ME RESOURCE CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
SIX MONTHS ENDED JUNE 30, 2019

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 six months ended June 30, 2019. This MD&A should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2018 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 August 22, 2019

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.

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 the 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.

Proposed Change of Business

On January 3, 2018, the Company entered into a letter of intent (the "LOI") with 1113131 B.C. LTD. ("Prime Harvest"), a private British Columbia corporation. Prime Harvest has a wholly owned American subsidiary Prime Harvest LLC which focuses 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 Canadian Securities Exchange (the "Exchange"). The Proposed Transaction is expected to constitute a reverse takeover of MEC by Prime Harvest, pursuant to Exchange policies.

On February 28, 2019 the Company announced that its planned acquisition of all the outstanding common shares of Prime Harvest, had been terminated. Prime Harvest had advised the Company that it intends to pursue other opportunities and is no longer proceeding with the transaction with the Company. The Company will also be pursuing new opportunities as a result of this termination.

Research and Development Work.

<u>Research and development work</u>

For six months ended June 30, 2019, and since inception, the Company's research cost is as follows:

	Three months ended June 30, 2019	Since Inception
	$	$
Research work performed by external consulting	-	587,323
Salaries	-	87,051
Fair value for common share	-	3,750,000
Supplies	-	49,826
Less: government grant received	-	(158,500)
Total	**-**	**4,260,200**

SELECTED QUARTERLY INFORMATION

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

	2019	2019	2018				2017	
	Q2- 2019	**Q1- 2019**	**Q4 -2018**	**Q3 - 2018**	**Q2 -2018**	**Q1- 2018**	**Q4 -2017**	**Q3 - 2017**
Total Assets	$ 1	$ 1	$ 1,746	$ 1,765	$ 1,746	$ 12,461	$ 3,059	$ 11,745
Revenue	Nil	Nil	24,939	21,805	21,805	21,805	21,805	21,805
Recovery (expense)	(96,157)	(20,465)	(50,045)	(84,967)	(143,081)	(92,369)	(180,386)	(89,070)
Income (loss)	(96,157)	(20,465)	(25,105)	(63,162)	(121,276)	(70,564)	(165,177)	(67,265)
Earnings (loss) per share	(0.00)	(0.00)	(0,00)	(0,00)	(0.00)	(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.

The Company earned revenue from licensing the MRU100 units in prior periods, but this ended in Q4 -2018. No revenue was earn in the current period.

RESULTS OF OPERATIONS

Six months ended June 30, 2019

The Company's net loss for the period ended June 30, 2019 was $116,622 compared with a loss of 191,841 in 2018, a decrease of loss of $75,219, (for the six month period) which is a result of a similar decrease in the operating expenditure. Key components the main expenditures are as follows:

Six months ended June 30,	2019	2018
	$	$
Share-based compensation	nil	45,180
Office and administration	(41,485)	24,375
Consulting fees	120,000	120,000

- Share-based compensation recognized based on the timing of option vested and granted. These options have now been cancelled.
- The Company conducted less business activities in the six-month period ended June 30, 2019 after termination of the Proposed Transaction, thus incurred less office expense. There were also several liabilities that were settled out and eliminated thus resulting is a recovery of office and administrative costs.

Three months ended June 30, 2019 ("2019 Q2")

The Company's net loss in 2019 Q2 was $96,157 compared with a loss of 121,276 in 2018, a decrease of loss of $52,119, (for the three-month period) which is a result of a similar decrease in the operating expenditure. Key components the main expenditures are as follows:

Three months ended June 30,	2019	2018
	$	$
Share-based compensation	nil	22,590
Professional fees	22,003	32,500
Office and administration	nil	22,229
Consulting fees	60,000	60,000

- Share-based compensation recognized based on the timing of option vested and granted. These options have now been cancelled.
- The Company conducted less business activities in 2019 Q2 determining next steps and keeping cost as low as possible, thus incurred less office expense.

LIQUIDITY & CAPITAL RESOURCES

During 2019 Q2, the Company did not have cash flow from its investing activities.

As at June 30, 2019, the Company had a working capital deficiency of $1,348,223. 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 by year end.

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

None

TRANSACTIONS WITH RELATED PARTIES

a) Transactions with key management personnel were as follows:

Six months ended June 30,	2019	2018
	$	$
Consulting fees charged by a director	30,000	30,000
Consulting fees charged by a company related to the chief executive officer ("CEO")	60,000	60,000
Consulting fees charged by the chief financial officer ("CFO")	30,000	30,000
Stock based compensation vested by directors and officers	-	29,160

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	June 30, 2019	December 31, 2018
	$	$
A director	264,000	234,000
Chief financial officer	229,600	198,750
Companies related to the CEO	535,864	477,121
	1,029,464	904,871

OUTSTANDING SHARE DATA

As of the date of this MD&A, has 63,671,935 common shares and nil stock options.

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, 2018 for details of the Company's significant accounting policies and accounting estimates. The Company has not adopted new accounting policies since its recent year ended December 31, 2018 except the adoption of IFRS 9 and IFRS 15:

IFRS 9 "Financial Instruments " replaces IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

IFRS 15 "Revenue from Contracts with Customers" contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

There are no impacts to the Company's financial statements form the adoption of IFRS 9 and IFRS 15.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its cash held. Most of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. The Company's liquidity risk as assessed as high.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not incur significant expenditures that are denominated in foreign currencies and does not have any commitments that are denominated in foreign currencies. Therefore, the Company's exposure to currency risk is minimal.

Interest Rate Risk

Interest rate risk refers to the risk that fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company does not have material financial assets or liabilities that are exposed to fluctuation of interest rate. As a result, the exposure to interest rate risk is not significant.

Classification of financial instruments

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

	June 30, 2019	December 31, 2018
	$	$
Fair value through profit and loss (FVTPL):		
Cash	-	(23)
Amortized cost:		
Note receivable	1	1

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

	June 30, 2019	December 31, 2018
	$	$
Non-derivative financial liabilities (amortized cost):		
Trade payables	307,478	235,621
Salaries payable	11,281	25,604
Due to related party	1,029,464	904,871

Fair value

Financial instruments that are not measured at their values are note receivable, trade payables, salaries payable and due to related parties. Their carrying values approximate their fair values due to their short terms to maturity.

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 measured at fair value using level 1 inputs.

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 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.