MOONCOR OIL & GAS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014

(Unaudited – prepared in Canadian dollars)

MOONCOR OIL & GAS CORP.

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated 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 the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

MOONCOR OIL & GAS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2014 AND DECEMBER 31, 2013 (UNAUDITED)
(Expressed in Canadian Dollars)

	March 31, 2014	December 31, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 57,272	$ 68,273
Sundry receivable	10,185	14,482
Prepaid expenses	2,031	5,539
	69,488	88,294
Other Assets:		
Property and equipment (Note 4)	505,000	505,000
Deposits	349,381	349,381
	854,381	854,381
	$ 923,869	$ 942,675
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 755,385	$ 725,383
Reclamation and decommissioning obligation (Note 7)	72,439	72,050
	827,824	797,433
SHAREHOLDERS' EQUITY		
Capital stock (Note 5)	$ 19,642,831	$ 19,642,831
Contributed surplus (Note 5)	1,897,322	1,897,322
Warrants (Note 5)	41,100	41,100
Deficit	(21,485,208)	(21,436,011)
	96,045	145,242
	$ 923,869	$ 942,675
COMMITMENTS AND CONTINGENCIES (Note 10)		
SUBSEQUENT EVENTS (Note 13)		

Approved by the Board of Directors

"Alan Myers" Director

"Allen Lone" Director

See accompanying notes to the interim condensed consolidated financial statements.

MOONCOR OIL & GAS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPARATIVE LOSS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013 (UNAUDITED)
(Expressed in Canadian Dollars)

	3 Month ended 31 March 2014	3 Month ended 31 March 2013
Interest Income	-	101
TOTAL REVENUE	$ -	$ 101
EXPENSES		
Professional fees	9,255	13,607
Lease expenses	22,489	-
Office and general	9,103	21,827
Finance costs	-	25,567
Travel	-	1,149
Insurance	8,349	6,900
	49,197	69,050
Loss before income tax	**(49,197)**	**(68,949)**
Deferred income tax recovery	-	-
Net loss and comprehensive loss for the period	$ (49,197)	$ (68,949)
Weighted Average Shares Outstanding - basic and diluted	149,934,520	121,953,956
Net loss per share - basic and diluted	$ (0.001)	$ (0.001)

See accompanying notes to the interim condensed consolidated financial statements.

MOONCOR OIL & GAS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013 (UNAUDITED)
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Contributed Surplus	Equity component of convertible debenture	Warrants	Deficit	Total Equity
Balance at January 1, 2013	121,953,956	$ 18,447,248	$ 1,705,263	$ 192,059	$ 1,055,680	$ (22,453,210)	$ (1,052,960)
Warrants:							
Reallocation of expired warrants			979,066		(979,066)		$ -
Net loss for the period						(68,949)	(68,949)
Balance at March 31, 2013	**121,953,956**	**18,447,248**	**2,684,329**	**192,059**	**76,614**	**(22,522,159)**	**(1,121,909)**
Balance at January 1, 2014	149,934,520	19,642,831	1,897,322	-	41,100	(21,436,011)	145,242
Net loss for the period						(49,197)	(49,197)
Balance at March 31, 2014	**149,934,520**	**19,642,831**	**1,897,322**	**-**	**41,100**	**(21,485,208)**	**96,045**

See accompanying notes to the interim condensed consolidated financial statements.

MOONCOR OIL & GAS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013 (UNAUDITED)
(Expressed in Canadian Dollars)

	3 Months ended 31 March 2014	3 Months ended 31 March 2013
Cash flows used in operating activities		
Net loss for the period	$ (49,197)	$ (68,949)
Interest accrued on convertible debenture	-	25,186
Accretion of reclamation and decommissioning obligation	389	381
	(48,808)	(43,382)
Changes in non-cash working capital balances		
Sundry receivables	4,297	35,578
Prepaid expense	3,508	(5,834)
Accounts payable and accrued liabilities	30,002	4,415
	(11,001)	(9,223)
Cash flows used in investing activities		
Increase in seggregated cash	-	(101)
	-	(101)
Net decrease in cash and cash equivalents	(11,001)	(9,324)
Cash and cash equivalents, beginning of period	68,273	204,780
Cash and cash equivalents, end of period	57,272	$ 195,456
Supplemental Information		
Income tax paid	-	$ -
Interest paid	-	$ -

See accompanying notes to the interim condensed consolidated financial statements.

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Mooncor Oil & Gas Corp. (the "Company") is continued under the Business Corporations Act (Ontario). The Company's principal assets are oil and natural gas interests which are not yet in substantial commercial production. The Company is in the process of exploring other opportunities. The company is domiciled in the province of Ontario and its head office is located at 151 Randall Street, Suite 101, Oakville, Ontario, Canada.

The Company is a public company trading on the TSX Venture Exchange ("TSXV") under the symbol "MOO". These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Mooncor Energy Inc. ("Mooncor Energy"), an Alberta Corporation, and DRGN Energy Inc. ("DRGN"), an Ontario Corporation.

Going concern

The interim condensed consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has a working capital deficiency in the amount of $758,336 and has a deficit in the amount of $21,485,208 as at March 31, 2014. The working capital deficiency and losses incurred limit the Company's ability to fund operations. In addition, there is uncertainty as to whether the Company will be able to raise sufficient funds to finance continued operations. As a result, there is significant doubt upon the Company's ability to continue as a going concern.

These interim condensed consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

The Company prepares its consolidated financial statements (the "financial statements") in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") which includes International Financial Reporting Standards, International Accounting Standards ("IAS"), and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"). These standards are collectively referred to as IFRS.

The Board of Directors approved these interim condensed consolidated financial statements ("interim consolidated statements") on May 30, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim consolidated statements are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, Interim Financial Reporting, issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee using accounting policies consistent with International Financial Reporting Standards which the Company adopted in its annual consolidated financial statements as at and for the year ended December 31, 2013.

The same accounting policies and methods of computation were followed in the preparation of these interim consolidated statements as were followed in the preparation of and as described in Note 3 to the annual consolidated financial statements as at and for the year ended December 31, 2013. Accordingly, these interim consolidated statements for the three months ended March 31, 2014 should be read together with the annual consolidated financial statements as at and for the year ended December 31, 2013.

Basis of measurement

These interim consolidated statements have been prepared on the historical cost basis, except for certain financial assets and liabilities which are measured at fair value. These consolidated financial statements are presented in Canadian dollars (“$”).

Basis of consolidation

These interim consolidated statements include the accounts of the Company and its wholly owned subsidiaries Mooncor Energy and DRGN. All intercompany balances and transactions are eliminated in preparing the consolidated financial statements. The financial statements of each subsidiary are consolidated from the date that control commences until the date that control ceases.

4. PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2014 consists of oil and natural gas interest as follows:

Balance, March 31, 2014 and December 31, 2013	$ 505,000

Oil and Natural Gas Interests (Lloydminster (Alberta))

In 2008, the Company acquired two suspended heavy oil wells and leases and related P&NG rights in the Lloydminster area of Alberta from a former arm’s length party for cash proceeds of $400,000.

The Company’s interest in the first lease is a 60% working interest subject to:

(i) an obligation to pay a 60% share of the variable Crown royalties;

(ii) a 60% share of a 1% GORR payable to a former arm’s length party; and

(iii) a 3% GORR payable to a former arm’s length party on the 60% share of production.

The Company’s interest in the second lease is a 100% working interest before payout of the approximate $485,000 payout account associated with the well on the lease and includes the right to recoup the payout account. The interest in the well will decline to 60% after recoupment of the payout account. This lease is subject to:

(i) a 60% share of the Crown royalty;

(ii) a 60% share (36% after payout) of a 1% GORR payable to a former arm’s length party on oil production;

(iii) a 5% to 15% variable convertible GORR payable to a former arm’s length party in respect of oil production;

(iv) a 15% convertible GORR payable to a former arm’s length party in respect of gas production; and

(v) a 3% GORR payable to a former arm’s length party on the Company’s 60% share of production. The 5% to 15% variable convertible GORR and 15% convertible GORR are convertible to a 40% working interest payable to the arm’s length party once payout has been achieved.

The leases include the right to complete one infill well on each of the leases. Upon completion and payout of any infill well, the Company will have a 60% working interest in the applicable well subject to the encumbrances on the applicable lease.

(Expressed in Canadian Dollars)

During 2011, the Company entered an agreement to sell to Madeira Minerals Ltd. ("Madeira"), all of the Company's right, title and interest in the two wells. Madeira is a capital pool company, and the transaction is intended to constitute Madeira's qualifying transaction under Policy 2.4 of the TSXV. Madeira will acquire the leases by issuing an aggregate of six million common shares of its capital stock to the Company at a deemed price of $0.20 per share. The transaction is subject to a number of conditions precedent which include completion of due diligence reviews by the parties, successful negotiation of a definitive purchase agreement (completed during the prior year), completion of a concurrent financing by Madeira (not yet completed), and receipt of all required regulatory and TSXV approvals (not yet completed).

Any gain realized on disposal of these wells, representing the share consideration of Madeira over the carrying value, will be recorded on closing of the transaction. Included in sundry receivable was $43,995 related to costs incurred by the Company to be reimbursed from Madeira on closing. During 2013, due to the financial condition of Madeira, management has taken an allowance on this receivable as the collectability is uncertain. Management of the Company fully intends to pursue the collection of the amount.

5. CAPITAL AND RESERVES

a. Share capital

At March 31, 2014 and December 31, 2013, the authorized share capital comprised an unlimited number of common shares.

	# of Common Shares	Amount $
Balance, January 1, 2013	**121,953,956**	**18,447,248**
Issued on settlement of debt	27,980,564	139,903
Expired warrants	0	1,055,680
Balance, December 31, 2013 and March 31, 2014	**149,934,520**	**19,642,831**

On April 1, 2013 the Company issued 10,000,000 Common Shares to Pinetree Capital Ltd. On May 30, 2014, the common shares outstanding are 159,934,520.

(Expressed in Canadian Dollars)

b. Warrants

Details of warrant transactions for the year are as follows:

	# of Warrants	Amount $	Wtd. Average Ex. Price
Balance, January 1, 2013	**14,834,548**	**1,055,680**	$ 0.24
Expired warrants	-14,834,548	-1,055,680	$ 0.24
Warrants issued (Expiry 13 June 2018)	11,448,492	41,100	$ 0.10
Balance, December 31, 2013 and March 31, 2014	**11,448,492**	**$ 41,100**	$ 0.10

On 13 June 2013, the Company issued 22,896,986 common shares and warrants exercisable for up to 11,448,492 common shares for five years at @ $0.10 per share in satisfaction of indebtedness of $1,144,849 which included amounts owed to the holders of secured convertible debentures.

The fair value of the warrant was estimated on the date of issuance using an option pricing model, using the following assumptions: risk-free interest rates – 1.63%; dividend yield – NIL; expected stock price volatility determined using the Company's historical volatility – 155% (based on the Company's historical share price); a share price of $0.005 and warrant life – 5 years. Pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

On April 1, 2014, Mooncor entered into a securities purchase agreement with Pinetree Capital Ltd. Pursuant to the terms of the agreement (i) Pinetree subscribed for in the capital 10,000,000 units of Mooncor at a deemed price of $0.05 per unit comprised of 1 Common Share of Mooncor and 1 common share purchase warrant entitling Pinetree to acquire 1 Mooncor Common Share at $0.10 per share for a period of 2 years from date of issuance. The number of warrants outstanding on May 30, 2014 is 21,448,492.

(Expressed in Canadian Dollars)

c. Stock options

Details of stock option transactions for the three months ended March 31, 2014 are as follows:

	# of Options	Weighted. Avg. Ex Price
Balance, January 1, 2013	**6,753,499**	**$0.21**
Expired in 2013	-4,800,999	$0.19
Balance, December 31, 2013	**1,952,500**	**$0.22**
Expired in 2014	-558,750	$0.24
Balance, March 31, 2014	1,393,750	**$0.22**

No stock options were exercised or issued during the three month period ended March 31, 2014 and no material changes were made to the Plan in the current period.

The following table summarizes information about the options outstanding at March 31, 2014:

# of Options Outstanding and excersable	Exercise Price	Expiry Dates	Remaining Contractual Life
150,000	$0.32	May 14, 2014	0.37
300,000	$0.21	December 3, 2014	0.92
270,000	$0.25	November 19, 2020	6.89
275,000	$0.20	April 8, 2021	7.27
187,500	$0.23	May 4, 2021	7.35
211,250	$0.14	November 29, 2021	7.92
1,393,750	**$0.22**		

On May 14, 2014, 150,000 options with exercise price of $0.32 expired and 1,243,750 stock options remain outstanding on May 30, 2014 with a weighted average exercise price of $0.21

(Expressed in Canadian Dollars)

d. Contributed surplus

Balance, January 1, 2013	**$ 1,705,263**
Reallocation of equity component of convertible debenture on debt settlement	192,059
Balance, December 31, 2013 and March 31, 2014	**$ 1,897,322**

6. CONVERTIBLE DEBENTURES PAYABLE

The carrying value of the debentures payable is as follows:

Balance, January 1, 2013	**$ 1,099,515**
Interest accrued	45,334
Amount settled by the issuance of common shares	(114,485)
Amount settled by issuance of warrants	(41,100)
Gain on settlement	(989,264)
Balance, December 31, 2013 and March 31, 2014	**$ -**

In 2007, the Company issued two separate convertible debentures having a total face value of $2,000,000 and maturing on March 28, 2010. The debentures were secured against all property and assets of the Company and bear interest at 10% per annum. Principal and interest was payable at maturity. On March 28, 2010, the Company negotiated an extension to the expiry of the debentures to June 11, 2010 with an additional extension to December 11, 2010 subject to the Company reducing the outstanding principal balance of both debentures to not less than $1,000,000. The outstanding principal of each debenture was convertible into units of the Company at $0.225 per unit until December 11, 2010. Each unit consisted of one common share and one-half of one warrant. Each whole warrant was exercisable for one common share at $0.225 per share until the maturity date of the debentures. In addition, the Company issued to each holder warrants (the "Compensation Warrants") exercisable for up to 500,000 common shares at $0.225 per share until the maturity date. On November 26, 2010, pursuant to a further extension agreement, the maturity date of the debentures was extended from December 11, 2010 to June 11, 2011. In consideration for the extension, the Company agreed to extend the expiry date of the Compensation Warrants from December 11, 2010 to June 11, 2011. In April 2011, the Company negotiated an extension of the debentures from June 11, 2011 to December 31, 2011. In consideration for the extension, the Company agreed to extend the expiry date of the Compensation Warrants from June 11, 2011 to December 31, 2011.

As a result of several amendments described above, the debentures matured on December 31, 2011 and each had $510,719 in principal outstanding. From January 2012 until June 13, 2013, the debentures were reflected as current liabilities due on demand accruing interest at 10% per annum.

On 13 June 2013, the Company issued 22,896,986 common shares and warrants exercisable for up to 11,448,492 common shares for five years at @ $0.10 per share in satisfaction of indebtedness of $1,144,849 which included amounts owed to the holders of secured convertible debentures.

(Expressed in Canadian Dollars)

7. RECLAMATION AND DECOMMISSIONING OBLIGATION

The Company is liable to undertake reclamation and abandonment work on its Lloydminster property. The total cost for reclamation and abandonment work is not known at this time. In 2012 the Company estimated the total undiscounted amount required to settle the obligation is $80,000. The costs are expected to be settled between 2023 and 2024. The liability has been discounted using a risk-free interest rate of 2.16% as at March 31, 2014

Balance, January 1, 2013	**$ 70,527.0**
Accretion expense - 2013	1,523
Balance, December 31, 2013	**$ 72,050**
Accretion expense - 2014	389
Balance, March 31, 2014	**$ 72,439**

8. RELATED PARTY TRANSACTIONS

Related parties include Board of Directors, close family members, enterprises and others over which it exercises significant influence. The below noted transactions for the three months ended March 31, 2014, are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors

Included in accounts payable and accrued liabilities on March 31, 2014 and December 31, 2013 are $28,330 for legal fees and disbursements owing to a law firm in which a certain officer is a partner.

At March 31, 2014 $nil (2013 - $6,750) is included in professional fees paid to a former director and officer, or to related companies for CFO services pursuant to a consulting agreement. In addition, the former officer was reimbursed $nil (2013 - $2,059) for costs incurred. At March 31, 2014 and December 31, 2013, $32,191 was in accounts payable.

In 2014 $nil (in 2013 $2,500 of debt owing to the former CEO was settled through the issuance of 50,000 shares at a fair value of $250). At March 31, 2014 and December 31, 2013, the remaining debt, $10,625 is included in accounts payable and accrued liabilities.

In 2011, fees in the amount of $315,266 were paid to an officer and director for consulting services rendered during the year. In June 2011, this individual passed away. Pursuant to the management agreement between the Company, this individual and a company controlled by this individual, the Company is obligated to pay the company controlled by this individual $169,092. At March 31, 2014 and December 31, 2013, the amount is included in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

Key Management Compensation

The compensation of the directors and other key management of the Company are included in the summary table below. Key management is those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company.

	2014	2013
Short-term compensation	$ 0	$ 6,750
Total	$ 0	$ 6,750

9. (LOSS) PER SHARE

Basic profit (loss) per share figures are calculated using the weighted average number of common shares outstanding during the period.

10. COMMITMENTS & CONTINGENCIES

Gross overriding royalties

In addition to the gross overriding royalty ("GORR") agreements entered into in connection with the various oil and gas projects undertaken, the Company has entered into the following GORR agreements:

Database

As part of the purchase of the database of technical information, the Company entered into a GORR agreement with the vendor. Pursuant to the agreement, the Company has committed to pay royalties equal to 3% on all production from the lands included in the database. To date, there has been no production on these lands.

Abandonment and reclamation costs

The Company is liable to undertake reclamation and abandonment work on its leases. The Company has lodged deposits with the Energy Resource Conservation Board as required by legislation. Of the $349,381 at March 31, 2014 (December 31, 2013 - $349,381), approximately $78,700 (2013 - $78,700) relates to the Hamburg-Chinchaga leases and $270,681 (2013 - $270,681) relates to the Lloydminster wells. The total cost for reclamation and abandonment work is not known at this time. A provision of $72,439 has been recorded at March 31, 2014 (December 31, 2013 - $72,050) with respect to reclamation and decommissioning costs.

11. CAPITAL DISCLOSURES

The Company's objectives when managing capital are as follows:

- To safeguard the Company's ability to continue as a going concern.
- To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties.
- To raise sufficient capital to meet its general and administrative expenditures.

There were no changes in the Company's approach to managing capital during the period. The Company considers its capital to be equity, which comprises capital stock, contributed surplus, warrants and deficit, which at March 31, 2014 totaled $96,045 (December 31, 2013, $145,242).

The Company manages its capital structure and makes adjustments to it based on general economic conditions, short term working capital requirements, and planned exploration and development. The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets' underlying assumptions as necessary.

12. RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions in relation to the Company's activities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant price, credit, liquidity, or cash flow risks arising from the financial instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and sundry receivable. Cash and cash equivalents are held at large Canadian Financial Institutions.

The Company is not aware of any issues which would impact the recovery of these deposits. The Company has no significant concentration of credit risk arising from operations. Management believes the risk of loss to be remote. The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company maintains a majority of its surplus funds in interest bearing accounts with Canadian financial institutions, which pay interest at a floating rate.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses which may damage the Company's reputation.

The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash is always available to settle financial liabilities. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

13. SUBSEQUENT EVENTS

Proposed acquisition of Birch Lake Energy Inc.

The Company and Birch Lake Energy Inc. have entered into a non-binding letter of agreement for the arm's length acquisition by the Company of 100% of the common shares of Birch Lake Energy Inc. (TSXv: "BLK") subject to completion of certain conditions including satisfactory due diligence, execution of definitive agreement and receipt of all necessary director, shareholder, regulatory and TSX venture Exchange approvals.

Securities Purchase Agreement

On April 1, 2014 the Company entered into a securities purchase agreement with Pinetree Capital Ltd. Pursuant to the terms of the agreement (i) Pinetree has subscribed for an aggregate 10,000,000 units of Mooncor at a deemed price of $0.05 per unit comprised of 1 common share in the Company and 1 common share purchase warrant entitling Pinetree to acquire 1 common share of the Company at $0.10 per share for a period of 2 years from date of issuance, and (ii) the Company has subscribed for 819,672 common shares in the capital of Pinetree at a deemed price of $0.61 per share.