ME RESOURCE CORP.

Condensed Interim Financial Statements

Three Months ended March 31, 2015

(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.

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

	Note	March 31, 2015	December 31, 2014
		$	$
ASSETS			
Current assets			
Cash		53,761	1,859
Prepaid		1,640	1,640
Other receivable	**5**	30,000	-
Taxes receivable		16,243	9,934
		101,644	13,433
Non-current assets			
Note receivable		1	1
Total assets		101,645	13,434
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**9**	267,838	250,020
Due to related parties	**7**	205,013	157,830
Short-term loan		15,000	15,000
Deferred revenue, current	**6**	86,352	84,350
		574,203	507,200
Non -current liabilities			
Deferred revenue, non-current	**6**	246,490	260,080
Total liabilities		820,693	767,280
SHAREHOLDERS' DEFICIENCY			
Share capital	**5**	1,309,275	1,169,275
Reserves		1,317,054	1,247,845
Deficit		(3,345,377)	(3,170,966)
		(719,048)	(753,846)
Total shareholders' deficiency and liabilities		101,645	13,434

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

Authorized for issuance by the Board of Directors on May 28, 2015

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

See accompanying notes to the condensed interim financial statements

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

		Three months ended March 31,	
	Note	**2015**	**2014**
		$	$
Revenue from Licensing	**6**	21,588	108,190
Expenses			
Advertisemnt		-	500
Consulting	**7**	45,750	160,490
Filing fees		3,793	4,780
Office and administration	**7**	6,097	8,025
Professional fees		3,750	4,100
Research		67,400	65,000
Stock-based compensation		69,209	117,943
Travel and entertainment		-	5,313
Total		195,999	366,151
Loss and comprehensive loss		(174,411)	(257,961)
loss per share – basic and diluted		(0.01)	(0.01)
Weighted average number of outstanding common shares –basic and diluted	5	29,102,569	27,402,714

See accompanying notes to the condensed interim financial statements

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

	Note	Three months ended March 31, 2015	2014
		$	$
Cash flows from operating activities			
Loss for the period		(174,411)	(257,961)
Items not involve cash			
- Stock-based compensation	**5**	69,209	117,943
- shares issued for services	**4**	-	130,000
Changes in non-cash working capital items:			
- Taxes receivables and prepaid		(6,309)	823
- accounts payable and accrued liabilities		17,818	62,467
- due to related parties		47,183	13,178
Deferred revenue		(11,588)	-
Cash used in operating activities		(58,098)	66,450
Cash flows from financing activities			
Shares issued for cash		110,000	
Increase (decrease) of note payable		-	(40,318)
Cash provided by financing activities		110,000	9,842
Net cash inflow		51,902	76,292
Cash, beginning of period		1,859	21,759
Cash, end of period		53,761	98,051
Supplementary information:			
Issuance of 1,300,000 common shares for services		-	130,000

See accompanying notes to the condensed interim financial statements

ME Resource Corp.
Condensed Interim Statements of Changes in Deficiency
Three Months ended March 31, 2015 and 2014
(Unaudited - Expressed in Canadian Dollars)

	Note	Share capital			Reserves				
		Number of shares	Amount	Subscription received	Stock-option reserve	Loan	Warrant	Deficit	Total
			$		$	$	$	$	$
Balance, December 31, 2013		51,796,047	958,330	100,000	418,545	5,121	88,206	(1,689,123)	(118,921)
Loss for the period		-	-	-	-	-	-	(257,961)	(257,961)
Stock-based compensation		-	-	-	117,943	-	-	-	117,943
Shares issued for services	**4**	1,300,000	130,000	-	-	-	-	-	130,000
Balance, March 31, 2014		53,096,047	1,088,330	100,000	536,488	5,121	88,206	(1,947,084)	(128,939)
Balance, December 31, 2014		53,646,047	1,169,275	-	1,196,963	5,121	45,761	(3,170,966)	(753,846)
Loss for the period		-	-	-	-	-	-	(174,411)	(174,411)
Shares issued for private placement	**5**	1,400,000	140,000	-	-	-	-	-	140,000
Stock-based compensation		-	-	-	69,209	-	-	-	69,209
Balance, March 31, 2015		55,046,047	1,309,275	-	1,266,172	5,121	45,761	(3,345,377)	(719,048)

See accompanying notes to the condensed interim financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

ME Resource Corp., (the "Company") was incorporated under the Business Corporation Act (British Columbia) on October 16, 2009. 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 line of business is research and development of a process to economically transform wasted or stranded natural gas to engineered fuels or clean power.

These 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. The Company has not yet achieved profitable operations and expects to incur further losses in the development of its business. 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 three months ended March 31, 2015 ("2015 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 2015 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 2015 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 2014.

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 certain financial instruments which are measured at fair value. The financial statements are presented in Canadian dollars, the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and the recognition and measurement of deferred tax assets.

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 new accounting standard not yet effective

The Company has not adopted new accounting standards since it recent year ended December 31, 2014.

New accounting standard not yet effective is as follows:

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.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. COMMITMENTS

a) 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 and 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.

(Unaudited - Expressed in Canadian Dollars)

4. COMMITMENTS (Continued)

As none of the milestones had been met as at December 31, 2013 and 2014, 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 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.

b) 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).

c) 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.

5. SHARE CAPITAL

Authorized share capital:	An unlimited number of common shares without par value.
	An unlimited number of preferred shares without par value.

Issued and outstanding:

25,000,000 of the Company’s issued common shares are held in escrow as at March 31, 2015 (2014/12/31– 25,000,000) (Note 4).

Transactions for three months ended March 31, 2015 were as follows:

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 of which $110,000 had been collected as at March 31, 2015. A further $30,000 was collected after the three months ended March 31, 2015.

(Unaudited - Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

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. The term of any options granted under the plan may not exceed 5 years. Vesting terms and conditions are established by the board of directors.

On February 27, 2014 the Company granted options to acquire 4,580,150 common shares to directors, officers, and consultants. The options are exercisable for a period of two years at a price of $0.25 each. These options vest 12.5% each quarter over the two year period. The company recognized stock based compensation expense of $698,143 and $69,209 in relation to the options which vested during fiscal 2014 and three months ended March 31, 2015 respectively.

On March 10, 2014, the Company granted options to acquire 650,000 common shares to consultants. The options vested immediately and were exercisable for a four month period at a price $0.285 each. The Company recognized stock based compensation expense of $80,275 in relation to these options. The options expired unexercised on July 10, 2014.

The weighted average grant date fair value of stock options granted during the year was $0.19 per stock option. 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 year ended December 31, 2014 and during three months ended March 31, 2015 with the following weighted average assumptions:

Risk-free interest rate	1.05%
Expected life of options	1.89 years
Annualized volatility	189%
Dividend rate	0.00%

Outstanding Stock option continuity is as follows:

	Number	Weighted average exercise price
Balance, December 31, 2013	-	-
Stock options granted	5,230,150	$0.25
Expired	(650,000)	$0.28
Balance, December 31, 2014 and March 31, 2015	4,580,150	$0.25

Stock options outstanding and exercisable as at March 31, 2015 are as follows:

Exercise price	Number of Options outstanding	Weighted average remaining contractual life	Number of Options exercisable	Expiry date
$0.250	4,580,150	0.91 years	2,290,075	February 27, 2016

(Unaudited - Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

Warrants

A continuity of the Company's warrants is as follows:

	Number of warrants outstanding	Weighted average exercise price
December 31, 2012	550,000	$0.07
Issued	762,675	$0.50
December 31, 2013	1,312,675	$0.31
Exercised	(550,000)	$0.07
December 31, 2014 and March 31, 2015	762,675	$0.50

As at March 31, 2015, the 762,675 warrants outstanding had a weighted average remaining life of 0.01 years.

Loss per share

The 25,000,000 common shares issued and held in escrow (note 4) have been excluded from the loss per share calculation as they are contingently returnable.

Stock option reserve

The stock option 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 a discount on a loan which was issued with interest below market rates.

6. REVENUE FROM LICENCING

a) 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 for five years. WPI is required to pay a non-refundable licensing fee of $100,000 and $ 300,000 respectively within 30 days and 90 days after filing a super 8-K with the U.S. Securities Exchange and Commission. The super 8-K was filed January 29, 2014.

   The Company received $400,000 during the year ended December 31, 2014. The revenue will be recognized over the term of the agreements (five years) on a straight line basis and the difference between money received and revenue recognize is recorded as deferred revenue. During the year ended December 31, 2014 and three months ended March 31, 2015, $77,321 and $20,000 was recognized as revenue respectively.

(Unaudited - Expressed in Canadian Dollars)

6. REVENUE FROM LICENCING (Continued)

b) 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 with the same term. 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 and another $10,000 during three months ended March 31, 2015 in relation to this agreement. The revenue will be recognized over the term of the agreements (five years) on a straight line basis. During three months ended March 31, 2015, $1,588 of revenue was recognized

Revenue deferred as at December 31, 2014 and March 31, 2015 was $344,430 (current - $84,350; non-current - $260,080) and $332,842 (current -$86,352; non-current - $246,490) respectively

7. RELATED PARTY TRANSACTIONS

a) Transactions with key management personnel were as follows:

	Three months ended March 31, 2015	2014
	$	$
Consulting fees paid to directors	18,000	18,000
Consulting fees paid to the Chief Executive Officer ("CEO")	26,250	-
Stock based compensation to directors and officers	39,280	60,350
Consulting fees recorded as research expense paid to a director	-	130,000
Rent paid to a Company related to the CEO	3,750	3,750

b) Balances due to related parties:

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Due to Related parties	**March 31, 2015**	**December 31, 2014**
	$	$
Directors	86,230	68,230
President	7,500	7,500
Related Company of the CEO - Accounts payable	111,283	82,100
	205,013	157,830

8. SHORT-TERM LOAN

The Company had a short-term loan of $15,000 as at March 31, 2015 and December 31, 2014. This short-term loan is non-interest bearing, unsecured, and payable on demand.

(Unaudited - Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2015	December 31, 2014
	$	$
Trade payables	245,018	236,020
Accrued liabilities	22,820	14,000
	267,838	250,020

10. FINANCIAL INSTRUMENTS

Classification of financial instruments

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

	March 31, 2015	December 31, 2014
	$	$
Cash	53,761	1,859
Loans and receivables:		
Note receivable	1	1
	53,762	1,860

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

	March 31, 2015	December 31, 2014
	$	$
Non-derivative financial liabilities:		
Trade payables (due in 30 days)	267,838	236,020
Due to related party (due on demand)	205,013	157,830
Note payable (due on demand)	-	-
Short-term loan	15,000	15,000
	465,031	408,850

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.

Cash is classified as level 1.