SENSOR TECHNOLOGIES CORP.

(FORMERLY - MOONCOR OIL & GAS CORP.)

Management's Discussion and Analysis

September 30, 2018

Date of report: November 28, 2018

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Sensor Technologies Corp. (formerly - Mooncor Oil & Gas Corp.) ("STC" or the "Company") should be read in conjunction with STC's interim condensed consolidated financial statements ("interim consolidated statements") and notes thereto as at and for the three and nine months ended September 30, 2018 and the annual consolidated financial statements as at and for the year ended December 31, 2017.

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 STC:

STC 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.

On October 24, 2018, the Company commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "SENS". Prior to September 30, 2018, the Company traded on TSX Venture Exchange ("TSXV" under the symbol of "MOO"). These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Mooncor Energy Inc., an Alberta Corporation, Sensor Technologies Inc. ("Sensor"), an Ontario 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").

Subsequent to September 30, 2018, the share capital of the Company were consolidated on a basis of one new share for thirty (30) old shares. These interim consolidated statements do not reflect the share consolidation.

Summary of activities

Subsequent to September 30, 2018, the Company acquired all of the issued capital of FOX-TEK Canada Inc. from IntellaEquity (formerly Augusta Industries Inc.) and amalgamated it with the Company's wholly owned subsidiary, Sensor Technologies Inc., for an aggregate purchase price of up to $21,000,000. Of the purchase price, $9,500,000 will be satisfied through the issuance of an aggregate of 47,500,000 post-consolidated common shares in the capital of Mooncor at a price of $0.20 per consideration share. The balance of the purchase price, being up to $12,000,000, will be satisfied through a royalty of 15% on all future sales of FOX-TEK's products and a 20% royalty on all future sales of FOX-TEK's services. The royalty shall be payable until the earlier of: (i) the 10-year anniversary of the closing of the acquisition of FOX-TEK; and (ii) the aggregate payment of $12,000,000.

Subsequent to the acquisition of FOX-TEK Canada Inc., the Company has agreed to assume the obligations under two outstanding convertible debentures issued to IntellaEquity Inc. and Lakeshore Capital Management Inc., a private investment limited liability company, totaling $2,800,000 by FOX-TEK Canada Inc. and the Company has agreed to issue two replacement debentures maturing on November 1, 2021 and carrying an interest of 12%. The debenture holders have the option to convert the outstanding principal amount into common shares of the Company at a price of $0.20 per common share. Subsequent to September 30, 2018, one of the debenture holders, Lakeshore Capital Management Inc. converted a sum of $1,029,918 into 5,149,589 common shares of the Company.

Subsequent to September 30, 2018, Sensor has been awarded three contracts, two of which are for a complete leak detection systems to monitor infrastructure for one of North America's largest pipeline companies and the third contract for phase two (phase one proof-of-concept application was completed in 2017) in the nuclear space using its high precision fiber bragg grating (FBG) acquisition equipment to measure very small changes in strain in injector ports. The value of the three contracts is $194,587. Sensor has also renewed its monitoring and service contract with one of its customer for the fiscal year 2019 worth upwards of $110,000.

In 2017, the Company had conducted field operations at the Company's two Lloydminster wells and these two wells were placed into production and produced 2,064 barrels of oil during the nine months ended September 30, 2017 and nil during the nine months ended September 30, 2018. Prior to the production, the two wells had a long shut-in period that required intensive work on both the wells - they still require new bottom hole pumps or upgrades to handle all the sand During the nine months ended September 30, 2018, the Company has spent $nil (2017 - $225,355) on these two wells and generated revenue of $nil (2017 - $77,143).

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.

In January 2018, the Company has assigned and transferred operations of the existing wells in Montana, USA, to Noah Energy, Inc., a private USA oil and gas company.

Going concern

These interim consolidated statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has incurred a net loss of $174,211 for the nine months ended September 30, 2018 (nine months ended September 30, 2017- $322,090), has a working capital deficiency in the amount of $1,324,463 and has a deficit in the amount of $23,036,177 as at September 30, 2018. Management estimates that the funds available as at September 30, 2018 will not be sufficient to meet the Company's potential capital and operating expenditures through to September 30, 2019. 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. The challenges of securing requisite funding and the cumulative losses indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These interim consolidated 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 interest

Oil and gas property interests as at September 30, 2018 and December 31, 2017 consist of:

		Alberta (a)
Balance, December 31, 2016	**$**	**515,692**
Depletion		(6,413)
Balance, December 31, 2017 and September 30, 2018	**$**	**509,279**

Oil and Natural Gas Interests (Lloydminster (Alberta))

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

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

a. an obligation to pay a 60% share of the variable Crown royalties;

b. a 60% share of a 1% Gross Overriding Royalty ("GORR") payable to the party; and

c. a 3% GORR on the 60% share of production.

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

a. a 60% share of the Crown royalty;

b. a 60% share (36% after payout) of a 1% GORR payable on oil production;

c. a 5% to 15% variable convertible GORR payable in respect of oil production;

d. a 15% convertible GORR payable in respect of gas production; and

e. a 3% GORR payable on the Company's 60% share of production. The 5% to 15% variable convertible GORR and 15% convertible GORR are convertible to a 40% working interest once payout has been achieved.

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

During the nine months ended September 30, 2018, the two wells that were placed into production in 2017 remained shut-in. Included in the statement of loss and comprehensive loss for the nine months ended September 30, 2018 is revenue of $nil (2017 - $77,143) and depletion of oil and gas property interests of $nil (2017 - $6,413) relating to the production from the two wells in accordance with the Company's accounting policy.

(a) Oil and Natural Gas Interests (Montana (USA))

On 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 Petroleum Company (USA) Inc.

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) expiring from 2017 to 2023. The Company is the operator of the working interests.

STC's working interest will be 70% of the Property except for the spacing drilled by a major U.S. based industry partner in which case STC's working interest will be 30%. As consideration for the Property, the vendor is entitled to a 1% gross overriding royalty.

In January 2018, the Company has assigned and transferred operations of the existing wells in Montana, USA, to Noah Energy, Inc. As a result, during the nine months ended September 30, 2018, the Company reversed $29,568 of reclamation and decommissioning obligations to office and general expenses, relating to the leases.

Results of Operation

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Revenue	$ -	$ 26,213	$ -	$ 77,143
Interest income	916	582	2,889	2,193
Total revenue	$ 916	$ 26,795	$ 2,889	$ 79,336
Expenses				
Operational expenses	-	30,373	$ -	$ 225,355
Depletion of oil and gas property interests	-	1,814	-	6,413
Professional fees and disbursements	10,750	(5,266)	21,999	13,063
Exploration expenses	6,967	3,904	19,389	16,875
Finance costs	6,963	5,747	18,296	13,703
Office and general	35,984	13,489	100,207	112,823
Insurance	6,387	4,833	18,028	20,588
Total expenses	$ 67,051	$ 54,894	$ 177,919	$ 408,820
(Loss) before undernoted	**(66,135)**	**(28,099)**	**(175,030)**	**(329,484)**
Income (loss) on foreign exchange	473	(1,277)	819	(2,606)
Net (loss) for the period	**(65,662)**	**(29,376)**	**(174,211)**	**(332,090)**
Other comprehensive (loss) income for the period				
Exchange differences on translation of foreign operations	(245)	4,665	(543)	8,950
Total comprehensive (loss) for the period	**$ (65,907)**	**$ (24,711)**	**$ (174,753)**	**$ (323,140)**
Weighted average shares outstanding - basic and diluted	167,536,185	167,536,185	167,536,185	167,536,185
(Loss) per common share based on net (loss) for the period	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

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

	Q/E Sept 30, 2018	**Q/E June 30, 2018**	**Q/E March 31, 2018**	**Q/E Dec 31, 2017**	**Q/E Sept 30, 2017**	**Q/E June 30, 2017**	**Q/E March 31, 2017**	**Q/E Dec 31, 2016**
Total revenue	916	$1,001	$972	$1,671	$26,795	$30,842	$21,699	$7,073
Net income/(loss) for the period	($65,661)	($75,211)	($33,338)	$350,108	($29,376)	($115,651)	($187,063)	($102,655)
Total comprehensive income/(loss) for the period	($65,906)	($75,598)	($33,427)	$347,049	($24,711)	($112,598)	($185,832)	($105,520)
Net profit/(loss)per share based on net income (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 nine months ended September 30, 2018 and 2017

During the nine months ended September 30, 2018, the two wells that were placed into production in 2017 remained shut-in for re-work, during the nine months ended September 30, 2017, the wells produced 2,064 barrels of oil. Included in the statement of loss and comprehensive loss for the nine months ended September 30, 2018 is revenue of $nil (2017 - $77,143) and depletion of oil and gas property interests of $nil (2017 - $6,413) relating to the production from the two wells in accordance with the Company's accounting policy. Cost of producing the oil was $nil during the nine months ended September 30, 2018 (2017 - $225,355).

Total expenses for the nine months ended September 30, 2018 were $177,918 (2017 - $408,820), the decrease was primarily due to the two Lloydminster wells being shut-in and the Company also reversed $29,568 in reclamation and decommissioning obligations relating to the Montana leases during the nine months ended September 30, 2018.

Professional expenses were $21,999 (2017 - $13,063) and primarily comprise of accruals for audit fees ($17,435) and engineering consulting and disbursements ($3,125). Exploration expenses were $19,389 (2017 – $16,875) and primarily comprise of payments for lease renewal ($9,559) and land management fees ($6,990). Office and general expenses were $100,207 (2017 - $112,823) and primarily comprise of accrued salary for the CEO $50,000, rent of $5,400, corporate services of $32,098 and accounting services of $34,050. The office and general expenses were offset by the Montana reclamation and decommissioning obligation of $29,568 which was reversed following the assignment and transfer of the operations of existing wells in Montana, USA, to Noah Energy, Inc., in January 2018. Insurance charges for the period were $18,028 (2017 - $20,588). Finance costs of $18,296 (2017 - $13,703) was accrued as interest expense on the cash advances to the Company.

Results for the three months ended September 30, 2018 and 2017

During the three months ended September 30, 2018, the two wells that were placed into production in 2017 remained shut-in and produced nil barrels of oil (2017 – 695 barrels). Included in the statement of loss and comprehensive loss for the three months ended September 30, 2018 is revenue of $nil (2017 - $26,213) and depletion of oil and gas property interests of $nil (2017 - $1,814) relating to the production from the two wells in accordance with the Company's accounting policy. Cost of producing the oil was $nil during the three months ended September 30, 2018 (2017 - $30,373).

Total expenses for the three months ended September 30, 2018 were $67,050 (2017 - $54,894). The increase is largely to reversals of old accounts payable balances and a write back of $11,582 following a settlement with a vendor in 2017.

Professional expenses were $10,750 (2017 – credit balance $5,266) and comprise of accruals of $10,000 for audit fees and $750 of engineering consulting and disbursements. In 2017 $11,582 was written back following a settlement with a vendor. Exploration expenses were $6,967 (2017 – $3,904) mainly comprises annual lease costs $1,470 and land management fees of $5,493. Office and general expenses were $35,984 (2017 - $13,489) and mainly comprise of rent of $1,800 and accounting services of $11,250 and $21,480 for corporate services including $13,750 paid to CSE with regards the listing and $7,500 for legal fees for the listing. In 2017 $28,079 of old accounts payable balances were reversed during this quarter reducing the amount of office and general expenses. Insurance charges for the period were $6,386 (2017 - $4,833). Finance costs of $6,963 (2017 - $5,747) was accrued for the interest expense on the cash advances to the Company.

Operational Expenses

During the nine months ended September 30, 2018, the two wells in Alberta remained shut-in. The operational expenses relating to the wells in Alberta during the three and nine months ended September 30, 2018 and 2017 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
Contract operator & labour	$ -	$ 2,916	$ -	$ 13,001
Road & Lease maintennace	-	3,206	-	10,804
Equipment Rental	-	7,855	-	24,111
Services & minor workover	-	1,145	-	57,649
Fuel & power	-	5,099	-	21,225
Trucking	-	5,110	-	16,933
Service rig	-	-	-	42,683
Waste disposals and chemical supplies	-	995	-	8,471
Royalty	-	-	-	3,263
Vacuum truck	-	-	-	2,525
Inspection services	-	1,859	-	2,795
Installation & supervision	-	2,188	-	21,895
	$ -	$ 30,373	$ -	$ 225,355

Exploration Expenses

The exploration expenses during the three and nine months ended September 30, 2018 and 2017 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
Annual lease renewal costs	$ 1,470	$ 3,134	$ 9,559	$ 14,945
Land management	5,493	761	6,990	1,269
Others	4	9	2,840	661
	$ 6,967	$ 3,904	$ 19,389	$ 16,875

Office and general expenses

The office and general expenses during the three and nine months ended September 30, 2018 and 2017 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
Accounting services	$ 11,250	$ 9,950	$ 34,050	$ 33,775
Management salary	-	25,000	50,000	75,000
Corporate services	21,480	255	32,098	10,153
Rent expense	1,800	5,040	5,400	14,220
Computer expenses	-	(13)	-	588
Telephone expense	815	743	1,905	2,025
Transfer agent	191	529	2,659	2,604
Write back of reclamation and decommissioning obligations	(209)	-	(29,568)	-
Others	657	(28,015)	3,663	(25,542)
	$ 35,984	$ 13,489	$ 100,207	$ 112,823

Cash Flow

During the nine months ended September 30, 2018 the Company used cash of $74,781 (2017 - $222,570) in operating activities. Reversal of reclamation and decommissioning obligation relating to the Montana leases was $29,359.

For the nine months ended September 30, 2018, sundry receivables decreased by $15,422 while accounts payable and accrued expenses increased by $55,757 and prepaid expenses went up by $7,249.

During the nine months ended September 30, 2018, the deposit to the Montana regulatory body of $61,913 (US$50,000) was refunded to the Company following the assignment and transfer of the operations of existing wells in Montana, USA, to Noah Energy, Inc. in January 2018. The Company also paid $76,296 to the Alberta Energy Board ("AEB") against its assessments. Additionally, AEB further assessed another $63,252 and this has been accrued but not been paid.

For the nine months ended September 30, 2018, the Company had a net decrease in cash of $62,036 (2017 – increase of $53,476). During this period, the Company also had a loss from the exchange rate changes on its foreign operations of $543 (2017 – gain from the exchange rate changes on its foreign operations of $8,950) leaving a cash balance of $2,434 as at September 30, 2018 (September 30, 2017 - $111,946).

Liquidity and Capital Resources

Consolidated statements of financial position highlights	September 30, 2018	December 31, 2017
Cash	$ **2,434**	$ 65,013
Oil and gas property interests	**509,279**	509,279
Total assets	**929,650**	920,850
Total liabilities	**1,439,817**	1,256,263
Share capital, warrants and contributed surplus	**22,525,215**	22,525,215
Foreign currency translation reserve	**795**	1,338
Deficit	**(23,036,177)**	(22,861,966)
Working capital deficiency	**(1,324,463)**	(1,071,351)

Currently, the Company does not generate any significant revenue from its exploration and evaluation assets, as all wells are shut-in. Accordingly, it 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 $1,324,463 as at September 30, 2018 (December 31, 2017 - $1,071,351) and its cash balance is not sufficient to meet the Company's liabilities.

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 September 30, 2018 and December 31, 2017 is $31,316 for legal fees and disbursements owing to a law firm (McMillan) in which a former officer of the Company, Robbie Grossman, was a former partner.

(b) Included in accounts payable and accrued liabilities as at September 30, 2018 is $43,244 (December 31, 2017 is $43,068) 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 September 30, 2018, $480,250 (December 31, 2017 - $423,750) has been included in accounts payable and accrued liabilities for unpaid remuneration of the Company's former Chief Executive Officer and former director, Allen Lone.

(d) At September 30, 2018 and December 31, 2017, $4,000 is included in accounts payable and accrued liabilities to an officer and a former director of the Company.

(e) At September 30, 2018 and December 31, 2017 $2,430 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.

(f) During nine months ended September 30, 2018, the Company signed promissory notes and received $74,000 (2017 - $90,000) from related parties. The loans bear interest at 10% per annum (2017 notes – 12%) and are secured against the assets of the Company and due on demand (Note 4)

(g) Included in office and general expenses for the nine months ended September 30, 2018 is $3,750 (2017 - $4,125) for consulting services provided by Binh Quach, a director of the Company. As at September 30, 2018, $23,567 (December 31, 2017- $19,817) has been included in accounts payable and accrued liabilities.

(h) Included in professional fees for the nine months ended September 30, 2018 is $1,175 (2017 - $1,243) for taxation services provided by DNTW Toronto LLP, an accounting firm in which Gerry Feldman, a director, is a partner. At September 30, 2018, $1,327 (December 31, 2017 - $1,243) has been included in accounts payable and accrued liabilities.

(i) Included in professional fees for the nine months ended September 30, 2018 is $7,500 (2017 - $nil) for legal services provided by Jay Vieira, a director and CEO of the Company. At September 30, 2018, $8,475 (December 31, 2017 - $nil) 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 September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Short-term compensation	$ -	$ 25,000	$ 50,000	$ 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 September 30, 2018, totaled to a deficiency of $510,167 (December 2017 – $335,413).

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, 2017.

Off- Balance Sheet arrangements

As at September 30, 2018, the Company had no off balance sheet arrangements.

Subsequent to September 30, 2018, as previously discussed, the Company closed the acquisition of FOX-TEK with an outstanding amount owing to IntellaEquity of $12,000,000, to be satisfied through a royalty of 15% on all future sales of FOX-TEK's products and a 20% royalty on all future sales of FOX-TEK's services.

Risk management

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions in relation to the Company's activities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant price, credit, liquidity, or cash flow risks arising from the financial instruments. There were no changes to the Company's risks, objectives, policies and procedures from the previous year.

Liquidity risk

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

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

At September 30, 2018, the Company had a cash balance of $2,434 (December 31, 2017 – $65,013) which is not sufficient to settle current liabilities of $1,349,792 (December 31, 2017 - $1,167,432). The Company has a working capital deficiency $1,324,463 (December 2017 – $1,071,351). 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 September 30, 2018, the Company's US dollar net monetary liabilities totaled $19,452 (December 31, 2017 - $30,992). Accordingly, a 5% change in the US dollar exchange rate as at September 30, 2018 on this amount would have resulted in an exchange gain or loss and therefore net loss would have increased (decreased) by $972 (2017 – $1,550).

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) 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.

(c) 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.

(d) 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

Subsequent to September 30, 2018, the share capital of the Company were consolidated on a basis of one new share for thirty (30) old shares. These interim consolidated statements do not reflect the share consolidation.

Subsequent to September 30, 2018, the Company issued 47,500,000 common shares of the Company to IntellaEquity Inc. for acquisition of FOX-TEK Canada Inc.

Subsequent to September 30, 2018, Lakeshore Capital Management Inc. converted convertible debentures totaling $1,029,918 into 5,149,589 common shares of the Company.

As at the date of this MD&A, the Company had 54,294,458 post-consolidated common shares outstanding.

Warrants

As at September 30, 2018 and the date of this MD&A, no warrants were outstanding. During the nine months ended September 30, 2018, 11,448,492 warrants with average exercise price of $0.10 expired unexercised. The value of the expired warrants of $41,100 were reallocated to Capital stock.

	# of Warrants		Amount		Weighted Average Exercise Price
Balance, December 31, 2016	**11,448,492**	**$**	**41,100**	**$**	**0.10**
Transactions	-		-		-
Balance, December 31, 2017	**11,448,492**		**41,100**	**$**	**0.10**
Expiry of warrants - June 13, 2018	(11,448,492)		(41,100)		-
Balance, September 30, 2018	-	$	-	$	-

Stock options

The following table summarizes information about the options outstanding and exercisable as of September 30, 2018 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	2.14
75,000		0.20	April 8, 2021	2.52
67,500		0.23	May 4, 2021	2.59
211,250		0.14	November 29, 2021	3.17
623,750	**$**	**0.20**		**2.58**

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 September 30, 2018		Canadian Operation		US Operation		Total
Total assets	$	926,455	$	3,195	$	929,650
Oil and gas property interests	$	509,279	$	-	$	509,279

As of December 31, 2017		Canadian Operation		US Operation		Total
Total assets	$	854,473	$	66,377	$	920,850
Oil and gas property interests	$	509,279	$	-	$	509,279

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 nine months ended September 30, 2018 and 2017.

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 statements of loss and comprehensive loss for the nine months ended September 30, 2018 is depletion of oil and gas property interests of $nil (2017 - $6,413) relating to the production from the two Lloyminster wells (note 3(a) of the Company's interim consolidated statements for nine months ended September 30, 2018).

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, 2017, except those adopted on January 1, 2018 as follows. The implementation of the new policies had no impact to the Company's interim consolidated statements for the nine months ended September 30, 2018.

1. IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB as a complete standard in July 2014 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.

2. IFRS 15 - Revenue From Contracts With Customers ("IFRS 15") proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

3. IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2017 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018.

Future accounting pronouncements

IFRS accounting standards, interpretations and amendments to existing IFRS accounting standards that were not yet effective as at December 31, 2017, are described in Note 4 to the annual consolidated financial statements as at and for the year ended December 31, 2017. There have been no other changes to existing IFRS accounting standards and interpretations since December 31, 2017 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 nine months ended September 30, 2018.

Additional information:

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