

**ME RESOURCE CORP.**

**Condensed Interim Financial Statements**

**Three Months Ended March 31, 2020 and 2019**

**Unaudited -Expressed in Canadian Dollars**

## **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

**ME Resource Corp.**  
**Condensed Interim Statements of Financial Position**  
**(Unaudited - Expressed in Canadian Dollars)**

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	\$	\$
<b>ASSETS</b>		
Non-current assets		
Note receivable	1	1
<b>Total assets</b>	<b>1</b>	<b>1</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	368,387	360,470
Note payable (Note 6)	35,854	34,982
Due to related parties (Note 5)	1,190,723	1,130,723
	<b>1,594,964</b>	<b>1,526,175</b>
<b>SHAREHOLDERS' DEFICIENCY</b>		
Share capital (Note 3)	5,861,105	5,861,105
Reserves	1,745,278	1,745,278
Deficit	(9,201,346)	(9,132,557)
	<b>(1,594,963)</b>	<b>(1,526,174)</b>
<b>Total shareholders' deficiency and liabilities</b>	<b>1</b>	<b>1</b>

*Note 1: Nature and operation and going concern*

Authorized for issuance by the Board of Directors on July 13, 2020.

/s/ Navchand Jagpal  
Director

/s/Ravinder Kang  
Director

*See accompanying notes to the interim financial statements*

**ME Resource Corp.**

**Condensed Interim Statements of Comprehensive Loss  
(Unaudited - Expressed in Canadian Dollars)**

Three months ended March 31,	<b>2020</b>	<b>2019</b>
	\$	\$
Expenses		
Consulting and management (Note 5)	60,000	60,000
Filing fees	3,917	1,950
General and administration	872	(41,485)
Professional fees	4,000	-
<b>Loss and comprehensive loss</b>	<b>(68,789)</b>	<b>(20,465)</b>
<b>loss per share – basic and diluted</b>	<b>(0.00)</b>	<b>(0.00)</b>
Weighted average number of outstanding common shares , basic and diluted	63,671,935	63,671,935

*See accompanying notes to the interim financial statements*

**ME Resource Corp.**  
**Condensed Interim Statements of Cash Flows**  
**(Unaudited - Expressed in Canadian Dollars)**

<b>Three months ended March 31,</b>	<b>2020</b>	<b>2019</b>
	\$	\$
Cash flows from operating activities		
Loss for the period	(68,789)	(20,465)
Accrued consulting fees	60,000	60,000
Accrued interest	872	-
Changes in non-cash working capital items:		
- Receivable	-	-
- Prepaid	-	-
- accounts payable and accrued liabilities	7,917	(39,512)
Deferred revenue	-	-
<b>Cash used in operating activities</b>	<b>-</b>	<b>23</b>
Net cash inflow	-	23
Cash, beginning of period	-	(23)
<b>Cash, end of period</b>	<b>-</b>	<b>-</b>

*See accompanying notes to the interim financial statements*

**ME Resources Corp.****Condensed Interim Statements of Changes in Deficiency****Three months ended March 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)**

	<u>Share capital</u>		<u>Reserves</u>					
	Number of shares	Amount \$	Stock- option \$	Loan \$	Warrant \$	Deficit \$	Total \$	
Balance, December 31, 2018	63,671,935	5,861,105	1,853,944	5,121	45,761	(8,997,532)	(1,231,601)	
Loss for the period	-	-	-	-	-	(20,465)	(20,465)	
Balance, March 31, 2019	63,671,935	5,861,105	1,853,944	5,121	45,761	(9,017,997)	(1,252,066)	
Balance, December 31, 2019	63,671,935	5,861,105	1,694,396	5,121	45,761	(9,132,557)	(1,526,174)	
Loss for the year	-	-	-	-	-	(68,789)	(68,789)	
Balance, March 31, 2020	63,671,935	5,861,105	-	1,694,396	5,121	45,761	(9,201,346)	(1,594,963)

*See accompanying notes to the interim financial statements*

## **ME Resource Corp.**

Notes to the Interim Financial Statements  
Three months ended March 31, 2020 and 2019  
(Unaudited - Expressed in Canadian Dollars)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

ME Resource Corp., (the “Company”) was incorporated under the Business Corporation Act (British Columbia) on October 16, 2009. The Company’s shares are traded on the Canadian Securities Exchange under the symbol MEC. The Company’s head and registered office address is 6038 131th Street, Surrey, BC V3X 3N4.

The Company is currently seeking business opportunities.

These financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. 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. Management intends to finance operating costs over the next twelve months with loans and/or private placement of common shares. Should the Company be unable to continue as going concern, the net realizable value of its assets may be materially less than the amounts on its statements of financial position.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

### **2. BASIS OF PRESENTATION**

These condensed interim financial statements for the nine months ended September 30, 2019, together with the comparative figures herein have been prepared in accordance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee .

These condensed interim financial statements do not include all the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed interim financial statements be read in conjunction with the most recent audited annual financial statements of the Company for its recent year ended December 31, 2019.

These financial statements were authorized for issue by the Board of Directors on July 13, 2020.

## 2. BASIS OF PRESENTATION (CONTINUED)

### **Basis of measurement and adoption of new accounting policies**

The financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments which are measured at fair value. The financial statements are presented in Canadian dollars, the functional currency of the Company.

The Company has not adopted new accounting policies since its recent year ended December 31, 2019.

## 3. SHARE CAPITAL

Authorized share capital:     An unlimited number of common shares without par value.  
   An unlimited number of preferred shares without par value.

Issued and outstanding:

During the three months ended March 31, 2020, the Company did not issue any common shares.

### **Stock options**

The Company has a stock option plan which provides that the Board of Directors of the Company may grant to directors, officers, employees, and consultants to the Company, non-transferable options to purchase common shares. The number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. The term of any options granted under the plan may not exceed 5 years. Vesting terms and conditions are established by the Board of Directors.

There were no options granted or exercised/expired during the three months ended March 31, 2020.

As at March 31, 2020 and December 31, 2019, there were no stock options outstanding.

### **Stock option reserve**

The stock option reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

### **Warrant reserve**

The warrant reserve records the fair value of warrants issued until such time that they are exercised, at which time the corresponding amount will be transferred to share capital.

### **Loan Reserve**

Recorded in the loan reserve is a discount on a loan which was issued with interest below market rates.

## 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	\$	\$
Trade payables	327,431	323,514
Salaries payable	20,066	20,066
Accrued liabilities	20,890	16,890
	<u>368,387</u>	<u>360,470</u>



Notes to the Interim Financial Statements  
 Three months ended March 31, 2020 and 2019  
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**5. RELATED PARTY TRANSACTIONS**

a) Transactions with key management personnel were as follows:

<b>Three months ended March 31,</b>	<b>2020</b>	<b>2019</b>
	\$	\$
Consulting fees charged by a director	15,000	15,000
Consulting fees charged by a company related to the chief executive officer ("CEO")	30,000	30,000
Consulting fees charged by the chief financial officer ("CFO")	15,000	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.

<b>Due to Related parties</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	\$	\$
Directors	319,000	304,000
Chief financial officer	274,600	259,600
Companies related to the CEO	597,123	567,123
	1,190,723	1,130,723

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

**6. NOTE PAYABLE**

As at March 31, 2020 the Company had a promissory note payable, principal and accrued interest, of \$35,854 (December 31, 2019 - \$32,943). This promissory note is unsecured, bears interest at 10% per annum and will be due on October 31, 2020.

During the three months ended March 31, 2020, the Company accrued interest of \$872.

**7. FINANCIAL INSTRUMENTS**

**Classification of financial instruments**

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	\$	\$
Amortized cost:		
Note receivable	1	1
Trade payables	327,431	323,514
Salaries payable	20,066	20,066
Note payable	35,854	34,982
Due to related party	1,190,723	1,130,723

## 7. FINANCIAL INSTRUMENTS (CONTINUED)

### **Fair value**

Financial instruments that are not measured at their values are note receivable, trade payables, salaries payable, note 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.

The Company's Cash (2020/3/31 - \$Nil; 2019/12/31- \$Nil) is measured at fair value using level 1 inputs.