Date of report: August 25, 2017

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 interim condensed consolidated financial statements ("interim consolidated statements") and notes thereto as at and for the six months ended June 30, 2017 and the annual consolidated financial statements as at and for the year ended December 31, 2016.

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

The Company has conducted field operations at the Company's two Lloydminster wells (the "Wells) and these two wells were placed into production and produced 1,480 barrels of oil during the six months ended June 30, 2017. This comes as a result of the long prior shut-in period that required intensive work on both the wells - the 03-28 well still requires a bottom hole pump changed or upgraded to handle all the sand. The Company will continue to work on the two Lloydminster wells and anticipates these will resume sustained production shortly. The Company has spent $194,982 (2016 - $nil) on these two wells and generated revenue of $50,931 during the six months ended June 30, 2017.

In the meantime, the Company, through its wholly owned subsidiary, Primary Petroleum Company USA, Inc., is still actively working with American Geophysical Corporation ("AGC") to market the Company's 3D Seismic. So far, numerous parties have approached AGC regarding Primary Petroleum's seismic database and AGC is reaching out to various parties that are interested in the Company's 3D Seismic. The Company's goal is to license its 3D Seismic leading to future opportunities for potential joint ventures, partnerships or farm-in agreements.

On May 29, 2017, the Company entered into a binding letter of intent, with an arm's-length third party, whereby Mooncor will acquire an undivided 50% interest in a silver-zinc project in Germany and a silver-copper-fluorite project in Namibia. Pursuant to the terms of the letter of intent, the acquisition of the projects from the vendor is conditional upon Mooncor and the vendor entering into a definitive purchase agreement. The proposed terms of the agreement will include, but are not limited to:

(1) The issuance of an aggregate of 31,664,338 common shares to the vendor;
(2) Receipt of regulatory approvals.

Going concern

The 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 incurred a net loss of $302,714 for the six months ended June 30, 2017 (six months ended June 30, 2016 - $187,525), has a working capital deficiency in the amount of $1,542,369 and has a deficit in the amount of $23,182,698 as at June 30, 2017. The Company is subject to various risks and challenges including but 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 June 30, 2017 will not be sufficient to meet the Company's potential capital and operating expenditures through June 30, 2018. 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.

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.

OIL AND GAS PROPERTY INTERESTS

Oil and gas property interests as at June 30, 2017 and December 31, 2016 consist of:

		Alberta (a)
Balance, December 31, 2015	**$**	**505,000**
Reclamation and decommissioning obligation		10,692
Balance, December 31, 2016		515,692
Depletion for the period		(4,599)
Balance, June 30, 2017	**$**	**511,093**

(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.

During the six months ended June 30, 2017, the two wells were placed into production and produced 1,480 barrels of oil. Included in the statement of loss and comprehensive loss for the six months ended June, 2017 is revenue of $50,931 and depletion of oil and gas property interests of $4,599 relating to the production from the two wells in accordance with the Company's accounting policy.

(b) In January 27, 2016, 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.

Results of Operation

	Three months ended June 30,		Six months ended June 30,	
	2017	**2016**	**2017**	**2016**
Revenue	$ 30,008	$ -	$ 50,931	$ -
Interest income	834	-	1,610	-
Total revenue	$ 30,842	$ -	$ 52,541	$ -
Expenses				
Operational expenses	$ 62,156	$ -	$ 194,982	$ -
Depletion of oil and gas property interests	2,822	-	4,599	-
Professional fees and disbursements	7,263	9,712	18,329	24,180
Exploration expenses	9,889	9,753	12,971	12,275
Finance costs	4,708	-	7,956	-
Office and general	51,137	45,248	99,334	100,547
Insurance	7,532	11,723	15,755	22,975
Total expenses	$ 145,507	$ 76,436	$ 353,926	$ 159,977
Loss before undernoted	**(114,665)**	**(76,436)**	**(301,385)**	**(159,977)**
Loss on foreign exchange	(986)	(273)	(1,329)	(2,076)
Unrealized loss on investments	-	(3,440)	-	(27,000)
Net realized (loss) gain on sale of investments	-	(4,017)	-	1,528
Net loss for the period	**(115,651)**	**(84,166)**	**(302,714)**	**(187,525)**
Other comprehensive income				
Exchange differences on translation of foreign operations	3,053	6,932	4,284	7,175
Total comprehensive loss for the period	**$ (112,598)**	**$ (77,234)**	**$ (298,430)**	**$ (180,350)**
Weighted average shares outstanding - basic and diluted	167,536,185	167,536,185	167,536,185	167,536,185
Net loss per share based on net loss for the period - basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

Results of Operations:

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

	Q/E June 30, 2017	Q/E March 31, 2017	Q/E Dec 31, 2016	Q/E Sept 30, 2016	Q/E June 30, 2016	Q/E March 31, 2016	Q/E Dec 31, 2015	Q/E Sept 30, 2015
Total revenue	$30,842	$21,699	$7,073	$nil	$nil	$nil	$514	$nil
Net profit/(loss) for the period	($115,651)	($187,063)	($102,286)	($59,768)	($84,166)	($103,359)	($255,738)	$6,769
Total comprehensive profit/(loss) for the period	($112,598)	($185,832)	($105,520)	($61,111)	($83,360)	($96,990)	($266,994)	$10,632
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.

Results for the six months ended June 30, 2017

Total expenses for the six months ended June 30, 2017 were $353,926 (2016 - $159,977), an increase primarily due to the costs relating to the two Lloydminster wells that were brought into production.

The Company has conducted field operations at the Company's two Lloydminster wells and the two wells have produced 1,480 barrels of oil during the six months ended June 30, 2017. As a result of the long prior shut-in period both wells required substantial work and the Company has spent $194,982 (2016 - $nil) on these two wells during the six months ended June 30, 2017. The revenue generated from selling the oil produced from the wells was $50,931 (2016 - $nil). The depletion of oil and gas property interests during the six months ended June 30, 2017 was $4,599 (2016 - $nil).

Professional expenses were $18,329 (2016 - $24,180) and primarily comprise of accruals for audit fees ($7,650), land management services ($645) and engineering consulting and disbursements ($10,031). Exploration expenses were $12,971 (2016 – $12,275) and primarily comprise of payments for lease renewal. Office and general expenses were $99,334 (2016 - $100,547) and primarily comprise of accrued salary for the CEO $50,000, rent of $9,180, corporate services of $9,898 and accounting services of $23,825. Insurance charges for the period were $15,755 (2016 - $22,975) including the Montana assets. Finance costs of $7,956 (2016 - $nil) was for the interest expense on the cash advances to the Company.

Results for the three months ended June 30, 2017

Total expenses for the three months ended June 30, 2017 were $145,507 (2016 - $76,436).

The Company has conducted field operations at the Company's two Lloydminster wells and the two wells have produced 908 barrels of oil during the three months ended June 30, 2017. The cost of production and the cost of repairs to bring the wells into operation was $62,156 (2016 - $nil) during the three months ended June 30, 2017. The revenue generated from selling the oil produced from the wells was $30,008 (2016 - $nil). The depletion of oil and gas property interests during the three months ended June 30, 2017 was $2,822 (2016 - $nil).

Professional expenses were $7,263 (2016 - $9,712) and comprise accruals for audit fees ($3,825) and engineering consulting and disbursements ($3,437). Exploration expenses were $9,889 (2016 – $9,753) mainly comprises annual lease costs ($9,299). Office and general expenses were $51,137 (2016 - $45,248) and mainly comprise of accrued salary for the CEO $25,000, rent of $7,800 and accounting services of $12,050. Insurance charges for the period were $7532 including the Montana assets (2016 - $11,723).

Operational Expenses

The operational expenses relating to the two Lloydminster wells in Alberta during the three and six months ended June 30, 2017 and 2016 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Contract operator & labour	$ 2,400	$	$ 10,085	$
Road & Lease maintennace	5,180	-	7,598	-
Equipment Rental	1,238	-	16,256	-
Services & minor workover	17,106	-	56,504	-
Fuel & power	3,581	-	16,126	-
Trucking	3,670	-	11,823	-
Service rig	9,818	-	42,683	-
Waste disposals and chemical supplies	7,476	-	7,476	-
Royalty	3,263	-	3,263	-
Vacuum truck	-	-	2,525	-
Inspection services	-	-	936	-
Installation & supervision	8,424	-	19,707	-
	$ 62,156	$	$ 194,982	$

Exploration Expenses

The exploration expenses during the three and six months ended June 30, 2017 and 2016 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	**2016**	**2017**	**2016**
Annual lease renewal costs	$ 9,299	$ 6,150	$ 11,810	$ 6,150
Land management	-	(251)	508	4,059
Others	590	3,854	653	2,066
	$ 9,889	$ 9,753	$ 12,971	$ 12,275

Office and general expenses

The office and general expenses during the three and six months ended June 30, 2017 and 2016 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	**2016**	**2017**	**2016**
Accounting services	$ 12,050	$ 12,325	$ 23,825	$ 24,675
Management salary	25,000	25,000	50,000	50,000
Corporate services	3,445	(676)	9,898	7,843
Rent expense	7,800	5,040	9,180	10,080
Computer expenses	4	2,061	600	4,259
Telephone expense	638	365	1,283	1,050
Transfer agent	926	671	2,075	1,565
Others	1,274	462	2,473	1,075
	$ 51,137	$ 45,248	$ 99,334	$ 100,547

Cash Flow

During the six months ended June 30, 2017 the Company used cash of $137,714 (2016 - $105,964) in operating activities. Accrued interest on advances was $7,956 and depletion of oil and gas property interests of $4,599, did not involve any flow of funds.

For the six months ended June 30, 2017, sundry receivables increased by $8,807 offset by an increase in accounts payable and accrued expenses of $166,850.

During the six months ended June 30, 2017, the Company received cash proceeds of $90,000 from advances (2016 - $nil) while it generated $665 from investing activities from decrease in deposit due to the change in the foreign exchange rate of the Canadian dollar versus the U.S. dollar during the period, which decreased the Canadian dollar value of the Company's U.S. dollar denominated deposits. (2016 – $78,143 from proceeds on disposal of investments ($73,528) and decrease in deposits $4,615)).

As a result, for the six months ended June 30, 2017, the Company had a net decrease in cash of $47,049. During this period, the Company also had a gain from the exchange rate changes on its foreign operations of $4,284 leaving a cash balance of $6,755 as at June 30, 2017. For the six months ended June 30, 2016, the Company had a net decrease in cash of $27,821 and a gain from the exchange rate changes on its foreign operations of $7,175, leaving a cash deficit of $1,147 as at June 30, 2016.

Liquidity and Capital Resources

Consolidated statements of financial position highlights		June 30, 2017		December 31, 2016
Cash	$	**6,755**	$	49,520
Oil and gas property interests		**511,093**		515,692
Total assets		**1,039,518**		1,073,391
Total liabilities		**1,697,269**		1,432,712
Share capital, warrants and contributed surplus		**22,525,215**		22,525,215
Foreign currency translation reserve		**(268)**		(4,552)
Deficit		**(23,182,698)**		(22,879,894)
Working capital deficiency		**(1,542,369)**		(1,248,954)

Currently, the Company does not generate significant revenue from its exploration and evaluation assets, as all of its wells are shut-in except for two. Accordingly, the Company does not have sufficient 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 $1,542,369 as at June 30, 2017 and its cash balance is not sufficient to meet the Company's liabilities. The Company is using its current cash 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.

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) Included in accounts payable and accrued liabilities as at June 30, 2017 and December 31, 2016 is $52,817 for legal fees and disbursements owing to a law firm in which an officer, Robbie Grossman, is a partner.

(b) Included in accounts payable and accrued liabilities as at June 30, 2017 and December 31, 2016 is $41,999 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.

(c) At June 30, 2017, $333,724 (December 31, 2016 - $277,224) has been included in accounts payable and accrued liabilities for unpaid remuneration of the Company's Chief Executive Officer and director, Allen Lone.

(d) At June 30, 2017 and December 31, 2016, $39,818 is included in accounts payable and accrued liabilities, relating to services provided by a former director and officer (Nick Tsimidis).

(e) At June 30, 2017 and December 31, 2016, $10,625 is included in accounts payable and accrued liabilities due to a former officer (Darell Brown).

(f) At June 30, 2017 and December 31, 2016, $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).

(g) $4,000 is included in accounts payable and accrued liabilities at June 30, 2017 and December 31, 2016 to an officer and former director of the Company.

(h) At June 30, 2017 and December 31, 2016, $1,582 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.

(i) During six months ended June 30, 2017, the Company paid $10,031 (six months ended June 30, 2016 - $5,500) to a company controlled by an officer of the Company, Tony Boogmans, for consulting fees and disbursements. At June 30, 2017, $7,744 (December 31, 2016 - $6,365) has been included in accounts payable and accrued liabilities.

(j) During the year ended December 31, 2016, the Company signed promissory notes and received $75,000 (2016 - $nil) from related parties (directors and a company controlled by an officer of the Company). The loans are due on demand and bear interest at 12% per annum. Of the total $50,000 is secured against the assets of the Company and $25,000 is unsecured.

(k) During the six months ended June 30, 2017, the Company signed promissory notes and received $90,000 from related parties (directors and a company controlled by an officer of the Company) and secured against the assets of the Company. The loans are due between August 15, 2017 and December 12, 2017. The loans bear interest at 12% per annum and are secured against the assets of the Company. Included in finance costs in the consolidated statements of loss and comprehensive loss for the six months ended June 30, 2017 was interest expense of $7,956 (six months ended June 30, 2016 - $nil) relating to these advances.

(l) Included in office and general expenses for the six months ended June, 2017 is $2,500 (2016 - $1,700) for accounting services provided by Binh Quach, a director of the Company during the year. At June 30, 2017, $17,430 (at December 31, 2016, $14,930) has been included in accounts payable and accrued liabilities.

(m) Included in professional fees for the six months ended June, 2017 is $1,243 (2016 - $1,271) for taxation services provided by DNTW Toronto LLP, an accounting firm in which Gerry Feldman, a director, is a partner. At June 30, 2017 $2.514 (December 31, 2016, $1,271) has been included in accounts payable and accrued liabilities.

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.

	Three months ended June 30,		Six months ended June 30,	
	2017	**2016**	**2017**	**2016**
Short-term compensation	$ 25,000	$ 25,000	$ 50,000	$ 50,000

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 June 30, 2017, totaled to a deficiency of $657,751 (December 2016 – $359,321).

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 since the year ended December 31, 2016.

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 June 30, 2017, 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 June 30, 2017.

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 during six months ended June 30, 2017.

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 June 30, 2017, the Company had a cash balance of $6,755 (December 31, 2016 – $49,520) which is not sufficient to settle current liabilities of $1,585,066 (December 31, 2016 - $1,320,260). The Company has a working capital deficiency $1,542,369 (December 2016 – $1.248,954). 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 dollars and the functional currency of the parent company is the Canadian dollar. As at June 30, 2017, the Company's US dollar net monetary liabilities totaled $46,231. Accordingly a 5% change in the US dollar exchange rate as at June 30, 2017 on this amount would have resulted in an exchange gain or loss and therefore net loss would have increased (decreased) by $2,311.

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.

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

As at the date of this MD&A and at June 30, 2017, the authorized share capital comprised an unlimited number of common shares with no par value.

Common shares outstanding as at June 30, 2017 and the date of this MD&A are as follows;

	# of Common Shares		Amount
Balance, December 31, 2015	**167,536,185**	**$**	**20,175,578**
Expired warrants transferred to capital stock	-		**411,215**
Balance, June 30, 2017 and December 31, 2016	**167,536,185**	**$**	**20,586,793**

Warrants

As at June 30, 2017 and the date of this MD&A, warrants outstanding are as follows:

Issue date	# of warrants	Expiry date		Exercise price		Estimated fair value on issue date
June 13, 2014	11,448,492	June 13, 2018	$	0.10	$	41,100

Stock options

The following table summarizes information about the options outstanding and exercisable as of June 30, 2017 and the date of this MD&A:

# of Options Outstanding and Exercisable		Exercise Price	Expiry Date	Remaining Contractual Life (years)
270,000	$	0.25	November 19, 2020	3.39
75,000		0.20	April 8, 2021	3.78
67,500		0.23	May 4, 2021	3.85
211,250		0.14	November 29, 2021	4.42
623,750	**$**	**0.20**		**3.84**

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 June 30, 2017		**Canadian Operation**		**US Operation**		**Total**
Total assets	$	967,697	$	71,822	$	1,039,518
Oil and gas property interests	$	511,093	$	-	$	511,093

As of December 31, 2016		**Canadian Operation**		**US Operation**		**Total**
Total assets	$	996,181	$	77,210	$	1,073,391
Oil and gas property interests	$	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, oil and gas reserves and depletion, 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 six months ended June 30, 2017 and 2016.

Oil and gas reserves and depletion

The Company's reserves of oil and natural gas are estimated based on information compiled by the Company's qualified persons, independent geologists and engineers. The process of estimating reserves requires significant judgment in evaluating and assessing available geological, geophysical, engineering and economic data, projected rates of production, estimated commodity price forecasts and the timing of future expenditures, all of which are, by their very nature, subject to interpretation and uncertainty. The evaluation of recoverable reserves is an ongoing process impacted by current production, continuing development activities and changing economic conditions. Changes in estimates of reserves may materially impact the carrying value of the Company's oil and gas properties, the recorded amount of depletion, the determination of the Company's obligations pursuant to decommissioning liabilities and the assessment of impairment provisions.

Depletion of oil and gas property interests within each cash-generating unit is recognized using the unit-of-production method based on the Company's share of total proved plus probable oil and natural gas reserves before royalties as determined by independent reserve engineers.

Included in the statement of loss and comprehensive loss for the six months ended June, 2017 is revenue of $50,931 and depletion of oil and gas property interests of $4,599 relating to the production from the two Lloydminster wells (see note 3(a) of the Company's interim consolidated statements for six months ended June 30, 2017).

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.

Change in accounting policies

These interim consolidated statements follow the same accounting policies and methods of computation as those described in Note 3 of the annual consolidated financial statements as at and for the year ended December 31, 2016, except as follows:

1. IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017. The implementation of amendments to IAS 7 had no impact to the Company's interim consolidated statements for the six months ended June 30, 2017.

2. 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. The implementation of amendments to IAS 12 had no impact to the Company's interim consolidated Statements for the six months ended June 30, 2017

Future accounting pronouncements

IFRS accounting standards, interpretations and amendments to existing IFRS accounting standards that were not yet effective as at December 31, 2016, are described in Note 3 to the annual consolidated financial statements as at and for the year ended December 31, 2016. There have been no other changes to existing IFRS accounting standards and interpretations since December 31, 2016 that are expected to have a material effect on the Company's interim consolidated statements.

Investor relations:

The Company's management performed its own investor relations duty for the six months ended June 30, 2017.

Additional information:

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

Binding letter of intent

On May 29, 2017, the Company entered into a binding letter of intent, with an arm's-length third party, whereby Mooncor will acquire an undivided 50% interest in a silver-zinc project in Germany and a silver-copper-fluorite project in Namibia.

Pursuant to the terms of the letter of intent, the acquisition of the projects from the vendor is conditional upon Mooncor and the vendor entering into a definitive purchase agreement. The proposed terms of the agreement will include, but are not limited to:

(a) The issuance of an aggregate of 31,664,338 common shares to the vendor;
(b) Receipt of regulatory approvals.

Subsequent event

Subsequent to June 30, 2017, $20,000 of the promissory notes matured and is due on demand.