SENSOR TECHNOLOGIES CORP.

(FORMERLY MOONCOR OIL & GAS CORP.)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Prepared in Canadian dollars)

June 30, 2019

SENSOR TECHNOLOGIES CORP.

(FORMERLY MOONCOR OIL & GAS CORP.)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

SENSOR TECHNOLOGIES CORP.
(FORMERLY MOONCOR OIL & GAS CORP.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2019 AND DECEMBER 31, 2018
(Unaudited - expressed in Canadian dollars)

	Note	June 30, 2019	December 31,2018
ASSETS			
Current Assets:			
Cash		$ 75,208	$ 19,135
Trade and other accounts receivable		305,462	83,153
Inventory	4	36,537	36,537
Tax credits receivable	6	20,181	20,149
Prepaid expenses		71,601	52,014
Total current assets		508,989	210,988
Non-current assets:			
Oil and gas property interests	3	509,279	509,279
Equipment and right of use assets	5	52,539	2,058
Deposits	13	336,932	333,560
Total non-current assets		898,750	844,897
Total assets		$ 1,407,739	$ 1,055,885
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities		$ 1,198,708	$ 1,344,623
Reclamation & decommissioning obligation	9	411,070	411,070
Advances	7	666,604	600,870
Lease obligations - current portion		23,861	-
Deferred revenue		402,177	23,868
Total current liabilities		2,702,420	2,380,431
Long term liabilities			
Debentures	10	1,628,541	1,803,138
Lease obligations - long term		27,936	-
Total long term liabilities:		1,656,477	1,803,138
Total liabilities		4,358,897	4,183,569
SHAREHOLDERS' DEFICIENCY			
Capital stock	8	1,977,485	1,656,936
Equity component of convertible debenture		102,677	123,226
Accumulated other comprehensive income		(180)	61
Deficit		(5,031,140)	(4,907,907)
Total shareholders' deficiency		(2,951,158)	(3,127,684)
Total liabilities and shareholders' deficiency		$ 1,407,739	$ 1,055,885
Nature of Continuance and Operations	1		
Subsequent events	19		

The accompanying notes form an integral part of these consolidated financial statements

SENSOR TECHNOLOGIES CORP.
(FORMERLY MOONCOR OIL & GAS CORP.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Unaudited - expressed in Canadian dollars)

		Three months ended ended June 30,		Six months ended ended June 30,	
	Note	**2019**	**2018**	**2019**	**2018**
Revenue		$ 281,876	$ 89,717	$ 409,335	$ 174,942
Interest income		1,725	-	3,373	-
Total revenue		283,601	89,717	412,708	174,942
Cost of sales		(61,063)	(15,620)	(101,193)	(26,215)
Royalty payable		(45,693)	-	(69,178)	-
Gross profit		$ 176,845	$ 74,097	$ 242,337	$ 148,727
Expenses			-		
Research and development		(28,102)	(39,654)	(49,509)	(79,560)
Exploration expenses	14	(16,162)	-	(23,324)	-
Office and general	15	(67,613)	(63,456)	(137,922)	(114,440)
Total expenses		$ (111,877)	$ (103,110)	$ (210,755)	$ (194,000)
			-		
Income (loss) before undernoted		64,968	(29,013)	31,582	(45,273)
Finance costs		(71,926)	(426)	(148,820)	(1,516)
Gain (loss) on foreign exchange		808	3,743	(5,995)	2,419
Net (loss) for the period		(6,150)	(25,696)	(123,233)	(44,370)
Other comprehensive (loss) for the period			-		
Exchange differences on translation of foreign operations		(151)	-	(241)	-
Total comprehensive (loss) for the period		$ (6,301)	$ (25,696)	$ (123,474)	$ (44,370)
Weighted average shares outstanding - basic and diluted	8	63,245,118	5,584,540	60,753,466	5,584,540
(Loss) per common share based on net (loss) for the period		$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)

The accompanying notes form an integral part of these consolidated financial statements

SENSOR TECHNOLOGIES CORP.
(FORMERLY MOONCOR OIL & GAS CORP.)
CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIENCY
FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Unaudited - expressed in Canadian dollars)

	Share Capital					
	Number	Amount	Equity portion of convertible debenture	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Deficiency
Balance, December 31, 2017	5,584,540	$ 1	$ -	$ -	$ (3,128,465)	$ (3,128,464)
Net loss for the period	-	-	-	-	(44,370)	(44,370)
Balance, June 30, 2018	5,584,540	$ 1	$ -	$ -	$ (3,172,835)	$ (3,172,834)
Balance, December 31, 2018	58,234,129	$1,656,936	$ 123,226	$ 61	$ (4,907,907)	$ (3,127,684)
Net loss for the period	-	-	-	-	(123,233)	(123,233)
Shares issued on conversion of convertble debentures	6,000,000	300,000	-	-	-	300,000
Equity portion of convertible debentures transferred to common stock on conversion of dentures	-	20,549	(20,549)	-	-	-
Exchange differences on translation of foreign operations	-	-	-	(241)	-	(241)
Balance, June 30, 2019	64,234,129	$1,977,485	$ 102,677	$ (180)	$ (5,031,140)	$ (2,951,158)

Note: Number of shares outstanding as on December 31, 2017 shown in terms of consolidated units

The accompanying notes form an integral part of these consolidated financial statements

SENSOR TECHNOLOGIES CORP.
(FORMERLY MOONCOR OIL & GAS CORP.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Unaudited - expressed in Canadian dollars)

	Six Months ended June 30, 2019	2018
Cash flows generated from operating activities		
Net (loss) for the period	$ (123,233)	$ (44,370)
Amortization	21,230	478
Accrued interest on advances	21,089	-
Accrued interest on debentures	106,730	-
Accretion on debentures	18,673	-
	44,489	(43,892)
Changes in non-cash working capital balances		
Trade and other accounts receivable	(222,309)	(31,161)
Inventory	-	(289)
Tax credits receivable	(32)	(10,507)
Prepaid expenses	(19,587)	1,203
Accounts payable and accrued liabilities	(145,915)	(27,131)
Deferred revenue	378,309	145,772
Cash flows generated from operating activities	34,955	33,996
Cash flows (used in) investing activities		
Increase in deposits	(3,372)	-
Right of use assets	(71,711)	-
Cash flows (used in) investing activities	(75,083)	-
Cash flows from (used in) financing activities		
Lease obligations	71,711	-
Payments of lease obligations	(19,914)	-
Amount owing to parent company	-	-
Repayment of advances to parent company	-	(8,014)
Proceeds from advances	59,645	-
Payments against advances	(15,000)	-
Cash flows from (used in) financing activities	96,442	(8,014)
Net increase in cash	56,314	25,982
Effect of changes in foreign exchange rate	(241)	-
Cash, beginning of the period	19,135	8,739
Cash, end of the period	$ 75,208	$ 34,721
Supplemental Information		
Cash paid for:		
Interest on lease obligations	$ 2,329	$ -

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Sensor Technologies Corp. (formerly – Mooncor Oil & Gas Corp.) (the “Company” or “STC”) is continued under the Business Corporations Act (Ontario). The Company’s principal assets are oil and natural gas interests and in developing and manufacturing fiber optic sensor related monitoring instruments and software. The Company is also in the process of exploring other opportunities. The Company is domiciled in the province of Ontario and its head office is located at 2455 Cawthra Road, Unit 75, Mississauga, Ontario, Canada. The Company’s parent corporation is IntellaEquity Inc. (“Intella”) (formerly Augusta Industries Inc.).

On October 24, 2018, the Company commenced trading on the Canadian Securities Exchange (“CSE”) under the symbol “SENS”. Previously, the Company traded on TSX Venture Exchange (“TSXV” under the symbol of “MOO”). These consolidated financial statements (“consolidated statements) include the accounts of the Company and its wholly owned subsidiaries, Mooncor Energy Inc. ("Mooncor Energy"), an Alberta Corporation, Sensor Technologies Inc. (“STI”), an Ontario Corporation, Primary Petroleum Company U.S. Inc (“PPCUSA”), a Montana, USA Corporation, Primary Petroleum Company LLC (“PPCLLC”), a Montana, USA Corporation and AP Petroleum Company (“APLLC”), a Montana, USA Corporation. All wholly owned subsidiaries are inactive except for STI.

The interim consolidated financial statements were approved for issue by the board of directors on August 23, 2019.

The interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has incurred a net loss of $123,233 for six months ended June 30, 2019, has a working capital deficiency in the amount of $2,193,431 and has a deficit in the amount of $5,031,140 as at June 30, 2019. Management estimates that the funds available as at June 30, 2019 will not be sufficient to meet the Company’s potential capital and operating expenditures through to June 30, 2020. 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.

FOX-TEK Canada Inc. (“FOX-TEK”), incorporated under the Business Corporations Act (Ontario), was a subsidiary of Intella. In October 2018, the Company acquired FOX-TEK from Intella for a purchase price of $21,500,000 of which $9,500,000 of the purchase price was satisfied through the issuance of an aggregate of 47,500,000 post-consolidated common shares (the "Consideration Shares") in the capital of STC 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 (collectively, the "Royalty"). 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 million. The total value of the Royalty has not been accrued as the total amount is uncertain.

As a result of the issuance of the common shares of the Company for FOX-TEK, the former shareholder of FOX-TEK, namely IntellaEquity Inc, ended up controlling the Company. As such the acquisition is considered a reverse-takeover (“RTO”) for accounting purposes. In October 2018, FOX-TEK and Sensor Technologies Inc. ("STI"), a wholly owned subsidiary of the Company entered into an amalgamation agreement (the "Agreement") whereby Fox-Tek amalgamated with STI and has operated as STI since then.

2. BASIS OF PRESENTATION

Statement of Compliance

These interim consolidated statements are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, Interim Financial Reporting Standard issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with International Financial Reporting Standards ("IFRS").

These interim consolidated statements as at and for the six months ended June 30, 2019 and 2018 should be read together with the annual consolidated financial statements as at and for the year ended December 31, 2018 which were prepared in accordance with IFRS.

Changes 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, 2018, except for IFRS 16 adopted on January 1, 2019 as noted below.

IFRS 16, Leases ("IFRS 16") was issued in January 2016 to improve the accounting for leases, generally by eliminating a lessees' classification of leases and introducing a single lessee accounting model. The most significant effect of the new standard will be the lessee's recognition of the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position. Leases with durations of 12 months or less and leases for low value assets are both exempted. The measurement of the total lease expense over the term of a lease will be unaffected by the new standard. However, the new standard will result in the timing of lease expense recognition being accelerated for leases which would be currently accounted for as operating leases. The presentation on the statement of income and other comprehensive income (loss) required by the new standard will result in most lease expenses being presented as amortization of lease assets and financing costs arising from lease liabilities rather than as being a part of goods and services purchased. The standard is effective for annual periods beginning on or after January 1, 2019 and will supersede IAS 17 Leases. As a result of adopting IFRS 16 as at January 1, 2019, the Company capitalized right-of-use assets totaling $71,711 and recorded current lease obligations for $71,711. See Note 5 and 11.

Future accounting pronouncements

IFRS accounting standards, interpretations and amendments to existing IFRS accounting standards that were not yet effective as at December 31, 2018, are described in Note 3 to the annual consolidated financial statements as at and for the year ended December 31, 2018. There have been no other changes to existing IFRS accounting standards and interpretations since December 31, 2018 that are expected to have a material effect on the Company's interim consolidated statements.

Basis of measurement

The interim consolidated statements have been prepared on the historical cost basis, except for certain financial assets which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The interim consolidated statements are presented in Canadian dollars, which is the parent's functional and presentation currency. Each entity in the group determines its own functional currency. Management reviewed the primary and secondary indicators in IAS 21, The Effects of Changes in Foreign Exchange Rates, and determined that the functional currency for its USA subsidiaries is US dollars and for all other subsidiaries is Canadian dollars.

Basis of consolidation

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

Critical accounting judgments, estimates and assumptions

The preparation of the interim consolidated statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim consolidated statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. The information about significant areas of estimation uncertainty and judgment considered by management in preparing the interim consolidated statements were the same as those in the preparation of the annual financial statements as at and for the year ended December 31, 2018.

3. OIL AND GAS PROPERTY INTERESTS

Oil and gas property interests as at June 30, 2019 and December 31, 2018 totaled $509,279.

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.

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.

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.

4. INVENTORY

Inventory is valued at lower of cost or net realizable value. The breakdown of inventory is comprised as follows:

		June 30, 2019		December 31, 2018
Raw materials	$	36,537	$	36,537
	$	**36,537**	**$**	**36,537**

The total amount of inventory expensed at cost as cost of sales during the six months ended June 30, 2019 was $55,063 (2018 - $6,424).

5. EQUIPMENT AND RIGHT OF USE ASSETS

		Computer Hardware		Office Equipment		Computer Software		Right of Use Assets		Total
Cost										
Balance at December 31, 2017	**$**	**934**	**$**	**2,448**	**$**	**16,725**	**$**	**-**	**$**	**20,107**
Addition during year		-		-		500		-		500
Balance at December 31, 2018	**$**	**934**	**$**	**2,448**	**$**	**17,225**	**$**	**-**	**$**	**20,607**
Addition during period		-		-		-		71,711		71,711
Balance at June 30, 2019	**$**	**934**	**$**	**2,448**	**$**	**17,225**	**$**	**71,711**	**$**	**92,318**
Accumulated amortization										
Balance at December 31, 2017	**$**	**(819)**	**$**	**(1,866)**	**$**	**(14,926)**	**$**	**-**	**$**	**(17,611)**
Amortization charge		(31)		(106)		(801)		-		(938)
Balance at December 31, 2018		(850)		(1,972)		(15,727)		-		(18,549)
Amortization charge during period		(11)		(46)		(347)		(20,826)		(21,230)
Balance at June 30, 2019	**$**	**(861)**	**$**	**(2,018)**	**$**	**(16,074)**	**$**	**(20,826)**	**$**	**(39,779)**
Net Book Value December 31, 2018	**$**	**84**	**$**	**476**	**$**	**1,498**	**$**	**-**	**$**	**2,058**
Net Book Value June 30, 2019	**$**	**73**	**$**	**430**	**$**	**1,151**	**$**	**50,885**	**$**	**52,539**

Commencing January 1, 2019, the Company adopted IFRS 16 and recognizing Right of Use Assets (see note 11).

6. TAX CREDITS RECEIVABLE

The Company undertakes research and development activities, the costs of which are eligible for investment tax credits which may be refunded or applied to reduce the income tax payable in the current year and future years.

During the year ended December 31, 2018, the Company recognized $20,149 relating to the Ontario Innovation Tax Credit, which has been deducted from research and development expenses. During the six months ended June 30, 2019, this amount was adjusted down to $15,037. Investment tax credits for the fiscal year are dependent upon qualification of each individual project under stringent technical criteria and amounts may vary upon further review by the Canada Revenue Agency. Adjustments to the claim, if any, will be accounted for in the year of assessment. Historically, the investment tax credits have been assessed as filed, accordingly the Company has accrued a refundable credit of $5,144 for six months ended June 30, 2019.

7. ADVANCES

	June 30, 2019	December 31, 2018
Loan payable - 10% to 12% per annum, due on demand, owing to a company controlled by the former CEO of the Company, secured against the assets of the Company	$ 217,541	$ 211,992
Loan payable - 12% per annum, due on demand, owing to a former director of the Company, secured against the assets of the Company	83,353	79,485
Loan payable - 12% per annum, due on demand, owing to a former director of the Company, secured against the assets of the Company	45,874	43,792
Loan payable - 12% per annum, due on demand, owing to an arm's length third party, secured against the assets of the Company	32,932	31,444
Loan payable - 15% per annum, due on demand, owing to an arm's length third party	38,950	50,349
Loan payable to parent company due on demand	247,954	183,808
Total advances	**$ 666,604**	**$ 600,870**

8. SHAREHOLDERS' EQUITY

Capital Stock

At June 30, 2019 and December 31, 2018, the authorized share capital comprised an unlimited number of common shares with no par value.

In October 2018, the Company filed articles of amendment to consolidate its issued and outstanding common shares on the basis of one new common share for every 30 existing common shares. Shareholders' approval of the consolidation was obtained at the Company's annual and special meeting of shareholders held on July 26, 2018. All figures and comparative figures reflect the stock consolidation, retroactively.

	# of Common Shares		Amount
Balance, December 31, 2017	**5,584,540**	**$**	**1**
Shares issued on acquisition of Fox-Tek	**47,500,000**		**558,454**
Shares issued on conversion of debentures	**5,149,589**		**1,029,916**
Equity portion of convertible debentures transferred to common stock on conversion of debentures	**-**		**68,565**
Balance, December 31, 2018	**58,234,129**	**$**	**1,656,936**
Shares issued on conversion of debentures	**6,000,000**		**300,000**
Equity portion of convertible debentures transferred to common stock on conversion of debentures	**-**		**20,549**
Balance, June 30, 2019	**64,234,129**	**$**	**1,977,485**

Warrants

Details of warrant transactions for the six months ended June 30, 2019 and year ended December 31, 2018 are as follows:

	# of Warrants		Amount		Weighted Average Exercise Price
Balance, December 31, 2017	**381,616**		**41,100**	**$**	**3.00**
Expiry of warrants - June 13, 2018	(381,616)		(41,100)		-
Balance, June 30, 2019 and December 31, 2018	-	$	-	$	-

During the year ended December 31, 2018, 381,616 warrants with an average exercise price of $3.00 expired unexercised.

Stock options

On July 26, 2011, the shareholders of the Company approved a stock option plan (the "Plan") to enable directors, officers, employees and consultants of the Company to purchase common shares. All options granted to optionees performing investor relations activities shall vest and become fully exercisable ¼ three months from the date of grant, ¼ six months from the date of grant, ¼ nine months from the date of grant and the final ¼ twelve months from the date of grant. All options granted under the Plan shall expire no later than at the close of business ten years from the date of grant. The Plan provides that the number of common shares reserved for issuance upon exercise of options granted shall not exceed 10% of total issued and outstanding shares of the Company. No material changes were made to the Plan in the current year. No options were granted during the six months ended June 30, 2019.

The following table summarizes information about the options outstanding and exercisable as at June 30, 2019 and December 31, 2018:

# of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (years)
9,000	$ 7.50	November 19, 2020	1.39
2,500	6.00	April 8, 2021	1.78
2,250	6.90	May 4, 2021	1.85
7,042	4.20	November 29, 2021	2.42
20,792	**$ 6.00**		**1.84**

Basic and diluted loss per share based on loss for the year

Basic and diluted loss per share based on loss for three and six months ended June 30:

	Three months ended June 30,		Six months ended June 30,	
Numerator:	**2019**	2018	**2019**	2018
Net (loss) for the period	**$ (6,150)**	$ (25,696)	**$ (123,233)**	$ (44,370)
Denominator:	**2019**	2018	**2019**	2018
Weighted average number of common shares outstanding - basic and diluted (i)	**63,245,118**	5,584,540	**60,753,466**	**5,584,540**
(Loss) per common share based on net (loss) for the period:	**2019**	2018	**2019**	2018
Basic and diluted	**$ (0.00)**	$ (0.00)	**$ (0.00)**	**$ (0.01)**

(i) The determination of the weighted average number of common shares outstanding – diluted excludes 29,422,432 shares related to convertible securities and the options outstanding that were anti-dilutive for the six months ended June 30, 2019 (six months ended June 30, 2018 – 402,408 shares).

9. RECLAMATION AND DECOMMISSIONING OBLIGATION

As at June 30, 2019 and December 31, 2018, the Company has provided $411, 070 for the estimated future cost of reclamation and abandonment work on its oil and gas leases relating to the Lloydminster property in Alberta using the estimate of the Alberta Energy Regulators.

In January 2018 the Company has assigned and transferred operations of the existing wells in Montana, USA, to Noah Energy, Inc. The Company no longer has any obligation towards future cost of reclamation and abandonment work on its oil and gas leases relating to the properties in Montana.

The estimated reclamation costs as at June 30, 2019 and December 31, 2018 are as follows:

	Alberta	Montana	Total
Balance, December 31, 2017	**$ 88,831**	**$ 28,946**	**$ 117,777**
Reclamation and decommissioning expense	322,239	-	322,239
Write back of reclamation and decommissioning obligation	-	(29,568)	(29,568)
Foreign currency translation	-	622	622
Balance, June 30, 2019 and December 31, 2018	**$ 411,070**	**$ -**	**$ 411,070**

10. DEBENTURES

Balance, December 31, 2017	**$ -**
Convertible debetures issued on July 1, 2018	2,800,000
Equity portion of convertible equity	(191,791)
Convertion of debentures into shares	(1,029,918)
Accrued interest	137,361
Accretion	87,486
Balance, December 31, 2018	**$ 1,803,138**
Convertion of debentures into shares	(300,000)
Accrued interest	106,730
Accretion	18,673
Balance, June 30, 2019	**$ 1,628,541**

On July 1, 2018, Fox-Tek issued unsecured convertible debentures of $2,800,000 to its parent company (Intella) at that date to cover part of its inter-company balance. The debentures bear interest at a rate of 12% per annum payable monthly till maturity on June 30, 2021. All or any part of the principal of the debenture can be converted into common shares by the holder at a conversion price of $0.20 per share.

Management used the residual method to allocate the fair value of the conversion options. Management calculated the fair value of the liability component as $2,608,209 using a discount rate of 15%, and then management deducted the fair value of the liability component from the fair value of the convertible debenture as a whole, with the resulting residual amount of $191,791 being the fair value of the equity component.

On August 1, 2018, Intella assigned $1,010,000 of the convertible debentures to a third party, Lakeshore Capital Management Inc. ("Lakeshore"). On November 16, 2018, Lakeshore converted the debenture and interest accrued to September 30, 2018 ($1,028,918) to common shares at the conversion price of $0.20 per share.

For the three months ended June 30, 2019, accrued interest of $55,860 (three months ended June 30, 2018 - $nil) and accretion expense of $32,053 (three months ended June 30, 2018 - $nil) were included in finance costs in the consolidated statements of loss and comprehensive loss.

In February 2019, the conversion price of the convertible debenture issued to IntellaEquity in the aggregate amount of $1,853,852 with accrued interest was amended from $0.20 per common share to $0.05 per common share. Interest on the debenture will continue to accrue at an annual rate of 12%, subject to adjustments, until redeemed or converted in accordance with the terms of the debenture

In April 2019, $300,000 of the convertible debentures were converted into 6,000,000 shares at a conversion price of $0.05 per common share.

As at June 30, 2019, the principal amount of the convertible debentures was $1,470,082. See Note 20(a)

11. LEASE OBLIGATIONS

Commencing January 1, 2019, the Company is accounting for leases in accordance with IFRS 16. The lease obligations as of June 30, 2019 is as follows:

		June 30, 2019
Balance on December 31, 2018	$	-
Addition during the period		71,711
Payment		(19,914)
Balance on June 30, 2019	$	**51,797**

The lease obligations and right of use assets were calculated using the Company's incremental borrowing rate of 10% p.a.

As at June 30, 2019, future minimum annual lease payments under operating leases for premises are approximately as follows:

Year		Lease Commitments
2019		16,920
2020		33,840
2021		8,460
	$	**59,220**

Included in financial costs for the six months ended June 30, 2019 is $2,329 (2018 - $nil) for interest expenses on the lease obligations.

12. 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, 2019 and December 31, 2018 is $31,316 for legal fees and disbursements owing to a law firm (McMillan) in which an officer of the Company, Robbie Grossman, was a former partner.

(b) Included in accounts payable and accrued liabilities as at June 30, 2019 and December 31, 2018 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 June 30, 2019 and December 31, 2018, $511,137 has been included in accounts payable and accrued liabilities for unpaid remuneration of the Company's former Chief Executive Officer and director, Allen Lone.

(d) At June 30, 2019 and December 31, 2018, $4,000 is included in accounts payable and accrued liabilities to an officer and director of the Company.

(e) At June 30, 2019 and December 31, 2018 $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) Included in advances are promissory notes outstanding at June 30, 2019 of $346,768 (December 31, 2018 - $335,269), from related parties (former directors and a company controlled by a former officer of the Company) and secured against the assets of the Company and due on demand. The loans bear interest at 10% to 12% per annum and are secured against the assets of the Company (Note 7).

(g) Included in office and general expenses for the six months ended June 30, 2019 is $2,500 (2018 - $2,500) for consulting services provided by Binh Quach, a director of the Company. As at June 30, 2019, $29,417 (December 31, 2018- $7,699) has been included in accounts payable and accrued liabilities.

(h) Included in office and general expenses for the six months ended June 30, 2019 is $10,000 (2018 - $nil) for accounting services provided by Momen Rahman, CFO of the parent company, IntellaEquity Inc. As at June 30, 2019, $176,000 (December 31, 2018- $166,000) has been included in accounts payable.

(i) Included in accounts payable at June 30, 2019 and December 31, 2018 is $14,950 for legal services and disbursements provided by Jay Vieira, the CEO of the Company.

(j) Included in research and development expenses for the six months ended June 30, 2019 is $35,940 (2018 - $35,235) for services provided by Mumin Demiral, a director of the Company.

(k) As at June 30, 2019, included in accounts payable and accrued liabilities is royalty expense of $69,178 due to Intella for the six months ended June 30, 2019.

(l) For the six months ended June 30, 2019, included in financing costs is $106,730 due to the Company's parent company IntellaEquity Inc. for interest accrued on the convertible debenture owing to IntellaEquity Inc.

Key management compensation

The compensation of key management of the Company is included in the summary table below. Key management are 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,	
	2019	**2018**	**2019**	**2018**
Short-term compensation	$ 17,500	$ 57,265	$ 35,940	$ 75,000

These transactions are in the normal course of operations.

13. COMMITMENTS & CONTINGENCIES

Gross overriding royalties

In addition to the gross overriding royalty ("GORR") agreements entered into in connection with the various oil and gas projects undertaken as disclosed in Note 4, the Company has entered into the following GORR agreement:

As part of the purchase of a database of technical information for the Lloydminster property, the Company entered into a GORR agreement with the vendor. Pursuant to the agreement, the Company has committed to pay royalties equal to 3% on all production from the lands included in the database.

Deposits

The Company is liable to undertake reclamation and abandonment work on its leases. On June 30, 2019 the Company has lodged deposits of $336,932 (December 31, 2018 - $333,560) with the Alberta Energy Resource Conservation Board (“AERCB”) as required by legislation.

Legal Claims

In the ordinary course of business activities, the Company is a party in certain litigation and other claims. Management believes that the resolution of such litigation and claims will not have a material effect on the consolidated financial position of the Company.

Environmental Contingencies

The Company’s exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believe its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Royalty to Intella

The Company owes $12,000,000 to Intella as part of the purchase price of FOX-TEK which 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 million. The total value of the Royalty has not been accrued as the total amount is uncertain. As at June 30, 2019, included in accounts payable and accrued liabilities is royalty expense of $69,178 due to Intella for the six months ended June 30, 2019.

14. EXPLORATION EXPENSES

The exploration costs during the three and six months ended June 30, 2019 and 2018 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Annual lease renewal costs	$ 16,162	$ -	$ 22,840	$ -
Land management	-	-	484	-
	$ 16,162	$ -	$ 23,324	$ -

15. OFFICE AND GENERAL EXPENSES

The office and general expenses during the three and six months ended June 30, 2019 and 2018 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Accounting services	$ 1,910	$ -	$ 11,910	$ -
Rent expense	2,400	8,342	3,600	16,684
Computer expenses	792	-	2,850	-
Telephone expense	2,583	3,619	4,985	6,289
Selling expenses	-	11,058	-	17,805
Salaries	26,534	31,603	39,795	49,490
Professional fees and disbursements	10,618	2,000	20,768	2,000
Insurance	5,127	-	9,175	-
Amortization	7,459	224	21,230	477
Corporate services	4,353	-	13,609	-
Others	5,837	6,610	10,000	21,695
	$ 67,613	$ 63,456	$ 137,922	$ 114,440

16. CAPITAL DISCLOSURES

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

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

The Company considers its capital to be equity, which comprises capital stock, equity component of convertible debentures, accumulated other comprehensive income and deficit, which at June 30, 2019 was a deficiency of $5,031,140 (December 31, 2018 – $4,907,907).

The Company manages its capital structure and makes adjustments to it based on general economic conditions, short term working capital requirements, and planned exploration and development. The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets' underlying assumptions as necessary. There have been no changes in the way the Company manages its capital during the six months ended June 30, 2019 and year ended December 31, 2018.

17. 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, interest or foreign exchange risks arising from the financial instruments. There were no changes to the Company's risks, objectives, policies and procedures during the six months ended June 30, 2019 and year ended December 31, 2018.

Credit risk

Credit risk arises from cash and cash equivalents held with banks and credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value (net of allowances) of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors. For many new international clients, the Company demands that equipment costs are prepaid prior to shipment.

Trade and other accounts receivable

Trade and other accounts receivable consists primarily of trade accounts receivable from the sale of equipment, installation and reporting services. The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company. This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The carrying amounts of trade and other accounts receivable are reduced through the use of an allowance for doubtful accounts and the amount of the loss is recognized in the consolidated statement of loss in general and administrative expenses. When a receivable balance is considered uncollectible, it is written off against the allowance for accounts receivable. Subsequent recoveries of amounts previously written off reduce other expenses in the statement of loss. Historically, trade credit losses have been minimal.

Concentration of credit risk

Two customers represent approximately 97% of sales for the six months ended June 30, 2019 (2018 - 77%). The sales from major customers are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	**2018**	**2019**	**2018**
Enbridge Canada	245,416	38,115	322,415	70,515
Enbridge USA	33,179	35,524	73,188	64,622
	$ 278,596	**$ 73,639**	**$ 395,604**	**$ 135,137**

The accounts receivable from two customer represents approximately 90% of trade and accounts receivable as of June 30, 2019 (2018 - 1 customer represented 45%). The trade and accounts receivable balances from these customers are as follows:

	June 30,	
	2019	**2018**
Enbridge Canada	266,778	-
Enbridge USA	8,662	34,585
	$ 275,440	**$ 34,585**

Cash

Cash consist of bank balances and petty cash. Credit risk associated with cash is minimized substantially by ensuring that these financial assets are invested in debt instruments of highly rated financial institutions. As at June 30, 2019, the Company had cash of $75,208 (December 31, 2018 - $19,135) and does not expect any counterparties to fail to meet their obligations.

Interest rate risk

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

Liquidity risk

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

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

The following items are the contractual maturities of financial liabilities:

June 30, 2019	Carrying amount	Contractual cash flows	0 to 12 months	After 12 months
Accounts payable and accrued liabilities	$ 1,198,708	$ 1,198,708	$ 1,198,708	$ -
Advances	666,604	666,604	666,604	-
Debentures	1,628,541	2,158,542	212,072	1,946,470
Lease obligations	51,797	51,797	23,861	27,936
Reclamation and decommissioning liabilities	411,070	411,070	411,070	-
Non-cash liabilities	402,177	402,177	330,499	71,678
	$ 4,358,897	**$ 4,888,898**	**$ 2,842,814**	**$ 2,046,084**

December 31, 2018	Carrying amount	Contractual cash flows	0 to 12 months	After 12 months
Accounts payable and accrued liabilities	$ 1,344,623	$ 1,344,623	$ 1,344,623	$ -
Advances	600,870	600,870	600,870	-
Debentures	1,803,138	2,448,000	216,000	2,232,000
Reclamation and decommissioning liabilities	411,070	411,070	411,070	-
Non-cash liabilities	23,868	23,868	23,868	-
	$ 4,183,569	**$ 4,828,431**	**$ 2,596,431**	**$ 2,232,000**

In addition to the financial liabilities, the Company has contractual cash flows relating to lease commitments (note 11).

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, 2019, the Company's US dollar net monetary assets totaled $7,715 (2018 - $36,258). Accordingly, a 5% change in the US dollar exchange rate as at June 30, 2018 on this amount would have resulted in an exchange gain or loss and therefore net income would have increased (decreased) by $386.

Price risk

The Company is exposed to price risk with respect to commodity prices and the competitive market in which STI operates. The Company closely monitors commodity prices and competitors pricing policies to determine the appropriate course of action to be taken by the Company. If its competitors offer large discounts on certain products and services in order to gain market shares or sell products and services, the Company may need to lower its prices and offer other favorable terms in order to compete successfully. Such changes could reduce profit margins and have an unfavorable impact on its operating results. The Company’s future operations will also be significantly affected by changes in the market prices for commodities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company’s control. The supply and demand for commodities, the level of interest rates, the rate of inflation, and stability of exchange rates can all cause significant fluctuations in commodity prices. Such external economic factors may in turn be influenced by changes in international investment patterns, monetary systems and political developments.

High Degree of Product Concentration

Substantially all of the Company's currently anticipated revenues will be derived from a limited number of products and services. Consequently, the Company's performance will depend on establishing market acceptance of these products and services in a single market, as well as enhancing the performance of such products and services to meet the evolving needs of customers. The Company, like other entities involved in a rapidly evolving new industry, faces the risk that the Company's products and services may not prove to be commercially successful or may be rendered obsolete by further scientific and technological developments. There can be no assurances that the Company will establish and maintain a position at the forefront of emerging technological trends. Any reduction in anticipated future demand or anticipated future sales of these products or any increase in competition could have a material adverse effect on the Company's business prospects, operating results or financial condition.

Competition

The Company has experienced, and expects to continue to experience, competition from a number of companies. The Company's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the Company's business, results of operations and financial condition.

Many of the competitors and potential competitors of the Company have significantly greater financial, technical, marketing and/or service resources than does the Company. Many of these companies also have a larger installed base of users, longer operating histories or greater name recognition than the Company. Customers of the Company are particularly concerned that their suppliers will continue to operate and provide upgrades and maintenance over a long-term period. The Company's smaller size and short operating history may be considered negatively by prospective customers. Even if competitors of the Company provide products with more limited system functionality than those of the Company, these products may incorporate other capabilities of interest to some customers and may be appealing due to a reduction in the number of different types of systems used to operate such customers' businesses. Further, competitors of the Company may be able to respond more quickly than the Company to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products.

Market Uncertainty

The Company's success depends to a significant degree on its ability to develop the market and gain acceptance for its products and services. There is no assurance that a significant market will develop for the Company's principal products and services. Implementation and adoption of its products have been slow to develop and may continue to be subject to delays. There can be no assurances that the additional commercial applications and markets for the Company's products will develop as currently contemplated.

The market for the Company's products is just beginning to develop and the Company's business plan will continue to require significant marketing efforts and working capital. To manage such development, the Company must continue to expand its existing resources and management information systems and must attract, train, and motivate qualified marketing, management, technical and administrative personnel. There can be no assurance that the Company will be able to achieve these goals.

Labour and Key Personnel

The Company depends on the services of its engineers, technical employees, and key management personnel. The loss of one of these people could have a significant unfavorable impact on the Company, its operating results, and its financial position. The success of the Company is largely dependent upon its ability to identify, hire train, motivate, and retain highly skilled management employees, engineers, technical employees, and sales and marketing personnel. Competition for its employees can be intense, and the Company cannot ensure that it will be able to bring in and retain highly skilled technical and management personnel in the future. Its ability to bring in and retain management and technical personnel and the necessary sales and marketing employees could have unfavorable impact on its growth and future profitability. The Company may be obligated to increase the compensation paid to current or new employees, which could substantially increase operating expenses.

Product Failures and Mistakes

STI products are complex and therefore may contain failures and mistakes that could be detected at any time in a product's life cycle. Failures and mistakes in its products could have a significant unfavorable impact on its reputation, open it up to significant costs, delay product launch dates, and harm its ability to sell its products in the future. The costs of correcting a failure or mistake in one of these products could be significant and could negatively affect its operating margins. Although STI expects to continue to test products to detect failure and mistakes and to work with its customers through its support and maintenance services in order to find and correct failure and mistakes, they could appear in its products in the future. STI is exposed to warranty expenses, product recalls and other claims, particularly if the products prove to be defective, which would harm business development and the Company's reputation. STI provides one year warranty for its products.

Technological Obsolescence

Competitors and new companies could launch new products. In order to remain on the cutting edge of technology, STI may need to launch a new generation of fiber optic sensors and develop its related products and services. Whether it is competition from development companies and /or marketing of fiber optic sensors or a merger or acquisition of existing companies, competition within certain fiber optic sensor industry sectors offering solutions similar to what STI offers is vigorous and could increase. Some of STI's competitors have significantly greater financial, technical, distribution, and marketing resources than STI. Technological progress and product development could make STI products obsolete or reduce their value.

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.

(f) Dependence on management

The Company is dependent upon the efforts, skill and business contacts of key members of management, for among other things, during the normal course of their activities and the synergies which exist amongst their various fields of expertise and knowledge. Accordingly, the Company's success will depend upon the continued service of these individuals who are not obligated to remain employed with Mooncor. A loss of key personnel - members of management in particular - could impair our ability to execute our strategy and implement our operational objectives, all of which would have a material adverse effect on the Company.

18. SEGMENTED INFORMATION

The Company's reportable segments are strategic business units that offer different services and/or products. They are managed separately because each segment requires different strategies and involves different aspects of management expertise.

STI develops non-intrusive asset health monitoring sensor systems for the oil and gas market to help operators track the thinning of pipelines and refinery vessels due to corrosion and erosion, strain due to bending or buckling, and process pressure and temperature. STI's FT fiber optic sensor and EFM systems allow cost-effective, 24/7 remote monitoring capabilities to improve scheduled maintenance operations, avoid unnecessary shutdowns, and prevent accidents and leaks.

MEI, PPI, PPC and APPC are oil & gas companies

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

For six months ended June 30, 2019

	STI Operations	Oil and Gas Operations	Corporate Operations	Total
Revenue	$ 409,335	$ -	$ -	$ 409,335
Interest income	-	3,373	-	3,373
Total revenue	409,335	3,373	-	412,708
Cost of sales	(101,193)	-	-	(101,193)
Royalty	(69,178)	-	-	(69,178)
Gross profit	$ 238,964	$ 3,373	$ -	$ 242,337
Expenses				
Research and development	(49,509)	-	-	(49,509)
Exploration expenses	-	(23,324)	-	(23,324)
Office and general	(84,180)	-	(53,742)	(137,922)
Total expenses	$ (133,689)	$ (23,324)	$ (53,742)	$ (210,755)
Income (loss) before undernoted	105,275	(19,951)	(53,742)	31,582
Finance costs	(2,329)	-	(146,491)	(148,820)
Income (loss) on foreign exchange	(7,197)	2,769	(1,567)	(5,995)
Net (loss) for the year	95,749	(17,182)	(201,800)	(123,233)
Other comprehensive (loss) for the period Exchange differences on translation of foreign operations	-	(241)	-	(241)
Total comprehensive (loss) for the period	**$ 95,749**	**$ (17,423)**	**$ (201,800)**	**$ (123,474)**
As at June 30, 2019				
Equipment	$ 52,539	$ -	$ -	$ 52,539
Total assets	$ 529,151	$ 823,995	$ 54,593	$ 1,407,739

For six months ended June 30, 2018

	STI Operations	Oil and Gas Operations	Corporate Operations	Total
Revenue	$ 174,942	$ -	$ -	$ 174,942
Cost of sales	(26,215)	-	-	(26,215)
Gross Profit	148,727	-	$ -	148,727
Expenses				
Research and development	(79,560)	-	-	(79,560)
Office and general	(114,440)	-	-	(114,440)
Total expenses	$ (194,000)	$ -	$ -	$ (194,000)
(Loss) before undernoted	(45,273)	-	-	(45,273)
Finance costs	(1,516)	-	-	(1,516)
(Loss) on foreign exchange	2,419	-	-	2,419
Total comprehensive (loss) for the period	**$ (44,370)**	**$ -**	**$ -**	**$ (44,370)**
As at June 30, 2018				
Equipment	$ 2,018	$ -	$ -	$ 2,018
Total assets	$ 192,298	$ -	$ -	$ 192,298

For three months ended June 30, 2019

	STI Operations	Oil and Gas Operations	Corporate Operations	Total
Revenue	$ 281,876	$ -	$ -	$ 281,876
Interest income	-	1,725	-	1,725
Total revenue	281,876	1,725	-	283,601
Cost of sales	(61,063)	-	-	(61,063)
Royalty	(45,693)	-	-	(45,693)
Gross profit	$ 175,120	$ 1,725	$ -	$ 176,845
Expenses				
Research and development	(28,102)	-	-	(28,102)
Exploration expenses	-	(16,162)	-	(16,162)
Office and general	(45,372)	-	(22,241)	(67,613)
Total expenses	$ (73,474)	$ (16,162)	$ (22,241)	$ (111,877)
Income (loss) before undernoted	101,646	(14,437)	(22,241)	64,968
Finance costs	(2,102)	-	(69,824)	(71,926)
Income (loss) on foreign exchange	177	1,411	(779)	808
Net (loss) for the year	99,721	(13,026)	(92,844)	(6,150)
Exchange differences on translation of foreign operations	-	(151)	-	(151)
Total comprehensive (loss) for the period	**$ 99,721**	**$ (13,177)**	**$ (92,844)**	**$ (6,301)**

As at June 30, 2019				
Equipment	$ 52,539	$ -	$ -	$ 52,539
Total assets	$ 529,151	$ 823,995	$ 54,593	$ 1,407,739

For three months ended June 30, 2018

	STI Operations	Oil and Gas Operations	Corporate Operations	Total
Revenue	$ 89,717	$ -	$ -	$ 89,717
Cost of sales	(15,620)	-	-	(15,620)
Gross Profit	74,097	-	$ -	74,097
Expenses				
Research and development	(39,654)	-	-	(39,654)
Office and general	(63,456)	-	-	(63,456)
Total expenses	$ (103,110)	$ -	$ -	$ (103,110)
(Loss) before undernoted	(29,013)	-	-	(29,013)
Finance costs	-	-	-	(426)
(Loss) on foreign exchange	3,743	-	-	3,743
Total comprehensive (loss) for the period	**$ (25,270)**	**$ -**	**$ -**	**$ (25,696)**

As at June 30, 2018				
Equipment	$ 2,018	$ -	$ -	$ 2,018
Total assets	$ 192,298	$ -	$ -	$ 192,298

Revenue by Geographic Region

Sales are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	**2018**	**2019**	**2018**
USA	33,179	31,992	73,188	64,622
Canada	248,185	57,725	335,123	110,320
Others	511	-	1,023	-
Total	**$ 281,876**	**$ 89,717**	**$ 409,335**	**$ 174,942**

19. LETER OF INTENT TO ACQUIRE GREENINSIGHTZ LIMITED

In May 2019, the Company entered into a non-binding letter of intent (the "LOI") with GreenInsightz Limited ("GreenInsightz"), an arm's length party to acquire all of the issued and outstanding securities of GreenInsightz for an aggregate purchase price of $7,500,000 that will be satisfied through the issuance of common shares of Sensor. The closing of the proposed acquisition is subject to, among things, the successful completion of the Company's due diligence review of GreenInsightz and the execution of a definitive share exchange agreement between the Company and the shareholders of GreenInsightz and subject to all regulatory requirements and shareholder approval. GreenInsightz uses patented artificial intelligence and machine learning solutions for social discovery in the cannabis industry. GreenInsightz offers its clients analysis and solutions for audience discovery, brand reputation, marketing and communications on the basis of data drawn from social media that is analyzed with advanced proprietary techniques. In addition to social media discovery, GreenInsightz is a powerful tool for collecting, analyzing and reporting on all sorts of structured and unstructured data making it an ideal solution for growers collecting information from sensors, IOT analysis and patient data analysis.

20. SUBSEQUENT EVENTS

Subsequent to June 30, 2019, Intella converted $350,000 of the convertible debentures owing by the Company into 7,000,000 shares at a conversion price of $0.05 per share.