 2012

(Presented in Canadian dollars - unaudited)

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### 2. Significant accounting policies (continued)

#### (b) Use of estimates and judgments (continued)

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation asset, fair value of stock-based compensation, and future income tax asset valuation allowances.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

#### (c) Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended June 30, 2013, and have not been applied in preparing these financial statements. To the approval date of these financial statements new and amendments standards are as expected as follows:

##### *New standard IFRS 9, "Financial Instruments"*

IFRS 9 replaces IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 requires that all financial assets be classified and subsequently measured at amortized cost or at fair value based on the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities classified at fair value through profit or loss, financial guarantees and certain other exceptions. The new standard is effective for periods beginning on or after January 1, 2015.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements. Other standards with future effective dates are not expected to have an impact on the Company's financial statements.

### 3. Receivables

	June 30, 2013	December 31, 2012
GST/HST Receivable	\$ 2,305	\$ 1,402
Exploration tax credit receivable	-	33,303
Other receivables	2,600	1,213
	\$ 4,905	\$ 35,918



## BETHPAGE CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2013 and 2012

(Presented in Canadian dollars - unaudited)

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### 4. Exploration and evaluation assets

#### *Acquisition costs:*

Balance, December 31, 2011	\$	-
Option payments, cash		10,000
Option payments, shares		15,000
Staking additional claims		4,309
Balance, December 31, 2012 and June 30, 2013	\$	29,309

#### *Exploration costs:*

Balance, December 31, 2011	\$	110,078
Geological consulting		2,246
Exploration tax credits		(33,303)
Balance, December 31, 2012	\$	79,021
Geological consulting		717
Balance, June 30, 2013	\$	79,738

On September 16, 2011, the Company entered into an agreement with Eagle Plains Resources Ltd. ("Eagle Plains") whereby the Company was granted the sole and exclusive irrevocable right and option (the "Option") to acquire from Eagle Plains an undivided sixty (60%) percent interest in the Hall Lake Property, situated in the Fort Steele Mining Division, British Columbia. The terms of the option agreement were amended on June 3, 2013. The following information reflects the amended agreement.

The Option may be exercised by the Company:

(a) paying to Eagle Plains aggregate cash of \$600,000 as follows:

- (i) \$10,000 within 5 business days of the Company's shares being listed on the Exchange (the "Effective Date") (Paid);
- (ii) an additional \$75,000 on or before December 31, 2014;
- (iii) an additional \$100,000 on or before December 31, 2015;
- (iv) an additional \$150,000 on or before December 31, 2016; and
- (v) an additional \$265,000 on or before December 31, 2017,

(b) issuing to Eagle Plains a total of 1,000,000 common shares of the Company, subject to such resale restrictions and legends as may be imposed by the applicable securities laws and the Exchange, as follows:

- (i) 100,000 shares within 10 business days of the Effective Date (Issued);
- (ii) an additional 200,000 shares on or before December 31, 2014;
- (iii) an additional 200,000 shares on or before December 31, 2015;
- (iv) an additional 200,000 shares on or before December 31, 2016; and
- (v) an additional 300,000 shares on or before December 31, 2017,

## BETHPAGE CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2013 and 2012

(Presented in Canadian dollars - unaudited)

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### 4. Exploration and evaluation assets (continued)

(c) incurring a total of \$3,000,000 in exploration expenditures on the Hall Lake Property ("Expenditures") as follows:

- (i) \$100,000 in Expenditures prior to December 31st, 2011; (Completed)
- (ii) an additional \$200,000 in Expenditures prior to December 31, 2014;
- (iii) an additional \$700,000 in Expenditures prior to December 31, 2015;
- (iv) an additional \$1,000,000 in Expenditures prior to December 31, 2016; and
- (v) an additional \$1,000,000 in Expenditures prior to December 31, 2017.

Should the Company terminate the option or allow certain claims to lapse, the Company has committed to keep the claims in good standing for a 24 month period from the termination date.

### 5. Accounts payable and accrued liabilities

	June 30, 2013	December 31, 2012
Trade accounts payable	\$ 9,015	\$ 1,185
Accrued liabilities	-	10,000
	<u>\$ 9,015</u>	<u>\$ 11,185</u>

### 6. Share capital

#### (a) Common shares

Authorized: unlimited common shares without par value

Issued: At June 30, 2013 there were 8,300,000 issued and fully paid common shares (2012 – 8,300,000).

Share issuances:

On June 19, 2012, the Company issued 3,000,000 shares at \$0.15 per share for gross proceeds of \$450,000 pursuant to its IPO. The Company paid an agent a cash consideration of \$31,500 and a corporate finance fee of \$10,000 relating to the IPO. The agent received 25,000 corporate finance warrants, exercisable at \$0.15 per share for a period of one year. The warrants had an estimated grant date fair value of \$1,705 which was included in the warrant reserve. The fair value was determined using the Black-Scholes option pricing model with the following assumptions: expected life of one year; an expected volatility of 120%; a risk free interest rate of 1.2%; and a dividend yield of 0.0%. In addition, the agent was granted 210,000 agent's warrants exercisable at \$0.15 per share for a period of two years. The warrants had an estimated grant date fair value of \$19,191 which was included in the warrant reserve. The fair value was determined using the Black-Scholes option pricing model with the following assumptions: expected life of two years; an expected volatility of 120%; a risk free interest rate of 1.3%; and a dividend yield of 0.0%. The Company also incurred legal fees relating to the issuance of these in the amount of \$19,756.

## BETHPAGE CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2013 and 2012

(Presented in Canadian dollars - unaudited)

### 6. Share capital (continued)

#### (a) Common shares (continued)

Share issuances (continued):

On June 20, 2012, the Company issued 100,000 shares with a fair value of \$0.15 per share under the Hall Lake Option agreement as described in Note 4.

Escrowed shares:

1,530,000 common shares are subject to an escrow agreement. 382,500 of these shares will be released from escrow on December 21, 2013 and the same number will be released each six months thereafter.

#### (b) Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at December 31, 2011	4,000,000	\$ 0.05
Issued	235,000	\$ 0.15
Outstanding at December 31, 2012	4,235,000	\$ 0.06
Expired	(25,000)	\$ 0.15
Outstanding at June 30, 2013	4,210,000	\$ 0.05

The following table summarizes information about warrants outstanding at June 30, 2013:

Number of Shares	Exercise Price	Expiry date
4,000,000	\$0.05	June 19, 2014
210,000	\$0.15	June 19, 2014
4,210,000		

#### (c) Stock options

On November 9, 2011, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, key employees and consultants to the Company, options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares issued and outstanding. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

## BETHPAGE CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2013 and 2012

(Presented in Canadian dollars - unaudited)

### 6. Share capital (continued)

#### (c) Stock options (continued)

On October 11, 2012, the Company granted 100,000 options to a consultant with an exercise price of \$0.165 and an expiry date of October, 11, 2017. The estimated grant date fair value of the options, which was recorded as stock-based compensation expense, was \$14,095 or \$0.141 per option. The fair value of the options was determined using the Black-Scholes option pricing model using the following assumptions: an annualized expected volatility of 120%; an expected life of 5 years; a dividend yield rate of 0%; a risk-free interest rate of 1.411% and a forfeiture rate of 0%.

On February 8, 2013, the Company granted 100,000 options to a consultant with an exercise price of \$0.15 and an expiry date of February 8, 2018. The estimated grant date fair value of the options, which was recorded as stock-based compensation expense, was \$12,399 or \$0.12 per option. The fair value of the options was determined using the Black-Scholes option pricing model using the following assumptions: an annualized expected volatility of 120%; an expected life of 5 years; a dividend yield rate of 0%; a risk-free interest rate of 1.42% and a forfeiture rate of 0%.

As there's no historical data for determining volatility, management utilized a comparable volatility of early stage resource exploration companies.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2011	700,000	\$ 0.15
Granted to a consultant	100,000	\$ 0.165
Outstanding at December 31, 2012	800,000	\$ 0.15
Cancelled	(100,000)	\$ 0.15
Granted to a consultant	100,000	\$ 0.15
Outstanding at June 30, 2013	800,000	\$ 0.15

The weighted average contractual life of options outstanding is 7.85 years.

The following table summarizes information about stock options outstanding and exercisable at June 30, 2013:

Number of Shares	Exercise Price	Expiry date	Exercisable
600,000	\$0.15	June 21, 2022	600,000
100,000	\$0.165	October 11, 2017	100,000
100,000	\$0.15	February 8, 2018	100,000
800,000	\$0.15		800,000

## BETHPAGE CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2013 and 2012

(Presented in Canadian dollars - unaudited)

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### 7. Related party transactions

The following amounts were paid to directors or officers or companies controlled by directors of the Company:

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2012	Six Months Ended June 30, 2012
Consulting fees	\$ 7,500	\$ -	\$ 15,000	\$ -
Accounting services	6,000	-	13,500	-
	\$ 13,500	\$ -	\$ 28,500	\$ -

### 8. Financial instruments and risk

#### (a) Fair values

The fair values amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the short-term to maturities of these financial instruments.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into a hierarchy based on the degree to which the fair value is observable. Level 1 fair value measurements are derived from unadjusted, quoted prices in active markets for identical assets or liabilities. Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly. Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

#### (c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash and amounts receivable. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. Amounts receivable consists, mainly, of HST refunds due from the Government of Canada.

#### (d) Foreign exchange rate risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company has no assets or liabilities denominated in foreign currencies; therefore, is not exposed to foreign exchange risk.

## **BETHPAGE CAPITAL CORP.**

Notes to the Condensed Interim Financial Statements  
For the six months ended June 30, 2013 and 2012  
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### 8. Financial instruments and risk (continued)

#### (e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financings will be on terms acceptable to the Company.

#### (f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

### 9. Capital management

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The property in which the Company currently has an interest is in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.