MOONCOR OIL & GAS CORP.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

(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 interim condensed consolidated financial statements, they must be accompanied by a notice that the interim condensed consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated 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.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMEBR 30, 2015 AND DECEMBER 31, 2014 (UNAUDITED)
(Expressed in Canadian Dollars)

	September 30, 2015	December 31, 2014
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 105,713	$ 322,648
Investments (Note 4)	148,500	75,352
Sundry receivables	48,336	11,550
Prepaid expenses	3,053	4,994
Total current assets	305,602	414,544
Non-current assets:		
Exploration and evaluation assets (Note 5)	812,751	515,692
Deposits (Note 9)	484,338	386,611
Total non-current assets	1,297,089	902,303
Total assets	$ 1,602,691	$ 1,316,847
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	$ 943,239	$ 737,722
Long term liabilities:		
Reclamation and decommissioning obligation (Note 7)	298,081	84,223
Total liabilities	1,241,320	821,945
SHAREHOLDERS' EQUITY		
Capital stock (Note 6)	$ 20,175,578	$ 20,175,578
Contributed surplus (Note 6)	1,897,322	1,897,322
Warrants (Note 6)	452,315	452,315
Foreign currency translation reserve	4,106	-
Deficit	(22,167,950)	(22,030,313)
Total shareholders' equity	361,371	494,902
Total liabilities and shareholders' equity	$ 1,602,691	$ 1,316,847

Nature and going concern (Note 1)
Commitments and contingencies (Notes 5,9)

See accompanying notes to the interim condensed consolidated financial statements.

MOONCOR OIL & GAS CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THREE AND NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015 AND 2014 (UNAUDITED)
(Expressed in Canadian Dollars)

	Three Months Ended Sept 30,		Nine Months Ended Sept 30,	
	2015	2014	2015	2014
EXPENSES				
Professional fees and disbursements (Note 8)	$ 17,582	$ 32,700	$ 77,225	$ 46,063
Operational expenses (Note 11)	9,908	22,508	31,470	45,875
Office and general (Note 12)	38,798	15,328	133,188	50,035
Travel	-	-	3,766	-
Insurance	7,191	5,714	22,120	20,792
Total expenses	$ 73,479	$ 76,250	$ 267,769	$ 162,765
Loss before undernoted	**(73,479)**	**(76,250)**	**(267,769)**	**(162,765)**
Gain from bargain purchase (Note 10)	-	-	70,763	-
Gain on foreign exchange	3,748	-	3,706	-
Net change in unrealized gains/(losses) on investments (Note 4)	76,500	(112,977)	76,500	(258,879)
Net investment loss on sale of investments (Note 4(b))	-	(41,770)	(20,837)	(41,770)
Net profit/(loss) for the period	6,769	(230,997)	(137,637)	(463,414)
Other comprehensive income				
Exchange differences on translation of foreign operations	3,863	-	4,106	-
Total comprehensive income (loss) for the period	**$ 10,632**	**$ (230,997)**	**$ (133,531)**	**$ (463,414)**
Weighted average shares outstanding - basic and diluted	167,536,185	154,934,520	167,536,185	154,934,520
Net loss per share based on net profit (loss) for the period - basic and diluted	$ 0.000	$ (0.001)	$ (0.001)	$ (0.003)

See accompanying notes to the interim condensed consolidated financial statements.

MOONCOR OIL & GAS CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015 (UNAUDITED)
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Contributed Surplus	Warrants	Foreign currency translation reserve	Deficit	Total Equity
Balance at December 31, 2013	149,934,520	$ 19,642,831	$ 1,897,322	$ 41,100	$ -	$ (21,436,011)	$ 145,242
Issue of common stock	10,000,000	252,996	-	-	-	-	252,996
Warrants - allocation on issue of common stock	-	-	-	247,004	-	-	247,004
Net loss for the nine months ended September 30, 2014	-	-	-	-	-	(463,414)	(463,414)
Balance at September 30, 2014	**159,934,520**	**$19,895,827**	**$1,897,322**	**$ 288,104**	**$ -**	**$(21,899,425)**	**$ 181,828**
Balance at December 31, 2014	167,536,185	$ 20,175,578	$ 1,897,322	$ 452,315	$ -	$ (22,030,313)	$ 494,902
Net loss for the nine months ended September 30, 2015	-	-	-	-	-	(137,637)	(137,637)
Exchange differences on translation of foreign operations	-	-	-	-	4,106	-	4,106
Total comprehensive loss for the period	-	-	-	-	4,106	(137,637)	(133,531)
Balance at September 30, 2015	**167,536,185**	**$20,175,578**	**$1,897,322**	**$ 452,315**	**$ 4,106**	**$(22,167,950)**	**$ 361,371**

See accompanying notes to the interim condensed consolidated financial statements.

MOONCOR OIL & GAS CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015 AND 2014 (UNAUDITED)
(Expressed in Canadian Dollars)

	Nine Months Ended September 30, 2015	2014
Cash flows used in operating activities		
Net loss for the period	$ (137,637)	$ (463,414)
Realized loss on sale of investments	20,837	41,770
Net change in unrealized losses (gains) on investments	(76,500)	258,879
Gain from bargain purchase	(70,763)	-
Reclamation and decommissioning obligation	1,364	1,167
	(262,700)	(161,598)
Changes in non-cash working capital balances		
Sundry receivables	(34,774)	(9,607)
Prepaid expenses	3,839	91
Deposits	(31,402)	-
Accounts payable and accrued liabilities	132,160	105,983
Cash flows used in operations	(192,877)	(65,132)
Cash flows provided by (used in) investing activities		
Proceeds on sale of investments	54,515	31,430
Cash acquired on acquisition of Primary (Note 10)	1,885	-
Expenditures on exploration and evaluation assets	(80,733)	-
Cash flows from investing activities	(24,333)	31,430
Net decrease in cash and cash equivalents	(217,210)	(33,702)
Exchange rate changes on foreign currency cash balances	275	-
Cash and cash equivalents, beginning of period	322,648	68,273
Cash and cash equivalents, end of period	$ 105,713	$ 34,571
Supplemental Information		
Income tax paid	$ -	$ -
Interest paid	$ -	$ -
Non-cash purchase of investments	$ 72,000	$ -

See accompanying notes to the interim condensed consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Mooncor Oil & Gas Corp. (the "Company" or "Mooncor") 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 also 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 interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Mooncor Energy Inc. ("Mooncor Energy"), an Alberta Corporation, DRGN Energy Inc. ("DRGN"), an Ontario Corporation, Primary Petroleum Company USA Inc ("PPCUSA"), a Montana, USA Corporation, Primary Petroleum Company LLC ("PPCLLC"), a Montana, USA Corporation and AP Petroleum Company LLC ("APLLC"), a Montana, USA Corporation.

The Company's board of directors approved for issuance these interim condensed consolidated financial statements ("interim consolidated statements") on November 20, 2015.

These interim consolidated 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 $637,637 and for the nine months ended September 30, 2015 had a net loss of $137,637 (nine months ended September 30, 2014 - $463,414) and has a deficit in the amount of $22,167,950 as at September 30, 2015 (December 31, 2014 - $22,030,313). The Company is in the exploration stage and is subject to various risks and challenges. Including, but are not limited to, dependence on key individuals, successful exploration and ability to secure adequate financing to meet the minimum capital required to successfully complete its projects, political risk relating to maintaining property licenses in good standing and continuing as a going concern. Management estimates that the funds available as at September 30, 2015 will not be sufficient to meet the Company's potential capital and operating expenditures through September 30, 2016. The Company will have to raise additional funds to continue operations. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available on terms acceptable to the Company. Failure to meet its funding commitments may result in the loss of the Company's exploration and evaluation interests.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for the current stage of exploration, development or operation of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

The challenges of securing requisite funding, operating with a working capital deficiency and expected future operating losses represent material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

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

Basis of measurement

These interim consolidated statements have been prepared on the historical cost basis, except for certain financial assets which are measured at fair value. In addition, these interim consolidated statements have been prepared using the accrual basis of accounting, except for cash flow information. These interim consolidated statements are presented in Canadian dollars, which is the functional currency of the Company.

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 IASB and interpretations of the IFRIC using accounting policies consistent with IFRS which the Company adopted in its annual consolidated financial statements as at and for the year ended December 31, 2014.

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, 2014. Accordingly, these interim consolidated statements for the three and nine months ended September 30, 2015 should be read together with the annual consolidated financial statements as at and for the year ended December 31, 2014.

Basis of consolidation

These interim consolidated statements include the accounts of the Company and its wholly owned subsidiaries Mooncor Energy, DRGN, PPCUSA, PPCLLC and APLLC. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. These interim consolidated statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Taxes, income taxes and deferred taxes
The Company is subject to income and other taxes in various jurisdictions. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax filings are subject to audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made. Any estimates for value added and withholding taxes have been included in accounts payable and accrued liabilities.

Impairment of oil and gas property interests
While assessing whether any indications of impairment exist for oil and gas property interests, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which oil and gas property interests are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's oil and gas property interests, costs to sell the properties and the appropriate discount rate. Reductions in oil price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable oil reserves or adverse current economics can result in a write-down of the carrying amounts of the Company's oil and gas property interests.

Estimation of decommissioning and restoration costs and the timing of expenditure
The cost estimates are updated annually during the life of an oil well to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the oil well. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Fair value of issued warrants and options
The Company uses the Black-Scholes option pricing model to determine the fair value of warrants issued upon private placement financings and options in order to calculate stock-based compensation expense. The Black-Scholes model involves six key inputs to determine fair value: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve conservable judgment that are or could be affected by significant factors that are out of the Company's control.

3. FUTURE ACCOUNTING CHANGES

As at the date of authorization of these condensed consolidated statements, the IASB and the International Financial Reporting Interpretations Committee has issued the following new and revised Standards and Interpretations that are not yet effective for the relevant reporting periods and the Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company. The Company intends to adopt these standards, if applicable, when the standards become effective:

(a) IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), was issued in May 2014, which replaced IAS 11, *Construction Contracts*, IAS 18, *Revenue Recognition*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions Involving Advertising Services*. IFRS 15 provides a single, principles based five-step model that will apply to all contracts with customers with limited exceptions, including, but not limited to, leases within the scope of IAS 17; financial instruments and other contractual rights or obligations within the scope of IFRS 9, IFRS 10, *Consolidated Financial Statements* and IFRS 11, *Joint Arrangements*. In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs.

The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 is required for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted. The Company is in the process of assessing the impact of IFRS 15 on its consolidated financial statements.

(b) In July 2014, the IASB issued the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 introduces a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value, such that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Company is in the process of evaluating the impact of adopting these amendments on the Company's consolidated financial statements.

4. INVESTMENTS

(a) Determination of investments' fair values:

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements.

The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring or disclosing the fair value, and to provide additional disclosure in connection therewith. The Company's investments consist of publicly-traded investments (i.e. securities of issuers that are public companies):

a. Securities including shares, options and warrants which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted closing trade prices at the consolidated statement of financial position date or the closing trade price on the last day the security traded if there were no trades at the consolidated statement of financial position date. These are included in Level 1.

b. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 10%. In determining the discount for such investments, the Company considers the nature and length of the restriction. These are included in Level 2.

c. For options and warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available or reliable, the warrants and options are valued at intrinsic value, which is equal to the higher of the closing trade price at the consolidated statement of financial position date of the underlying security less the exercise price of the warrant or option, and zero. These are included in Level 3.

(Expressed in Canadian Dollars)

The following table presents the Company's financial instruments, measured at fair value and categorized into levels of the fair value hierarchy on the consolidated statements of financial position as at September 30, 2015 and December 31, 2014:

Investments, at fair value	Level 1 Quoted market price	Level 2 Valuation technique – observable market inputs	Level 3 Valuation technique – non-observable market inputs	Total
30-Sep-15	**$ -**	**$148,500**	**$ -**	**$148,500**
31-Dec-14	75,352	-	-	75,352

There were no transfers between Levels during the nine months ended September 30, 2015 or for the year ended December 31, 2014.

(b) Investment in Pinetree Capital Ltd.:

On April 1, 2014, pursuant to the terms of the securities purchase agreement (i) Pinetree Capital Ltd. ("Pinetree"), a publicly-traded investment company (TSX:"PNP"), subscribed for 10,000,000 units of the Company (see Note 6(a)) at a price of $0.05 per unit comprised of one common share and one common share purchase warrant. Each purchase warrant entitled Pinetree to acquire one common share of the Company at $0.10 per share for a period of 2 years from date of issuance, and (ii) the Company subscribed for 819,672 common shares of Pinetree at a price of $0.61 per share based on the quoted price of Pinetree shares on the purchase date. A director of the Company was an officer of Pinetree. The investment in Pinetree was classified as Level 1 in the financial instruments hierarchy.

During the year ended December 31, 2014 the Company sold 300,000 Pinetree shares for proceeds of $60,220 resulting in a loss on disposal of the investment of $122,780 which has been reflected in the consolidated statement of comprehensive loss. On December 31, 2014 the Company valued the remaining 519,672 Pinetree shares at the closing market price on December 31, 2014 resulting in a fair value of the investment in Pinetree of $75,352.

During the nine months ended September 30, 2015, the Company sold the remaining 519,672 Pinetree shares for proceeds of $54,515 resulting in a net investment loss on disposal of the shares of $20,837 which has been reflected in the interim condensed consolidated statement of comprehensive loss.

(c) Investment in Keek Inc.:

During the nine months ended September 30, 2015, Keek Inc., a publicly-traded online social media app developer (TSXV:KEK) issued 300,000 common shares of Keek Inc. to the Company as settlement of the amount owed to the Company on date of acquisition of Primary (see Note 10). These shares were booked by the Company at the fair value of the receivable on date of issue of the shares, $72,000. As at September 30, 2015, the fair value of the investment in Keek Inc. was $148,500 resulting in unrealized gain of $76,500 which has been reflected in the interim condensed consolidated statement of comprehensive loss.

The Keek Inc. shares had a four month restriction and was classified as Level 2 in the financial instruments hierarchy.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets as at September 30, 2015 and December 31, 2014 consists of:

	Alberta (a)	Montana (b)	Net
Balance, December 31, 2013	**$ 505,000**	**$ -**	**$ 505,000**
Reclamation and decommissioning obligation	10,692	-	10,692
Balance, December 31, 2014	**515,692**	**-**	**515,692**
Net additons	-	277,522	277,522
Foreign currency translation	-	19,538	19,538
Balance, September 30, 2015	**$ 515,692**	**$ 297,059**	**$ 812,751**

(a) Oil and Natural Gas Interests (Lloydminster (Alberta))

In 2008, the Company acquired two suspended heavy oil wells and leases and related petroleum and natural gas rights in the Lloydminster area of Alberta for cash proceeds of $400,000.

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

a. an obligation to pay a 60% share of the variable Crown royalties;
b. a 60% share of a 1% Gross Overriding Royalty ("GORR") payable to the party; and
c. a 3% GORR on the 60% share of production.

The Company's interest in the second lease is a 100% working interest declining to 60% after recoupment of the payout account of approximately $485,000 associated with the well on the lease. This lease is subject to:

a. a 60% share of the Crown royalty;
b. a 60% share (36% after payout) of a 1% GORR payable on oil production;
c. a 5% to 15% variable convertible GORR payable in respect of oil production;
d. a 15% convertible GORR payable in respect of gas production; and
e. a 3% GORR payable 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 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.

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. The Company believes that the transaction will probably not close and is seeking alternatives.

(Expressed in Canadian Dollars)

(b) Oil and Natural Gas Interests (Montana (USA) (See Note 10)

On January 27, 2015, the Company acquired oil and gas leases (the "Leases") and related data over approximately 320 sections (net acres of 219,000) in the Pondera and Teton Counties in Northwestern Montana USA (the "Property") through the acquisition of Primary.

The acquisition relates to undeveloped leasehold mineral rights. The Property consists of a working interest in freehold and state petroleum and natural gas rights (surface to basement) which have up to eight years remaining on the Leases. Mooncor will be the operator of the working interests.

Mooncor's working interest will be 70% in all the Property except for the spacing drilled by a major U.S. based industry partner (the "JV Partner") in which case Mooncor's working interest will be 30%. The JV Partner previously paid $7.5 million and spent $41 million on the initial exploration program in order to acquire an average of 30% in all the Property except for the spacing drilled by the JV Partner where the JV Partner earned a working interest of 70% in each drilling space unit plus one additional spacing unit. Mooncor paid the vendor a 1% gross overriding royalty and assume its working interest share of the reclamation costs relating to the previous drilled wells and the ongoing lease payments on the Property.

During the nine months ended September 30, 2015, the Company spent $84,565 on the Property for operating leases.

6. SHAREHOLDER'S EQUITY

Capital Stock

At September 30, 2015 and December 31, 2014, the authorized share capital comprised an unlimited number of common shares with no par value.

	# of Common Shares		Amount
Balance, December 31, 2013	**149,934,520**	**$**	**19,642,831**
Issued for investment (a)	10,000,000		280,124
Issued for cash (b)	7,601,665		259,487
Share issue costs	-		(6,864)
Balance, December 31, 2014	**167,536,185**		**20,175,578**
No transactions	-		-
Balance, September 30, 2015	**167,536,185**	**$**	**20,175,578**

(a) In April 2014, the Company issued 10,000,000 common shares to Pinetree, as part of a securities purchase agreement between the two companies (see Note 4(b)).

(b) In October 2014, the Company issued a further 7,601,665 common shares as part of a non-brokered private placement financing.

(Expressed in Canadian Dollars)

Warrants

Details of warrant transactions for the period ended September 30, 2015 are as follows:

	# of Warrants		Amount		Weighted Average Exercise Price
Balance, December 31, 2013	**11,448,492**	**$**	**41,100**	**$**	**0.10**
Warrants issued April 1, 2014 (a)	10,000,000		219,876		0.10
Warrants issued October 15, 2014 (b)	7,601,665		196,613		0.10
Warrants issue costs	-		(5,274)		
Balance, December 31, 2014	**29,050,157**		**452,315**		0.10
No transactions	-		-		-
Balance, September 30, 2015	**29,050,157**	**$**	**452,315**	**$**	**0.10**

(a) On April 1, 2014, the Company completed a securities purchase agreement with Pinetree. Pursuant to the terms of the securities purchase agreement, Pinetree subscribed for 10,000,000 units of the Company at a price of $0.05 per unit comprised of one common share of the Company and one common share purchase warrant entitling Pinetree to acquire one common share of the Company at $0.10 per share for a period of 2 years from date of issuance. The fair value of the warrants was estimated on the date of issuance using the Black-Scholes option pricing model, using the following assumptions: risk-free interest rate – 1.07%; expected dividend yield – nil; expected stock price volatility of 219% (based on the Company's historical share price); and warrant expected life of 2 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.

(b) On October 15, 2014, the Company completed a non-brokered private placement financing. Pursuant to the terms of the financing agreement, the subscribers subscribed for 7,601,665 units of the Company at a price of $0.06 per unit comprised of one common share of the Company and one common share purchase warrant to acquire one common share of the Company at $0.10 per share for a period of 2 years from date of issuance. The fair value of the warrants was estimated on the date of issuance using the Black-Scholes option pricing model, using the following assumptions: risk-free interest rate – 0.91%; expected dividend yield – nil; expected stock price volatility of 204% (based on the Company's historical share price); a share price of $0.03 and warrant life of 2 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.

(Expressed in Canadian Dollars)

The following table summarizes information about warrants outstanding as at September 30, 2015.

Issue date	# of warrants	Expiry date	Exercise price	Estimated fair value on issue date
13-Jun-13	11,448,492	13-Jun-18	$ 0.10	$ 41,100
1-Apr-14	10,000,000	1-Apr-16	0.10	217,785
1-Oct-14	7,601,665	1-Oct-16	0.10	193,430
	29,050,157		**$ 0.10**	**$ 452,315**

Stock options

Details of stock option transactions for the nine months ended September 30, 2015 and year ended December 31, 2014 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2013	**1,952,500**	**$ 0.22**
Expired	(1,008,750)	0.18
Balance, December 31, 2014	**943,750**	**$0.21**
No transactions	-	-
Balance, September 30, 2015	**943,750**	**$ 0.21**

The following table summarizes information about the options outstanding and exercisable as at September 30, 2015:

# of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (years)
270,000	$0.25	19-Nov-20	5.14
275,000	0.2	8-Apr-21	5.53
187,500	0.23	4-May-21	5.60
211,250	0.14	29-Nov-21	6.17
943,750	**$0.21**		**5.57**

(Expressed in Canadian Dollars)

7. RECLAMATION AND DECOMMISSIONING OBLIGATION

The Company provided $298,081 for the estimated future cost of reclamation and abandonment work on its oil and gas leases. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary reclamation work required, which will reflect market conditions at the relevant time.
The estimated reclamation cost as at September 30, 2015 is as follows:

Balance, December 31, 2013	**$**	**72,050**
Decommissioning obligation		10,692
Accretion expense		1,481
Balance, December 31, 2014		**84,223**
Accretion expense		1,364
Addition		196,788
Foreign currency translation		15,706
Balance, September 30, 2015	**$**	**298,081**

8. RELATED PARTY TRANSACTIONS

Related parties include Board of Directors, close family members, key management personnel, enterprises and others who exercise significant influence over the reporting entity. All amounts owing to related parties are unsecured, non-interest bearing and due on demand.

a. Three directors (Alan Myers, Robbie Grossman and Mario DiGenova) and a corporation controlled by Allen Lone, CEO and director of the Company subscribed for 3,001,666 units in the October 2014 private placement for gross proceeds of $180,100.

b. In April 2014, the Company acquired shares of Pinetree Capital Ltd ("Pinetree") and Gerry Feldman, a director of the Company was an officer of Pinetree at the time of acquisition.

c. Included in professional fees for the three and nine months ended September 30, 2015 are $7,781 and $16,170, respectively, (three and nine months ended September 30, 2014 – $20,552; $36,872) for legal fees and disbursements owing to a law firm in which an officer, Robbie Grossman, is a partner. Included in accounts payable and accrued liabilities on September 30, 2015 are $55,648 (December 31, 2014 - $51,478) owing to this law firm.

d. Included in accounts payable and accrued liabilities at September 30, 2015 and December 31, 2014 is $28,330 for legal fees and disbursements owing to a law firm (Garfinkle Biderman LLP) of which an officer of the Company, Robbie Grossman, was a former partner.

e. At September 30, 2015, $150,000 (December 31, 2014 - $75,000) has been included in accounts payable and accrued liabilities for remuneration of the Company's Chief Executive Officer and director, Allen Lone.

(Expressed in Canadian Dollars)

f. During the three and nine months ended September 30, 2015, the Company paid $nil and $12,000, respectively, (three and nine months ended September 30, 2014 - $2,100; $3,150) of rent to Fox-Tek Inc., a company in which Allen Lone, CEO is an officer and director.

g. In January 2015, the Company purchased 100% of the issued and outstanding common shares of Primary, a private company incorporated under the laws of the Montana, USA. Primary was a wholly owned subsidiary of Keek Inc, in which Gerry Feldman, a director of the Company was a director of Keek at the time of acquisition.

Key management compensation

The compensation of 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.

	3 Months ended September 30, 2015	3 Months ended September 30, 2014	9 Months ended September 30, 2015	9 Months ended September 30, 2014
Short-term compensation	$ 25,000	$nil	$ 75,000	$nil

These transactions are in the normal course of operations.

9. 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 as disclosed in Note 5, the Company has entered into the following GORR agreement:

Database

As part of the purchase of a database of technical information of Lloydminster property, 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.

Deposits

The Company is liable to undertake reclamation and abandonment work on its leases. The Company has lodged deposits of $412,719 (December 31, 2014 - $386,611) with the Alberta Energy Resource Conservation Board as required by legislation. The Company has also lodged a drilling deposit of $71,619 with regulatory bodies in Montana, USA.

(Expressed in Canadian Dollars)

10. ACQUSITION OF PRIMARY PETROLEUM COMPANY USA INC. (See note 5)

In January 2015, the Company purchased 100% of the issued and outstanding common shares of Primary, a private company incorporated under the laws of the Montana, USA. Primary was a wholly owned subsidiary of Keek Inc. The Company paid $1 for Primary and the acquisition was accounted for by the purchase method. The results of operations of Primary are included in the accounts from the effective date of acquisition on January 27, 2015. Primary holds direct interests in oil & gas properties in Montana (See note 5).

Details of the acquisition of Primary is as follows:

		As at January 27, 2015
Purchase price		
Cash paid	$	1
		1
Fair value of Primary's net assets acquired		
Current assets	$	144,121
Oil and gas property interest		196,788
		340,909
Less: total liabilities		(270,145)
Fair value of Primary's net assets assumed	$	70,764
Excess of fair value of net assets acquired over purchase price	$	70,763
Excess of fair value of net assets acquired over purchase price, net of income taxes	$	61,387
Allocation of the excess fair value:		
Gain from bargain purchase (i)	$	70,763

i. The excess of the fair value of net assets of Primary over the purchase price, in the amount of $70,763, was recognized in the interim condensed consolidated statements of comprehensive loss.

ii. The allocation of the purchase price is preliminary as the final valuation of certain items are not yet complete. The actual fair value of the deficit of net assets acquired may differ from the amounts disclosed above upon finalization of the acquisition.

(Expressed in Canadian Dollars)

11. OPERATIONAL EXPENSES

The operation costs during the three and nine months ended September 30, 2015 and 2014 were as follows:

	3 Months ended September 30,		9 Months ended September 30,	
	2015	**2014**	**2015**	**2014**
Annual lease renewal costs	$ 1,336	$ (7,925)	$ 19,117	$ 15,442
Others	8,572	30,433	12,353	30,433
	$ 9,908	$ 22,508	$ 31,470	$ 45,875

12. OFFICE & GENERAL EXPENSES

The office and general expenses during the three and nine months ended September 30, 2015 and 2014 were as follows:

	3 Months ended September 30,		9 Months ended September 30,	
	2015	**2014**	**2015**	**2014**
Accounting services	$ 7,225	$ 5,000	$ 17,750	$ 15,000
Management salary	25,000	-	75,000	-
Corporate Services	143	3,299	5,493	13,649
Rent Expense	2,240	5,250	22,440	6,300
Telephone Expense	602	301	1,074	701
Transfer Agent	702	3,229	2,501	12,832
Others	2,886	(1,752)	8,930	1,552
	$ 38,798	$ 15,328	$ 133,188	$ 50,035

13. CAPITAL DISCLOSURES

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

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

The Company considers its capital to be Equity, which comprises capital stock, contributed surplus, warrants and deficit, which at September 30, 2015 totaled $361,371 (December 31, 2014 - $494,902).

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. There have been no changes in the way the Company manages its capital since December 31, 2014.

14. 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. There were no changes to the Company's risks, objectives, policies and procedures from the previous year.

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.

At September 30, 2015, the Company had a cash balance of $105,713 (December 31, 2014 – $322,648) to settle current liabilities of $943,239 (December 31, 2014 - $737,722). The Company has a working capital deficiency of $637,637 at September 30, 2015 (December 31, 2014 – $323,178).

Foreign exchange

The Company operates primarily in Canada and the United States.

The presentation currency is Canadian dollars and the functional currency of the parent company is the Canadian dollar. As at September 30, 2015, the Company's US dollar net monetary liabilities totaled $3,002. Accordingly a 5% change in the US dollar exchange rate as at September 30, 2015 on this amount would have resulted in an exchange gain or loss and therefore net loss would have increased (decreased) by $150.

15. SEGMENTED INFORMATION

The Company's reportable segments are strategic business units that are located in and operate in Canada and in the USA. They are managed separately because each segment requires different strategies and involves different aspects of management expertise.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company carries out its operations through wholly-owned entities.

(Expressed in Canadian Dollars)

For Nine Months Ended September 30, 2015

	Canadian Operation	US Operation	Total
EXPENSES			
Professional fees and disbursements	67,228	9,997	77,225
Operational expenses	22,211	9,259	31,470
Office and general	129,785	3,403	133,188
Travel	3,766	(0.45)	3,766
Insurance	20,193	1,927	22,120
Total expenses	$ 243,183	$ 24,586	$ 267,769
Loss before undernoted	(243,183)	(24,586)	(267,769)
Gain from bargain purchase	-	70,763	70,763
Losses on foreign exchange	3,507	198	3,706
Unrealized loss on investments	76,500	-	76,500
Net investment loss on sale of shares	(20,837)	-	(20,837)
Net loss for the period	(184,012)	46,375	(137,637)
Other comprehensive income			
Exchange differences on translation of foreign operations	-	4,106	4,106
Total comprehensive income (loss) for the period	**$ (184,012)**	**$ 50,481**	**$ (133,531)**
	As Of September 30, 2015		
Total assets	$ 1,038,274	$ 564,417	$ 1,602,691
Exploration and evaluation assets	$ 515,692	$ 297,059	$ 812,751

For Three Months Ended September 30, 2015

	Canadian Operation	US Operation	Total
EXPENSES			
Professional fees and disbursements	17,387	195	17,582
Operational expenses	1,904	8,004	9,908
Office and general	38,297	501	38,798
Travel	-	-	-
Insurance	7,154	37	7,191
Total expenses	$ 64,741	$ 8,737	$ 73,479
Loss before undernoted	**(64,741)**	(8,737)	**(73,479)**
Gain from bargain purchase	-	-	-
Losses on foreign exchange	3,507	240	3,748
Unrealized loss on investments	76,500	-	76,500
Net investment loss on sale of shares	-	-	-
Net loss for the period	15,266	(8,497)	6,769
	-	-	-
Other comprehensive income	-	-	-
Exchange differences on translation of foreign operations	-	3,863	3,863
Net and comprehensive income for the period	$ 15,266	$ (4,634)	$ 10,632
	As Of September 30, 2015		
Total assets	$ 1,038,274	$ 564,417	$ 1,602,691
Exploration and evaluation assets	$ 515,692	$ 297,059	$ 812,751

(Expressed in Canadian Dollars)

For Nine Months Ended September 30, 2014

	Canadian Operation	US Operation	Total
EXPENSES			
Professional fees and disbursements	46,063	-	46,063
Operational expenses	45,875	-	45,875
Office and general	50,035	-	50,035
Insurance	20,792	-	20,792
Total expenses	$ 162,765	$ -	$ 162,765
Loss before undernoted	**(162,765)**	-	**(162,765)**
Unrealized loss on investments	(258,879)	-	(258,879)
Net investment loss on sale of shares	(41,770)	-	(41,770)
Net and comprehensive loss for the period	**(463,414)**	-	**(463,414)**
	As Of December 31, 2014		
Total assets	$ 1,316,847	$ -	$ 1,316,847
Exploration and evaluation assets	$ 515,692	$ -	$ 515,692

For Three Months Ended September 30, 2014

	Canadian Operation	US Operation	Total
EXPENSES			
Professional fees and disbursements	32,700	-	32,700
Operational expenses	22,508	-	22,508
Office and general	15,328	-	15,328
Insurance	5,714	-	5,714
Total expenses	$ 76,250	$ -	$ 76,250
Loss before undernoted	**(76,250)**	-	**(76,250)**
Unrealized loss on investments	(112,977)	-	(112,977)
Net investment loss on sale of shares	(41,770)	-	(41,770)
Net and comprehensive loss for the period	(230,997)	-	(230,997)
	As Of December 31, 2014		
Total assets	$ 1,316,847	$ -	$ 1,316,847
Exploration and evaluation assets	$ 515,692	$ -	$ 515,692