UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 31, 2019

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to _______________.

Commission file number: 000-55831

MMEX RESOURCES CORPORATION

(Exact name of Issuer as specified in its charter)

Nevada	**26-1749145**
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
3616 Far West Blvd. #117-321 Austin, Texas 78731	**855-880-0400**
(Address of principal executive offices, including zip code)	(Issuer's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by the check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Applicable only to issuers involved in bankruptcy proceedings during the preceding five years:

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

Applicable only to corporate issuers:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of September 16, 2019, there were 1,472,895,881 shares of Class A common stock, $0.001 par value, issued and outstanding and 15,000,000 shares of Class B common stock, $0.001 par value, issued and outstanding.

MMEX RESOURCES CORPORATION

TABLE OF CONTENTS
QUARTER ENDED JULY 31, 2019

PART I – FINANCIAL INFORMATION

ITEM 1. Financial Statements

The accompanying condensed consolidated financial statements of MMEX Resources Corporation and subsidiaries (the "Company") are unaudited and have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the instructions for Form 10-Q. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, the condensed consolidated financial statements contain all material adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial condition, results of operations, and cash flows of the Company for the interim periods presented.

Operating results and cash flows for any interim period are not necessarily indicative of the results that may be expected for other interim periods or the full fiscal year. These condensed consolidated financial statements and related notes should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended April 30, 2019 filed with the Securities and Exchange Commission ("SEC").

MMEX RESOURCES CORPORATION
Condensed Consolidated Balance Sheets

		July 31, 2019 (Unaudited)		April 30, 2019
Assets				
Current assets:				
Cash	$	3,143	$	55,188
Prepaid expenses and other current assets		27,834		38,949
Total current assets		30,977		94,137
Property and equipment, net		525,043		531,167
Deposit		900		900
Total assets	$	556,920	$	626,204
Liabilities and Stockholders' Deficit				
Current liabilities:				
Accounts payable	$	690,344	$	706,192
Accrued expenses		350,618		307,078
Accounts payable and accrued expenses – related party		60,855		41,036
Note payable, currently in default		75,001		75,001
Convertible notes payable, currently in default, net of discount of $0 and $0 at July 31, 2019 and April 30, 2019, respectively		75,000		75,000
Convertible notes payable, net of discount of $510,187 and $869,433 at July 31, 2019 and April 30, 2019, respectively		1,284,958		783,836
Derivative liabilities		1,191,956		1,825,596
Total current liabilities		3,728,732		3,813,739
Long-term liabilities:				
Convertible notes payable, net of discount of $120,149 and $263,960 at July 31, 2019 and April 30, 2019, respectively		122,961		176,140
Total liabilities		3,851,693		3,989,879
Commitments and contingencies				
Stockholders' deficit:				
Common stock; $0.001 par value:				
Class A: 10,000,000,000 shares authorized, 375,297,755 and 53,172,427 shares issued and outstanding at July 31, 2019 and April 30, 2019, respectively		375,299		53,174
Class B: 2,000,000,000 shares authorized, 15,000,000 shares issued and outstanding at July 31, 2019 and April 30, 2019, respectively		15,000		15,000
Additional paid-in capital		36,106,122		35,622,398
Non-controlling interest		9,871		9,871
Accumulated deficit		(39,801,065)		(39,064,118)
Total stockholders' deficit		(3,294,773)		(3,363,675)
Total liabilities and stockholders' deficit	$	556,920	$	626,204

See accompanying notes to condensed consolidated financial statements.

MMEX RESOURCES CORPORATION
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended July 31, 2019	Three Months Ended July 31, 2018
Revenues	$ -	$ -
Operating expenses:		
General and administrative expenses	246,107	400,248
Refinery start-up costs	51,400	161,832
Depreciation and amortization	8,587	571
Total operating expenses	306,094	562,651
Loss from operations	(306,094)	(562,651)
Other income (expense):		
Interest expense	(687,972)	(406,997)
Gain (loss) on derivative liabilities	255,127	(2,876)
Gain (loss) on extinguishment of liabilities	1,992	(1,252)
Total other expense	(430,853)	(411,125)
Loss before income taxes	(736,947)	(973,776)
Provision for income taxes	-	-
Net loss	(736,947)	(973,776)
Non-controlling interest in income of consolidated subsidiaries	-	-
Net loss attributable to the Company	$ (736,947)	$ (973,776)
Net loss per common share – basic and diluted	$ (0.01)	$ (0.04)
Weighted average number of common shares outstanding – basic and diluted	111,310,436	22,832,461

See accompanying notes to condensed consolidated financial statements.

MMEX RESOURCES CORPORATION
Condensed Consolidated Statement of Stockholders' Deficit
Three Months Ended July 31, 2019 (Unaudited)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Non-Controlling Interest	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balance, April 30, 2019	53,172,427	$ 53,174	15,000,000	$ 15,000	$ 35,622,398	$ 9,871	$ (39,064,118)	$ (3,363,675)
Shares issued for:								
Services	30,000	30	-	-	54	-	-	84
Accrued expenses	1,116,961	1,117	-	-	10,391	-	-	11,508
Conversion of convertible notes payable and derivative liabilities	320,978,367	320,978	-	-	47,954	-	-	368,932
Settlement of derivative liabilities	-	-	-	-	425,325	-	-	425,325
Net loss	-	-	-	-	-	-	(736,947)	(736,947)
Balance, July 31, 2019	375,297,755	$ 375,299	15,000,000	$ 15,000	$ 36,106,122	$ 9,871	$ (39,801,065)	$ (3,294,773)

See accompanying notes to condensed consolidated financial statements.

MMEX RESOURCES CORPORATION
Condensed Consolidated Statement of Stockholders' Deficit
Three Months Ended July 31, 2018 (Unaudited)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Stock Subscriptions Receivable	Non-Controlling Interest	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount					
Balance, April 30, 2018	21,274,369	$ 21,274	15,000,000	$ 15,000	$ 33,085,221	$ -	$ 9,871	$ (35,077,288)	$ (1,945,922)
Shares issued for:									
Services	99,623	100	-	-	37,926	-	-	-	38,026
Accrued expenses	16,031	16	-	-	6,236	-	-	-	6,252
Conversion of convertible notes payable and derivative liabilities	2,047,771	2,048	-	-	306,569	-	-	-	308,617
Subscriptions receivable	989,474	989	-	-	115,263	(116,252)	-	-	-
Settlement of derivative liabilities	-	-	-	-	244,639	-	-	-	244,639
Net loss	-	-	-	-	-	-	-	(973,776)	(973,776)
Balance, July 31, 2018	24,427,268	$ 24,427	15,000,000	$ 15,000	$ 33,795,854	$ (116,252)	$ 9,871	$ (36,051,064)	$ (2,322,164)

See accompanying notes to condensed consolidated financial statements.

MMEX RESOURCES CORPORATION
Condensed Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended July 31, 2019	2018
Cash flows from operating activities:		
Net loss	$ (736,947)	$ (973,776)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	8,587	571
Stock-based compensation	84	38,026
Loss (gain) on derivative liabilities	(255,127)	2,876
Loss (gain) on extinguishment of liabilities	(1,992)	1,252
Amortization of debt discount	591,069	381,617
Decrease in prepaid expenses and other current assets	11,115	2,500
Increase (decrease) in liabilities:		
Accounts payable	(15,848)	75,178
Accrued expenses	64,358	43,380
Accounts payable and accrued expenses – related party	19,819	2,500
Net cash used in operating activities	(314,882)	(425,876)
Cash flows from investing activities:		
Purchase of property and equipment	(2,463)	-
Net cash used in investing activities	(2,463)	-
Cash flows from financing activities:		
Proceeds from convertible notes payable	365,300	140,000
Repayments of convertible notes payable	(100,000)	-
Net cash provided by financing activities	265,300	140,000
Net decrease in cash	(52,045)	(285,876)
Cash at the beginning of the period	55,188	304,173
Cash at the end of the period	$ 3,143	$ 18,297
Supplemental disclosure:		
Interest paid	$ 10,402	$ -
Income taxes paid	-	-
Non-cash investing and financing activities:		
Common stock issued in conversion of debt	368,932	308,617
Common stock issued for accrued expenses	13,500	5,000
Common stock issued for stock subscriptions receivable	-	116,252
Settlement of derivative liabilities	425,325	244,639
Derivative liabilities for debt discount	46,812	127,295
Related party gain on common shares issued for services	2,491	-

See accompanying notes to condensed consolidated financial statements.

MMEX RESOURCES CORPORATION
Notes to Condensed Consolidated Financial Statements
Three Months Ended July 31, 2019 (Unaudited)

NOTE 1 – BACKGROUND, ORGANIZATION AND BASIS OF PRESENTATION

MMEX Resources Corporation (the "Company" or "MMEX") is a company engaged in the exploration, extraction, refining and distribution of oil, gas, petroleum products and electric power. We plan to focus on the acquisition, development and financing of oil, gas, refining and electric power projects in Texas, Peru, and other countries in Latin America using the expertise of our principals to identify, finance and acquire these projects. The most significant focus of our current business plan is to build crude oil refining facilities in the Permian Basin in West Texas.

MMEX was formed as a Nevada corporation in 2005. The current management team led an acquisition of the Company (then named Management Energy, Inc.) through a reverse merger completed on September 23, 2010 and changed the Company's name to MMEX Mining Corporation on February 11, 2011 and to MMEX Resources Corporation on April 6, 2016

The accompanying condensed consolidated financial statements include the accounts of the following entities, all of which the Company maintains control through a majority ownership or through common ownership:

Name of Entity	%	Form of Entity	State of Incorporation	Relationship
MMEX Resources Corporation ("MMEX")	-	Corporation	Nevada	Parent
Pecos Refining & Transport, LLC ("Pecos Refining")	100%	Corporation	Texas	Subsidiary
Armadillo Holdings Group Corp. ("AHGC")	100%	Corporation	British Virgin Isles	Subsidiary
Armadillo Mining Corp. ("AMC")	98.6%	Corporation	British Virgin Isles	Subsidiary

Pecos Refining was formed in June 2017 with the Company as its sole member. Through Pecos Refining, the Company plans to build and commence operations of a crude oil distillation unit in the Permian Basin in West Texas.

As of April 13, 2016, the Company assigned AMC to an irrevocable trust (the "Trust"), whose beneficiaries are the existing shareholders of MMEX. The accounts of AMC are included in the consolidated financial statements due to the common ownership. AMC through the Trust controls the Hunza coal interest previously owned by MMEX.

All significant inter-company transactions have been eliminated in the preparation of the consolidated financial statements.

These financial statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for a fair presentation of the information contained therein.

The Company has adopted a fiscal year end of April 30.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Our significant accounting policies are described in our Annual Report on Form 10-K for the year ended April 30, 2019 filed with the SEC on July 26, 2019.

Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its aforementioned subsidiaries and entities under common ownership. All significant intercompany accounts and transactions have been eliminated in consolidation. The ownership interests in subsidiaries that are held by owners other than the Company are recorded as non-controlling interest and reported in our consolidated balance sheets within stockholders' deficit. Losses attributed to the non-controlling interest and to the Company are reported separately in our consolidated statements of operations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and equipment

Property and equipment is recorded at the lower of cost or estimated net recoverable amount, and is depreciated using the straight-line method over the estimated useful life of the related asset as follows:

Office furniture and equipment	10 years
Computer equipment and software	5 years
Refinery land improvements	15 years
Refinery land easements	10 years

The refinery land easements owned by the Company have a legal life of 10 years

Maintenance and repairs are charged to expense as incurred. Significant renewals and betterments will be capitalized. At the time of retirement or other disposition of equipment, the cost and accumulated depreciation will be removed from the accounts and the resulting gain or loss, if any, will be reflected in operations.

The Company will assess the recoverability of property and equipment by determining whether the depreciation and amortization of these assets over their remaining life can be recovered through projected undiscounted future cash flows. The amount of equipment impairment, if any, will be measured based on fair value and is charged to operations in the period in which such impairment is determined by management.

Derivative liabilities

In a series of subscription agreements, the Company issued warrants in prior years that contain certain anti-dilution provisions that have been identified as derivatives. In addition, the Company identified the conversion feature of certain convertible notes payable and convertible preferred stock as derivatives. As of July 31, 2019, the number of warrants or common shares to be issued under these agreements is indeterminate; therefore, the Company concluded that the equity environment is tainted and all additional warrants, stock options and convertible debt are included in the value of the derivatives. We estimate the fair value of the derivatives using multinomial lattice models that value the derivative liabilities based on a probability weighted cash flow model using projections of the various potential outcomes. These estimates are based on multiple inputs, including the market price of our stock, interest rates, our stock price volatility and management's estimates of various potential equity financing transactions. These inputs are subject to significant changes from period to period and to management's judgment; therefore, the estimated fair value of the derivative liabilities will fluctuate from period to period, and the fluctuation may be material.

Fair value of financial instruments

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures,* and ASC 825, *Financial Instruments,* the FASB establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, prepaid expense and other current assets, accounts payable, accrued expenses and notes payable reported on the accompanying consolidated balance sheets are estimated by management to approximate fair value primarily due to the short-term nature of the instruments.

An entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value using a hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy prioritized the inputs into three levels that may be used to measure fair value:

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in markets that are not active.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Our derivative liabilities are measured at fair value on a recurring basis and estimated as follows:

July 31, 2019	**Total**	**Level 1**	**Level 2**	**Level 3**
Derivative liabilities	$ 1,191,956	$ -	$ -	$ 1,191,956
April 30, 2019	**Total**	**Level 1**	**Level 2**	**Level 3**
Derivative liabilities	$ 1,825,596	$ -	$ -	$ 1,825,596

Revenue Recognition

Effective May 1, 2018, the Company adopted ASC 606, Revenue from Contracts with Customers, as amended, using the modified retrospective method, which requires the cumulative effect of adoption to be recognized as an adjustment to opening retained earnings in the period of adoption. To date, the Company has no operating revenues; therefore, there was no cumulative effect of adopting the new standard and no impact on our financial statements. The new standard provides a single comprehensive model to be used in the accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance, including industry-specific guidance. The standard's stated core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve this core principle, ASC 606 includes provisions within a five-step model that includes identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations, and recognizing revenue when, or as, an entity satisfies a performance obligation.

Refinery start-up costs

Costs incurred prior to opening the Company's proposed crude oil refinery in Pecos County, Texas, including acquisition of refinery rights, planning, design and permitting, are recorded as start-up costs and expensed as incurred.

Basic and diluted income (loss) per share

Basic net income or loss per share is calculated by dividing net income or loss (available to common stockholders) by the weighted average number of common shares outstanding for the period. Diluted income or loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock, such as stock options, warrants, convertible debt and convertible preferred stock, were exercised or converted into common stock. For the three months ended July 31, 2019 and 2018, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share, therefore, basic net loss per share is the same as diluted net loss per share.

Stock-based compensation

Pursuant to FASB ASC 718, all share-based payments to employees, including grants of employee stock options, are recognized in the statement of operations based on their fair values. For the three months ended July 31, 2019 and 2018, the Company recorded share-based compensation to employees of $0 and $1,070, respectively.

Issuance of shares for non-cash consideration

The Company accounts for the issuance of equity instruments to acquire goods and/or services based on the fair value of the goods and services or the fair value of the equity instrument at the time of issuance, whichever is more reliably determinable. The Company's accounting policy for equity instruments issued to consultants and vendors in exchange for goods and services follows the provisions of the standards issued by the FASB. The measurement date for the fair value of the equity instruments issued is determined as the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete. In the case of equity instruments issued to consultants, the fair value of the equity instrument is recognized over the term of the consulting agreement.

Reclassifications

Certain amounts in the consolidated financial statements for the prior-year period have been reclassified to conform with the current-year period presentation.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing transactions. This new pronouncement, as amended, is effective January 1, 2019 for calendar-year-end public companies, or May 1, 2019 for the Company. The Company currently does not have any material leases and the adoption of this new pronouncement did not have a material impact on its consolidated financial statements.

Although there are several other new accounting pronouncements issued or proposed by the FASB, which the Company has adopted or will adopt, as applicable, the Company does not believe any of these accounting pronouncements has had or will have a material impact on its consolidated financial position or results of operations.

NOTE 3 – GOING CONCERN

Our financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. We have incurred continuous losses from operations, have an accumulated deficit of $39,801,065 and a total stockholders' deficit of $3,294,773 at July 31, 2019, and have reported negative cash flows from operations since inception. In addition, we do not currently have the cash resources to meet our operating commitments for the next twelve months, and we expect to have ongoing requirements for capital investment to implement our business plan, including the construction of our proposed refinery project. Finally, our ability to continue as a going concern must be considered in light of the problems, expenses and complications frequently encountered by entrance into established markets and the competitive environment in which we operate.

Since inception, our operations have primarily been funded through private debt and equity financing, and we expect to continue to seek additional funding through private or public equity and debt financing.

Our ability to continue as a going concern is dependent on our ability to generate sufficient cash from operations to meet our cash needs and/or to raise funds to finance ongoing operations and repay debt. However, there can be no assurance that we will be successful in our efforts to raise additional debt or equity capital and/or that our cash generated by our operations will be adequate to meet our needs. These factors, among others, raise substantial doubt that we will be able to continue as a going concern for a reasonable period of time.

The financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. The financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 4 – RELATED PARTY TRANSACTIONS

Accounts payable and accrued expenses to related parties, consisting primarily of consulting fees, totaled $60,855 and $41,036 as of July 31, 2019 and April 30, 2019, respectively.

During the three months ended July 31, 2019 and 2018, we incurred consulting fees and expense reimbursement related to the development of the refinery project to Maple Resources Corporation ("Maple Resources"), a related party controlled by our President and CEO, totaling $79,991 and $77,639, respectively. Amounts included in accounts payable due to Maple Resources totaled $7,322 and $9,403 as of July 31, 2019 and April 30, 2019, respectively. Effective July 1, 2019, we entered into a consulting agreement with Maple Resources that provides, in addition to the consulting fees and expense reimbursement, for the issuance to Maple Resources of shares of our Class A common stock each month with a value of $5,000, with the number of shares issued based on the average closing price of the stock during the prior month. No shares were issued to Maple Resources in July 2019 under the agreement.

Effective October 1, 2018, we entered into a consulting agreement with a related party to issue shares of our Class A common stock each month with a value of $2,500, with the number of shares issued based on the average closing price of the stock during the prior month. During the three months ended July 31, 2019, we issued a total of 620,534 Class A common shares valued at $5,009 to the related party, with the shares valued at the market price on the date of issuance, in payment of accrued consulting fees totaling $7,500. A gain on extinguishment of debt of $2,491 related to this compensation arrangement was recorded as a contribution to capital.

During the three months ended July 31, 2018, we issued to an employee 274,427 shares of our Class A common stock valued at $1,070 based on the market price on the date of issuance. The employee was terminated in January 2019.

As a condition for entering into an October 9, 2018 convertible debenture (see Note 8), the lender required affiliates of Jack W. Hanks and Bruce Lemons, our directors (the "Affiliates"), to pledge their shares of Class B Common Stock (constituting 100% of the outstanding shares of Class B Common Stock) to the lender to secure the repayment of the debenture by the Company. As consideration to the Affiliates for entering into the pledge agreement, the Company granted a ten-year option, effective as of December 11, 2018, to the Affiliates to purchase 1,000,000 of Class A Shares and 1,000,000 of the Class B Shares at $0.08 per share.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at:

	July 31, 2019	April 30,2019
Office furniture and equipment	$ 13,864	$ 13,864
Computer equipment and software	10,962	10,962
Refinery land	67,088	67,088
Refinery land improvements	443,928	441,465
Refinery land easements	37,015	37,015
	572,857	570,394
Less accumulated depreciation and amortization	(47,814)	(39,227)
	$ 525,043	$ 531,167

On July 28, 2017, the Company acquired 126 acres of land located near Fort Stockton, Texas for $67,088. This 126-acre parcel is the tract on which the Company intends to build a crude oil refinery (Note 6). Subsequently through July 31, 2019, the Company incurred a total of $480,942 additional costs to acquire certain easements related to the land parcel and make other improvements.

Depreciation and amortization expense totaled $8,587 and $571 for the three months ended July 31, 2019 and 2018, respectively.

NOTE 6 – REFINERY PROJECT

On March 4, 2017, we entered into an agreement with Maple Resources, a related party, to acquire all of Maple's right, title and interest (the "Rights") in plans to build a crude oil refinery in Pecos County, Texas (the "Refinery Transaction"). Pursuant to the Refinery Transaction, we agreed to acquire the Rights in exchange for the issuance of 15,000,000 Class B common shares. The 15,000,000 Class B common stock issued for the Rights were valued at $150,000 by an independent valuation firm, with the $150,000 expensed to refinery start-up costs.

Through our wholly-owned subsidiary, Pecos Refining, we intend initially to build and commence operation of a 10,000 barrel-per-day distillation unit (the "Distillation Unit") that will produce a non-transportation grade diesel primarily for sale in the local market for drilling mud and frac fluids, along with naphtha for use in petrochemical and refinery processing and residual fuel oil to be sold for use in other refineries or as marine fuel. Through a separate subsidiary, we intend to build and commence operation of a crude oil refinery (the "Large Refinery") with up to 100,000 barrel-per-day capacity at a near-by location in West Texas (collectively with the Distillation Unit, the "Refinery Project"). The Refinery Project will be built on additional acres located 20 miles northeast of Fort Stockton, Texas.

On July 28, 2017, we acquired the 126-acre parcel of the land, which is the site for our planned Distillation Unit (Note 5), at a purchase price of $550 per acre, or $67,088. We continue to negotiate with the seller of property to acquire an additional 381-acre parcel, which is the site for the planned Large Refinery, at a price of $550 per acre, or approximately $210,000. We will be required to obtain additional financing to complete this purchase.

On July 31, 2017, we filed an application with the Texas Commission on Environmental Quality ("TCEQ") to obtain an air quality permit and obtained permit approval from the TCEQ on August 30, 2017. Accordingly, we will begin construction on the Distillation Unit on 15 acres of our 126-acre tract as soon we receive adequate financing to do so.

Completion of the Refinery Project will require substantial equity and debt financing and is subject to the receipt of required governmental permits.

NOTE 7 – ACCRUED EXPENSES

Accrued expenses consisted of the following at:

	July 31, 2019	April 30, 2019
Accrued payroll	$ 30,090	$ 30,090
Accrued consulting	4,000	4,500
Accrued interest	253,987	209,947
Other	62,541	62,541
	$ 350,618	$ 307,078

NOTE 8 – NOTES PAYABLE

Note Payable, Currently in Default

Note payable, currently in default, consists of the following at:

	July 31, 2019	April 30, 2019
Note payable to an unrelated party, maturing March 18, 2014, with interest at 10%	$ 75,001	$ 75,001
	$ 75,001	$ 75,001

Accrued interest payable on note payable, currently in default, totaled $47,759 and $45,884 at July 31, 2019 and April 30, 2019, respectively.

Convertible Notes Payable, Currently in Default

Convertible notes payable, currently in default, consist of the following at:

	July 31, 2019	April 30, 2019
Note payable to an unrelated party, maturing January 27, 2012, with interest at 25%, convertible into common shares of the Company at $3.70 per share	$ 50,000	$ 50,000
Note payable to an unrelated party, maturing December 31, 2010, with interest at 10%, convertible into common shares of the Company at $1.00 per share	25,000	25,000
	75,000	75,000
Less discount	-	-
Total	$ 75,000	$ 75,000

Accrued interest payable on convertible notes payable, currently in default, totaled $100,054 and $97,241 at July 31, 2019 and April 30, 2019, respectively.

Current Convertible Notes Payable

Current convertible notes payable consisted of the following at:

	July 31, 2019	April 30, 2019
Note payable to an accredited investor, maturing September 13, 2019, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price	$ 52,050	$ 110,000
Note payable to an accredited investor, maturing September 18, 2019, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price	70,000	70,000
Original issue discount convertible debenture to an accredited investor, maturing October 5, 2019, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price	600,000	600,000
Note payable to an accredited investor, maturing January 4, 2020, with interest at 9%, convertible into common shares of the Company at a defined variable exercise price	45,900	136,000
Note payable to an accredited investor, maturing January 11, 2020, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price	105,200	120,000
Note payable to an accredited investor, maturing January 17, 2020, with interest at 12%, convertible into common shares of the Company at a defined variable exercise price	113,995	125,000
Note payable to an accredited investor, maturing January 31, 2020, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price	125,000	125,000
Note payable to an accredited investor, maturing February 20, 2020, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price	110,000	110,000
Note payable to an accredited investor, maturing February 27, 2020, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price	55,000	55,000
Note payable to an accredited investor, maturing January 24, 2020, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price	55,000	55,000
Note payable to an accredited investor, maturing May 7, 2020, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price	100,000	-
Note payable to an accredited investor, maturing May 7, 2020, with interest at 12%, convertible into common shares of the Company at a defined variable exercise price	56,500	-
Note payable to an accredited investor, maturing June 19, 2020, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price	250,000	-
Note payable to an accredited investor, maturing June 25, 2020, with interest at 9%, convertible into common shares of the Company at a defined variable exercise price	56,500	-
Note payable to an accredited investor, maturing February 27, 2020, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price, paid in full in June 2019	-	100,000
Note payable to an accredited investor, maturing September 21, 2019, with interest at 8%, converted in full into shares of Class A common stock	-	47,269
Total	1,795,145	1,653,269
Less discount	(510,187)	(869,433)
Net	$ 1,284,958	$ 783,836

Effective September 13, 2018, the Company issued and delivered to GS Capital Partners, LLC ("GS") a 10% convertible note in the principal amount of $110,000. The note was issued at a discount, resulting in the Company's receipt of $100,000 after payment of $5,500 of the fees and expenses of the lender and its counsel. GS, at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock (i) during the first 180 days, at a price of $3.00 per share of common stock and (ii) thereafter at a 40% discount from the lowest trading price during the 20 days prior to conversion. The note matures on September 13, 2019. The Company may redeem the note at redemption prices ranging from 115% to 135% during the first 180 days after issuance. The note had a principal balance of $110,000 as of April 30, 2019. During the three months ended July 31, 2019, GS converted principal of $57,950 into Class A common shares of the Company, resulting in a principal balance of $52,050 as of July 31, 2019.

Effective September 18, 2018, the Company issued and delivered to GS a 10% convertible note in the principal amount of $70,000. The note was issued at a discount and the Company received no net proceeds. GS paid $56,589 on behalf of the Company to a prior lender in settlement of a dispute and $9,101 was paid for fees and expenses of GS and its counsel. GS, at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock at a 40% discount from the lowest trading price during the 20 days prior to conversion (with a floor of $3.00 per share during the first six months after issuance.) The note matures on September 13, 2019. The Company may redeem the note at redemption prices ranging from 130% to 145% during the first 180 days after issuance. The note had a principal balance of $70,000 as of July 31, 2019 and April 30, 2019.

Effective October 9, 2018, the Company issued and delivered to GS a 10% convertible debenture in the principal amount of $600,000. The debenture was issued with an original issue discount of $50,000, resulting in the Company's receipt of $550,000 of net proceeds. The debenture was issued pursuant to a securities purchase agreement, which allows for the issuance of additional debentures to one or more holders on substantially identical terms. GS, at its option on and after the six-month anniversary of the date of issuance, may convert the unpaid principal balance of, and accrued interest on, the debentures into shares of common stock thereafter at a 40% discount from the average of the three lowest trading price during the 25 days prior to conversion. The debenture matures on October 5, 2019. The Company may redeem the debenture at redemption prices ranging from 112% to 137% during the first 180 days after issuance. The debenture had a principal balance of $600,000 as of July 31, 2019 and April 30, 2019. Affiliates of Jack W. Hanks and Bruce Lemons, our directors, have pledged their shares of Class B Common Stock (constituting 100% of the outstanding shares of Class B Common Stock) to GS to secure the repayment of the debenture by the Company.

Effective January 4, 2019, the Company issued and delivered to Geneva Roth Remark Holdings, Inc. ("Geneva") a 9% convertible note in the principal amount of $136,000. The note was issued at a discount, resulting in the Company's receipt of $125,000 after payment of $3,000 of the fees and expenses of the lender and its counsel. Geneva, at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock beginning 180 days following the date of the note at a 29% discount from the average of the three lowest trading prices during the 20 days prior to conversion. The note matures on January 4, 2020. The Company may redeem the note at redemption prices ranging from 105% to 130% during the first 180 days after issuance. The note had a principal balance of $136,000 as of April 30, 2019. During the three months ended July 31, 2019, Geneva converted principal of $90,100 into Class A common shares of the Company, resulting in a principal balance of $45,900 as of July 31, 2019.

Effective January 11, 2019, the Company issued and delivered to One44 Capital LLC ("One44") a 10% convertible note in the principal amount of $120,000. The Company received net proceeds of $114,000 after payment of $6,000 of the fees and expenses of the lender and its counsel. One44, at any time at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock at a 40% discount from the lowest trading price during the 20 days prior to and including the day the notice of conversion is received by the Company, with a floor of $0.03 per share. The note matures on January 11, 2020. The Company may redeem the note at redemption prices ranging from 130% to 140% during the first 180 days after issuance. The Company may not redeem the note after 180 days from the issuance date. The note had a principal balance of $120,000 as of April 30, 2019. During the three months ended July 31, 2019, One44 converted principal of $14,800 into Class A common shares of the Company, resulting in a principal balance of $105,200 as of July 31, 2019.

Effective January 17, 2019, the Company issued and delivered to JSJ Investments, Inc. ("JSJ") a 12% convertible note in the principal amount of $125,000. The Company received net proceeds of $122,000 after payment of $3,000 of the fees and expenses of the lender and its counsel. JSJ, at any time at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock at $0.03 per share or, upon the occurrence of certain defined defaults, at a 42% discount to the lowest trading price during the 20 days prior to the date the notice of conversion is received by the Company. The note matures on January 17, 2020. The Company may redeem the note at redemption prices ranging from 135% to 150% during the first 180 days after issuance. The note had a principal balance of $125,000 as of April 30, 2019. During the three months ended July 31, 2019, JSJ converted principal of $11,005 into Class A common shares of the Company, resulting in a principal balance of $113,995 as of July 31, 2019.

Effective January 31, 2019, the Company issued and delivered to Auctus Fund, LLC ("Auctus") a 10% convertible note in the principal amount of $125,000. The Company received net proceeds $112,250 after payment of $12,750 of the fees and expenses of the lender and its counsel. Auctus, on or following the 180th calendar day after the issuance date of the note, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock a 40% discount to the lowest trading price during the 20 days prior to the date the notice of conversion is received by the Company. The note matures on January 31, 2020. The Company may redeem the note at redemption prices ranging from 120% to 135% during the first 180 days after issuance. The Company may not redeem the note after 180 days from the issuance date. The note had a principal balance of $125,000 as of July 31, 2019 and April 30, 2019.

Effective February 7, 2019, the Company issued and delivered to Geneva a 12% convertible note in the principal amount of $56,500. The note was issued at a discount, resulting in the Company's receipt of $50,000 after payment of $3,000 of the fees and expenses of the lender and its counsel and an original issue discount of $3,500. Geneva, at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock beginning 180 days following the date of the note at a 29% discount from the lowest trading price during the 20 days prior to conversion. The note matures on May 7, 2020. The Company may redeem the note at redemption prices ranging from 105% to 130% during the first 180 days after issuance. The note had a principal balance of $56,500 as of July 31, 2019 and April 30, 2019.

Effective February 20, 2019, the Company issued and delivered to GS a 10% convertible note in the principal amount of $110,000. The note was issued at a discount and the Company received net proceeds of $100,000 after payment of $5,500 of the fees and expenses of the lender and its counsel. During the first 180 days, GS, at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock at a price of $0.08 per share and thereafter at 40% discount from the lowest trading price during the 20 days prior to conversion. The note matures on February 20, 2020. The Company may redeem the note at redemption prices ranging from 115% to 135% during the first 180 days after issuance. The note had a principal balance of $110,000 as of July 31, 2019 and April 30, 2019.

Effective February 27, 2019, the Company issued and delivered to Coventry Enterprises, LLC ("Coventry") a 10% convertible note in the principal amount of $55,000. The Company received net proceeds of $52,500 after payment of $2,500 of the fees and expenses of the lender and its counsel. Coventry, at any time at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock at a 40% discount from the lowest trading price during the 20 days prior to and including the day the notice of conversion is received by the Company. The note matures on February 27, 2020. During the first 150 days the Note is in effect, the Company may redeem the note at a redemption price of 135%. The Company may not redeem the note after 150 days from the issuance date. The note had a principal balance of $55,000 as of July 31, 2019 and April 30, 2019.

Effective March 25, 2019, the Company issued and delivered to Geneva a 9% convertible note in the principal amount of $56,500. The note was issued at a discount, resulting in the Company's receipt of $50,000 after payment of $3,000 of the fees and expenses of the lender and its counsel and an original issue discount of $3,500. Geneva, at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock beginning 180 days following the date of the note at a 29% discount from the lowest trading price during the 20 days prior to conversion. The note matures on June 25, 2020. The Company may redeem the note at redemption prices ranging from 105% to 130% during the first 180 days after issuance. The note had a principal balance of $56,500 as of July 31, 2019 and April 30, 2019.

Effective April 24, 2019, the Company issued and delivered to EMA Financial, LLC (“EMA”) a 10% convertible note in the principal amount of $55,000. The note was issued at a discount and the Company received net proceeds of $50,000 after payment of $3,750 of the fees and expenses of the lender and its counsel. EMA, at any time at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock at a 40% discount from the lowest trading price during the 20 days prior to the day the notice of conversion is received by the Company. The note matures on January 24, 2020. During the first 180 days the Note is in effect, the Company may redeem the note at redemption prices ranging from 120% to $140%The Company may not redeem the note after 180 days from the issuance date. The note had a principal balance of $55,000 as of July 31, 2019 and April 30, 2019.

Effective May 7, 2019, the Company issued and delivered to Odyssey Capital Funding LLC (“Odyssey”) a 10% convertible note in the principal amount of $100,000. The Company received $95,000 after payment of $5,000 of fees and expenses of the lender and its counsel. Odyssey, at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock at a 40% discount from the lowest trading price during the 20 days prior to and including the conversion date (with a floor of $0.03 per share for the six months following the date of the note). The note matures on May 7, 2020. The Company may redeem the note at redemption prices ranging from 130% to 140% during the first 120 days after issuance. The Company may not redeem the note after the first 120 days after issuance. The note had a principal balance of $100,000 as of July 31, 2019.

Effective June 4, 2019, the Company issued and delivered to Geneva a 9% convertible note in the principal amount of $56,500. The note was issued at a discount and the Company received $50,000 after an original issue discount of $3,500 and payment of $3,000 of fees and expenses of the lender and its counsel. Geneva, at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock at a 29% discount from the lowest trading price during the 20 days prior to conversion. The note matures on September 4, 2020. The Company may redeem the note at redemption prices ranging from 105% to 130% during the first 180 days after issuance. The Company may not redeem the note after the first 180 days after issuance. The note had a principal balance of $56,500 as of July 31, 2019.

Effective June 19, 2019, the Company issued and delivered to Odyssey a 10% convertible note in the principal amount of $250,000. Of the note proceeds, $144,296 was paid to One44 to redeem its February 27, 2019 convertible note and the Company received $80,704 after payment of $25,000 of legal and brokerage fees. Odyssey, at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock at a 40% discount from the lowest trading price during the 20 days prior to and including the date of conversion (with a floor of $0.03 per share for the six months following the date of the note). The note matures on June 19, 2020. The Company may redeem the note at redemption prices ranging from 130% to 140% during the first 120 days after issuance. The Company may not redeem the note after the first 120 days after issuance. The note had a principal balance of $250,000 as of July 31, 2019.

Effective March 21, 2018, the Company issued and delivered to Auctus an 8% convertible note in the principal amount of $220,000. The Company received $202,000 of note proceeds after payment of $18,000 of the fees and expenses of the lender and its counsel. The Company can redeem the note at any time prior to 90 days from the issuance date at a redemption price of 130% plus accrued interest. The redemption price thereafter increases to 145%, plus accrued interest, until the 180th day after issuance. Auctus, at its option, may convert the unpaid principal balance and accrued interest into shares of the Company’s Class A common stock at a price of no lower than $3.00 per share of common stock until the 180th day after issuance and thereafter at a 45% discount from the average of the two lowest trading prices during the 25 days prior to conversion. The note also contains penalty provisions in the event of default in repayment of the note (if not converted by Auctus into shares of common stock) on the maturity date of March 21, 2019. During the year ended April 30, 2019, the maturity date of the note was extended to September 21, 2019 and an extension fee of $15,000 was added to the note principal. During the year ended April 30, 2019, Auctus converted principal of $187,731 into Class A common shares of the Company, resulting in a principal balance of $47,269 as of April 30, 2019. During the three months ended July 31, 2019, the balance of the note was converted in full into shares of the Company’s Class A common stock.

Effective February 27, 2019, the Company issued and delivered to One44 a 10% convertible note in the principal amount of $100,000. The Company received net proceeds of $95,000 after payment of $5,000 of the fees and expenses of the lender and its counsel. One44, at any time at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock at a 40% discount from the lowest trading price during the 20 days prior to and including the day the notice of conversion is received by the Company, with a floor of $0.03 per share. The note matures on February 27, 2020. The Company may redeem the note at redemption prices ranging from 130% to 140% during the first 180 days after issuance. The Company may not redeem the note after 180 days from the issuance date. The note had a principal balance of $100,000 as of April 30, 2019. The note was repaid in full in June 2019.

Long-Term Convertible Notes Payable

Long-term convertible notes payable consisted of the following at: April 30:

	July 31, 2019	April 30, 2019
Note payable to an accredited investor, maturing two years from each advance, with an original issue discount equal to 10% and a one-time interest charge of 12% added to principal, convertible into common shares of the Company at a defined variable exercise price:		
Advance dated September 13, 2018, maturing September 13, 2020	$ 45,355	$ 80,700
Advance dated October 16, 2018, maturing October 16, 2020	123,200	246,400
Note payable to an accredited investor, maturing October 16, 2020, convertible into common shares of the Company at a defined variable exercise price	18,055	-
Note payable to an accredited investor, maturing September 4, 2020, with interest at 9%, convertible into common shares of the Company at a defined variable exercise price	56,500	-
Note payable to an accredited investor, maturing May 7, 2020, with interest at 12%, convertible into common shares of the Company at a defined variable exercise price, reclassified to current convertible notes payable	-	56,500
Note payable to an accredited investor, maturing June 25, 2020, with interest at 9%, convertible into common shares of the Company at a defined variable exercise price, reclassified to current convertible notes payable	-	56,500
Total	243,110	440,100
Less discount	(120,149)	(263,960)
Total	$ 122,961	$ 176,140

Effective September 13, 2018, the Company issued and delivered to Vista Capital Investments, LLC ("Vista") a convertible note in the original maximum principal amount of $550,000 (consisting of an initial advance of $100,000 on such date and possible future advances). An original issue discount equal to 10% of each advance will be added to principal. The maturity date of advances under the convertible note is two years from the date of each advance. Terms of the convertible note include certain penalties for additional principal and changes in conversion prices when the trading price of the Company's common stock decreases to defined levels.

An original issue discount of $10,000 and a one-time 12% interest charge of $13,200 was added to the $100,000 advance at inception, resulting in total initial principal of $123,200. Through April 30, 2019, the note was partially converted into shares of the Company's Class A common stock resulting in a principal balance of $80,700 as of April 30, 2019. During the three months ended July 31, 2019, JSJ converted principal of $35,345 into Class A common shares of the Company, resulting in a principal balance of $45,355 as of July 31, 2019.

On October 16, 2018, the Company received proceeds of $200,000 from a second advance under the Vista long-term convertible note. An original issue discount of $20,000 and a one-time 12% interest charge of $26,400 was added to the note principal, resulting in total principal of $246,400, which balance was outstanding as of April 30, 2019. Effective May 14, 2019, Vista assigned $123,400 of this note, resulting in a principal balance of $123,400 as of July 31, 2019.

Effective May 14, 2019, EMA purchased $123,400 of the principal balance due Vista from the October 16, 2018 advance under the long-term convertible note payable to Vista discussed above. The terms of the EMA convertible note payable are the same as those under the original Vista note and the note matures October 16, 2020. During the three months ended July 31, 2019, EMA converted principal of $105,145 into Class A common shares of the Company, resulting in a principal balance of $18,055 as of July 31, 2019.

Effective June 4, 2019, the Company issued and delivered to Geneva a 9% convertible note in the principal amount of $56,500. The note was issued at a discount, resulting in the Company's receipt of $50,000 after an original issue discount of $3,500 and payment of $3,000 of the fees and expenses of the lender and its counsel. Geneva, at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock beginning 180 days following the date of the note at a 29% discount from the lowest trading price during the 20 days prior to conversion. The note matures on September 4, 2020. The Company may redeem the note at redemption prices ranging from 105% to 130% during the first 180 days after issuance. The note had a principal balance of $56,500 as of July 31, 2019.

Accrued interest payable on convertible notes payable totaled $106,174 and $66,822 at July 31, 2019 and April 30, 2019, respectively.

The Company has identified the conversion feature of its convertible notes payable as a derivative and estimated the fair value of the derivative using a multinomial lattice model simulation and assuming the existence of a tainted equity environment (see Note 9).

NOTE 9 – DERIVATIVE LIABILITIES

In a series of subscription agreements, the Company issued warrants in prior years that contain certain anti-dilution provisions that have been identified as derivatives. In addition, the Company identified the conversion feature of certain convertible notes payable and recently issued stock options as derivatives. As of July 31, 2019, the number of warrants or common shares to be issued under these agreements is indeterminate; therefore, the Company concluded that the equity environment is tainted and all additional warrants, stock options and convertible debt are included in the value of the derivative.

The Company estimates the fair value of the derivative liabilities at the issuance date and at each subsequent reporting date, using a multinomial lattice model simulation. The model is based on a probability weighted discounted cash flow model using projections of the various potential outcomes.

During the three months ended July 31, 2019, we had the following activity in our derivative liabilities:

	Options and Warrants	Convertible Notes	Total
Balance, April 30, 2019	$ 18,063	$ 1,807,533	$ 1,825,596
New issuances of options, warrants and debt	-	46,812	46,812
Debt conversions and repayments	-	(425,325)	(425,325)
Change in fair value of derivative liabilities	(15,316)	(239,811)	(255,127)
Balance, July 31, 2019	$ 2,747	$ 1,189,209	$ 1,191,956

Key inputs and assumptions used in valuing the Company's derivative liabilities as of July 31, 2019 are as follows:

- Stock prices on all measurement dates were based on the fair market value
- Risk-free interest rate of 1.89%
- The probability of future financing was estimated at 100%
- Computed volatility ranging from 207% to 317%

These inputs are subject to significant changes from period to period and to management's judgment; therefore, the estimated fair value of the derivative liabilities will fluctuate from period to period, and the fluctuation may be material.

NOTE 10 – STOCKHOLDERS' DEFICIT

Authorized Shares

The Company currently has authorized 12,010,000,000 shares consisting of 10,000,000,000 shares of Class A common stock, 2,000,000,000 shares of Class B common stock and 10,000,000 shares of preferred stock. No shares of preferred stock have been issued.

The Company is proposing to amend its articles of incorporation to increase the number of authorized shares of capital stock from 12,010,000,000 shares to 25,010,000,000 shares. The Company also proposes to designate Series A preferred stock consisting of 1,000 shares and having the rights and preferences set forth in the Certificate of Designation of the Series A preferred stock. Shareholders owning in excess of 50.1% of the outstanding shares of voting common stock of the Company executed a written consent approving an amendment to Article IV of the Amended and Restated Articles of Incorporation of the Company for these proposals. Upon the effectiveness and on the date that is 20 days following the mailing of the required Information Statement, the board of directors shall have the Company's Certificate of Amendment to the Amended and Restated Articles of Incorporation filed with the State of Nevada in order to effect the changes.

On September 14, 2018, the Company amended its articles of incorporation to provide for a 1 for 100 reverse stock split of our Class A and Class B common shares. Shareholders owning in excess of 50.1% of the outstanding shares of voting common stock of the Company executed a written consent approving an amendment to Article IV of the Amended and Restated Articles of Incorporation of the Company. The amendment was also approved by the Company's Board of Directors and declared effective by FINRA on November 15, 2018. The Company has given retroactive effect to the reverse stock split for all periods presented.

Stock Issuances

During the three months ended July 31, 2019, the Company issued a total of 322,125,328 shares of its Class A common stock: 30,000 shares for services valued at $84; 1,116,961 shares valued at $11,508 in payment of accrued expenses of $13,500 resulting in a gain on extinguishment of debt of $1,992 and 320,978,367 shares valued at $368,932 in conversion of convertible notes principal of $361,614, accrued interest payable of $5,568 and payment of fees of $1,750. Settlement of derivative liabilities in the debt conversions totaled $425,325.

During the three months ended July 31, 2018, the Company issued a total of 3,152,899 shares of its Class A common stock: 99,623 shares for services valued at $38,026; 16,031 shares valued at $6,262 in payment of accrued expenses of $13,500 resulting in a gain on extinguishment of debt of $1,992; 2,047,771 shares valued at $308,617 in conversion of convertible notes principal of $303,069 and accrued interest payable of $5,548; and 989,474 shares for stock subscriptions receivable of $116,252 pursuant to an equity purchase agreement. Settlement of derivative liabilities in the debt conversions totaled $244,639.

Warrants

The Company has issued warrants in prior years to investors in a series of subscription agreements in equity financings or for other stock-based compensation. Certain of the warrants contain anti-dilution provisions that the Company has identified as derivatives. We estimate the fair value of the derivatives using multinomial lattice models that value the warrants based on a probability weighted cash flow model using projections of the various potential outcomes and considering the existence of a tainted equity environment (see Note 9).

A summary of warrant activity during the three months ended July 31, 2019 is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Outstanding, April 30, 2019	1,789,293	$ 1.00	2.91
Granted	10,759,954	$ 1.00	
Canceled / Expired	-		
Exercised	-		
Outstanding, July 31, 2019	12,549,247	$ 1.00	2.66

The warrant shares granted during the three months ended July 31, 2019 are comprised of warrant shares issued to warrant holders pursuant to anti-dilution provisions.

Stock Options

As a condition for entering into the October 9, 2018 GS convertible debenture (see Note 8), GS required affiliates of Jack W. Hanks and Bruce Lemons, our directors (the “Affiliates”), to pledge their shares of Class B Common Stock (constituting 100% of the outstanding shares of Class B Common Stock) to GS to secure the repayment of the debenture by the Company. As consideration to the Affiliates for entering into the GS pledge agreement, the Company granted a ten-year option, effective as of December 11, 2018, to the Affiliates to purchase 1,000,000 of Class A Shares and 1,000,000 of the Class B Shares at $0.08 per share.

A summary of combined Class A and Class B stock option activity during the three months ended July 31, 2019 is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Outstanding, April 30, 2019	2,000,000	$ 0.08	9.62
Granted	-		
Canceled / Expired	-		
Exercised	-		
Outstanding, July 31, 2019	2,000,000	$ 0.08	9.37

Common Stock Reserved

At July 31, 2019, 9,624,702,245 shares of the Company’s Class A common stock were reserved for issuance of outstanding warrants, stock options, and convertible notes payable. Combined with the 375,297,755 Class A common shares outstanding, all authorized Class A common shares have been issued or reserved and no Class A common shares are available for share issuances other than those shares included in the reserves pending completion of the increase in authorized Class A common shares discussed above. At July 31, 2019, 1,000,000 shares of the Company’s Class B common stock were reserved for issuance of outstanding stock options.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Legal

There were no legal proceedings against the Company.

NOTE 12 – SUBSEQUENT EVENTS

In accordance with ASC 855-10, all subsequent events have been reported through the filing date as set forth below.

Subsequent to July 31, 2019, the Company issued a total of 1,097,598,126 shares of its Class A common stock in consideration for the conversion of note payable principal totaling $136,882 and accrued interest payable of $13,592.

Effective August 5, 2019, we issued and delivered to Maple Resources Corporation ("Maple"), a related party, a 5% convertible promissory note in the principal amount of $26,000. Maple, at its option may convert the unpaid principal balance of, and accrued interest on, the note into shares of the Company's Class A common stock at a conversion price equal to 110% of the lowest price at which shares of the common stock have been issued by the Company during the twenty prior trading days. The note matures on August 5, 2020.

Effective September 5, 2019, we issued and delivered to Maple, a 5% convertible promissory note in the principal amount of $10,000 for consulting services. Maple, at its option may convert the unpaid principal balance of, and accrued interest on, the note into shares of the Company's Class A common stock at a conversion price equal to 110% of the lowest price at which shares of the common stock have been issued by the Company during the twenty prior trading days. The note matures on September 5, 2020.

Effective August 5, 2019, we issued and delivered to BNL Family Trust ("BNL"), a related party, a 5% convertible promissory note in the principal amount of $15,000. BNL, at its option may convert the unpaid principal balance of, and accrued interest on, the note into shares of the Company's Class A common stock at a conversion price equal to 110% of the lowest price at which shares of the common stock have been issued by the Company during the twenty prior trading days. The note matures on August 5, 2020.

Effective August 5, 2019, we issued and delivered to a consultant (the "Consultant") a 5% convertible promissory note in the principal amount of $15,000. The Consultant, at his option may convert the unpaid principal balance of, and accrued interest on, the note into shares of the Company's Class A common stock at a conversion price equal to 110% of the lowest price at which shares of the common stock have been issued by the Company during the twenty prior trading days. The note matures on August 5, 2020. The Consultant funded the note with $5,000 cash and applied $10,000 of consulting fees payable.

ITEM 2 Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis constitute forward-looking statements for purposes of the Securities Act and the Exchange Act and as such involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. The words "expect", "estimate", "anticipate", "predict", "believes", "plan", "seek", "objective" and similar expressions are intended to identify forward-looking statements or elsewhere in this report. Important factors that could cause our actual results, performance or achievement to differ materially from our expectations are discussed in detail in Item 1 above. All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by such factors. We undertake no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Notwithstanding the foregoing, we are not entitled to rely on the safe harbor for forward looking statements under 27A of the Securities Act or 21E of the Exchange Act as long as our stock is classified as a penny stock within the meaning of Rule 3a51-1 of the Exchange Act. A penny stock is generally defined to be any equity security that has a market price (as defined in Rule 3a51-1) of less than $5.00 per share, subject to certain exceptions.

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements, including the notes thereto.

Overview

Business Plan

MMEX Resources Corporation was formed as a Nevada corporation in 2005. The current management team lead an acquisition of the Company (then named Management Energy, Inc.) through a reverse merger completed on September 23, 2010 and changed the Company's name to MMEX Mining Corporation on February 11, 2011. As of April 12, 2016, the Company changed its name from MMEX Mining Corporation to MMEX Resources Corporation to reflect the change in its business plan to an energy focus in the Americas.

We are a development stage company engaged in the exploration, extraction, refining and distribution of oil, gas, petroleum products and electric power. We plan to focus on the acquisition, development and financing of oil, gas, refining and electric power projects in the Americas using the expertise of our principals to identify, finance and acquire these projects.

The most significant focus of our current business plan is to build crude oil distillation and refining facilities in the Permian Basin in West Texas. We intend to implement our current business plan now in several phases, First, through our subsidiary, Pecos Refining, we intend to build and commence operation of one 10,000 bpd crude oil Distillation Unit, now permitted by the TCEQ, that will produce a non-transportation grade diesel primarily for sale in the local market for drilling mud and frac fluids, along with naphtha and residual fuel oil to be sold to other refiners. In additional phases as separate projects we are contemplating building a second and possibly a third CDU with capacity of 10,000 bpd each. A later fourth phase may include the building and operation of the Large Refinery with up to 100,000 bpd capacity in West Texas. We contemplate that these projects will be built on land owned or land being negotiated for purchase by the Company.

Initially, Pecos Refining, the owner of the 1st Distillation Unit, and the other entities we may form to own and operate the 2nd and 3rd Distillation Units, the Hydrotreater and the Large Refinery will be wholly owned subsidiaries of the Company. However, the construction of the Distillation Units, Hydrotreater and the Large Refinery will require substantial equity and debt financing, far beyond the expected resources of the Company, and we anticipate that these Subsidiaries will obtain equity and debt financing to finance the cost of construction. We anticipate these Subsidiaries will be able to finance approximately 65 to 70% of the total costs of the Distillation Units and the Large Refinery through debt financing, and the remaining 35 to 30% of the total costs would be financed through equity investments. To the extent these Subsidiaries raise money through the issuance of equity securities, our ownership will be diluted. We intend to retain managerial control of the Subsidiaries; however, our economic ownership of such entities may be a minority interest. As such, we will be entitled to only a portion of any future distributions made by these Subsidiaries.

We plan on marketing and distributing refined products in the Western areas of the United States and Mexico, and we may export product to Latin America. The Projects will be located on the Texas Pacifico Railroad rail route 20 miles Northeast of Fort Stockton, Texas, approximately 1.5 miles from the Sulphur Junction on the Texas Pacifico Railroad. Once needed repairs are finished to the tracks and railway, the Texas Pacifico Railroad will connect to the Ferromex RR in Ojinago, Mexico, giving us access to the western Mexico markets.

The Company has hired VFuels Oil & Gas Engineering and Saulsbury Industries (the "EPCs") with respect to the construction of the 1st CDU. The total indicated cost estimate including continencies and owner costs plus or minus 10% is $105 Million for the 1st CDU. Once we close on the financing and issue the notice to proceed, the completion and start-up date guaranteed by the EPCs is 15 months. We expect the 2nd CDU to be less in cost than the 1st CDU and the Hydrotreater capex to be in the range of $25,000,000. The total indicated cost of the 1st CDU, the 2nd CDU and the Hydrotreater is in the range of $200 million.

According to a report the Company received from KP Engineering, the cost of a 50,000-bpd refinery is estimated to be approximately $500 million and the cost of a 100,000-bpd refinery is estimated to be approximately $850 million. These estimates are only preliminary estimates and are subject to substantial change when additional engineering is completed.

Constructing the Projects will require a significant number of governmental permits and approvals. The principal permit for the construction of any of the Projects is the Air Permit issued by TCEQ and significant construction will not begin until we have received the Air Permit. The Company has received the Air Permit for the 1st Distillation Unit. Once the permit is filed for the, it may take approximately 18 months to obtain the Air Permit for the Large Refinery.

Through July 31, 2019, we have had no revenues and have reported continuing losses from operations.

Results of Operations

Revenues

We have not yet begun to generate revenues.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses decreased $154,141 to $246,107 for the three months ended July 31, 2019 from $400,248 for the three months ended July 31, 2018. The decrease resulted from lower salaries, travel and other expenses associated with securing debt financing and administrative activities of our refinery project due to limitations on funding during the current fiscal year.

Refinery Start-Up Costs

We expense the direct costs incurred prior to opening our proposed crude oil refinery in Pecos County, Texas, including acquisition of refinery rights, planning, design and permitting. Such costs totaled $51,400 for the three months ended July 31, 2019, compared to $161,832 for the three months ended July 31, 2018 and decreased due to financing constraints. The levels of spending on the development of our refinery will vary from period to period based on availability of financing.

Depreciation and Amortization Expense

Our depreciation and amortization expenses increased to $8,587 for the three months ended July 31, 2019 from $571 for the three months ended July 31, 2018. The increase in the current year is due to depreciation of refinery land improvements and amortization of refinery land easements.

Other Income (Expense)

Our interest expense increased $280,975 to $687,972 for the three months ended July 31, 2019 from $406,997 for the three months ended July 31, 2018. The increase in interest expense is due to interest accrued on an increased level of convertible debt during the current fiscal year, including amortization of debt discount, and loan penalties.

For the three months ended July 31, 2019, we reported a gain on derivative liabilities of $255,127 and a loss on derivative liabilities of $2,876 for the three months ended July 31, 2018. In a series of subscription agreements, we have issued warrants that contain certain anti-dilution provisions that we have identified as derivatives. We also identified the variable conversion feature of certain convertible notes payable as derivatives. We estimate the fair value of the derivatives using multinomial lattice models that value the warrants based on a probability weighted cash flow model using projections of the various potential outcomes. These estimates are based on multiple inputs, including the market price of our stock, interest rates, our stock price volatility and management’s estimates of various potential equity financing transactions. These inputs are subject to significant changes from period to period and to management's judgment; therefore, the estimated fair value of the derivative liabilities will fluctuate from period to period, and the fluctuation may be material.

We reported a gain on extinguishment of liabilities of $1,992 for the three months ended July 31, 2019 and a loss on extinguishment of liabilities of $1,252 for the three months ended July 31, 2018 related to the issuance of our Class A common shares in payment of accrued expenses. Where shares of our Class A common stock are issued in extinguishment of liabilities, we record the value of the shares issued at the current market price, which at times may differ from the book value of the debt, resulting in a gain or loss on extinguishment of liabilities.

Net Loss

As a result, we reported net losses of $736,947 and $973,776 for the three months ended July 31, 2019 and 2018, respectively.

Non-Controlling Interest in Income of Consolidated Subsidiaries

Currently, we have no activity in our consolidated subsidiaries. Non-controlling interest in income of consolidated subsidiaries was $0 for the three months ended July 31, 2019 and 2019.

Net Loss Attributable to the Company

Because we had no non-controlling interest in income of consolidated subsidiaries, net loss attributed to the Company was the same as net loss - $736,947 and $973,736 for the three months ended July 31, 2019 and 2018, respectively.

Liquidity and Capital Resources

Working Capital

As of July 31, 2019, we had current assets of $30,977, including cash of $3,143, and current liabilities of $3,728,732, resulting in a working capital deficit of $3,697,755. Included in our current liabilities as of July 31, 2019 are derivative liabilities of $1,191,956, which we do not anticipate will require the payment of cash.

Sources and Uses of Cash

Our sources and uses of cash for the three months ended July 31, 2019 and 2018 were as follows:

	2019	2018
Cash, beginning of period	$ 55,188	$ 304,173
Net cash used in operating activities	(314,882)	(425,876)
Net cash used in investing activities	(2,463)	-
Net cash provided by financing activities	265,300	140,000
Cash, end of period	$ 3,143	$ 18,297

We used net cash of $314,882 in operating activities for the three months ended July 31, 2019 as a result of net loss of $736,947, non-cash gains totaling $257,119 and decrease in accounts payable of $15,848, partially offset by non-cash expenses totaling $599,740, decrease in prepaid expenses and other current assets of $11,115, and increases in accrued expenses of $64,358 and accounts payable and accrued expenses – related party of $19,819.

By comparison, we used net cash of $425,876 in operating activities for the three months ended July 31, 2018 as a result of net loss of $973,776 partially offset by non-cash expenses totaling $424,342, decrease in prepaid expenses and other current assets of $2,500 and increases in accounts payable of $75,178, accrued expenses of $43,380 and accrued expenses – related party of $2,500.

Net cash used in investing activities for the three months ended July 31, 2019 was $2,463, comprised of the purchase of property and equipment. We had no net cash used in or provided by investing activities for the three months ended July 31, 2018.

Net cash provided by financing activities for the three months ended July 31, 2019 was $265,300, comprised of proceeds from convertible notes payable of $365,300, partially offset by repayments of convertible notes payable of $100,000. We had net cash provided by financing activities of $140,000 for the three months ended July 31, 2018, comprised of proceeds from convertible notes payable.

Going Concern Uncertainty

Our financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. We have incurred continuous losses from operations, have an accumulated deficit of $39,801,065 and a total stockholders' deficit of $3,294,773 at July 31, 2019, and have reported negative cash flows from operations since inception. In addition, we do not currently have the cash resources to meet our operating commitments for the next twelve months, and we expect to have ongoing requirements for capital investment to implement our business plan, including the construction of our proposed refinery project. Finally, our ability to continue as a going concern must be considered in light of the problems, expenses and complications frequently encountered by entrance into established markets and the competitive environment in which we operate.

Since inception, our operations have primarily been funded through private debt and equity financing, and we expect to continue to seek additional funding through private or public equity and debt financing.

Our ability to continue as a going concern is dependent on our ability to generate sufficient cash from operations to meet our cash needs and/or to raise funds to finance ongoing operations and repay debt. However, there can be no assurance that we will be successful in our efforts to raise additional debt or equity capital and/or that our cash generated by our operations will be adequate to meet our needs. These factors, among others, raise substantial doubt that we will be able to continue as a going concern for a reasonable period of time.

The financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. The financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Capital Resources

We have not generated any revenues or operating cash flows. As a result, we have significant short-term cash needs. Our principal source of operating capital has been provided from the issuance of convertible notes payable.

During the three months ended July 31, 2019, we issued an aggregate of $406,500 principal amount of convertible notes resulting in net proceeds to us of $365,300. The notes are due and payable on various dates through September 4, 2020 and bear interest at rates ranging from 9% to 10%. The notes are convertible into shares of our Class A common stock at a discount from the lowest price during certain measurement periods prior to the date of conversion. In order to redeem the notes, we will be required to pay redemption premiums that range from 5% to 40% of the principal amounts of the notes, depending upon the date of redemption. The notes also contain penalty provisions in the event of our default in repayment of the notes (if not converted by the holder into shares of common stock) on the first anniversary after issuance. See Note 8 to our financial statements for a detail description of each note issued during the three months ended July 31, 2019. During the three months ended July 31, 2019, $361,614 total principal of convertible notes was converted into shares of our Class A common stock.

At July 31, 2019, all of our 10,000,000,000 authorized shares of Class A common stock were either issued or reserved for issuance of outstanding warrants, stock options, and convertible notes payable. Therefore, no Class A common shares are available for share issuances other than those shares included in the reserves pending completion of a proposed increase in authorized Class A common shares. As a result, we have been limited in our ability to raise needed funding from the issuance of additional convertible notes payable.

In August 2019, the Company obtained limited funding from the issuance of two convertible notes payable to related parties and a convertible note payable to a consultant.

Effective August 5, 2019, issued and delivered to Maple Resources Corporation (“Maple”), a related party, a 5% convertible promissory note in the principal amount of $26,000. Maple, at its option may convert the unpaid principal balance of, and accrued interest on, the note into shares of the Company’s Class A common stock at a conversion price equal to 110% of the lowest price at which shares of the common stock have been issued by the Company during the twenty prior trading days. The note matures on August 5, 2020.

Effective September 5, 2019, issued and delivered to Maple, a 5% convertible promissory note in the principal amount of $10,000 for consulting services. Maple, at its option may convert the unpaid principal balance of, and accrued interest on, the note into shares of the Company’s Class A common stock at a conversion price equal to 110% of the lowest price at which shares of the common stock have been issued by the Company during the twenty prior trading days. The note matures on September 5, 2020.

Effective August 5, 2019, issued and delivered to BNL Family Trust (“BNL”), a related party, a 5% convertible promissory note in the principal amount of $15,000. BNL, at its option may convert the unpaid principal balance of, and accrued interest on, the note into shares of the Company’s Class A common stock at a conversion price equal to 110% of the lowest price at which shares of the common stock have been issued by the Company during the twenty prior trading days. The note matures on August 5, 2020.

Effective August 5, 2019, issued and delivered to consultant (the “Consultant”) a 5% convertible promissory note in the principal amount of $15,000. The Consultant, at his option may convert the unpaid principal balance of, and accrued interest on, the note into shares of the Company’s Class A common stock at a conversion price equal to 110% of the lowest price at which shares of the common stock have been issued by the Company during the twenty prior trading days. The note matures on August 5, 2020. The Consultant funded the note with $5,000 cash and applied $10,000 of consulting fees payable.

In addition, we do not expect to have the financial resources necessary to complete the proposed Refinery projects. The Company expects to operate the Distillation Unit through its subsidiary, Pecos Refining, and to operate the Large Refinery through another subsidiary set up for such purpose. The construction of the Distillation Unit and the Large Refinery will require substantial equity and debt financing, far beyond the expected resources of the Company. We anticipate that these Subsidiaries will obtain typical project development financing for the construction and development of the Distillation Unit and the Large Refinery and that such financings will be composed of both debt and equity financings. We anticipate these Subsidiaries will be able to finance approximately 80% of the total costs of the Distillation Unit and the Large Refinery through debt financing, and the remaining 20% of the total costs would be financed through equity investments. The Company has had only preliminary discussions with prospective equity sources regarding the financing of these projects and it is unclear at this time if we will be able to obtain such financing and, if so, how much equity in the Subsidiaries the equity investors will require in order to provide the financing. Any equity financing into which a Subsidiary enters will dilute the Company’s ownership of such Subsidiary. In addition, while the Company believes that the Refinery’s cost is financeable in large part through debt, it has not yet obtained a letter of intent or commitment for such financing.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Critical Accounting Policies

Our results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to inventories, investments, intangible assets, income taxes, financing operations, and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

For further information on our significant accounting policies see the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended April 30, 2019 filed with the SEC and Note 2 to our condensed consolidated financial statements included in this quarterly report. There were no changes to our significant accounting policies during the three months ended July 31, 2019. The following is a description of those significant accounting policies that involve estimates and judgment by management.

Derivative liabilities

In a series of subscription agreements, the Company issued warrants in prior years that contain certain anti-dilution provisions that have been identified as derivatives. In addition, the Company identified the conversion feature of certain convertible notes payable and convertible preferred stock as derivatives. As of July 31, 2019, the number of warrants or common shares to be issued under these agreements is indeterminate; therefore, the Company concluded that the equity environment is tainted and all additional warrants, stock options and convertible debt are included in the value of the derivatives. We estimate the fair value of the derivatives using multinomial lattice models that value the derivative liabilities based on a probability weighted cash flow model using projections of the various potential outcomes. These estimates are based on multiple inputs, including the market price of our stock, interest rates, our stock price volatility and management’s estimates of various potential equity financing transactions. These inputs are subject to significant changes from period to period and to management's judgment; therefore, the estimated fair value of the derivative liabilities will fluctuate from period to period, and the fluctuation may be material.

Fair value of financial instruments

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures,* and ASC 825, *Financial Instruments,* the FASB establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, prepaid expense and other current assets, accounts payable, accrued expenses and notes payable reported on the accompanying consolidated balance sheets are estimated by management to approximate fair value primarily due to the short-term nature of the instruments.

An entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value using a hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy prioritized the inputs into three levels that may be used to measure fair value:

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in markets that are not active.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Our derivative liabilities are measured at fair value on a recurring basis and estimated as follows:

July 31, 2019	**Total**	**Level 1**	**Level 2**	**Level 3**
Derivative liabilities	$ 1,191,956	$ -	$ -	$ 1,191,956
April 30, 2019	**Total**	**Level 1**	**Level 2**	**Level 3**
Derivative liabilities	$ 1,825,596	$ -	$ -	$ 1,825,596

ITEM 3 Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to provide the information required by this Item.

ITEM 4 Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined) in Exchange Act Rules 13a – 15(c) and 15d – 15(e). Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were not effective to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934 ("Securities Exchange Act") is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. To address the material weaknesses, we performed additional analysis and other post-closing procedures in an effort to ensure our condensed consolidated financial statements included in this quarterly report have been prepared in accordance with generally accepted accounting principles. Accordingly, management believes that the financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act, as amended. Our management assessed the effectiveness of our internal control over financial reporting as of July 31, 2019. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in 2013 Internal Control-Integrated Framework. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. We have identified the following material weaknesses:

1. As of July 31, 2019, we did not maintain effective controls over the control environment. Specifically, the Board of Directors does not currently have any independent members and no director qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-B. Since these entity level programs have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness.

2. As of July 31, 2019, we did not maintain effective controls over financial statement disclosure. Specifically, controls were not designed and in place to ensure that all disclosures required were originally addressed in our financial statements. Accordingly, management has determined that this control deficiency constitutes a material weakness.

3. As of July 31, 3019, we did not establish a formal written policy for the approval, identification and authorization of related party transactions.

4. As of July 31, 2019, we had no full-time employees with the requisite expertise in the key functional areas of finance and accounting. As a result, there is a lack of proper segregation of duties necessary to ensure that all transactions are accounted for accurately and in a timely manner.

Because of these material weaknesses, management has concluded that the Company did not maintain effective internal control over financial reporting as of July 31, 2019, based on the criteria established in "2013 Internal Control-Integrated Framework" issued by the COSO.

(b) Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1 Legal Proceedings

We are not a party to or otherwise involved in any legal proceedings.

In the ordinary course of business, we are from time to time involved in various pending or threatened legal actions. The litigation process is inherently uncertain, and it is possible that the resolution of such matters might have a material adverse effect upon our financial condition and/or results of operations. However, in the opinion of our management, other than as set forth herein, matters currently pending or threatened against us are not expected to have a material adverse effect on our financial position or results of operations.

ITEM 1A Risk Factors

As a smaller reporting company, we are not required to provide the information required by this Item.

ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended July 31, 2019, the Company issued a total of 322,125,328 shares of its Class A common stock: 30,000 shares for services valued at $84; 1,116,961 shares valued at $11,508 in payment of accrued expenses of $13,500 and 320,978,367 shares valued at $368,932 in conversion of convertible notes principal of $361,614, accrued interest payable of $5,568 and payment of fees of $1,750.

ITEM 3 Defaults Upon Senior Securities

There is no information required to be disclosed by this Item.

ITEM 4 Mine Safety Disclosures

There is no information required to be disclosed by this Item.

ITEM 5 Other Information

There is no information required to be disclosed by this Item.

ITEM 6 Exhibits

31.1*	Certification by Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)
32.1*	Certification by Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

____

* Filed herewith.

** Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Act of 1934 and otherwise are not subject to liability.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MMEX Resources Corporation

Dated: September 16, 2019

By: */s/ Jack W. Hanks*
Chief Executive Officer (Principal Executive Officer),
President and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 31.1

Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer and Chief Financial Officer

I, Jack W. Hanks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MMEX Resources Corporation.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exhibit Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: September 16, 2019

By: */s/ Jack W. Hanks*
Jack W. Hanks
Chief Executive Officer and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 USC, SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of MMEX Resources Corporation (the "Company") on Form 10-Q for the quarter ended July 31, 2019, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Jack W. Hanks, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 16, 2019

By: */s/ Jack W. Hanks*
Jack W. Hanks
Chief Executive Officer and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to MMEX Resources Corporation and will be retained by MMEX Resources Corporation and furnished to the Securities and Exchange Commission or its staff upon request.