ME RESOURCE CORP.

Condensed Interim Financial Statements

Quarter Ended March 31, 2014

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READER

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the accompanying condensed interim financial statements for the quarter ended March 31, 2014.

ME Resource Corp.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2014	December 31, 2013
		$	$
ASSETS			
Current assets			
Cash		76,452	160
Prepaid		-	1,791
GST receivable		4,111	3,143
		80,563	5,094
Non-current assets			
Note receivable		1	1
Total assets		80,564	5,095
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	101,697	39,230
Due to related parties	**7**	72,682	59,504
Note payable	**7**	35,124	25,282
		209,503	124,016
SHAREHOLDERS' DEFICIENCY			
Share capital	**4**	1,088,330	958,330
Subscription received	5	100,000	100,000
Reserves		629,815	511,872
Deficit		(1,947,084)	(1,689,123)
		(128,939)	(118,921)
Total shareholders' deficiency and liabilities		80,564	5,095

Note 1: Nature and operation and going concern
Note 4: Licenses and commitments

Authorized for issuance by the Board of Directors on May 29, 2014

/s/ Navchand Jagpal	/s/Gurdeep Johal
Director	Director

See accompanying notes to condensed interim financial statements

ME Resource Corp.
Condensed Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Note	Quarter ended March 31, 2014	2013
		$	$
Revenue from Licensing	**6**	108,190	**-**
Expenses			
Advertisemnt		500	3,500
Consulting	**7**	160,490	6,200
Filing fees		4,780	3,367
Office and administration	**7**	8,025	4,878
Professional fees		4,100	2,700
Research		65,000	538
Stock-based compensation		117,943	-
Travel and entertainment		5,313	1,704
Total		366,151	22,887
Loss and comprehensive loss for the period		(257,961)	(22,887)
loss per share – basic and diluted		(0.00)	(0.00)
Weighted average number of outstanding common shares –basic and diluted		52,389,525	26,033,372

See accompanying notes to condensed interim financial statements

ME Resource Corp.
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Note	Quarter ended March 31, 2014	2013
		$	$
Cash flows from operating activities			
Loss for the year		(257,961)	(22,887)
Items not involve cash			
- Stock-based compensation	5	117,943	-
- shares issued for services	4,7	130,000	-
Changes in non-cash working capital items:			
- GST receivables and prepaid		823	(5,045)
- accounts payable and accrued liabilities		62,467	7,466
- due to related parties		13,178	(1,064)
Cash used in operating activities		66,450	(21,530)
Cash flows from financing activities			
Increase of note payable	7	9,842	-
Cash provided by financing activities		9,842	-
Net cash inflow (outflow)		76,292	(21,530)
Cash, beginning of period		160	21,759
Cash, end of period		76,452	229
Supplementary information:			
Cash paid for Interest expense		-	-
Cash paid for tax expenses		-	-

See accompanying notes to condensed interim financial statements

ME Resource Corp.
Condensed Interim Statements of Changes in Deficiency
Quarter ended March 31, 2014 and 2013
(Unaudited - Expressed in Canadian Dollars)

		Share capital			Reserves				
	Note	Number of shares	Amount	Subscription received	Stock-option reserve	Loan	Warrant	Deficit	Total
			$		$	$	$	$	$
Balance, December 31, 2012		26,033,372	851,556	-	418,545	5,121	42,445	(1,379,091)	(61,424)
Loss for the period		-	-	-	-	-	-	(22,887)	(22,887)
Balance, March 31, 2013		26,033,372	851,556	-	418,545	5,121	42,445	(1,401,978)	(84,311)
Balance, December 31, 2013		51,796,047	958,330	100,000	418,545	5,121	88,206	(1,689,123)	(118,921)
Shares issuance for services	**4**	1,300,000	130,000	-	-	-	-	-	130,000
Stock-based compensation				-	117,943	-	-	-	117,943
Loss for the year		-	-	-	-	-	-	(257,961)	(257,961)
Balance, March 31, 2014		53,096,047	1,088,330	100,000	536,488	5,121	88,206	(1,947,084)	(128,939)

See accompanying notes to condensed interim financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

ME Resource Corp., (the "Company") was incorporated under the Business Corporation Act (British Columbia) as QMI Seismic Inc. on October 16, 2009. The name change occurred in August 2011. The Company's shares are traded on the Canadian Securities Exchange under the symbol MEC. The Company's head and registered office address is 900-555 Burrard Street, Vancouver, BC V7X 1M8.

The Company's principal lines of business are mineral property exploration and research and development of process in order to economically transform wasted or stranded natural gas to engineered fuels or clean power.

These condensed interim financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent whether the Company can develop an economically viable business, and generate funds there from and/or raise equity capital to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management is considering various options, including but not limited to obtaining equity financing, to finance operating costs over the next twelve months.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements for the quarter ended March 31, 2014 ("2014 Q1 Condensed Interim Financial Statements"), together with the comparative figures herein have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee .

These 2014 Q1 Condensed Interim Financial Statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these 2014 Q1 Condensed Interim Financial Statements be read in conjunction with the most recent audited annual financial statements of the Company for the year ended December 31 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of measurement

The financial statements have been prepared on an accrual basis and are based on historical costs, except for financial instruments which are measured at fair value. The financial statements are presented in Canadian dollars, the functional currency of the Company.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and contingent liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment in applying the Company's financial statements are the determination of revenue recognition and the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Adoption of new accounting standards and amendments

The significant accounting policies used in the preparation of these 2014 Q1 Condensed Interim Financial Statements are consistent with those described in the note 3 to the Company's annual financial statements for the year ended December 31, 2013 except the adoption of the amended standard IAS 32 on January 1, 2014. This adoption provides for amendments relating to offsetting financial assets and financial liabilities and had no impact on the 2014 Q1 Condensed Consolidated Interim Financial Statements.

New accounting standard not yet effective

New standard IFRS 9 "Financial Instruments" - This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". 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. 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.

The impact of this new accounting standard has not been determined.

4. COMMITMENTS

On April 21, 2013, the Company entered into an assignment agreement (the "Assignment Agreement") with a company controlled by a director of the Company (the "Related Party") for the Related Party's intellectual property. On October 5, 2013, the Related Party arranged for a research contract (the "Research Contract") between the Company and La Corporation de L'Ecole Polytechnique de Montreal ("Polytechnique") to determine the most economic, emission and energy efficient process to convert a natural gas feedstock to syngas (the "Process") with the purpose of creating micro refinery unit (the MRU100 Unit"). On November 18, 2013, the Related Party assigned a consulting agreement (the "Consulting Agreement") between the Related Party and Dr. Gregory S. Patience, a director of the Company (the "Consultant") to the Company. The Consultant is to provide consulting services in connection with the research and development of the MRU100 Unit. The Company and the Related Party mutually agreed that the Research Contract together with the Consulting Agreement will serve as the intellectual property to be assigned under the Assignment Agreement.

For consideration of the Assignment Agreement, the Company issued the 25,000,000 common shares to the Related Party in the second quarter of fiscal 2013. The 25,000,000 common shares have been escrowed and will be released to the Related Party upon the completion of various milestones. As at March 31, 2014, none of the escrowed shares have been released.

Per IFRS 2, "Share based payment", no amount is recognised for goods or services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition. As none of the milestones had been met as at March 31, 2014 and December 31, 2013, no value has been recognized for the 25,000,000 shares issued in the second quarter of 2013.

(Unaudited - Expressed in Canadian Dollars)

4. COMMITMENTS (Continued)

Under the Research Contract, the Company agrees to pay Polytechnique an aggregate sum of $260,000 in instalments as follows:

- $65,000 within 15 days of signing the agreement (paid);
- $65,000 upon being invoiced on March 1, 2014 (paid subsequent to quarter ended March 31, 2013);
- $65,000 upon being invoiced on June 1, 2014; and
- $65,000 upon acceptance of the full report.

Under the Consulting Agreement, the Company will reimburse all expenses in connection with the work performed and issue in aggregate 4,000,000 common shares of the Company in installments upon the completion of several technical milestones. During the quarter ended March 31, 2014, 1,300,000 common shares were issued at $0.10/share, which was the fair value of these shares at issuance, to the Consultant upon the completion of the first two milestones .

5. SHARE CAPITAL

The Company's authorized share capital consisted of unlimited number of common shares without par value and unlimited number of preferred share without par value.

As at March 31, 2014, the Company has received $100,000 in subscriptions for a future financing.

Stock options

The Company has a stock option plan which provides that the Board of Directors of the Company may grant to directors, officers, employees, and consultants to the Company, non-transferable options to purchase common shares. The number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

During the quarter ended March 31, 2014, the Company granted 5,230,150 options to officers and directors. These options will vest12.5% in each quarter over a two-year period after issuance.

The Company used the Black-Scholes option pricing model and the following assumptions to determine the fair values of the stock options issued and vested during the first quarter ended March 31, 2014.

Forfeiture rate	0.00%
Risk-free interest rate	1.02%
Expected life of options	2 years
Annualized volatility	188-198%
Dividend rate	0.00%
Weighted average fair value per option	$0.21

Outstanding Stock option continuity is as follows:

	Number	Weighted average exercise price
Balance, December 31, 2013	-	-
Issuance	5,230,150	$0.254
Balance, March 31, 2014	5,230,150	$0.254

(Unaudited - Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

Stock options (continued)

Stock options outstanding and exercisable as at March 31, 2014 are as follows:

Exercise price	Number of Options outstanding	Weighted average remaining contractual life	Number of Options exercisable	Expiry date
$0.285	650,000	1.94 years	-	February 27, 2016
$0.250	4,580,000	1.92 years	-	March 10, 2016
	5,230,150	1.92 years	-	

Warrants

There was neither warrant issuance nor expiry during the quarter ended March 31, 2014. As at March 31, 2014, the Company had 1,312,675 outstanding warrants (December 31, 2013 -1,312,675), which had a weight average remaining life of 0.78 year (December 31, 2013 - 1.03 years.), and a weighted average exercise price of $0.31/share (December 31, 2013 - $0.31/share).

Stock option reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Warrant reserve

The warrant reserve records the fair value of warrants issued until such time that they are exercised, at which time the corresponding amount will be transferred to share capital.

Loan Reserve

Recorded in the loan reserve is the discount on the loan issued with interest below market rates .

6. REVENUE

Revenue from granting license is recognized when significant risks and rewards of ownership have passed to licensees; it is probable that the economic benefits associated with the license grant will flow to the Company; the consideration can be measured reliably, the costs incurred in respect of the license grant can be measured reliably, and the Company has no significant continuing involvement.

On January 22, 2014, the Company entered into a license and distribution agreement (the "License Agreement") with Well Power Inc.("WPI"). Under the License Agreement, WPI obtained the exclusive right to distribute and deploy the Company's MRU100 units in Texas. WPI will pay a non-refundable licensing fee as follows to the Company:

- US$100,000 (equivalent to $108,190) within 30 days after WPI files its Super 8-K with the SEC (received in March 2014)
- US$300,000 within 90 days after the filing of the Super 8-K with the SEC.

(Unaudited - Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

During the first quarter ended March 31, 2014, the Company incurred consulting fees of $18,000 (2013 first quarter - $6,000) to a director of the Company, consulting fees of $130,000, in the form of 1,300,000 common share of the Company (Note 4) charged by a director of the Company (2013 first quarter - $Nil), rent expense of $3,750 (2013 first quarter - $4,710) to a company controlled by the spouse of the Company's CEO.

As at March 31, 2013, the Company owed $52,080 (2013/12/31 - $46,292) to directors, $20,602 (2013/12/31 - $13,212) to a company controlled by the spouse of the Company's CEO and a promissory note owing of $35,124 (2013/12/31 - $25,282) to the spouse of the Company's CEO.

Amounts due to related parties, including the promissory note owing are unsecured, non-interest bearing and payable on demand.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2014	December 31, 2013
	$	$
Trade payables	18,847	29,230
Accrued liabilities	82,850	10,000
	101,697	39,230

9. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	March 31, 2014	December 31, 2013
	$	$
Cash	76,452	160
Loans and receivables:		
Note receivable	1	1
	76,453	161

Financial liabilities included in the statement of financial position are as follows:

	March 31, 2014	December 31, 2013
	$	$
Non-derivative financial liabilities:		
Trade payables (due in 30 days)	18,847	29,230
Due to related party (due on demand)	72,682	59,504
Note payable (due on demand)	35,124	25,282
	126,653	114,016

9. FINANCIAL INSTRUMENTS (Continued)

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

	As at December 31, 2013		
	Level 1	**Level 2**	**Level 3**
	$	$	$
Cash	160	-	-

	As at March 31, 2014		
	Level 1	**Level 2**	**Level 3**
	$	$	$
Cash	76,452	-	-