QMI SEISMIC INC.

Condensed Interim Financial Statements

Three and Six Months Ended June 30, 2011

Expressed in Canadian dollars

(Unaudited)

NOTICE TO READER

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

The accompanying unaudited interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these 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.

QMI SEISMIC INC.
Condensed interim statements of financial position
(Unaudited - in Canadian dollars)

	Notes	June 30 2011	December 31, 2010
		$	$
			Note 2
ASSETS			
Current assets			
Cash		1,675	73,843
Other receivable		7,155	3,590
		8,830	77,433
Non-current assets			
Licenses	3	-	1
Other receivable	3	1	1
Mineral property interests	4	10,000	-
		10,001	2
Total assets		18,831	77,435
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		37,863	34,368
Due to related parties	6	34,672	20,628
		72,535	54,996
EQUITY (DEFICIENCY)			
Share capital	5	649,639	629,639
Reserves		458,407	458,407
Deficit		(1,161,750)	(1,065,607)
		(53,704)	22,439
Total equity and liabilities (deficency)		18,831	77,435

They are signed on behalf of the Company by:

/s/ Navchand Jagpal
Director

/s/Thomas Kennedy
Director

See accompanying notes to financial statements

QMI SEISMIC INC.

Condensed interim statements of comprehensive loss

(Unaudited - in Canadian dollars)

		Three months ended June 30,		Six months ended June 30,	
	Notes	2011	2010	2011	2010
Expenses		$	$	$	$
Consulting		20,000	3,000	39,740	4,450
Filing fees		11,165	5,698	11,722	26,698
Office and administration		12,083	4,593	17,673	4,773
Professional fees		23,207	2,000	27,007	2,361
Results from operating activities		(66,455)	(15,291)	(96,142)	(38,282)
Loss from asset write off	3	-	-	(1)	-
Net financing cost		-	-	(1)	-
Loss and comprehensive loss for the period		(66,455)	(15,291)	(96,143)	(38,282)
loss per share – basic and diluted		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of outstanding common shares –basic and diluted		23,545,185	16,606,518	23,576,742	18,058,969

See accompanying notes to financial statements

QMI SEISMIC INC.
Condensed interim statements of changes in equity (deficiency)
(Unaudited – in Canadian Dollars)

			Share capital			Reserves			
	Notes	Number of shares	Amount	Subscription receivable	Subscriptions received in advance	Stock-option reserve	Warrant reserve	Deficit	Total
			$	$	$	$	$	$	$
Restated balance, January 1, 2010		1	1	-	-	-	-	(4,000)	(3,999)
Loss and comprehensive loss for the period		-	-	-	-	-	-	(38,282)	(38,282)
Transactions with owners in their capacity as owners and other:									
Share cancellation		(1)	(1)	-	-	-	-	-	(1)
Shares issued for acquisition of license		17,583,372	1	-	-	-	-	-	1
Share issuance for cash		2,000,000	100,000	-	-	-	-	-	100,000
Restated balance, June 30, 2010		19,583,372	100,001	-	-	-	-	(42,282)	57,719
Restated balance, January 1, 2011		23,608,372	654,639	(25,000)	-	418,545	39,862	(1,065,607)	22,439
Loss and comprehensive loss for the period		-	-	-	-	-	-	(96,143)	(96,143)
Transactions with owners in their capacity as owners and other:									
Receipt of subscription receivable				20,000	-	-	-	-	20,000
Write-off of subscription receivable		(25,000)	(5,000)	5,000	-	-	-	-	-
Balance, June 30,, 2011		23,583,372	649,639	-	-	418,545	39,862	(1,161,750)	(53,704)

See accompanying notes to financial statements

QMI SEISMIC INC.

Condensed interim statements of cash flows

(Unaudited - In Canadian Dollars)

	Three months ended June 30		Six months ended June 30	
	2011	2010	2011	2010
	$	$	$	$
Cash flows from operating activities				
Loss from operations	(66,455)	(15,291)	(96,143)	(38,282)
Items no involve cash				
- Loss from assets write off	1	-	1	-
Changes in non-cash working capital items:				
- other receivable & prepaid expenses	(5,184)	(1,701)	(3,565)	(2,888)
- accounts payable and accrued liabilities	21,422	(19,876)	3,495	4,144
	(50,216)	(36,868)	(96,212)	(37,026)
Cash flows from financing activities				
Capital stock issuance (cancellation)	20,000	-	20,000	(1)
Due to related parties	1,655	-	14,044	-
Share subscription received in advance	-	-	-	100,000
	21,655	-	34,044	99,999
Cash flows from investing activities				
Acquisition of mineral property interests	(6,500)	-	(6,500)	-
Increase in deferred exploration cost	(3,500)		(3,500)	
	(10,000)	-	(10,000)	-
Net cash inflow (outflow)	(38,561)	(36,868)	(72,168)	62,973
Cash, beginning of period	40,236	99,842	73,843	1
Cash, end of period	1,675	62,974	1,675	62,974
Supplementary information:				
Cash paid for Interest expense	-	65	-	223
Cash received for tax recovery/ (paid for tax expenses)	-	-	-	-
Non-cash transaction:				
Issuance of 17,583,372 shares for the acquisition of licenses	-	-	-	1

Se See accompanying notes to financial statements

1. NATURE AND CONTINUANCE OF OPERATION

QMI Seismic Inc. ("QMI" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on October 16, 2009. The Company's previous principal activity was the development of the distribution licenses of seismic sensors.

Pursuant to an agreement dated July 2010, the Company entered into an agreement (the "Acquisition Agreement") to acquire 100% of QMI Technologies ("Qtech") from QMI Manufacturing Inc. ("Qmanu") in exchange for 20,400,001 common shares of the Company. The Company never assumed operations of Qtech and this agreement was subsequently unwound. On May 24, 2011, the Company ended all business relationships with Qtech and will no longer purse the distribution or marketing of any Qtech's products (Note 3).

On May 20, 2011, the Company entered into an option agreement to acquire a 100% undivided interest in two contiguous mineral claims near Kamloops (completed). As a result the Company has become a development stage Company with a principal business of mineral property exploration and development.

In light of the above changes, the Company will be changing its name to ME Resource Corp to better reflect the Company's business interests (as approved by shareholders at the Company's annual and special general meeting of shareholders held on June 16, 2011). The name has been approved by the BC Corporate Registry. The Company is applying to the Canadian National Stock Exchange for final approval of its change of business and approval of its name change.

These condensed interim financial statements have been prepared on a going-concern basis which assumes that the Company will continue to realize its assets and discharge its liabilities and commitments in the normal course of business for the foreseeable future. These condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in business.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim unaudited condensed financial statements (the "Financial Statements") of the Company are prepared in accordance with generally accepted accounting principles in Canada ("GAAP") as set out in the Handbook of the Canadian Institute of Chartered Accountants – Part 1("CICA Handbook"). The CICA Handbook was revised to incorporate International Financial Reporting Standards ('IFRS") as issued by the International Accounting Standards Board, and requires publicly accountable enterprises to apply IFRS effective for years beginning on or after January 1, 2011, with retroactive restatement of comparative figures for 2010. Accordingly, the Company has commenced reporting on this basis in its unaudited interim condensed financial statements for the first quarter of 2011. In the accompanying Financial Statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS and the term "GAAP" refers to generally accepted accounting principles in Canada after the adoption of IFRS.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

These Financial Statements are expressed in Canadian dollars and have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 "Interim Financial Reporting" and IFRS 1 "First-time Adoption of International Financial Reporting Standards". Subject to certain transition elections disclosed in Note 3 and 10 to the interim condensed financial statements for the first quarter of 2011, the Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at January 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 7 of the accompanying Financial Statements discloses the impact of the transition to IFRS on the Company's equity for the quarter ended June 30, 2010, and statement of comprehensive loss for the three and six months ended June 30, 2010. See Note 10 to the interim condensed financial statements for the first quarter of 2011 for the impact of the transition to IFRS on the Company's reported financial position, statement of comprehensive income (loss) and cash flows, including the nature and effects of significant changes in accounting policies from those used in the Company's financial statements as at January 1, 2010 and for the year ended December 31, 2010. These financial statements are based on the accounting policies consistent with those disclosed in Note 3 to the 2011 interim condensed financial statements for the quarter ended March 31, 2011. The policies applied in these financial statements are based on IFRS effective August 11, 2011, the date the Board of Directors of the Company approved the statements. Any subsequent changes to IFRS, that are given effect to in the Company's annual financial statements for the year ending December 31, 2011 could result in revisions to these financial statements, including the transition adjustments recognized on change-over to IFRS.

New accounting standards and interpretations not yet adopted

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 10, Consolidated Financial Statements ("IFRS 10"), IFRS 11, Joint Arrangements ("IFRS 11"), IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12"), IAS 27, Separate Financial Statements ("IAS 27"), IFRS 13, Fair Value Measurement ("IFRS 13"). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Corporation has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

The following is a brief summary of the new standards:

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRSs. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to existing standards

In addition, there have been amendments to existing standards, including IAS 1, IAS 19, IAS 27 and IAS 28. Amendment to IAS-1 requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. Amendment to IAS-19 is related to recognition and measurement of defined benefit pension expense and termination benefits, which is not applicable to the Company as the Company does not have a defined benefit pension plan. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13

3. ACQUISITION AGREEMENT & CONTINGENCY

In July 2010, the Company entered into an agreement (the "Acquisition Agreement") to acquire 100% of Qtech from Qmanu in exchange for 20,400,001 common shares of the Company.

On March 31, 2011, the Company and Qmanu cancelled the Acquisition Agreement. As a result, Qmanu returned 20,400,401 common shares to the Company's treasury for cancellation. The Company was unable to obtain control of Qtech and the terms of the Acquisition Agreement were not met. The Acquisition Agreement was voided and the 20,400,001 common shares of the Company were deemed not issued in 2010.

As at December 31, 2010, the Company had a balance owing of $521,210 due from Qtech. On March 31, 2011, the Company agreed to convert the $521,210 balance owing into a $400,000 promissory note and the balance settled in consideration for distribution rights of Qtech products (the "Distribution License"). The note bears interest at 2% per annum, compounds monthly, and is due and payable in three installments: $50,000 principal on March 31, 2012, $50,000 principal on March 31, 2013, and $300,000 principal and accrued interest on March 31, 2014. The note is secured by a general security agreement over the assets of Qtech. Due to the uncertainty of collectability of the note, the Company has recorded a loan loss provision of $521,209 at December 31, 2010 and has written down the note receivable to $1 accordingly.

On May 24, 2011, the Company ended all business relationships with Qtech and will no longer pursue the distribution or marketing of any Qtech's products. As a result, the Company has written off the related Distribution Licenses to $nil and recorded a $1 loss from asset write down accordingly.

3. ACQUISITION AGREEMENT & CONTINGENCY

A legal matter has arisen in connection with the Acquisition Agreement. It is management's opinion that a liability arising from this legal matter is not probable. As a result, no accrual has been made.

4. MINERAL PROPERTY INTERESTS

In June 2011, through an option agreement, the Company acquired a 100% undivided interest in two contiguous mineral claims near Kamloops (the "East Gold Hill Property") in consideration for $6,500 ("Acquisition"). During the quarter ended June 30, 2011 the Company has spent $3,500 in connection with the preparation of the technical report 43-101 of the East Gold Hill Property:

	December 31, 2010	Addition	June 30, 2011
	$	$	$
Acquisition of mineral claims	-	6,500	6,500
Preparation of 43-101 report	-	3,500	3,500
		10,000	10,000

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration and development of mineral claims and crediting all proceeds received for farm-out arrangements or recovery of costs against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The Company recognizes in income the costs recovered on mineral properties when the amounts received or receivable are in excess of the carrying amount.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

Upon transfer of "Exploration and evaluation costs" into "Mine Development", all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised within "Mine development". After production starts, all assets included in "Mine development" are transferred to "Producing Mines".

5. CAPITAL AND RESERVES

(a) Authorized share capital

At June 30, 2011, the authorized share capital is comprised of an unlimited number of common shares and an unlimited number of preferred shares without par value.

(b) Details of private placement issues of common shares in 2010 and 2011 are as follows:

In April 2010, the Company issued 2,000,000 units at a price of $0.05 per unit for proceeds of $100,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase, for a period of two years, an additional common share at a price of $0.07. The fair value of the warrants at the date of issue was $22,690.

In August 2010, the Company issued 1,000,000 units at a price of $0.05 per unit for proceeds of $50,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase, for a period of two years, an additional common share at a price of $0.07. The fair value of the warrants at the date of issue was $17, 172.

On November 26, 2010, the Company issued 3,025,000 common shares at $0.20 per common share for proceeds of $544,500, net of a finder's fee of $60,500 (the "November Private Placement"). Five thousand dollars ($5,000) of the share subscriptions were found un-collectible during the six months ended June 30, 2011. As a result, the share capital and the number of shares issued for this private placement has been reduced by $5,000 and 25,000 respectively.

There was no share issuance during the six months ended June 30, 2011.

c) Share purchase options

On November 18, 2010, the Company issued 2,100,000 options pursuant to a consulting agreement for a period of five years whereby the consultant would manage the Company's affairs and assist in attracting investment and finding strategic financial partners. The options are exercisable at $0.20 for a period of five years, and were fully vested upon grant. The grant date fair value of the options was $418,545. On April 20, 2011, all of the 2,100,000 stock options were cancelled when the consulting agreement was terminated.

There were no options granted or exercised during the six months ended June 30, 2011. As at June 30, 2011, the number of options issued and outstanding was nil.

(d) Share purchase warrants

There were no share purchase warrants issued or exercised during the six months ended June 30, 2011. As at June 30, 2011, the Company had 3,000,000 common share purchase warrants outstanding, with an average exercise price of $0.07 and an average remaining life of 0.80 years.

6. RELATED PARTY TRANSACTIONS

a) Management transactions

The aggregate value of transactions and outstanding balances relating to key management and entities over which they have controlled or significant influences are as follows:

For the six months ended June 30, 2011

	Consulting/ accounting fees	Post-employment benefits	Share-based payments	Total
	$	**$**	**$**	**$**
Chief Executive Officer	30,000	n/a	n/a	30,000
Chief Financial Officer	800	n/a	n/a	800

For the six months ended June 30, 2010

	Consulting/ accounting fees	Post-employment benefits	Share-based payments	Total
	$	**$**	**$**	**$**
Chief Executive Officer	nil	n/a	n/a	nil
Chief Financial Officer	nil	n/a	n/a	nil

b) Other related party transactions

During the six months ended June 30, 2011, the Company was charged $7,500 (2010 - $nil) by A&A Progress Development Ltd., a company controlled by a director, for office rent and utilities.

c) Balance with related parties

Balances with Related Parties

	Nature	June 30, 2011	June 30, 2010
		$	**$**
Amount due to:			
A&A Progress Development Ltd. (i)	Rent and utilities	9,600	-
Chief Executive Officer	Consulting fees	25,072	-
		34,672	-

(i) A &A Progress Development Ltd. Is a Company controlled by a director of the Company

Amounts due to related parties are unsecured, non-interest bearing, payable on demand and without specific terms of repayment.

7. RECONCILIATION OF PREVIOUS CANADAIN GAAP TO GAAP, AFTER THE ADOPTION OF IFRS

For all periods up to and including the year ended December 31, 2010, the Company prepared its financial statements in accordance with Canadian GAAP. The accompanying Financial Statements have been prepared in accordance with GAAP, after the adoption of IFRS, including IAS 34 "Interim Financial Reporting". Accordingly, the Company has prepared these Financial Statements in accordance with IFRS applicable for periods beginning on or after January 1, 2011 and the significant accounting policies to meet those requirements were disclosed in Note 3 to the interim condensed financial statements for the first quarter of 2011.

A reconciliation of the principal adjustments made by the Company in transitioning its Canadian GAAP Statement of Financial Position at the transition date on January 1, 2010 and its previously published Canadian GAAP financial statements for the year ended December 31, 2010 are disclosed in Note 10 to the interim condensed financial statements for the first quarter of 2011.

This note (Note 7) explains the principal adjustments made by the Company to its previously published Canadian GAAP statements of comprehensive loss for the three and six months ended June 30, 2010 and reconciliation of shareholders' equity as at June 30, 2010. Details are as follows:

a) Impacts to statements of comprehensive loss

IFRS 1 requires an entity to reconcile comprehensive income for prior periods presented under Canadian GAAP to IFRS as of the same date, accompanying with an explanation for any material adjustments to cash flows to the extent that they exist.

The IFRS transition has no impact to the company's statements of comprehensive loss for the three and six months ended June 30, 2010.

b) Impacts to shareholders' equity

The adoption of IFRS has no impact on shareholders' equity previously reported in accordance with Canadian GAAP as at June 30, 2010.

8. SUBSEQUENT EVENTS

a) On August 28, 2011, the Company entered into a loan agreement with a non-arm's length entity to borrow a sum of $120,000 (the "Proceeds"). The Company will use the Proceeds for general operating capital. The loan has an interest of 7% per annum and the Company will make quarterly interest-only payments commencing December 31, 2011. The principal of the loan will be repaid on December 31, 2012.

b) On August 29, 2011, the Company announced that it is engaged in an advanced stage of negotiations to acquire one or more mineral properties in the Changai Mineral Belt in Baluchistan Province, Pakistan. The Company has investigated a number of potential acquisition targets and is currently reviewing the data collected. The Company hopes to conclude negotiations and acquire one or more properties.