ME RESOURCE CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016

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, 2016. 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 1, 2017

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.

The Company's research and development work focus on new technologies that can be used to economically transform wasted or stranded natural gas to engineered fuels and clean power.

During the fourth quarter of 2016, the Company will collaborate with Ineratec GmbH from Karlsruhe, Germany in developing a small scale Mobile Refinery Unit ("MRU") with the application of the Company's patent (#US 779/15931). This small scale MRU was completed in April 2017 and the Company is in the process of construction of a larger size MRU as the next step of commercialization of the MRU.

<u>Research and development work</u>

During the year ended December 31, 2016, and since inception, the Company's research cost is as follows:

	Year ended December 31, 2016	Since Inception
	$	$
Research work performed by external consulting	39,000	521,823
Salaries	34,828	87,051
Share issuance for the Assignment Agreement	-	3,750,000
Supplies	-	49,826
Less: government grant received	(104,156)	(158,500)
Total	**(30,328)**	**4,250,200**

There was no development cost incurred since inception.

Share issuance during the year ended December 31, 2016:

a) Issued 900,000 common shares for cash at $0.10 per share for $90,000

Share issuance after the year ended December 31, 2016:

The Company issued 1,050,000 common shares for cash at $0.10 per share for $105,000.

Issuance of options during Fiscal 2016

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.

	2016 $	2015 $	2014 $
Revenues	87,221	89,634	77,321
Net loss	(728,152)	(4,342,116)	(1,531,669)
Net loss per share, basic and diluted	(0.01)	(0.07)	(0.05)
Total assets	55,045	23,427	15,699
Total long term liabilities	90,354	177,575	260,080

SELECTED QUARTERLY INFORMATION

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

	2016				2015			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
	$	$	$	$	$	$	$	$
Total Assets	55,045	48,855	31,534	28,109	23,427	15,346	50,560	101,645
Revenue	12,621	31,400	21,400	218,000	24,871	21,588	21,587	21,588
Expenses	(417,917)	(152,679)	4,576	(216,474)	(4,029,510)	(138,252)	(128,747)	(195,999)
Income (loss)	(438,175)	(121,279)	25,976	(194,674)	(3,943,881)	(116,664)	(107,160)	(174,411)
Earnings (loss) per share(i)	(0.01)	(0,00)	0.00	(0.00)	(0.00)	(0.00)	(0.01)	(0.05)

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. 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.

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.

The Company earned revenue from licensing the MRU100 units in the past eight quarters. 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.

RESULTS OF OPERATIONS

Fiscal 2016

The Company's loss in Fiscal 2016 was $728,152 compared with a loss of $4,342,116 in Fiscal 2015, a decrease of $3,613,964

The decrease of loss was mainly a result of a decrease of administrative expense of $3,710,014 (Fiscal 2016 - $782,494; Fiscal 2015 - $4,492,508). The main components of the administrative expenses are as follows:

	2016-2015	2016	2015
	$	$	$
Share-based compensation	14,206	252,920	238,714
Research	(3,946,243)	(30,328)	3,915,915
Consulting fees	228,050	495,140	267,090

- Share-based compensation recognized based on the timing of option vested. The share-based compensation recognized in 2015 and 2016 was to account for options granted in 2014 and 2016 respectively.
- The Company engaged more consultants in 2016 to provide strategic advisory and general advisory in order to expand its operations. As a result, consultant fees in 2016 increased.
- 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. In addition, the Company received more government grant in 2016. As a result, research expenditures decreased significantly.

Three Months ended December 31, 2016 ("2016 Q4")
The Company's loss in 2016 Q4 was $438,175 compared with a loss of $3,943,881 in 2015 Q4, a decrease of $3,505,706.

The decrease of loss was mainly a of a decrease of administrative expense of $3,611,593 (2016 Q4- $417,917; 2015 Q4 - $4,029,510). The main components of the administrative expenses are as follows:

	2016 - 2015 Q4	2016 Q4	2015 Q4
	$	$	$
Stock-based compensation	115,981	149,537	33,556
Research	(3,871,905)	(32,987)	3,838,922
Consulting fees	166,716	295,530	128,814

The movements between the fourth quarter in 2016 and 2015 are similar to the year to year movement between fiscal 2016 and 2015.

LIQUIDITY & CAPITAL RESOURCES

During Fiscal 2016, the Company did not have cash flow from its investing activities.

The Company received $90,000 from issuance of common shares. As at December 31, 2016 the Company had a working capital deficiency of $705,123. In order to eliminate the negative working capital, the Company has issued 1,050,000 shares for gross proceeds of $105,000 in early 2017. The Company also 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.

Readers should be cautioned that 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.

The Company has a history to raise funds when needed in the past. However, there is no guarantee the Company is able to do so in the future.

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:

Year ended December 31,	**2016**	**2015**
	$	$
Consulting fees charged by directors	60,000	61,500
Consulting fees charged by a company related to the chief executive officer ("CEO")	185,000	120,000
Consulting fees charged by the chief financial officer ("CFO")	60,000	60,000
Stock based compensation vested by directors and officers	128,822	135,510
Rent and related fees charged by a Company related to the CEO included in office and administration	67,555	18,300

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, 2016**	**December 31, 2015**
	$	$
Directors	114,000	55,403
Chief financial officer	78,750	16,500
The CEO and a Company related to the CEO	245,931	5,582
Total	438,681	77,485

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 63,671,93 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, 2016.

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, 2016.

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.