

ME RESOURCE CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED SEPTEMBER 30, 2015

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 nine months ended September 30, 2015. 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 November 27, 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.

| <i>Forwarding looking statements</i> | <i>Assumptions</i> | <i>Risk factors</i> |
|---|---|---|
| <i>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</i> | <i>Based on the current status of the Company's research work</i> | <i>The Company's research work may be not able to turn into business viable products.</i> |

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.

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Principal Business

The Company's principal business was exploration and development of natural resources including, mineral, oil and gas properties. The Company is also 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.

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

- Mineral property exploration and development
- Research and development of micro refinery technology (MRU 100 Unit) to for the transformation of wasted or stranded natural gas to other form of clean power.

Research and Development Work.

Assignment agreement with Ztek Clean

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)

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.

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Research and development work

During nine months ended September 30, 2015, and since inception, the Company's research cost is as follows:

| | Nine months ended September 30, 2015 | Since Inception |
|--|---|-----------------|
| Research work performed by external consulting | 94,818 | 514,225 |
| Salaries | 30,675 | 30,675 |
| Less: government grant received | (48,500) | (48,500) |
| Total | 76,993 | 496,400 |

There was no development cost incurred since inception.

Private placement completed during nine months ended September 30, 2015 ("2015 Nine Months")

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. As at September 30, 2015, the Company received \$155,000 and has issued 1,400,000 common shares. On November 19, 2015, the Company closed the private placement for the issuance of the remaining 600,000 common shares

Cancellation of options

Subsequent to the period ended September 30, 2015, the Company cancelled all options previously granted. As of the date of this report, the Company does not have any options outstanding.

SELECTED QUARTERLY INFORMATION

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

| | 2015 | | | 2014 | | | | 2013 |
|--|-----------|-----------|-----------|-------------|---------|-----------|-----------|-----------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Total Assets | 15,346 | 50,560 | 101,645 | 13,434 | 427,015 | 100,345 | 80,564 | 5,095 |
| Revenue (Reverse) | 21,588 | 21,587 | 21,588 | (636,119) | 470,575 | 134,675 | 108,190 | - |
| Expenses | 138,252 | 128,747 | 195,999 | 439,191 | 384,154 | 369,668 | 366,151 | 168,751 |
| Losses | (116,664) | (107,160) | (174,411) | (1,075,310) | 86,421 | (234,993) | (257,961) | (168,751) |
| Income (loss) per share, basic & diluted | (0.00) | (0.00) | (0.01) | (0.05) | 0.00 | (0.00) | (0.00) | (0.10) |

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.

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RESULTS OF OPERATIONS

2015 Nine Months

The Company's loss in 2015 Nine Months was \$398,235 compared with a loss of \$406,533 in 2014 Nine Months, an improvement of \$8,298

The improvement was mainly a combined result of the following:

- 1) A decrease of administrative expense of \$656,975 (2014 Nine Months- \$1,119,973; 2015 Nine Months - \$462,998). The main components of the administrative expenses are as follows:

| | 2015 - 2014 Nine Months | 2015 Nine Months | 2014 Nine Months |
|--------------------------|-------------------------|------------------|------------------|
| | \$ | \$ | \$ |
| Stock-based compensation | (454,424) | 205,158 | 659,582 |
| Research | (56,445) | 76,993 | 133,438 |
| Consulting fees | (71,103) | 138,276 | 209,379 |

- The Company granted 5,230,150 stock options to officers and external consultants during 2014. The options are vested on a graded method. As a result, more stock-based compensation is recorded during the earlier stage of the options' life in 2014.
- Including in the \$209,379 consultant fees (incurred in 2014 Nine Months) 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 transaction in 2015 Nine Months, therefore, consulting and professional fees decreased.
- During nine months ended September 30, 2015, the Company received \$48,500 government grant to reimburse part of the Company research expenses, which was recorded to as a recovery of research expenditures. As a result, research expenses decreased

- 2) An decrease in revenue of \$648,677 (2015 Nine Months - \$64,763; 2014Nine Months -\$713,440).

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 US\$100,000 and US\$ 300,000 respectively within 30 days and 90 days after WPI files its Super 8-K with the SEC. The Company received US\$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 with the same term. WPI will pay a non-refundable licensing fee of \$250,000 within 60 days after the Company invoices WPI.

During 2014 Nine Months, the Company has recognized \$713,440 revenue based on the above two arrangements. As at the year ended December 31, 2014, the Company, after consulted with the Company's auditor, concluded that this stream of revenue should be recognized into income over five year term of the agreement on a straight line basis. The revenue recorded during 2015 Nine Months was \$64,763 under this method.

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.

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As at September 30, 2015, the Company had \$4,577 cash (12/31/2014-\$1,859), accounts payable and accrued liabilities of \$213,748 (12/31/2014 - \$250,020), due to related party of \$288,854 (12/31/2014 - \$157,830), short-term loan of \$15,000 (12/31/2014 - \$15,000), and share capital of \$1,309,275 (12/31/2014 - \$1,169,275). The increase of cash is mainly a result of \$155,000 cash received from share issuance and subscription receipt which was offset by using \$152,282 cash to finance its operations.

Three Months ended September 30, 2015 ("2015 Q3")

The Company's loss in 2015 Q3 was \$116,664 compared with an income of \$86,421 in 2014 Q3, an increase of loss of 203,085

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

- 1) An decrease of administrative expense of \$245,902 (2014 Q3- \$384,154; 2015 Q3 - \$138,252). The main components of the administrative expenses are as follows:

| | 2015 - 2014 Q3 | 2015 Q3 | 2014 Q3 |
|--------------------------|----------------|---------|---------|
| | \$ | \$ | \$ |
| Stock-based compensation | (154,037) | 61,477 | 215,514 |
| Research | (46,108) | 20,762 | 66,870 |
| Consulting fees | 27,435 | 61,026 | 33,591 |

- The Company granted 5,230,150 stock options to officers and external consultants during 2014. The options are vested on a graded method. As a result, more stock-based compensation is recorded during the earlier stage of the options' life in 2014.
- During 2015 Q3, the Company is making a plan for the research work to be done in 2014 Q4. More research cost is expected in the next quarter.
- During 2015Q3 the Company determined to start paying its executive for services rendered. As a result, consulting fees increased

- 2) An decrease in revenue of \$448,987 (2015 Q3 - \$21,588; 2014 Q3 -\$470,575).

The decrease in revenue has been previously discussed.

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.

LIQUIDITY & CAPITAL RESOURCES

During 2015 Nine Months, the Company did not have cash inflow/outflow from investing activities. As at September 30, 2015 the Company had a working capital deficiency of \$588,608. In order to improve the liquidity, the Company entered into settlement agreements with various creditors to issue 6,075,888 common shares of the Company at a deemed price of \$0.10 per share for the settlement of \$607,589 of outstanding indebtedness on November 19, 2015.

The Company realizes that the current resources are not adequate for the Company to achieve its long term objectives. The Company considers 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.

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As of the date of this MD&A, the Company does not have commitments for capital expenditures and the Company is not subject to external requirement in using its capital resources or maintenance of its capital structure.

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 key management personnel were as follows:

| | Nine months ended September 30 | |
|---|---------------------------------------|---------|
| | 2015 | 2014 |
| | \$ | \$ |
| Consulting fees charged by directors | 36,000 | 54,000 |
| Consulting fees charged by a company related to the Chief Executive Officer ("CEO") | 48,658 | - |
| Consulting fees charged by the chief financial officer | 45,000 | - |
| Stock based compensation vested by directors and officers | 114,222 | 367,223 |
| Consulting fees recorded as research expense charged by a director | - | 130,000 |
| Rent charged by a Company related to the CEO | 11,250 | 11,250 |

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 | September 30, 2015 | December 31, 2014 |
|-------------------------------|-------------------------------|------------------------------|
| | \$ | \$ |
| Directors | 105,730 | 75,730 |
| Chief financial officer | 45,000 | - |
| A Company related to the CEO | 138,124 | 82,100 |
| | 288,854 | 157,830 |

OUTSTANDING SHARE DATA

As of the date of this MD&A, has 61,721,935 common shares; ~~4,580,150~~ Nil stock options and Nil share purchase warrants outstanding that can be converted into common shares of the Company on a one-to-one basis.

NEW ACCOUNTING POLICIES

Refer to the Note 3 to the Company's condensed interim financial statements for nine months ended September 30, 2015.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

Refer to Note 3 and 10 to the Company's condensed interim financial statements for nine months ended September 30, 2015.

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RISKS AND UNCERTAINTIES

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

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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.