ME RESOURCE CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014

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 year ended December 31, 2014. This MD&A should be read in conjunction with the Company's audited annual financial statements for the same year which are presented in Canadian dollars and prepared in accordance with International Financial Reporting Standards ("IFRS").

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 and at the Company's website http://www.meresourcecorp.com

The date of this MD&A is May 8, 2015.

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.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Forwarding looking statements	***Assumptions***	***Risk factors***
The Company received a positive cash inflow from operation during 2014 which was mainly due to the receipt of cash from licensing of its MRU100 units. As the Company's MRU100 is still in the research stage, readers should be cautioned that there is no guarantee that the Company will continue having positive cash flow from operating activities in the future.	*Based on the current status of the Company's research work*	*The Company's research work may be not able to turn into business viable products. Competition of similar or alternative products in the market.*
Readers should be cautioned that the Company's MRU100 unit is still in its research stages. As a result, there is no guarantee that the Company will be able to earn more revenue from licensing in the future	*Based on the current status of the Company's research work*	*The Company's research work may be not able to turn into business viable products.*

COMPANY OVERVIEW & OVERALL PERFORMANCE

ME Resource Corp. 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 and quoted on the OTC Markets in U.S.A. under the symbol MEEXF.

Principal Business

The Company's principal business was exploration and development of natural resources including, but not limited to mineral, oil and gas properties. The Company disposed all the resources properties in 2011 and is currently conducting research work of developing new technologies that can be used to economically transform wasted or stranded natural gas to engineered fuels and clean power. The Company intends to acquire undervalued natural resource properties and apply these new technologies to increase the resource property's valuations.

On April 21, 2013, the Company entered into an assignment agreement with Ztek Clean Energy Corp. ("Ztek Clean") for an exclusive license which grants MEC the use of intellectual properties that are key for the development of the micro refinery unit ("MRU100 Unit") which is a product the Company intends to provide as a service to the oil and gas industry. MRU100 Unit will be used for the conversion of wasted natural gas, stranded or flared, into electrical power and liquid fuel.

As a result, the Company has diversified into a company having two lines of business:

- Mineral property exploration and development
- Research and development of the MRU 100 Unit

Research and Development Work.

<u>Assignment agreement with Ztek Clean</u>

On April 21, 2013, the Company entered into an assignment agreement (the "Assignment Agreement") with a company owned by a director of the Company (the "Related Party"). The Related Party had a license agreement (the "License Agreement") with ZTEK Corporation ("ZTEK"), whereby ZTEK will grant the Related Party a license to use certain of ZTEK's intellectual property. Under the Assignment Agreement, the Related Party agreed to assign the License Agreement to the Company or any other alternative development technology that the Related Party may produce or source that is acceptable to the Company for 25,000,000 shares of the Company.

The 25,000,000 common shares were issued and placed in escrow to be released upon the completion of certain milestones the approval of the board of directors. Per IFRS 2, "Share based payments", no amount is to be 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 December 31, 2013, no value was recognized for the shares issued. As at December 31, 2014, none of the escrowed shares have been released and the milestones have not been met.

During the year ended December 31, 2013 the Company and Ztek Clean mutually agreed that a Research Contract and Consulting Agreement outlined below would serve as the alternative development technology under the Assignment Agreement and the Company decided not to pursue the License Agreement.

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").

Under the Research Contract, the Company will 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);
- $65,000 upon being invoiced on June 1, 2014 (paid);
- $65,000 upon acceptance of the full report (paid subsequent to the year ended December 31, 2014)

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"). 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 instalments upon the completion of several technical milestones. During the year ended December 31, 2014 1,300,000 common shares with a value of $130,000 were issued to the Consultant upon the completion of the first two milestones.

Research and development work
During the year ended December 31, 2014, and since inception, the Company incurred research cost of $338,305 and $419,407 respectively, which were solely consulting fees charged by external consultants for their research services rendered and for reimbursement of expenses in connection with the MRU100 Unit.

There was no development cost incurred since inception.

Joint venture arrangement
On October 1, 2013, the Company entered into a preliminary joint venture arrangement (the "JV") with ABS Electric Group Ltd. ("ABS"), a private company that maintains and constructs electrical and power system for Alberta oil and gas industry. The Company is not able to finalize the JV agreement with ABS and both parties both agree to discard this preliminary joint venture arrangement.

Proposed private placement
On October 2, 2013, the Company proposed a private placement for aggregate proceeds of $250,000 at a price of $0.23/unit ("Proposed Financing"). Each unit is comprised of one common share and one common share purchase warrant. Each share purchase warrant allows its holder to exercise into one common share of the Company at $0.5/share for a period of two years upon closing of this Proposed Financing. The Company may pay finders' fee of up to 10% of the gross proceeds raised. As at December 31, 2014, the Company decided to cancel this Proposed. Before the cancellation, the Company received $110,000 subscription. The Company has returned $95,000 subscription and the remaining $15,000 balance has become a short-term loan to the Company.

Private placement completed in January 2015
In January 2015, the Company arranged a private placement offering of up to 2,000,000 common shares of the Company at a price of $0.10 per share for gross proceeds of up to $200,000. The Company has issued 1,400,000 million shares for proceeds of $140,000. As of the date of this report, $100,000 was collected and a further $30,000 is yet to be collected.

SELECTED ANNUAL INFORMATION

The following chart includes selected annual information for the most recent three years.

	2014 $	2013 $	2012 $
Revenues	77,321	-	-
Net loss	1,481,843	310,032	86,460
Net loss per share, basic and diluted	0.05	0.01	0.00
Total assets	13,434	5,095	22,996
Total long term liabilities	-	-	-

SELECTED QUARTERLY INFORMATION

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

	2014				2013			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
	$	$	$	$	$	$	$	$
Total Assets	13,434	427,015	100,345	80,564	5,095	6,258,316	31,437	6,511
Revenue (Reverse)	(636,119)	470,575	134,675	108,190	-	-	-	-
Expenses	439,191	384,154	369,668	366,151	168,751	17,974	100,420	22,887
Losses	(1,075,310)	86,421	(234,993)	(257,961)	(168,751)	(17,974)	(100,420)	(22,887)
Income (loss) per share, basic & diluted	(0.05)	0.00	(0.00)	(0.00)	(0.10)	(0.00)	(0.00)	(0.00)

The Company's businesses are not subject to seasonal variations. Losses in the last eight quarters are mainly due to operating expenses incurred to support the Company's operations and development of the Company's IP into marketable products. Other factors that affect the losses among these eight quarters are losses from the disposition of the Company's resource properties and other assets, and accounting adjustments. Losses in 2014 Q4 is higher as the Company recorded an accounting adjustment to reverse part of the license agreement previously recorded during 2014 Q1 to 2014 Q3 to deferred revenue. More details will be discussed in the section of "Result of Operation"

The Company expects the operating expenses will further increase in the next two years in connection with the research and development of the Company's MRU100 units. The Company expects to finance these expenditures with addition equity/debt financing.

RESULTS OF OPERATIONS

<u>Year ended December 31, 2014 ("2014")</u>

The Company's loss in 2014 was $1,481,843 compared with a loss of $310,032 in 2013, an increase of $1,171,811

The increase of losses was mainly a combined result of the following:

1) An increase of administrative expense of $1,249,132 (2014- $1,559,164; 2013 - $310,032). The main components of the administrative expenses are as follows:

	2014 - 2013	2014	2013
	$	$	$
Stock-based compensation	778,418	778,418	-
Research	258,203	338,805	80,602
Consulting fees	167,669	294,890	127,221

- The Company granted 5,230,150 stock options to officers and external consultants during 2014. The Company recorded $778,418 stock-based compensation to account for partially vesting of these options. There was no similar option vesting in 2013. As a result, stock-based compensation in 2014 increased.

- The Company incurred $338,805 research expenditure in 2014 in connection with the Company's Polytechnique Research Contract that has been discussed in previous section. There was no similar research contract in place in 2013. Thus, research expenditure increased.

- Including in the $294,890 consultant fees was $130,000 (paid in the form of 1,300,000 common share of the Company) in connection with the Company's Gregory Consulting Agreement that has previously discussed. There was no similar research work performed in 2013, therefore, consulting and professional fees increased.

- The Company was more active throughout 2014 to search for business opportunities in connection with the MRU100 units. As a result, consulting fees increased

2) An increase in revenue of $77,321 (2014 - $77,321; 2013 -$Nil).

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 of $100,000 and $ 300,000 respectively within 30 days and 90 days after WPI files its Super 8-K with the SEC. The Company received $400,000 during the year ended December 31, 2014 in relation to this agreement.

On August 31, 2014, the Company entered into an Exclusive license for additional Territories (the "Additional Agreement") with Well Power Inc. ("WPI"). Under the Additional Agreement, WPI obtained the exclusive right to distribute and deploy the Company's MRU100 units in Montana. WPI will pay a non-refundable licensing fee of $250,000 within 60 days after the Company invoices WPI. The Company received $21,751 during the year ended December 31, 2014 in relation to this agreement.

The Company has recognized $400,000 revenue based on the amount of cash received in the first three quarters of 2014. As at the year ended December 31, 2014, the Company, after consulted with the Company's auditor, concluded that the cash received should be recognized into income over five year term of the agreement on a straight line basis. As a result, the Company reclassified revenue already recorded during 2014 Q1 to 2014 Q3 into $84,350 current deferred revenue, $260,080 non-current deferred revenue, and $77,321 license revenue on December 31, 2014.

There were no similar selling activities in 2013, thus revenue increased during 2014.

Readers should be cautioned that the Company's MRU100 unit is still in its research stages. As a result, there is no guarantee that the Company will be able to earn more revenue from licensing in the future.

As at December 31, 2014, the Company had $1,859 cash (12/31/2013-$160), accounts payable and accrued liabilities of $250,020 (12/31/2013 - $39,230), due to related party of $157,830 (12/31/2013 - $59,504), short-term loan of $15,000 (12/31/2013 - $Nil), and share capital of $1,169,725 (12/31/2013 - $958,330). The slight increase of cash is mainly a result of cash provided by operations of $111,981and cash used in its financing activities of 110,282 during 2014.

The Company received a positive cash inflow from operation during 2014 which was mainly due to the receipt of cash from licensing of its MRU100 units and increment in accounts payable and due to related parties. As the Company's MRU100 is still in the research stage, readers should be cautioned that there is no guarantee that the Company will continue having positive cash flow from operating activities in the future.

<u>For the quarter ended December 31, 2014 ("2014 Q4")</u>

The Company's loss in 2014 Q4 was $1,075,310 compared with a loss of $168,751 in the same quarter of 2013, an increase of $906,559.

The increase was mainly a combined result of the following:

1) An increase of administrative expense of $270,440 (2014 Q4 - $439,191; 2013 Q4 - $168,751). The main components of the administrative expenses are as follows:

	2014 Q4-2013 Q4	2014 Q4	2013 Q4
	$	$	$
Stock-based compensation	118,836	118,836	-
Research	143,247	205,367	62,120
Consulting fees	85,511	77,458	8,053

- The Company granted 5,230,150 stock options to officers and external consultants during 2014 Q1. As a result, the Company recorded $118,836 stock-based compensation in 2014 Q4 to account for partially vesting of these options. There was not similar option vesting in 2013 Q4. As a result, stock-based compensation in 2014 Q4 increased.

2) A reverse in revenue of $636,119 (2014 Q4 – ($636,119); 2013 Q4 -$Nil). The Company recognized $713,400 revenue based on the License Agreement and the Montana License Agreement during the first three quarters of 2014. As at the year ended December 31, 2014, the Company, after consulted with the Company's auditor, concluded that it is more appropriate to recognize the revenue from licensing over the term (five year) of the agreement on a straight line basis, even though these license fees, once paid, are non-refundable. On December 31, 2014, the Company reclassified the revenue recorded partly to revenue recognized and partly to deferred revenue. As a result, the Company recorded $636,119 reversal of revenue in 2014 Q4.

LIQUIDITY & CAPITAL RESOURCES

During 2014, the Company did not have cash inflow/outflow from investing activities. Cash outflow from financing activities was $110,282 which was a combined result of a $25,282 repayment to a promissory note and return of $95,000 subscription received from last year for a cancelled private placement.

As at December 31, 2014 the Company had a working capital deficiency of $493,766. In order to improve the liquidity, the Company has closed a private placement in January 2015 for gross proceeds of $140,000. Management will consider different financing options, including, but not limited to, further debt or equity financing, or share for debt settlement, to secure addition financing to provide adequate capital resource for the Company to meet its long term business objective. As of the date of this MD&A, the Company does not have commitments for capital expenditures other than those related to the Company's research work which are disclosed in the section "Commitment in connection with the research work"

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.

TRANSACTIONS WITH RELATED PARTIES

a) Transactions with related parties not disclosed elsewhere in the financial statements were as follows:

	Year ended December 31, 2014	Year ended December 31, 2013
	$	$
Consulting fees paid to directors	72,000	72,000
Consulting fees paid the Chief Executive Officer ("CEO")	105,000	-
Stock based compensation to directors and officers (i)	396,312	-
Consulting fees recorded as research expense paid to a director	130,000	-
Rent paid to a Company related to the CEO	15,000	15,000

(i) Details of the stock based compensation vested by directors and officers are as follows:

	2014	2013
Parminder Singh (Director)	$76,214	-
Michael Raymont (Director)	$76,214	-
Navchand Jagpal (CEO)	$76,214	-
Gurdeep Johal (Director)	$76,214	-
Tom Kennedy (Ex- director)	$7,621	-
Jamie Lewin (CFO)	$7,621	-

b) Balances due to related parties:

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment. The Company's accounts payable and accrued liabilities included the following balances owing to related parties.

Due to Related parties	December 31, 2014	December 31, 2013
	$	$
Directors (Gurdeep Johal)	68,230	59,504
President (Parminder Singh)	7,500	-
Related Company of the CEO - Accounts payable	82,100	-
Related Company of the CEO - Note payable	-	25,282
	157,830	84,786

OUTSTANDING SHARE DATA

As of the date of this MD&A, has 55,046,047 common shares; 4,580,150 stock options and Nil share purchase warrants outstanding that can be converted into common shares of the Company on a one-to-one basis.

SIGNIFICANT ACCOUNTING POLICIES

Refer to the Note 3 to the Company annual financial statements for the year ended December 31, 2014.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

Refer to Note 3 and 11 to the Company annual financial statements for the year ended December 31, 2014.

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.

Profitability Risk

Although the Company will work to become profitable, there can be no assurance that factors beyond its control, such as, but not limited to, successful development of its technology into a commercial viable products to the oil and gas industry. No assurances can be provided that the Company can do so.

Key Personnel Risk

The Company is highly dependent upon the services from external consultants. Loss of these external consultants would adversely affect the achievement of the Company's objectives.

Technology Risks

The Company's success in penetrating the desired market segments will also depend upon its ability to advance the technology and functionality of its products. It is also foreseeable that other firms will desire to enter the sector. The Company can provide no assurances that these other firms won't have superior technology or functionality.

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 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

Navchand Jagpal	President, CEO & Director
Jamie Lewin	CFO
Gurdeep Johal	Director
Dr. Gregory Patience	Director
Dr. Michael Raymont	Director
Parminder Singh	Director

CONTACT ADDRESS

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