# ME RESOURCE CORP.
# MANAGEMENT'S DISCUSSION AND ANALYSIS
# NINE MONTHS ENDED SEPTEMBER 30, 2012

## DATE AND SUBJECT OF REPORT

The following is management's discussion and analysis ("MD&A") in respect of the results of operations and financial position of ME Resource Corp. (the "Company" or "MEC") for the nine months ended September 30, 2012. This MD&A should be read in conjunction with the Company's condensed interim financial statements for the same periods and the audited financial statements for the most recent year ended December 31, 2011.

The company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("CGAAP") before January 1, 2011. Effective January 1, 2011 the Company adopted International Financial Reporting Standards ("IFRS") as required by the Canadian Institute of Chartered Accountants. In accordance with these requirements the transition date for implementation of IFRS was January 1, 2010. Except as otherwise noted all amounts for prior periods reported in this MD&A and various selected data extracted from financial statements have been restated or reclassified to conform to IFRS. The financial statements of the Company are presented in Canadian dollars.

Additional information, including the above mentioned financial statements, which contain extensive disclosure of the history and properties of the Company, are available on SEDAR and may be accessed at www.sedar.com

The date of this MD&A is November 10, 2012.

## FORWARD LOOKING STATEMENTS

*This MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are usually preceded by, followed by or include the words 'believes', 'expects', 'anticipates', 'estimates', 'intends', 'plans', 'forecasts', 'may', 'will', or similar expressions, although not all forward-looking statements contain these words. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on management's current expectations and involve numerous risks and uncertainties, including, but not limited to, those identified in the* Risks & Uncertainties *section.*

*Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and while many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company reviews its forward looking statements on an ongoing basis and updates this information when circumstances require it.*

## COMPANY OVERVIEW & OVERALL PERFORMANCE

The Company was incorporated under the Business Corporation Act (British Columbia) on October 16, 2009. The Company's shares are currently traded on Canadian National Stock Exchange under the symbol MEC.

Principal Business

The Company's principal business is exploration and development of natural resources including, but not limited to mineral, oil and gas properties. The Company has disposed all the resources properties in 2011. While the Company is actively reviewing opportunities to acquire other natural resource properties, the Company has not acquired new natural resource properties during the nine months ended September 30, 2012. As a result, the Company did not have natural resource properties as at December 31, 2011 and September 30, 2012.

While management is reviewing other business opportunities with the intent of maximizing the Company's value, it is also management's assessment that raising money from the current depressed capital market will be difficult. As a result management has curtailed the Company's activities in order to minimize expenditures and conserve cash. Management intends to maintain its efforts to minimize the Company's activities and also the expenditures until the Canadian capital market improves and the Company is able to obtain further equity or debt financing to finance its long term business objectives.

Ability to Continue as a Going Concern

The Company has had recurring losses since inception. In addition, the Company has not advanced its exploration and evaluation assets to commercial production. The Company's ability to continue as a going concern is dependent upon its ability to generate funds from additional financing. Management is considering various options, including but not limited to, raising additional funding from debt and/or equity financing. While the Company has been successful in securing financing in the past, there is no guarantee that it will be able to do so in the future.

Letter of Intent

Subsequent to the nine months ended September 30, 2012, the Company entered into a non-binding letter of intent (the "LOI") with 0949445 B.C. Ltd., a British Columbia registered company on October 31, 2012. The LOI grants the Company an exclusive Canadian license for the use of intellectual property related to clean power energy systems for oil and gas applications. The LOI also grants MEC an exclusive option to license additional international territories for a 10 year period. The Company will pay $3 million plus up to 25,000,000 common shares of the Company as consideration of this proposed transaction. More information about this LOI is available in the information circular filed to SEDAR on November 8, 2012, which can be accessed at www.sedar.com.

## SELECTED QUARTERLY INFORMATION

The following table summarizes the results of operations for the eight most recent quarters of the Company:

| | 2012 | | | 2011 | | | | 2010 |
|---|---|---|---|---|---|---|---|---|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q 4 |
| | $ | $ | $ | $ | $ | $ | $ | $ |
| Total Assets | 18,273 | 32,439 | 50,375 | 24,741 | 115,645 | 18,831 | 42,208 | 77,435 |
| Revenue | - | - | - | - | - | - | - | - |
| Expenses | 10,130 | 13,099 | 28,919 | 37,065 | 50,816 | 66,455 | 29,687 | 471,624 |
| Loss from continued operations | (10,130) | (13,099) | (28,919) | (37,065) | (50,816) | (66,455) | (29,687) | (471,624) |
| Net loss | (10,130) | (13,099) | (28,919) | (47,065) | (50,816) | (66,455) | (29,688) | (1,061,607) |
| Loss per share, basic & diluted | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.08) |

The Company is in the business of acquisition and exploration of mineral properties and its operating results are not subject to seasonal variations. Losses in the last eight quarters are mainly due to incurring operating expenses to support the Company's operations. Other factors that affect the losses among these eight quarters are losses from the disposition of resource properties or other assets. Management expects these factors may affect the Company's results in the future.

## RESULTS OF OPERATIONS

For the nine months ended September 30, 2012

Loss for the nine months ended September 30, 2012 was $52,148 (2011 nine-month period - $146,959) which was mainly a result of incurring $52,148 operating expenses during this nine-month period (2011 nine-month period - $96,143).

Main components of the $52,148 operating expenses were $24,880 consulting fees, $10,750 professional fees, and $8,770 filing fees comparing to $54,740 consulting fees; $29,057 professional fees; and $25,513 filing fees incurred in the same period of last year. Expenses in the first nine months of 2012 are generally lower as the Company curtailed its expenditures to preserve resources to meet the Company future operational needs.

The Company expects the operating expenses will remain low before the Company acquires another project.

For the three months ended September 30, 2012 (the "Current Quarter" or "2012 Q3")

Loss for the Current Quarter was $10,130 (2011 Q3 - $50,816) which was mainly a result of incurring $10,130 operating expenses (2011 Q3 - $50,816).

Main components of the $10,130 operating expenses were $2,780 consulting fees (2011 Q3-$15,000), $3,980 professional fees (2011 Q3-$2,050), and $2,073 filing fees (2011 Q3 - $13,791). These expenses are generally lower in 2012 as the Company curtailed its expenditures to preserve resources to meet the Company future operational needs.

## LIQUIDITY & CAPITAL RESOURCES

As at September 30, 2012 the Company had a working capital deficiency of $58,613. During the nine months ended September 30, 2012, the Company received $140,000 from the exercise of two million (2,000,000) warrants at $0.07/share. The Company uses the proceeds to finance its operation. Management is considering different financing options, including, but not limited to, further debt or equity financing to secure addition financing to provide adequate liquidity for its operation in the next operating period and the required capital resource for the Company to meet its long term business objective.

While the Company has a history of financing its operations through debt or equity financing in the past, there are no guarantees that the Company can do so in the future.

The Company did not have cash inflow/outflow from its investing activities for the nine months ended September 30, 2012. More details of the Company's cash provided by (used in) the Company's financing and investing activities are available at the Company's cash flow statements for the nine months ended September 30, 2012

The Company does not have commitments for capital expenditures as of the date of this MD&A.

## OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off balance sheet arrangements.

## PROPOSED TRANSACTIONS

The Company does not have proposed transactions that may have material impact on the Company, other than the LOI discussed in the section "Letter of Intent".

## TRANSACTIONS WITH RELATED PARTIES

During the nine months ended September 30, 2012, the Company incurred consulting fees of $20,000 charged by the Company's chief executive officer, and $4,480 charged by Gurdeep Johal, a director of the Company, for their services provided. There was no transaction between the Company and other related parties. The Company did not pay or grant any short-term employee benefits, post-employment benefits, other long-term benefits, termination benefits to its management; and there was $nil share-based payments paid to the Company's management and directors.

Amounts due to related parties are unsecured, non-interest bearing and payable on demand. As at September 30, 2012, $1,710 was owing to the Company's chief executive officer.

Amounts due to related parties are unsecured, non-interest bearing and payable on demand.

## OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company does not have any outstanding stock options, has 25,583,372 common shares and 1,000,000 share purchase warrants issued and outstanding. Each option and warrant is convertible to the Company's common share on a one-to-one basis. More details of the Company's common shares, share purchase warrants are disclosed in the Note 4 to the Company's condensed interim financial statements for the nine months ended September 30, 2012.

## CRITICAL ACCOUNTING ESTIMATES

Not applicable, the Company is a venture issuer.

## CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company has not adopted new accounting standards since its last year ended December 31, 2011. Details about the new accounting standards issued not yet adopted are available at the Note 3 to the unaudited condensed interim financial statements for the nine months ended September 30, 2012.

## FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

Refer to Notes 3 and 8 to the Company's audited annual financial statements for the year ended December 31, 2011 for full details of the Company's financial instruments and related risk management policies.

## RISKS AND UNCERTAINITIES

### Capitalization Risk

It is anticipated that the Company will require additional capital to fully execute its long-term business objectives. There can be no assurance that it will be able to obtain any capital in the future or that attempts to obtain capital in the future will result in terms beneficial to existing investors.

### Dilution to the Existing Shareholders

The Company has no other capital resources other than the ability to use its common stock to raise additional capital. The issuance of additional equity securities by the Company could result in a significant dilution in the equity interests of existing shareholders.

### Management Risk

The Company's success will largely depend on the capability of its management; management has limited experience in managing the growth of a developing business.

### Reliance on Management's Expertise

The Company strongly depends on the business acumen and expertise of its management team and there is little possibility that this dependence will decrease in the near term. The loss of the services of any member of the team could have a material adverse effect on the Company. The Company does not have any key person insurance in place for management.

**Mining Industry**

The exploration for, and development of, mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

**Government Regulation**

Mining exploration activities are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

**Permits and Licenses**

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive.

## CONTROLS AND PROCEDURES

Management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements.

The management of the Company has filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at www.sedar.com. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

## OFFICERS AND DIRECTORS

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|---|---|
| Navchand Jagpal | President, CEO & Director |
| Jamie Lewin | CFO |
| Thomas Kennedy | Director |
| Gurdeep Johal | Director |

## CONTACT ADDRESS

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## ADDITIONAL INFORMATION

Additional information regarding the Company may be found on SEDAR, www.sedar.com