



FOR IMMEDIATE RELEASE

## MEC ANNOUNCES LETTER OF INTENT WITH CALIFORNIA MEDICAL CANNABIS COMPANY

**January 4, 2018 – VANCOUVER, BRITISH COLUMBIA** - ME Resource Corp. (“**MEC**” or the “**Company**”) (CNSX: MEC | OTC: MEEXF) is pleased to announce that it has entered into a letter of intent dated January 3, 2018 (the “**LOI**”) with 1113131 B.C. LTD. (“**Prime Harvest**”), a private corporation existing under the laws of British Columbia. Prime Harvest has a wholly owned American subsidiary Prime Harvest LLC. Prime Harvest LLC is a limited liability company focused on the California medical cannabis business.

Pursuant to the LOI, MEC is proposing to complete a business combination with Prime Harvest by way of share exchange, merger, amalgamation, arrangement or similar form of transaction (the “**Proposed Transaction**”), whereby the security holders of Prime Harvest will become security holders of the combined entity (the “**Resulting Issuer**”). Upon completion of the Proposed Transaction, the Resulting Issuer will continue to carry on the business of Prime Harvest as currently constituted, under the new name “Prime Harvest” or such other name as may be approved by the board of directors of the Resulting Issuer and the CSE (the “**Exchange**”). The Proposed Transaction is expected to constitute a reverse takeover of MEC by Prime Harvest, pursuant to Exchange policies. In connection with the Proposed Transaction, the Resulting Issuer common shares are expected to continue to be listed on the Exchange under a new stock symbol. MEC is considering strategic options with respect to its currently existing gas to liquid technology development business (“**MEC Business**”). MEC currently expects to continue development of the MEC Business through a new, wholly owned subsidiary to be incorporated prior to completion of the Proposed Transaction and plans to establish a new reporting issuer (with security holders prior to the Proposed Transaction) on or after closing that would operate the MEC Business independently.

### **Business of Prime Harvest**

Prime Harvest is licensed and successfully operating in California, the largest cannabis market in the world. The Company currently holds multiple licenses including cultivation, manufacturing, retail dispensaries and delivery, while aggressively pursuing additional manufacturing, retail, and cultivation licenses throughout the western US territories and Canada.

Prime Harvest is a full-service seed-to-sale, technology-focused enterprise that provides the industry experience, services, and products needed to dominate the medical cannabis market, while building a foundation for long-term growth.

The Company manages the entire cannabis development pipeline, from strain development, cultivation to extraction, purification, and formulation of dose-enhanced medical devices and applications. Prime Harvest brings the rigor of biotechnology to the emerging cannabis industry, focusing on ailment-specific strain development, value added products, and vertical integration.

### **Transaction Summary**

Pursuant to the LOI, the existing security holders of Prime Harvest will receive common shares of the Resulting Issuer in exchange for their securities of Prime Harvest. The final form of the transaction will be set forth in a definitive agreement proposed to be entered into among the parties that will replace the LOI (the “**Definitive Agreement**”).

An aggregate of 62,121,935 common shares of MEC are currently issued and outstanding and a further 5,890,000 common shares of MEC are reserved for issuance under incentive stock options granted to directors and officers of MEC. MEC plans to undertake a ten (10) for one (1) consolidation of its common shares in conjunction with this transaction (the “**Share Consolidation**”). Accordingly, there will be 6,212,193 MEC shares issued and outstanding on a post-consolidated basis. All stock options will be cancelled.

It is expected that 82,000,000 post-consolidation shares of MEC will be issued to the shareholders of Prime Harvest as consideration for 100% of the issued and outstanding common shares of Prime Harvest. Upon completion of the Proposed Transaction, there are expected to be 88,212,193 common shares issued and outstanding in the Resulting Issuer (not including the shares issued in the Private Financing and excluding securities issued pursuant to the Pubco Private Placement described below), of which security holders of Prime Harvest will own 82,000,000 or 93% and security holders of MEC will own 6,212,193 or 7%.

Completion of the Proposed Transaction is subject to a number of conditions, including, but not limited to, completion of the Share Consolidation, Exchange approval, and shareholder approval if required by the Exchange, securities regulatory or corporate law requirements. In addition, completion of the Proposed Transaction is subject to certain standard closing conditions, including the completion of due diligence investigations to the satisfaction of each of MEC and Prime Harvest, execution of a Definitive Agreement, and there being no material adverse change in the business of MEC or Prime Harvest prior to completion of the Proposed Transaction.

In connection with the Proposed Transaction, Prime Harvest plans to undertake an equity financing raising maximum gross proceeds of \$2,000,000 at a price of \$0.50 per common share (the “**Private Financing**”). In addition, the Resulting Issuer plans to undertake a private placement offering of up to 10,000,000 subscription receipts at a price of \$1.00 per subscription receipt for gross proceeds of up to \$10,000,000 (the “**Pubco Private Placement**”). Each subscription receipt will automatically convert into a common share of the Resulting Issuer on closing of the Proposed Transaction.

The parties also anticipate that in conjunction with and upon closing of the Proposed Transaction, the board of directors of the Resulting Issuer shall consist of five directors nominated by Prime Harvest. All current directors and officers of MEC shall resign on closing of the Proposed Transaction.

Trading of the common shares of the Company has been halted and will remain halted in accordance with Exchange policies until all required documentation with respect to the Proposed Transaction has been received and the Exchange and securities regulatory authorities are otherwise satisfied that the halt should be lifted.

A press release setting out further particulars relating to the Proposed Transaction will follow in accordance with the policies of the Exchange, which will include a summary of the Definitive Agreement and transaction consideration; summary financial information of Prime Harvest; and biographical information on the proposed directors and officers of the Resulting Issuer; and other relevant information regarding the Proposed Transaction and related financings.

ON BEHALF OF THE BOARD of DIRECTORS

**ME RESOURCE CORP.**

**Chand Jagpal**

**CEO**

**For further information please contact:**

**Tel: 604-723-8752**

**[admin@meresourcecorp.com](mailto:admin@meresourcecorp.com)**

**Cautionary Statement**

*This news release contains forward-looking statements as such term is used in applicable securities laws. Forward-looking statements in this news release*

*including statements about the closing of the Proposed Transaction, expected terms of the Proposed Transaction, the number of securities of MEC that may be issued in connection with the Proposed Transaction, the requirement to obtain shareholder approval, the parties' ability to satisfy closing conditions and receive necessary approvals, and the completion of the private placements contemplated herein. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the Proposed Transaction will occur or that, if the Proposed Transaction does occur, it will be completed on the terms described above. MEC assume no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of ME Resource Corp. should be considered highly speculative.*

*The CSE has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.*