MOONCOR OIL & GAS CORP.

Management's Discussion and Analysis
For the Year Ended
December 31, 2015

Date of report: April 29, 2016

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Mooncor Oil & Gas Corp. ("Mooncor" or the "Company") should be read in conjunction with Mooncor's audited consolidated financial statements ("audited consolidated statements") and notes thereto as at and for the years ended December 31, 2015 and 2014.

Unless indicated otherwise, all financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts in this MD&A are reported in Canadian dollars unless otherwise indicated.

Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to the Company's expectations regarding its exploration and development activities, including expectations regarding the timing, costs and results of seismic acquisition, drilling and other activities, and future production volumes and sales, receipt of regulatory and governmental approvals, the Company's future working capital requirements, including its ability to satisfy such requirements, the exposure of its financial instruments to various risks and its ability to manage those risks, the Company's ability to use tax resource pools and loss carry-forwards, fees to be incurred by foreign subsidiaries and changes in accounting policies.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to oil and gas exploration activities generally, including the availability and cost of seismic, drilling and other equipment; our ability to complete our capital programs; geological, technical, drilling and processing problems, including the availability of equipment and access to properties; our ability to secure adequate transportation for our products; potential losses which would stem from any disruptions in production, including work stoppages or other labour difficulties, or disruptions in the transportation network on which we are reliant; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; our ability and the ability of our partners to attract and retain the necessary labour required to explore and develop our projects;

potential conflicting interests with our joint venture partners; our failure or the failure of the holder(s) of licenses or leases to meet specific requirements of such licenses or leases; the failure by counterparties to make payments or perform their operational or other obligations in compliance with the terms of contractual arrangements between us and such counterparties; adverse claims made in respect of our properties or assets; operating hazards and other difficulties inherent in the exploration for and production and sale of crude oil and natural gas; political and economic conditions in the countries in which our property interests are located; obtaining the necessary financing for operations, our ability to generate taxable income from operations, fluctuations in the value of our portfolio investments due to market conditions and/or company-specific factors, fluctuations in prices of commodities underlying our interests and portfolio investments, and other risks included elsewhere in this MD&A under the heading "Risk Management" and in the Company's public disclosure documents filed with certain Canadian securities regulatory authorities and available under the Company's profile at www.sedar.com.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

About Mooncor:

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 in the process of exploring other opportunities.

The Company is a public company trading on the TSX Venture Exchange ("TSXV") under the symbol "MOO". The Company is domiciled in the Province of Ontario and its head office is located at 2455 Cawthra Road, Suite 75, Mississauga, Ontario, Canada. These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Mooncor Energy Inc., an Alberta Corporation, DRGN Energy Inc., an Ontario Corporation, and Primary Petroleum Company USA Inc, a Montana, USA Corporation, and its wholly owned subsidiaries, Primary Petroleum Company LLC, a Montana, USA Corporation and AP Petroleum Company LLC, a Montana, USA Corporation, collectively ("Primary").

Summary of activities

On January 27, 2015, the Company acquired Petroleum Primary Company USA Inc. ("Primary"), a private oil and gas exploration company. Primary has interests in oil and gas leases and related data over approximately 320 sections (net acres of 219,000)in the Pondera and Teton Counties in Northwestern Montana, USA.

During 2015, the Company spent $166,615 (2014 – recovery of $8,716) on exploration expenses and $22,421 on settlement of reclamation and decommissioning of exploration and evaluation assets. As at December 31, 2015, the Company had accrued $117,665 for reclamation and decommissioning obligations.

The Company is currently evaluating two suspended Spring Hill wells in Teton County, Montana with a view to conducting extended production tests at both locations. The Company is also evaluating and analyzing geological and seismic data to identify hydrocarbon potential in secondary horizons of the existing Montana wells.

In 2016 the Company will continue to explore opportunities in and around our properties and weighing the options on future exploration once the commodity prices recover and the company is able to raise capital and put together a exploration program.

Going concern

The audited 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 $892,286 (2014 - $323,178) and for the year ended December 31, 2015 had a net loss of $500,092 (2014 - $594,302) and has a deficit in the amount of $22,530,405 as at December 31, 2015 (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 December 31, 2015 will not be sufficient to meet the Company's potential capital and operating expenditures through December 31, 2016. The Company will have to raise additional funds to continue operations. Although the Company has been successful in raising the necessary 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.

The challenges of securing requisite funding and the continued estimated operating losses indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor 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.

Exploration and evaluation assets

Exploration and evaluation assets as at December 31, 2015 and 2014 consist of:

		Alberta (a)
Balance, December 31, 2013	$	**505,000**
Reclamation and decommissioning obligation		10,692
Balance, December 31, 2014 and 2015	$	**515,692**

(a) 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.

(b) In January 27, 2015, the Company acquired oil and gas leases (the "Leases") and related data 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%. As consideration for the Property, the vendor is entitled to a 1% gross overriding royalty.

During the year ended December 31, 2015, the Company spent $166,615 on exploration expenses for operating leases which was expensed in the consolidated statements of loss.

Income Statements

The Company's income statements for the most recent three years are:

	Year Ended December 31, 2015	2014	2013
Interest Income	$ 514	$ 7,228	$ 11,082
Total revenue	$ 514	$ 7,228	$ 11,082
EXPENSES			
Professional fees and disbursements	$ 138,838	$ 55,373	$ 121,007
Operational expenses	166,615	(8,716)	86,500
Clean up expenses	-	32,246	-
Office and general	190,695	128,776	28,937
Finance costs	-	-	45,334
Travel	3,766	2,319	2,246
Bad debt expense	-	-	43,995
Insurance	27,733	27,104	14,422
Total expenses	$ 527,647	$ 237,102	$ 342,441
Loss before undernoted	**(527,133)**	**(229,874)**	**(331,359)**
Excess of fair value over net assets acquired	15,996	-	-
Gain on foreign exchange	4,882	-	-
Gain on debt settlement	-	-	1,348,558
Unrealized gain/(loss) on investments	268,648	(241,648)	-
Realized loss on sale of investments	(262,485)	(122,780)	-
Net loss for the year	**(500,092)**	**(594,302)**	**1,017,199**
Other comprehensive income			
Exchange differences on translation of foreign operations	(7,150)	-	-
Total comprehensive loss for the year	**$ (507,242)**	**$ (594,302)**	**$1,017,199**
Weighted average shares outstanding - basic and diluted	167,536,185	159,093,232	136,902,476
Net loss per share based on net loss - basic and diluted	$ (0.00)	$ (0.00)	$ 0.01

Results of Operations:

The Company's selected quarterly results for the eight most recently completed financial periods are as follows:

	Q/E Dec 31, 2015	Q/E Sept 30, 2015	Q/E June 30, 2015	Q/E March 31, 2015	Q/E Dec 31, 2014	Q/E Sept 30, 2014	Q/E June 30, 2014	Q/E March 31, 2014
Revenue	$ 514	$ -	$ -	$ -	$ 7,228	$ -	$ 10,880	$ -
Net profit/(loss) for the period	(362,455)	6,769	(54,346)	(90,060)	(130,888)	(230,996)	(183,221)	(49,197)
Total comprehensive profit/(loss) for the period	(366,942)	3,863	(54,103)	(90,060)	(130,888)	(230,996)	(183,221)	(49,197)
Net profit/(loss)loss per share based on net loss for the period - basic and diluted	$ (0.00)	$ 0.00	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

The Company plans to keep operating expenses at minimum levels to conserve its cash until the general capital markets for resource financing improves.

For the years ended December 31, 2015 and 2014, the Company had no revenue from production at its Lloydminster well. The Company suspended its Lloydminster operations in 2012 due to the continued operating losses it was incurring in the production at the wells.

Overall, total expenses for the year ended December 31, 2015 increased by $290,545 to $527,647 (2014 - $237,102). The increase in expenses is largely due to the acquisition of Primary's activities on the leases. Professional expenses of $138,838 (2014 - $55,373) largely comprise of accruals for legal fees and disbursements ($24,416) and audit fees ($22,300), accounting work for Primary ($10,250), reserve report ($12,284) engineering ($20,188), consulting and disbursements ($26,169), land management ($13,975) and map services ($9,256). Exploration expenses were $166,615 (2014 – recovery of $8,716) comprising mainly lease renewal costs of $97,773, land management costs of $53,283 and other costs of $15,559 in 2015. $32,246 was spent in 2014 on clean up costs following a flow-line rupture in the Lloydminster lease and it was $nil in 2015. Office and general expenses were $190,695 (2014 - $128,776) and mainly comprise of accrued salary for Allen Lone, the Company's chief executive officer ("CEO") of $100,000, corporate services of $9,191 and transfer agents fees of $2,992, rent of $29,160, land management computer license of $12,020 and accounting fees of $26,575. Travel costs were $3,766 (2014 - $2,319). Insurance charges for the year were $27,733 (2014 - $27,104).

During the year ended December 31, 2015, the Company sold the remaining 519,672 Pinetree Capital Ltd. ("Pinetree") shares for proceeds of $54,515 resulting in a realized loss on sale of investments of $262,485. In April 2014, the Company had acquired shares of Pinetree and Gerry Feldman, a director of the Company was an officer of Pinetree at the time of acquisition.

During the year ended December 31, 2015, the acquisition of Primary resulted in an excess of fair value of net assets acquired over the purchase price and this was recorded as a gain of $15,996 in the consolidated statements of loss.

Net loss per share based on net loss for the year ended December 31, 2015 – both diluted and basic – was $0.00 (2014 – $0.00).

2015 4th Quarter Results

Total expenses for the three months ended December 31, 2015 were $259,878 (2014 - $74,337). Professional expenses was $61,613 (2014 - $9,310) and largely comprise accruals for legal fees and disbursements ($12,186), audit fee ($10,750), engineering ($9,415), Primary's accountant ($10,250), reserve report ($12,284) and consulting and disbursements ($6,729). Exploration expenses were $133,145 (2014 – write back of $23,965) mainly comprises $51,815 paid to Sinopec for land management fee and lease renewal costs of $78,038. In the fourth quarter of 2014 previously accrued expenses were reversed as actual costs were lower than anticipated. Office and general expenses were $57,507 (2014 - $78,741) and mainly comprise accrued salary for the CEO $25,000 (2014 - $75,000), land management software cost ($9,015), rent of $6,720 and accounting fees of $8,825. Insurance charges for the year were $5,613 (2014 - $6,312).

Exploration Expenses/(Recovery)

The exploration costs during the years ended December 31, 2015 and 2014 were as follows:

	Year ended December 31			
		2015		2014
Annual lease renewal costs	$	97,773	$	(9,725)
Land management	$	53,283	$	1,009
Others		15,559		-
	$	166,615	$	(8,716)

Office and general expenses

The office and general expenses during the years ended December 31, 2015 and 2014 were as follows:

	Year ended December 31	
	2015	2014
Accounting services	$ 26,575	$ 20,000
Management salary	100,000	75,000
Corporate services	9,191	17,283
Rent expense	29,160	11,250
Computer expenses	12,020	-
Telephone expense	1,757	939
Transfer Agent	2,992	13,763
Others	9,000	(9,459)
	$ 190,695	$ 128,776

Cash Flow

Years ended December 31, 2015 and 2014

During the year ended December 31, 2015 the Company used cash of $323,344 (2014 - $224,715) in operating activities. The realized loss on sale of investments of $262,485, unrealized gains on investments of $268,648, the gain from the purchase of Primary of $15,996 and accretion of reclamation and decommissioning costs of $1,663 did not involve any flow of funds.

For the year ended December 31, 2015 sundry receivables increased by $51,372. For the year ended December 31, 2015 accounts payable and accrued expenses increased by $269,393. Settlement of reclamation and decommissioning work in Montana cost $22,421.

During the year ended December 31, 2015, net cash generated in investing activities was $28,407 as compared to $22,990 generated in the year ended December 31, 2014. Proceeds on disposal of investments during the year ended December 31, 2015 was $54,515 while deposits increased by $26,108.

For the year ended December 31, 2015, the Company had a net decrease in cash and cash equivalents of $294,937 as compared to an increase of $254,375 for the year ended December 31, 2014. For the year ended December 31, 2015, the Company also had a loss from the exchange rate changes on its foreign operations' cash balances of $8,212 leaving a cash and cash equivalents balance of $19,499 as at December 31, 2015 as compared to $322,648 as at December 31, 2014.

Liquidity and Capital Resources

Consolidated statements of financial position highlights	31-Dec-15	31-Dec-14
Cash and cash equivalent	$ 19,499	$ 322,648
Exploration and evaluation assets	515,692	515,692
Total assets	1,184,879	1,316,847
Total liabilities	1,197,219	821,945
Share capital, warrants and contributed surplus	22,525,215	22,525,215
Foreign currency translation reserve	(7,150)	-
Deficit	(22,530,405)	(22,030,313)
Working Capital (Deficit)	(892,286)	(323,178)

Currently, the Company does not generate any revenue from its exploration and evaluation assets, as all wells are shut-in. Accordingly, it does not have any cash flows from operations to fund past liabilities or current obligations as they become due. In prior years, the Company raised funds for exploration, development and general overhead and other expenses through equity and debt financings.

The Company has a working capital deficiency of $892,286 as at December 31, 2015 and its cash and cash equivalents balance is not sufficient to meet the Company's liabilities. The Company is using its current cash and cash equivalents to fund required payments to keep the Company in good standing and to pay the expenses associated with being a reporting issuer listed on the TSXV, until it can raise funds to pay its remaining creditors. There is no assurance that the Company can raise sufficient capital to continue as a going concern.

During the year ended December 31, 2015, Keek Inc., a publicly-traded online social media app developer (TSXV:KEK) issued 300,000 of its common shares to the Company as settlement of the amount owed to the Company for certain payables assumed by the Company related to Keek expenditures prior to the acquisition. These shares were booked by the Company based on the quoted market price at the time of receipt at $72,000. As at December 31, 2015, the fair value of the investment in Keek Inc. was $99,000 resulting in an unrealized gain of $27,000 which has been reflected in the consolidated statements of loss.

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 unless otherwise noted.

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 year ended December 31, 2015 is $19,787 (year ended December 31, 2014 – $59,275) 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 December 31, 2015 is $52,228 (December 31, 2014 - $45,478) owing to this law firm.

d. Included in accounts payable and accrued liabilities at December 31, 2015 is $41,999 (December 31, 2014 - $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 December 31, 2015, $175,000 (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.

f. During the year ended December 31, 2015, the Company paid $12,000, (year ended December 31, 2014 - $9,150) 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 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.

h. In 2014, the Company's CEO loaned $47,000 to the Company, this amount is due on demand, unsecured and non-interest bearing. $15,000 was repaid during the year and $32,000 was applied towards his share subscription of the private placement that closed on October 15, 2014.

i. At December 31, 2015 and 2014, $39,818 is included in accounts payable and accrued liabilities, relating to services provided by a former director and officer (Nick Tsimidis).

j. At December 31, 2015 and 2014, $10,625 is included in accounts payable and accrued liabilities due to a former officer (Darell Brown).

k. At December 31, 2015 and 2014, $169,092 is included in accounts payable and accrued liabilities to a company controlled by a former director and officer of the Company (Richard Cohen).

l. $4,000 is included in accounts payable and accrued liabilities at December 31, 2015 and 2014 to directors of the Company.

m. At December 31, 2015, $791 (December 31, 2014 - $nil) has been included in accounts payable and accrued liabilities for Alan Myers and Associates, an accounting firm in which Alan Myers, the CFO, is a partner, for taxation services provided.

n. During the year ended December 31, 2015, the Company paid $22,509 (the year end December 31, 2014 - $2,800) to a company controlled by an officer of the Company, Tony Boogmans, for consulting fees and disbursements. At December 31, 2015, $5,578 (December 31, 2014 - $nil) has been included in accounts payable and accrued liabilities

Acquisition of Primary Petroleum Company USA Inc.

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 as a business combination. 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.

Details of the acquisition of Primary are as follows:

		As at January 27, 2015
Purchase price		
Cash paid	$	1
Fair value of Primary's net assets acquired		
Current assets	$	65,117
Less: total liabilities		(49,121)
Excess of fair value of net assets acquired over purchase price	$	15,996

The excess of the fair value of the net assets of Primary over the purchase price, in the amount of $15,996, was recognized in the consolidated statement of loss.

Key Management Compensation

The compensation of key management of the Company is 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.

	Year ended December 31, 2015	Year ended December 31, 2014
Short-term compensation	$ 100,000	$ 75,000

These transactions are in the normal course of operations.

Management of capital

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 December 31, 2015, totaled to a deficiency of $12,340 (2014 – Equity of $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 were no changes in the Company's approach to managing capital during the year ended December 31, 2015.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2015, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

Off- Balance Sheet arrangements

The Company has no off balance sheet arrangements as at December 31, 2015.

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 December 31, 2015, the Company had a cash balance of $19,499 (2014 – $322,648) which is not sufficient to settle current liabilities of $1,079,554 (2014 - $737,722). The Company has a working capital deficiency of $892,286 at December 31, 2015 (December 31, 2014 – $323,178). See "Going Concern" section elsewhere in this MD&A.

Foreign exchange

The Company operates primarily in Canada and the United States.

The presentation currency is Canadian dollar and the functional currency of the parent company is Canadian dollars. As at December 31, 2015, the Company's US dollar net monetary liabilities totaled $21,428. Accordingly a 5% change in the US dollar exchange rate as at December 31, 2015 on this amount would have resulted in an exchange loss or gain and therefore net loss would have increased (decreased) by $1,071.

Market risk

Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position. As at December 31, 2015, the Company's investments totaled $99,000. Accordingly a 5% change in the market price as at December 31, 2015 on this amount would have resulted in a gain or loss and therefore net loss would have increased (decreased) by $4.950.

Other risks

The Company's financial condition, results of operation and business are subject to certain risks, which may negatively affect them. Certain of these risks are described below in addition to elsewhere in this MD&A.

(a) Exploration and Development

The business of exploring for, developing and producing oil and gas involves a high degree of risk. Oil and gas reserves may never be found or, if discovered, may not be result in production at reasonable costs or profitability. The business of exploring, developing and producing is also capital intensive and, to the extent that cash flows from operating activities and external sources become limited or unavailable, the ability of Mooncor and of its operating partners to meet their respective financial obligations which are necessary to maintain their interests in the underlying properties could be impaired, resulting in those of the interests.

(b) Investment Risks

The Company acquires securities of public and private companies from time to time, which are primarily junior or small-cap resource companies. The market values of these securities can experience significant fluctuations in the short and long term due to factors beyond the Company's control. Market value can be reflective of the actual or anticipated operating results of the companies and/or the general market conditions that affect the oil and gas sector as a whole, such as fluctuations in commodity prices and global political and economical conditions. The Company's investments are carried at fair value, and unrealized gains/losses on the securities and realized losses on the securities sold could have a material adverse impact on the Company's operating results. The recent decline in stock prices of the types of companies in which the Company invests have been very significant and such prices might take an extended time, to recover if they do at all.

(c) Environmental

The Company's oil and gas operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will likely require stricter standards and enforcement, increased costs, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests which are presently unknown to the Company and which have been caused by previous or existing owners or operators of the properties or by illegal mining activities.

(d) Governmental

Government approvals and permits are often generally required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of properties. Amendments to current laws, regulations and permits governing operations and activities of oil and gas companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in development of new properties. Although the governments of the various countries in which Mooncor operates have been stable recently, there is no assurance that political and economic conditions will remain stable. Political and economic instability may impede the Company's ability to continue its exploration activities in the manner currently contemplated.

(e) Fluctuations in Crude Oil, Natural Gas, and Natural Gas Liquid Prices

The price of the Company's common shares, and consolidated financial results and exploration, development and other oil and gas activities may in the future be significantly and adversely affected by declines in the price of crude oil, natural gas, and/or natural gas liquid (collectively "oil and gas"). The price of oil and gas fluctuates widely and is affected by numerous factors beyond the Company's control, such as interest rates, exchange rates, inflation or deflation, fluctuation in the value of the US dollar and foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major oil and gas producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future material price declines could cause continued development of and commercial production from the properties in which the Company holds an interest to be impracticable. Depending on the price of oil and gas, cash flow from the Company's operations may not be sufficient and the Company could be forced to discontinue production and may lose the Company's interest in, or may be forced to sell, some of the Company's properties. Future production from the Company's properties is dependent upon the price of oil and gas being adequate to make these properties economic.

Share Data:

Capital Stock

Common shares outstanding as of April 29, 2016 and December 31, 2015 and December 31, 2014, are as follows;

	# 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, April 29, 2016, December 31, 2015 and 2014	**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 as previously discussed. See Note 6 of the audited consolidated financial statements for further details.
(b) In October 2014, the Company issued a further 7,601,665 common shares as part of a non-brokered private placement financing.

Warrants

Warrants outstanding as of April 29, 2016 are as follows:

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-Oct-14	7,601,665	1-Oct-16		0.10		193,430
	19,050,157		**$**	**0.10**	**$**	**234,530**

Stock options

Stock options outstanding as at April 29 2016 and as at December 31, 2015 and 2014 are as follows:

	Number of Options		Weighted Average Exercise Price
Balance, December 31, 2013	**1,952,500**	**$**	**0.22**
Expired	(1,328,750)		0.24
Balance, April 29, 2016, December 31, 2015 and 2014	**623,750**	**$**	**0.20**

The following table summarizes information about the options outstanding and exercisable as at April 29, 2016 are as follows:

# of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (years)
270,000	$0.25	19-Nov-20	4.56
75,000	0.20	8-Apr-21	4.95
67,500	0.23	4-May-21	5.02
211,250	0.14	29-Nov-21	5.59
623,750	**$0.20**		**5.00**

Segmented Information

The Company currently operates in one reportable segment, being the acquisition, exploration and evaluation of oil and gas interests. Non-current assets segmented by geographical area are as follows:

As of December 31, 2015

	Canadian Operation	US Operation	Total
Total assets	$ 1,065,692	$ 119,187	$ 1,184,879
Exploration and evaluation assets	$ 515,692	$ -	$ 515,692

As of December 31, 2014

	Canadian Operation	US Operation	Total
Total assets	$ 1,316,847	$ -	$ 1,316,847
Exploration and evaluation assets	$ 515,692	$ -	$ 515,692

Critical accounting estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Critical accounting estimates used in the preparation of the Company's audited financial statements include the Company's estimate of recoverable fair value on exploration assets, the valuation related to the Company's taxes and deferred taxes, and the Company's estimation of decommissioning and restoration costs and the timing of expenditure.

Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, 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 exploration and evaluation assets 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 exploration and evaluation assets, 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 an impairment of the carrying amounts of the Company's exploration and evaluation.

There were no impairment charges during the years ended December 31, 2015 and 2014.

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.

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.

During the year ended December 31, 2015, the Company recorded $1,663 in decommissioning expenses.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- IFRS 7 – Financial Instruments: Disclosures ("IFRS 7") was amended in September 2014 to clarify whether a servicing contract is continuing involvement in a transferred asset for purposes of determining the disclosures required. IFRS 7 was also amended to clarify that the additional disclosures relating to offsetting are not specifically required for interim periods unless required by IAS 34. The amendments are effective for annual periods beginning on or after January 1, 2016.

- IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

- IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

- IFRS 11 - Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016.

- IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016.

- IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

New accounting policies:

During the year ended December 31, 2015, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS 8, IFRS 13 and ISA 24. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

Investor relations:

The Company's management performed its own investor relations duty for the year ended December 31, 2015.

Subsequent event:

On April 1, 2016, 10,000,000 warrants with an exercise price of $0.10 expired unexercised.

Additional information:

Additional information relating to Mooncor may be found under the Company's profile on SEDAR at www.sedar.com.