ME RESOURCE CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 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 the year ended December 31, 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 April 28, 2016

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***
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, 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.

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 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.

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. On October 21, 2015 the Company's Board of Directors released all of the 25,000,000 escrowed shares as the milestones had been met. These shares has a value of $3,750,000 when released from escrow, and were recorded as research and development costs.

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, 2015 no common shares were issued (2014 – 1,300,000 common shares with a value of $130,000 were issued).

Research and development work

During the year ended December 31, 2015, and since inception, the Company's research cost is as follows:

	Year ended December 31, 2015	Since Inception
	$	$
Research work performed by external consulting	144,018	482,823
Application for patent	24,018	24,018
Salaries	52,223	52,223
Share issuance for the Assignment Agreement	3,750,000	3,750,000
Supplies	-	49,826
Less: government grant received	(54,344)	(54,344)
Total	3,915,915	4,304,546

There was no development cost incurred since inception.

Share activities - year ended December 31, 2015 ("Fiscal 2015")

a) Issued 2,000,000 common shares at $0.10 per share for gross proceeds of $200,000.
b) Issued 6,075,888 shares valued at $546,830 for debt settlement of $607,588. A gain of $60,758 was recorded as a result of the debt settlement.
c) Release of 25,000,000 common shares from escrow on October 21, 2015. The fair value of these shares was $3,750,000 when they were released

With the funding received the Company continued to develop its method and apparatus for producing chemicals from a methane containing gas.

Cancellation of options

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 in relation to the options which vested during the year. During the year ended December 31, 2015, the Company cancelled all the unexercised options. In accordance with IFRS 2, the Company has accounted for the cancellation as an acceleration of vesting, and have recognized immediately the remaining amount of $238,714 that otherwise would have been recognised for services received over the remainder of the vesting period.

Issuance of options after Fiscal 2015

The Company granted 5,890,000 stock options to its directors and consultant on March 11, 2016 at $0.20/share.

SELECTED ANNUAL INFORMATION

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

	2015	2014 (Restated)	2013
	$	$	$
Revenues	89,634	77,321	-
Net loss	(4,342,116)	(1,531,669)	(310,032)
Net loss per share, basic and diluted	(0.07)	(0.05)	(0.01)
Total assets	23,427	15,699	5,095
Total long term liabilities	177,575	260,080	-

The Company has restated its financial statements as at and for the year ended December 31, 2014 to reflect unrecorded expenses totaling $49,826 and taxes receivable of $2,265. The effects of the restatement had a material impact on the statements of financial position and comprehensive loss as at and for the year ended December 31, 2014. The impact on the statement of financial position is an increase in taxes receivable of $2,265, an increase in accounts payable and accrued liabilities of $52,091 and an increase in deficit of $49,826. The impact on the statement of comprehensive loss is an increase of $49,826 in research and development expenses and an increase of $49,826 in loss and comprehensive loss.

SELECTED QUARTERLY INFORMATION

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

	2015				2014			
	Q4	**Q3**	**Q2**	**Q1**	**Q4 (Restated)**	**Q3**	**Q2**	**Q1**
	$	$	$	$	$	$	$	$
Total Assets	23,427	15,346	50,560	101,645	15,699	427,015	100,345	80,564
Revenue	24,871	21,588	21,587	21,588	(636,119)	470,575	134,675	108,190
Expenses	4,029,510	138,252	128,747	195,999	489,017	384,154	369,668	366,151
Losses	(3,943,881)	(116,664)	(107,160)	(174,411)	(1,125,136)	86,421	(234,993)	(257,961)
Income (loss) per share, basic & diluted	(0.06)	(0.00)	(0.00)	(0.01)	(0.05)	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 incidental events. 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. Loss in 2015 Q4 was higher as the Company recognized $3,750,000 research expenditures when 25,000,000 common shares were released from escrow during 2015 Q4. More details was provided in the section of "Research and Development Work".

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

Fiscal 2015

The Company's loss in Fiscal 2015 was $4,342,116 compared with a loss of $1,531,669 in Fiscal 2014, an increase of $2,810,447

The increase was mainly a combined result of the following:

1) An increase of administrative expense of $2,883,518 (Fiscal 2015 - $4,492,508; Fiscal 2014 - $1,608,990). The main components of the administrative expenses are as follows:

	2015 - 2014	2015	2014
	$	$	$
Stock-based compensation	(539,704)	238,714	778,418
Research	3,527,284	3,915,915	388,631
Consulting fees	(27,800)	267,090	294,890

- 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.

- Included in the $294,890 consultant fees (incurred in Fiscal 2014) was $130,000 (paid in the form of 1,300,000 common share of the Company) in connection with the Company's Consulting Agreement that has previously discussed. There was no similar transaction in Fiscal 2015, therefore, consulting and professional fees decreased.

- During Fiscal 2015, the Company recorded non-cash research expenditure of $3,750,000 to account for the release of the 25,000,000 shares from escrow to account for the completion of the Assignment Agreement entered into during Fiscal 2013. As a result, research expenditures increased significantly.

2) An increase in revenue of $12,313 (Fiscal 2015 - $89,634; Fiscal 2014 -$77,321).

On January 22, 2014, the Company entered into a license and distribution agreement (the "Agreement") with Well Power Inc. ("WPI"). Under the Agreement, WPI obtained the exclusive right to distribute and deploy the Company's MRU100 units in Texas for five years. WPI paid a non-refundable licensing fee of $400,000 during the year ended December 31, 2014

The revenue will be recognized over the term of the Agreement (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, 2015, $80,000 was recognized as revenue (2014 - $77,321).

On August 31, 2014, the Company entered into an exclusive license for additional territories (the "Additional Agreement") with 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 as the Agreement above.

The Company received $21,751 during the year ended December 31, 2014 and another $10,000 during the year ended December 31, 2015 in relation to this Additional Agreement. The revenue will be recognized over the term of the agreements (five years) on a straight line basis. During the year ended December 31, 2015, $9,634 was recognized as revenue (2014 - $Nil).

As a result, revenue in Fiscal 2015 increased.

Three Months ended December 31, 2015 ("2015 Q4")

The Company's loss in 2015 Q4 was $3,943,881 compared with a loss of $1,125,136 in 2014 Q4, an increase of loss of 2,818,750.

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

1) There was an increase of administrative expense of $3,540,493 (2014 Q4- $489,017; 2015 Q4 - $4,029,510). The main components of the administrative expenses are as follows:

	2015 - 2014 Q4	2015 Q4	2014 Q4
	$	$	$
Stock-based compensation	(82,280)	33,556	118,836
Research	3,633,555	3,888,748	255,193
Consulting fees	47,803	133,314	85,511

- 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 Q4, the Company recorded non-cash research expenditure of $3,750,000 to account for the release of the 25,000,000 shares from escrow to account for the completion of the Assignment Agreement entered into during Fiscal 2013. As a result, research expenditures increased significantly.

- During Fiscal 2014, the Company determined to start paying its executive for services rendered. As a result, consulting fees increased in 2015 Q4.

2) A reverse in revenue of $636,119 was recorded in 2014 Q4. The Company recognized $713,440 revenue based on the License Agreement and the Additional 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. Consequently, the Company recorded $636,119 reversal of revenue in 2014 Q4.

There was no similar reversal in 2015 Q4. As a result, revenue in 2015 Q4 was higher comparing to 2014 Q4.

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

As at December 31, 2015 the Company had a working capital deficiency of $232,670. In order to eliminate the negative working capital, the Company plans to raise more money from equity financing and will consider negotiation with creditor for a share for debt settlement in the next twelve months.

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.

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:

	Years ended December 31,	
	2015	**2014**
	$	$
Consulting fees charged by directors	61,500	72,000
Consulting fees charged by a company related to the chief executive officer ("CEO")	120,000	105,000
Consulting fees charged by the chief financial officer ("CFO")	60,000	-
Stock based compensation vested by directors and officers	135,510	396,312
Consulting fees recorded as research expense charged by a director	-	130,000
Rent and related fees charged by a Company related to the CEO included in office and administration	18,300	15,000

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	December 31, 2015	December 31, 2014
	$	$
Directors	55,403	75,730
Chief financial officer	16,500	-
A Company related to the CEO	5,582	82,100
	77,485	157,830

c) Share for debt exchange:

On November 19, 2015 the Company issued 4,048,880 shares valued at $364,399 to settle related party debt of $404,888. A gain of $40,489 was recorded as a result of the debt settlement. Among these issuance, 1,095,000 shares were issued to a company controlled by the Chairman of the Board of Directors, 450,000 shares were issued to the CFO and a company controlled by the CFO, 682,300 shares were issued to a director, 1,821,580 shares were issued to the CEO and a company related to the CEO. Of this debt settled, $236,158 was incurred in the current year, and $168,730 was outstanding as at December 31, 2014.

Amounts due to related parties are non-interest bearing with no terms of repayment

OUTSTANDING SHARE DATA

As of the date of this MD&A, has 61,721,935 common shares; 5,890,000 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, CRITICAL ACCOUNTING ESTIMATES, AND CHANGES

Refer to the Note 3 to the Company's audited financial statements for the year ended December 31, 2015.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

Refer to Note 3 and 10 to the Company's annual financial statements for the year ended December 31, 2015.

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.