

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

**Form 10-K**

(Mark One)

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

For the fiscal year ended **April 30, 2020**

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 **333-152608**

**MMEX RESOURCES CORPORATION**

(Exact name of registrant as specified in charter)

Nevada

(State or other jurisdiction of  
incorporation or organization)

3616 Far West Blvd. #117-321  
Austin, Texas 78731

(Address of principal executive offices,  
including zip code)

26-1749145

(IRS Employer  
Identification No.)

(855) 880-0400

(Issuer's telephone number,  
including area code)

Securities registered under Section 12(g) of the Exchange Act: Class A Common Stock, \$0.001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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 past 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by 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 issuer is a shell company (as defined in rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price (\$0.0002 per share) at October 31, 2019 (the second quarter end date) was approximately \$626,000.

As of August 13, 2020, there were 13,352,828,472 shares of the issuer's common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE: None**

MMEX RESOURCES CORPORATION  
TABLE OF CONTENTS TO ANNUAL REPORT ON FORM 10-K  
YEAR ENDED APRIL 30, 2020

	<u>Page</u>
<b><u>PART I</u></b>	
<a href="#">Item 1. Business</a>	3
<a href="#">Item 1A. Risk Factors</a>	15
<a href="#">Item 1B. Unresolved Staff Comments</a>	15
<a href="#">Item 2. Properties</a>	15
<a href="#">Item 3. Legal Proceedings</a>	16
<a href="#">Item 4. Mine Safety Disclosures</a>	16
<b><u>PART II</u></b>	
<a href="#">Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</a>	17
<a href="#">Item 6. Selected Financial Data</a>	18
<a href="#">Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations</a>	19
<a href="#">Item 7A. Quantitative and Qualitative Disclosures About Market Risk</a>	25
<a href="#">Item 8. Financial Statements and Supplementary Data</a>	26
<a href="#">Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	26
<a href="#">Item 9AT. Controls and Procedures</a>	26
<a href="#">Item 9B. Other Information</a>	27
<b><u>PART III</u></b>	
<a href="#">Item 10. Directors, Executive Officers and Corporate Governance</a>	28
<a href="#">Item 11. Executive Compensation</a>	29
<a href="#">Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>	30
<a href="#">Item 13. Certain Relationships and Related Transactions, and Director Independence</a>	31
<a href="#">Item 14. Principal Accounting Fees and Services</a>	32
<a href="#">Item 15. Exhibits</a>	33
<a href="#">SIGNATURES</a>	34

**PART 1**

**Special Note Regarding Forward-Looking Statements**

This Annual Report contains certain forward-looking statements. When used in this Annual Report or in any other presentation, statements which are not historical in nature, including the words “anticipate,” “estimate,” “should,” “expect,” “believe,” “intend,” “may,” “project,” “plan” or “continue,” and similar expressions are intended to identify forward-looking statements. They also include statements containing a projection of revenues, earnings or losses, capital expenditures, dividends, capital structure or other financial terms.

The forward-looking statements in this Annual Report are based upon our management’s beliefs, assumptions and expectations of our future operations and economic performance, taking into account the information currently available to them. These statements are not statements of historical fact. Forward-looking statements involve risks and uncertainties, some of which are not currently known to us that may cause our actual results, performance or financial condition to be materially different from the expectations of future results, performance or financial condition we express or imply in any forward-looking statements. These forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks that could significantly affect current plans and expectations and our future financial condition and results.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Annual Report might not occur. We qualify any and all of our forward-looking statements entirely by these cautionary factors. As a consequence, current plans, anticipated actions and future financial conditions and results may differ from those expressed in any forward-looking statements made by or on our behalf. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented herein.

**Item 1: Business**

**Background of the Company**

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.

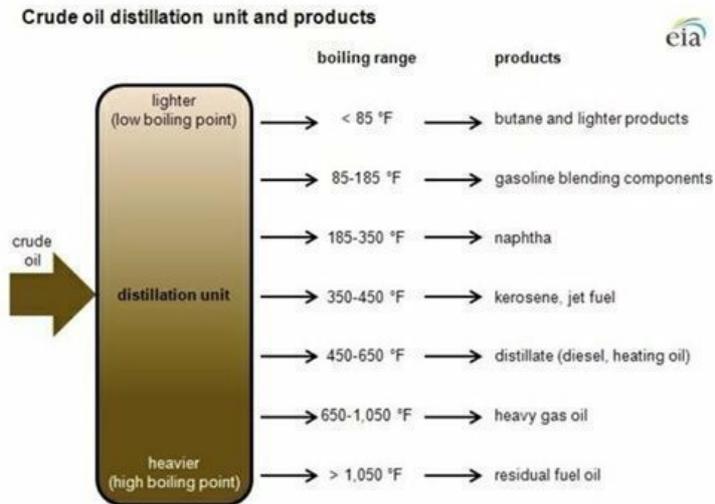
We are a development stage company engaged in the exploration, extraction, refining and distribution of oil, gas, petroleum products and electric power. We plan to focus on the acquisition, development and financing of oil, gas, refining and electric power projects in the Americas using the expertise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

The focus of our current business plan is to build crude oil distillation units and refining facilities in the Permian Basin in West Texas (hereinafter referred to as the “Projects”, or the “Distillation Unit” or the “CDU” or the “Refinery”). 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. We contemplate that these projects will be built on land owned or land being negotiated for purchase by the Company. As of this date, we also are in negotiations to acquire an existing refinery in the Louisiana Gulf Coast-Mississippi River area with a capacity of 46,000 bpd (the “Louisiana Gulf Project”). Our ability to implement this business plan will depend upon the availability of debt and equity financing, as to which there can be no assurance.

## INDUSTRY OVERVIEW

### Background on Crude Distillation and Refining

Oil refining is the process of separating hydrocarbon molecules present in crude oil and converting them into marketable, finished petroleum products, such as gasoline, diesel fuel, jet fuel, lubricants and petrochemicals. The crude distillation unit is the first phase of the refining process as shown below.



A crude oil refinery is a group of industrial facilities that turns crude oil and other inputs into finished petroleum products. A refinery's capacity refers to the maximum amount of crude oil designed to flow into the distillation unit of a refinery, also known as the crude unit. The diagram above presents a stylized version of the distillation process. Crude oil is made up of a mixture of hydrocarbons, and the distillation process aims to separate this crude oil into broad categories of its component hydrocarbons, or "fractions." Crude oil is first heated and then put into a distillation column, also known as a still, where different products boil off and are recovered at different temperatures. Lighter products, such as butane and other liquid petroleum gases (LPG), gasoline blending components, and naphtha, are recovered at the lowest temperatures. Mid-range products include jet fuel, kerosene, and distillates (such as home heating oil and diesel fuel). The heaviest products such as residual fuel oil are recovered at temperatures sometimes over 1,000 degrees Fahrenheit.

The simplest refineries stop at this point. Although not shown in the simplified diagram above, most refineries in the United States reprocess the heavier fractions into lighter products to maximize the output of the most desirable products using more sophisticated refining equipment such as catalytic crackers, reformers, and cokers.

The Company CDU's stop with the simple distillation components and will produce intermediate range products of Naphthas, Diesel and Residual Fuel Oil.

## **Industry Terminology**

### ***Crack Spreads***

Crack spreads are a proxy for refining margins and refer to the margin that would be derived from the simultaneous purchase of crude oil and the sale of refined petroleum products, in each case at the then-prevailing price. The 2-1-1 crack spread assumes two barrels of crude oil will be converted, or “cracked,” into one barrel of gasoline and one barrel of heating oil or diesel fuel. Average 2-1-1 crack spreads vary from region to region throughout the United States, depending on the supply and demand balances of crude oils and refined products.

Actual refinery margins vary from benchmark crack spreads due to the actual crude oils used and products produced, transportation costs, regional differences and the timing of the purchase of the feedstock and sale of light products.

The Company CDU’s will have a crack spread margin that will be based most likely on the differential between the purchase of the crude oil in the area of operations based on a West Texas Intermediate (“WTI”) Midland posted price and sale price at the CDU plant site prior to sale. Transportation cost is then deducted depending on the contract term, but the crack spread for the Company CDU will be the margin between the purchase price and the sales price at the CDU plant shipping point.

### ***Operating Costs***

Major operating costs for refineries include employee labor, maintenance and energy. Employee labor and maintenance are relatively fixed costs that generally increase in proportion to inflation. By far, the predominant variable cost is energy such as natural gas, electricity and refinery fuel gas.

### ***CDUs Location***

The CDUs will be located in the Permian Basin of Texas. It is a well-known prolific oil producing area.

Prior to COVID 19, oil production growth in the Permian Basin from 2009-2019 increased by 3,200,000 BPD and is projected to increase by another 2,700,000 BPD by 2024.

The production from these US shale basins, including the Permian Basin, is predominantly light, sweet crude oil, with gravity in excess of 35 degrees API. As a result, coincident with the growth in crude oil from these shale basins, U.S. imports of light crude oil began declining in 2010.

Our project in the Permian Basin is a strategic location to take advantage of the energy pricing and demand uplift when we emerge from COVID 19.

### ***Outlook for Refining with COVID 19***

COVID 19 has changed the U.S. economy. The Oil Economy is not an exception.

The New York Times reported on Thursday, July 30:

“The coronavirus pandemic’s toll on the nation’s economy became emphatically clearer Thursday as the government detailed the most devastating three-month collapse on record, which wiped away nearly five years of growth. Gross domestic product, the broadest measure of goods and services produced, fell 9.5 percent in the second quarter of the year as consumers cut back spending, businesses pared investments and global trade dried up, the Commerce Department said.

The drop — the equivalent of a 32.9 percent annual rate of decline — would have been even more severe without trillions of dollars in government aid to households and businesses.”

***New York Times “A Collapse That Wiped Out 5 Years of Growth, With No Bounce in Sight” July 30, 2020.***

The U.S. Government Energy Information Administration (the “EIA”), has issued this recent report on the impact of COVID-19 to the energy industry:

“The disruptions to global petroleum supply and consumption as a result of COVID-19 and associated mitigation efforts have been significant. As road and air travel fell sharply when economies around the world went into lockdown in the first quarter and early second quarter of this year, global liquid fuels consumption fell more quickly than production. Based on the mismatch between production and consumption of liquid fuels, EIA estimates that global oil inventories increased by almost 1.3 billion barrels from the start of 2020 through the end of May. Inventory accumulation caused Brent crude oil spot prices to fall from a monthly average of \$64 per barrel (b) in January to \$18/b in April. In late April, when price declines were the steepest, market participants had concerns about the ability of global storage capacity to hold the quickly rising inventory.

U.S. Energy Information Administration “Short Term Energy Outlook (STEO) July 20, 2020.

We continue to believe that the world economy will improve over time, and with that the recovery of the energy industry including refining will return to its pre-Coronavirus levels. We just don’t know when that will be. However, we do agree with the recent Financial Times outlook:

“The coronavirus crisis has thrown the oil market out of balance and like other forecasters, we expect an unprecedented contraction in oil demand this year. But while some are arguing that we have seen the peak in 2019 with consumption never recovering, if anything, the pandemic is likely to significantly delay the structural transformation of the world’s economy away from oil. Although global consumption will fall this year by 11m barrels a day according to our estimates, or 11 per cent, from last year’s 100m b/d, there are still a series of factors providing underlying support for oil demand growth despite pressure to act against climate change.

Firstly, air travel is likely to recover. Consumption of jet fuel, the oil product worst affected by the pandemic as travel bans and lockdowns take effect, will rebound once people emerge out of isolation. It may just take a few years, but eventually the current concerns will wear off and the strong relationship between rising incomes and travel ambitions will return. In the meantime, road transport, which accounts for nearly half of global oil consumption, will prove resilient and may even benefit from the crisis. It is likely that people will use public transport less, given subways, buses and trains have been a major — if not the primary — transmission vector for the virus. Working from home is hardly an option for the majority of the workforce outside of the IT and professional service sectors, where it had already been an established practice among some before this recent crisis. This means increased reliance on cars once the lockdown measures ease will support petrol demand, potentially for years to come. Early signs of this can already be seen in China, where petrol consumption has nearly recovered to pre-coronavirus levels and many companies are encouraging or even mandating the usage of private cars for commuting, instead of public transport. Because of elevated levels of household debt, many consumers will postpone buying new cars. As existing vehicles stay on the road for longer, this will slow the rate of fuel economy improvements as old cars are not replaced by newer ones, meaning oil use will remain elevated.

The low oil price environment we are moving into will also incentivize car use, while reducing or even eliminating the fuel cost advantage of electric vehicles. Electrification will lose speed and internal combustion engines will continue to dominate as policymakers will be less forthcoming with the much-needed subsidies for electric cars at a time of economic crisis. There will also be less pressure to push for greater fuel efficiency with global CO2 emissions set to drop substantially in 2020.

Meanwhile, diesel demand will be supported by recovering economic activity and the delivery of goods, both nationally and internationally with increased levels of online shopping. Separately, the petrochemical sector could boost oil usage with many proposed single-use plastic bans now being reconsidered, postponed or cancelled. The pandemic has highlighted the need for single-use plastics in today's world of high urbanization and population density with increased demands on sanitation, especially for packaging, food service containers, and notably protective gear for healthcare workers. A severe economic recession may disturb the near-term recovery in global oil demand, but it will rebound. This does not mean a peak in demand is not on the cards. The world is moving to cleaner fuels and climate change will remain high on the agenda. Demand will hit a ceiling, but not until late 2030s. Our consumption of oil will peak, just not yet."

**Financial Times, "Why the coronavirus crisis won't mark a peak in oil demand. Transport demand will rebound while the pandemic will reboot the use of plastics." April 2020.**

The EIA forecasts U.S. liquid fuels consumption will average 18.3 million b/d in 2020, down 2.1 million b/d from 2019. Declines in U.S. liquid fuels consumption vary across products. From 2019 to 2020, EIA expects jet fuel consumption to fall by 31% and gasoline and distillate fuel consumption to both fall by 10%. The declines reflect travel restrictions and reduced economic activity related to COVID-19 mitigation efforts. EIA expects the largest declines in U.S. liquid fuels consumption have already occurred and consumption will generally rise through the second half of 2020 and in 2021. EIA forecasts U.S. liquid fuels consumption will average 19.9 million b/d in 2021.

EIA; Oil Markets Have Now Shifted. The EIA STEO further states:

"The situation in oil markets has now shifted. EIA estimates that, in June, global consumption of petroleum and other liquid fuels was up 10 million barrels per day (b/d) from April levels as economies worldwide have begun emerging from lockdown. EIA estimates global supply has fallen by 12 million b/d during the same period as a result of reduced production from OPEC+ and price-driven declines and curtailments in the United States and Canada. These changes in EIA's supply and demand estimates have shifted global oil markets from 21 million b/d of oversupply in April to inventory draws in June.

"EIA expects global oil inventories to generally draw through the end of 2021 as EIA forecasts global oil demand will continue to recover. Although EIA's forecast consumption of global liquid fuels of 101.1 million b/d in the fourth quarter of 2021 would still be less than during the same period of 2019, it would be 16.7 million b/d more than in the second quarter of 2020. EIA also expects global oil supply to rise in the coming quarters. However, voluntary production restraint from OPEC+ producers, along with the lingering effects of low oil prices on U.S. tight oil production, will limit increases. As a result, EIA expects global oil inventories to decline at a rate of 1.8 million b/d through the end of 2021, eliminating most of the surplus that accumulated in early 2020. These inventory draws will likely put upward pressure on oil prices, but that pressure will be partly offset by high existing oil inventories, particularly in the second half of 2020, and a large amount of spare crude oil production capacity. The trajectory of both supply and demand are highly uncertain, however, and EIA will continue to closely track incoming data and oil market drivers in the coming months and adjust our forecasts accordingly. "

U.S. Energy Information Administration "Short Term Energy Outlook (STEO) July 20, 2020.

#### **Current Business Operations and Strategy**

The Company's business plan has not changed, and it continues to evolve into additional potential components:

- ◆ The addition of a 2<sup>nd</sup> CDU at our present site Pecos County Texas site and potentially a 3<sup>rd</sup> CDU at another location
- ◆ Adding a Crude by Rail transportation and export component
- ◆ Adding a Hydrotreater as separate component to produce transportation grade diesel
- ◆ Development of a Terminal and Storage facility on the Texas Gulf Coast
- ◆ Organization of a Trading Company for exporting physical petroleum products to Latin American markets
- ◆ Associated gas and gas liquids treating
- ◆ Development of a Solar Project to power the Projects by solar energy
- ◆ Acquisition of an existing refinery in the Louisiana Gulf Coast-Mississippi River area

Successful execution of our business plan is dependent upon obtaining sufficient debt and/or equity financing, as to which there can be no assurance.

**Additional CDU Opportunities** In additional phases as separate projects we are contemplating building a second and possibly a third CDU with capacity of 10,000 bpd each. We believe our focus should be with modular refinery CDUs and not the building and operation of the Large Refinery with up to 100,000 bpd capacity in West Texas. We contemplate that these projects would be built on land owned or land being negotiated for purchase by the Company. The Company is focusing on the Distillation Unit first in an effort to build and commence operations, and ultimately generate cash flow, on an expedited basis. The permitting process is significantly shorter for construction of the Distillation Unit and the first one was received by the Company on August 30, 2017. We expect the permitting process to be similar for the additional Distillation Units. The Company estimates the construction costs for a single CDU to be in the range of \$113 Million.

These projects, if successfully completed, will be built on acreage located 20 miles northeast of Fort Stockton, Texas, near the Sulfur Junction spur of the Texas Pacifico Railroad. If successfully developed, the CDUs would connect to existing railways and pipelines to market diesel, gasoline, liquefied petroleum gas and other refined products within the U.S., with the potential to market these products and crude oil to western Mexico and South America.

**Crude by Rail** We are actively considering the inclusion in our Distillation Unit projects of a crude oil storage and dispatch facility (RSD). The RSD facilities will be constructed as part of the CDUs. We propose to charge a per barrel fee to receive, store and dispatch crude oil to the Texas Gulf Coast markets.

**Hydrotreater** We are also considering adding a distillate hydrotreater component to the two CDUs as a separate project. The distillate hydrotreater is a category of hydrotreaters that treats distillate streams from atmospheric distillation units to reduce their sulfur content and to improve their properties for blending into diesel. This would allow CDU's to produce transportation grade diesel for the Permian Basin market. We have initiated a preliminary feasibility study. The separate Hydrotreater component, if built, is estimated to cost approximately \$25 million.

Constructing the CDUs and Hydrotreater will require a significant number of governmental permits and approvals. On August 30, 2017, we received approval from the TCEQ for the air quality permit for the 1<sup>st</sup> Distillation Unit. We plan to file for additional permits with TCEQ as may be required. According to VFuels Oil & Gas Engineering, and Saulsbury Industries, our two EPC contractors, the construction for the 1<sup>st</sup> Distillation Unit would take approximately 12 to 15 months from the date the Notice to Proceed is issued by the Company, which cannot be issued until the financing is completed. The 2<sup>nd</sup> and 3<sup>rd</sup> CDU's will take approximately the same amount of time from the date of the Notice to Proceed, which will be dependent on receiving TCEQ permit approvals and the closing of financing.

**Texas Gulf Coast Terminal and Storage Facilities** Transportation and delivery of products by rail has opened up for the Company an opportunity to acquire potentially storage space in existing terminal facilities in the Texas Gulf Coast area with access to water for export of petroleum products including crude oil. We are in active negotiation with terminal owners and potential joint venture partners for the terminal site, the storage tanks and the financing. If built, the Company operated storage facilities on the Texas Gulf Coast will enhance the marketing activities of the Company.

**Trading Company** The Company is considering a potential joint venture with international partners to begin a physical trading operation of petroleum products into Mexico, Panama and potentially other Central and Latin America locations. If we are successful in implementing the trading opportunities this will add to the Company's marketing expansion plans.

The cost of construction for all of these components is very significant and we intend to finance 100% of such costs through debt and equity offerings. See "Business—Proposed Organizational Structure."

[Table of Contents](#)

**Marketing** We plan on marketing and distributing refined products in the Texas Gulf Coast, and the Western areas of the United States and Mexico, and we may export product to Latin America. We have signed three off-take agreements with significant balance sheet purchasers. The diesel produced by the Distillation Unit will be marketed and sold locally, primarily for use in drilling mud and frac fluids, and likely transported by truck or by existing railroad systems. If the Hydrotreater is built, the diesel purchaser has indicated that it will purchase all of the transportation grade diesel produced by the 2 CDUs and the Hydrotreater. The ATBs and Naphthas produced by the CDU's will be marketed and sold to a Super Major International Petroleum and Trading company under two separate signed agreements providing for the right to purchase all additional production. We will deliver these products by rail to the destination points the buyer designates on the Texas Gulf Coast. Our location with rail access from the Texas Pacifico Railroad with interconnections to the Burlington Northern Santa Fe RR, the Union Pacific RR, the Fort Worth and Western RR and the Kansas City Southern RR is a key component to our transportation and market access.

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 Texas Department of Transportation owns the Texas Pacifico Railroad, which runs from the San Angelo Junction, near Coleman, Texas, to the Texas-Mexico border at Presidio. The Texas Pacifico Railroad entails approximately 371 miles of track and interchanges or has trackage rights with BNSF Railway the Union Pacific Railroad and Fort Worth and Western Railroad, which in turn have interchanges or trackage rights with the Kansas City Southern Railroad. The Texas Pacifico Railroad is operated by Texas Pacifico Transportation LTD, a subsidiary of Grupo Mexico. Our planned Project is located on the Texas Pacifico Railroad rail route approximately 20 miles northeast of Fort Stockton, Texas, approximately 1.5 miles from the Sulphur Junction on the Texas Pacifico Railroad. The Texas Pacifico Railroad will connect to the Ferromex Railroad at Ojinaga, Mexico.

**Associated Gas and Liquids Treating** Along with the crude oil production in the Permian Basin and the Eagle Ford, tremendous amounts of associated natural gas and natural gas liquids are being produced and without markets, is being flared into the atmosphere allowing producers to continue the crude oil production. Prior to COVID 19, it was estimated that 740 million cubic feet per day are being flared, which represents \$1.8 million per day cost at then current prices. That produces the equivalent green-house gas from 5 million cars driving per day according to the World Bank and the Environmental Protection Agency. Post COVID 19, the output of gas is projected to increase over 30% in the next five years according to the consultancy RBN Energy. Wall Street Journal July 18, 2019 (Rebecca Elliott)

The Company wants to be able to offer crude oil producers in the Permian Basin, particularly those near our location, a way to process their liquid-rich "associated" gas produced in tandem with the crude oil and the Company has commissioned an engineering consulting firm to present what technologies exist for small-scale, modular natural gas treating close to the wellhead and what the expected capital and operating expenses. We have also asked the consultancy to develop a capital and operating expense estimate to turn the produced gas into diesel fuels via a Fischer-Tropsch facility. Should these processes be economically viable and the Company able to finance and develop them, this may be another very strong business plan addition.

**Solar Project** We have also commenced initial discussions regarding a solar power project to be located on leased acreage near the Refinery. If successfully financed and completed, we would expect to utilize a portion of the generated power for the Refinery, with the balance to be sold into the Texas grid. There is no assurance that the solar power project will be financed or constructed.

**Financing** The Company is currently seeking to locate the financing for the Projects. There is no assurance that the required debt and equity financing for the Projects will be obtained. The onset of the COVID-19 pandemic has made the climate for obtaining financing more challenging.

## **Management Expertise in Oil, Gas, Refining and Electric Power Project Development and Project Finance Development**

The Board of Directors has decided to focus the Company's efforts in the oil, gas, refining and electric power business in the U.S. and in Latin America. The principal reasons behind this focus is to capitalize on the experience and expertise of the MMEX management team, its directors and principal stockholders. MMEX management has over 30 years of experience in natural resource project development and project financing in North and South America and the U.K. In addition, MMEX directors and principal stockholders with oil, gas, refining and electric power experience will bring this expertise into the Company.

MMEX principals formed Maple Resources Corporation ("Maple Resources") in 1986 to engage in the evaluation, acquisition and development of oil & gas, refining, power generation, natural gas transmission and processing energy projects in the western United States and Latin America. Maple Resources and its principals have engaged in a number of oil and gas acquisitions and dispositions and ultimately acquired assets that included 10 gas processing plants and approximately 770 miles of natural gas gathering lines and transmission infrastructure. In 1992, Maple Resources sold substantially all of its existing US-based assets and began to pursue energy projects in Latin America, particularly in Peru through its affiliate The Maple Gas Corporation del Peru Ltd ("Maple Peru"). In 1993, Maple Peru began developing the Aguaytia Project, an integrated natural gas and electric power generation and transmission project. This US\$273 million project involved the first commercial development of a natural gas field in Peru, as well as the construction and operation of approximately 175 miles of hydrocarbon pipelines, a gas processing plant, a fractionation facility, a 153 MW power plant and the related 392 km of electricity transmission lines. The Aguaytia Project began commercial operation in 1998. Maple Peru also acquired a 4,000-bpd refinery in Pucallpa along with 3 producing oil fields.

Jack Hanks, our President and CEO, is no longer engaged in the active business operations of Maple Peru and is able to devote substantially all of his business time to his duties on behalf of the Company. Further, we do not anticipate that Maple Resources will present any conflicts of interest for the MMEX principals in carrying out their responsibilities on behalf of the Company.

## **Proposed Organizational Structure**

The Company expects to operate the Projects through its subsidiary, Pecos Refining, and to acquire, if we are successful the Louisiana Gulf Coast refinery project through another subsidiary set up for such purpose. Currently, Pecos Refining is wholly owned by the Company and the Company serves as its sole manager. However, the construction of the Distillation Units, Hydrotreater, Terminals, Trading and other components and the Louisiana Gulf Coast Refinery will require substantial equity and debt financing, far beyond the expected resources of the Company, and we anticipate that the Subsidiaries will obtain equity and debt financing to finance the cost of construction. To the extent these Subsidiaries raise money through the issuance of equity securities, our ownership in the Subsidiaries will be diluted and 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. In addition, while intend to retain managerial control of the Subsidiaries, it is possible that equity investors will require representation on the board of managers in connection with their equity investments.

We anticipate these Subsidiaries will be able to finance approximately 65 to 70% of the total costs of the Distillation Units through debt financing, and the remaining 35 to 30% of the total costs would be financed through equity investments. We intend to pursue the required debt financing from banks or other large institutional investors. Traditionally, such debt financing is in the form of project financing, which among other terms will require the Subsidiary borrow to restrict its activities to the operation of the project financed by the lender, to pledge all assets of the project to the lender and to be subject to restrictive financial covenants. Such lenders further typically require engineering, marketing and feasibility studies as a condition precedent to the financing. In order to attract the significant capital necessary to build the Refinery, the Company will have to fund the cost of these reports and studies, likely out of equity raises. We have estimated that such cost will aggregate approximately \$500,000.

## **Location and Logistics**

The Refinery is proposed to be located in the Permian Basin, which holds some of the largest tapped and untapped oil and gas reserves in the world. The Permian Basin is located principally in West Texas. While production in the Permian Basin in the past had been in decline, the development of hydraulic fracturing in shale zones reversed the trend, and the cost of developing oil and gas reserves from shale formations (the driver of recent US increases in production) is lower in the Permian Basin than in other areas of the US. For this reason, the activity in the Permian Basin has recently been expanding and drawing the interest of major oil and gas companies. We believe that the Permian Basin will be the major domestic producing region in the country for decades to come.

The Projects will be located 20 miles northeast of Fort Stockton, Texas, near the Sulfur Junction spur of the Texas Pacific Railroad and in the Permian Basin. The currently owned site consists of 126 acres and another 119 acres is under contract and the rail line runs through a corner of the owned property.

There are six refineries in the Permian Basin located at El Paso, Texas; McKee, Texas; Borger, Texas; Big Spring, Texas; and Artesia, New Mexico. The total capacity of these refineries is 640,500 bpd. These refineries are older refineries designed to process historic production from the Permian Basin. As such, these refineries do not take high-API production or discount it significantly, such as the production being produced from the hydraulically fractured shale zones in which the current increase in production is occurring in the Permian Basin. Moreover, the increasing amount of shale oil production has outpaced these refineries' ability to process the new crude oil production. For these reasons, much of the new shale production is currently being exported out of the Permian Basin. Significant infrastructure improvements have been developed and announced to move Permian Basin production to the Texas Gulf Coast. According to the EIA, these infrastructure improvements have and will decrease the discount to WTI pricing that has often plagued the sale of Permian Basin shale crude in the recent past. The Company believes that while the construction of crude oil pipelines from the Permian Basin to the significant refining infrastructure in the Texas Gulf Coast will and have decreased discounts, trucking and pipeline companies will charge fees to transport the new shale production out of the Permian Basin, resulting, in effect, in a continued discount for such production, compared to the delivered price to our Projects.

The Projects will be located near the major producing shale areas of the Permian Basin in Reeves and Pecos counties. It is estimated that approximately 250,000 Bbls per day is being produced in the area of the Projects. The estimates of crude production and potential production from "drilled uncompleted" wells in our area far exceed the 20,000 BPD capacity of the proposed two CDU's. The crude oil purchase offers are subject to substantial conditions and there is no assurance that the purchase arrangements can be successfully implemented. But the Company believes there are a number of alternative means of delivering the ever-increasing supply of oil shale production from the Permian Basin to the Refinery site, whether by truck, construction of gathering pipelines by another company or by rail.

## **Transportation**

We will likely be transporting refined products primarily by rail. Both the U.S. Department of Transportation and its agency, the Federal Railroad Administration, have issued regulations pertaining to the shipment of crude oil and refined products. In addition, TxDOT has its own set of regulations pertaining to these matters, and Mexico will have additional regulations governing the transport of refined products and crude oil. As part of the construction of the Refinery, we will develop procedures and policies in connection with our shipping partners and buyers to comply with all relevant regulations.

We intend to transport the diesel production from our Distillation Unit by truck or by existing railroad systems within the Permian Basin for use in drilling fracking markets. We intend to transport other of our refined products, principally ATBs and naphtha, to other refineries, primarily in the Port Arthur, Beaumont, Houston and Corpus Christi, Texas areas, by pipeline and existing railroad systems for further processing.

TxDOT owns the Texas Pacific Railroad, which runs from the San Angelo Junction, near Coleman, Texas, to the Texas-Mexico border at Presidio. The Texas Pacific Railroad entails approximately 371 miles of track and interchanges with BNSF Railway, the Union Pacific Railroad and Fort Worth and Western Railroad, which in turn connects into the Kansas City Southern Railroad. The Texas Pacific Railroad is operated by Texas Pacific Transportation LTD, a subsidiary of Grupo Mexico. Our planned Projects are located on the Texas Pacific Railroad rail route approximately 20 miles northeast of Fort Stockton, Texas, approximately 1.5 miles from the Sulphur Junction on the Texas Pacific Railroad. The Texas Pacific Railroad will connect to the Ferromex Railroad at Ojinaga, Mexico.

[Table of Contents](#)

We plan to transport refined product on the Texas Pacifico Railroad and significant investments are required to upgrade the railroad. TxDOT owns the Texas Pacifico Railroad, which runs from the San Angelo Junction, near Coleman, Texas, to the Texas-Mexico border at Presidio. There are two significant infrastructure improvement projects that TxDOT must be complete before we will be able to use the Texas Pacifico Railroad to transport our production to Mexico as we have planned.

The first one has been completed. The international railroad bridge, located at the southwestern end of the rail line connecting Presidio, TX to Ojinaga, Mexico burned on two separate occasions, February 29, 2008 and March 1, 2009. TxDOT and Texas Pacifico Transportation LTD, the company that operates the Texas Pacifico Railroad, has rebuilt the bridge allowing access to Mexico and increased business potential.

The second one is a work in progress but well underway. On September 3, 2019 TxDOT announced:

“The Texas Transportation Commission last week approved the state Department of Transportation’s (TxDOT) 10-year transportation plan, which includes \$59.7 million in projects to rehabilitate hundreds of miles of the South Orient Railroad line (SORR). Funding has been secured for more than 205 miles of projects along the state-owned rail line, which extends from San Angelo Junction through San Angelo to Presidio at the Texas-Mexico border. TxDOT is using a combination of federal, state and local funds, as well as private contributions from Texas Pacifico Transportation Ltd. to pay for the projects. Texas Pacifico operates the line under a lease agreement. So far, completed projects have rehabilitated 167 miles of rail line through 2017. Additional projects are slated for more than 205 miles of track, according to TxDOT’s report on the 10-year plan.”

Texas Department of Transportation Press Release September 3, 2019.

There is no assurance that these capital improvements will be made. If these capital improvements are not made, our business prospects for Mexico exports on the TXPF could be materially negatively impacted.

With the proposed Company terminal and storage facilities and the trading company operations, the Company will have additional rail and ship/barge access to eastern Mexico areas and to other Latin America destinations from the Texas Gulf Coast. The Company believes that the market exists in Eastern Mexico and in Latin America for the refined products that it plans to ship, but it has no arrangements currently in place to market and sell its products in those areas.

**Construction of the Projects**

The Distillation Units would cover approximately 15 acres each of the 126 acres property which is owned.

The Company has hired VFuels Oil & Gas Engineering and Saulsbury Industries (the “EPCs”) with respect to the construction of the 1<sup>st</sup> CDU. The total indicated cost estimate including contingencies and owner costs plus or minus 10% is \$112 Million for the 1<sup>st</sup> CDU including contingencies. 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 2<sup>nd</sup> CDU to be less in cost than the 1<sup>st</sup> CDU and the Hydrotreater capex to be in the range of \$25,000,000. The total indicated cost of the 1<sup>st</sup> CDU, the 2<sup>nd</sup> CDU and the Hydrotreater is in the range of \$250 million.

**Employees**

As of April 30, 2020, we had no employees but rather to reduce costs our key management team is working under consulting agreements. Our two directors have not received any compensation. We contract for all professional services when needed.

**Legal Proceedings**

See Item 3 of this Report.

**Environmental Regulations Pertaining to Refinery Operations.**

The operations of the Refinery will be subject to complex and frequently changing federal, state, and local laws and regulations relating to the protection of health and the environment, including laws and regulations that govern the handling and release of crude oil and other liquid hydrocarbon materials. As with the industry generally, compliance with existing and anticipated environmental laws and regulations increases our overall cost of business, including our capital costs to construct, maintain, operate, and upgrade equipment and facilities. While these laws and regulations affect our maintenance, capital expenditures and net income, we do not believe they affect our competitive position, as the operations of our competitors are similarly affected. Violations of environmental laws or regulations can result in the imposition of significant administrative, civil and criminal fines and penalties and, in some instances, injunctions banning or delaying certain activities. We will adopt policies and procedures to ensure compliance with applicable environmental laws and regulations. However, these laws and regulations are subject to frequent change at the federal, state and local levels, and the legislative and regulatory trend has been to place increasingly stringent limitations on activities that may affect the environment.

***Clean Air Act.***

The environmental laws and regulations applicable to the Refinery include permitting and monitoring activities relating to air emissions under the federal Clean Air Act, and its implementing regulations, as well as comparable state and local statutes and regulations. Failure to comply with these rules can result in severe penalties and potential shut down of facilities. We will be required to develop policies and procedures to comply with all these laws and regulations.

***Greenhouse Gas Emissions.***

Various legislative and regulatory measures to address greenhouse gas (“GHG”) emissions, including carbon dioxide and methane emissions, are in different phases of implementation and discussion. At the federal legislative level, both houses of Congress have considered legislation to reduce GHG emissions, including proposals to: (i) establish a cap-and-trade system, (ii) create a federal renewable or “clean” energy standard requiring electric utilities to provide a certain percentage of power from such sources, and (iii) create enhanced incentives for use of renewable energy and increased energy efficiency in energy supply and use. A number of states, both individually and on a regional basis, have adopted measures to reduce carbon dioxide and other GHG emissions, including statewide GHG inventories and regional GHG cap-and-trade initiatives. The EPA has also begun to regulate GHG emissions under the authority granted to it by the federal Clean Air Act. The EPA has adopted regulations limiting emissions of GHGs from motor vehicles, addressing the permitting of GHG emissions from stationary sources, and requiring the reporting of GHG emissions from specified large GHG emission sources, including petroleum refineries. The implementation of EPA regulations could result in increased costs to (i) operate and maintain our facilities, (ii) install new emission controls on our facilities and (iii) administer and manage any GHG emissions program. Increased costs associated with compliance with any current or future legislation or regulation of GHG emissions, if it occurs, may have a material adverse effect on our financial condition, results of operations and cash flows. In addition, climate change legislation and regulations may result in increased costs not only for our business but also for our customers, thereby potentially decreasing demand for our products and services. Decreased demand for our products and services may have a material adverse effect on our financial condition, results of operations and cash flows.

***Release of Hazardous Substances.***

Environmental laws and regulations affecting our operations also relate to the release of hazardous substances or solid wastes into the soil, groundwater, and surface water, and include measures to control pollution of the environment. These laws generally regulate the generation, storage, treatment, transportation, and disposal of solid and hazardous waste. They also require corrective action, including investigation and remediation, at a facility where such waste may have been released or disposed. There are risks of accidental releases into the environment associated with our operations, such as releases of crude oil or hazardous substances from our pipelines or storage facilities. To the extent an event is not covered by our insurance policies, accidental releases could subject us to substantial liabilities arising from environmental cleanup and restoration costs, claims made by neighboring landowners and other third parties for personal injury and property damage, and fines or penalties for any related violations of environmental laws or regulations.

***CERCLA.***

The Refinery property and any wastes disposed therefrom may be subject to the federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the federal Resource Conservation and Recovery Act, and comparable Texas state laws. CERCLA and comparable state laws may impose liability without regard to fault or the legality of the original conduct on certain classes of persons regarding the presence or release of a hazardous substance in (or into) the environment, which may include the disposal of wastes generated by the Refinery, even if the wastes are taken from the Refinery by others and disposed by them. We will develop procedures and policies to ensure compliance with these laws.

Our operations may potentially result in the discharge of regulated substances, including crude oil, refined products, or natural gas liquids. The federal Clean Air Act and comparable state laws impose restrictions and strict controls regarding the discharge of regulated substances into waters of the United States or state waters. We will develop policies and procedures to ensure compliance with these rules.

***Renewable Identification Numbers.***

In 2007, the EPA promulgated the Renewable Fuel Standard ("RFS"), which requires refiners to blend "renewable fuels" in with their transportation fuels or purchase renewable fuel credits, known as renewable identification numbers ("RINs"), in lieu of blending. Under the Clean Air Act, the EPA is required to determine and publish the applicable annual renewable fuel percentage standards for each compliance year by November 30 of the prior year. However, the EPA has repeatedly missed that deadline. The percentage standards represent the ratio of renewable fuel volume to gasoline and diesel volume. For all domestically sold gasoline and diesel fuels we produce at the Refinery, we will be required to blend renewable fuels into our gasoline and diesel fuel or purchase RINs in lieu of blending. The Refinery intends to purchase RINs on the open market or waiver credits from the EPA to comply with the RFS. While we cannot predict the future prices of RINs or waiver credits, the price of RINs can be extremely volatile. RINs will constitute a genuinely significant cost of operations for the Refinery relative to domestically sold gasoline and diesel, which is why we intend to export gasoline and diesel to the fullest extent possible.

If the Refinery's gasoline or diesel is sold domestically, we and other similarly situated refiners may become more reliant on the purchase of RINs and waiver credits on the open market to comply with the RFS in the future. The cost of RINs is dependent upon a variety of factors, which include the volume mandates set by EPA, the availability of RINs for purchase, the price at which RINs can be purchased, transportation fuel production levels and the mix of our petroleum products, all of which can vary significantly from quarter to quarter. In addition, numerous instances of fraudulent RINs being made available on the market have led EPA to impose penalties on RIN purchasers, even those with no knowledge of the fraudulent nature of the RINs. If we purchase invalid RINs or fail to properly keep records in accordance with EPA's rules and regulations, we could be subject to fines and penalties.

***Safety, Security and Insurance Concerns in Operating Refineries.***

The Refinery will be subject to the Department of Homeland Security's Chemical Facility Anti-Terrorism Standards, which are designed to regulate the security of high-risk chemical facilities, and to the Transportation Security Administration's Pipeline Security Guidelines and Transportation Worker Identification Credential program. We will have to have an internal program of inspection designed to monitor and enforce compliance with all of these requirements, and we will need to develop a Facility Security Plan as required under the relevant law. We will also have to have in place procedures to monitor compliance with all applicable laws and regulations regarding the security of all our facilities.

[Table of Contents](#)

The Refinery will also be subject to the requirements of the Occupational Safety and Health Act (“OSHA”) and comparable state statutes that regulate the protection of the health and safety of workers. In addition, the OSHA hazard communication standard requires that information be maintained about hazardous materials used or produced in operations and that this information be provided to employees, state and local government authorities and citizens. We will also be subject to OSHA Process Safety Management regulations, which are designed to prevent or minimize the consequences of catastrophic releases of toxic, reactive, flammable or explosive chemicals. We will take measures to ensure that our operations are in substantial compliance with OSHA requirements, including general industry standards, record keeping requirements, and monitoring of occupational exposure to regulated substances.

**Item 1A: Risk Factors**

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

**Item 1B: Unresolved Staff Comments.**

None.

**Item 2: Properties.**

Our executive offices are located at 3616 Far West Blvd. #117-321, Austin, Texas 78731. We also maintain a satellite office in Fort Stockton, Texas near the site of our proposed refinery project.

On July 28, 2017, we acquired the 126-acre parcel of the land, which is the site for our planned Distillation Unit, at a purchase price of \$550 per acre, or \$67,088. We continue to negotiate with the seller of the property to acquire an additional 38-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. We have not yet received any financing commitment for such purchase.

**Item 3: Legal Proceedings.**

On July 14, 2020, a consultant for rail services to the Company filed a complaint against the Company and its CEO Jack W Hanks, an individual, for payment of \$100,000 of consulting fees. The Court Action is filed as CRU Trading Co, Plaintiff, v. MMEX Resources Corp and Jack W. Hanks in the District Court of Harris, County Texas Cause No. 2020-41853/Court;165. The Company, based on consultation with legal counsel, believes the complaint is without merit. The Company and Mr. Hanks are represented by counsel and have filed a verified denial.

On March 31, 2020, the Company entered into an amendment to the convertible debt notes with GS Capital Partners, LLC (“GS Capital”) to extend the maturity dates to November 20, 2020. As consideration for the extension, the parties agreed to a Joint Motion for Agreed Judgement to include the \$1,094,750 principal amount of the notes and accrued interest of \$487,166. In the event the notes are not paid in full, the Joint Motion may be filed by GS Capital and judgment entered against the Company. The holders of the Company’s Series A Preferred Stock have pledged their shares to GS Capital to secure the outstanding indebtedness of the Company to GS. If the indebtedness is not paid on or before its scheduled maturity date of November 20, 2020, GS Capital would be entitled to foreclose on such shares and would have 51% of the voting power of the Company’s equity securities.

**Item 4: Mine Safety Disclosures.**

Not Applicable.

PART II

**Item 5: Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Since April 10, 2018, our common stock has been listed on the OTC Pink under the symbol “MMEX”. The OTC Market is a network of security dealers who buy and sell stock. The dealers are connected by a computer network that provides information on current “bids” and “asks”, as well as volume information. From November 2, 2017 through April 9, 2018, our Class A common stock was listed on the OTCQB and prior to November 2, 2017, our Class A common stock was quoted on the OTC Pink tier. The following table indicates the quarterly high and low bid price for our common stock for the fiscal years ending April 30, 2020 and 2019. Such inter-dealer quotations do not necessarily represent actual transactions and do not reflect retail mark-ups, mark-downs or commissions. On September 14, 2018, the Company amended its articles of incorporation to provide for a 1 for 100 reverse stock split of our common shares. The Company has given retroactive effect to the reverse stock split for all periods presented.

	<u>High</u>	<u>Low</u>
<b>Fiscal year ended April 30, 2019</b>		
Quarter ended July 31, 2018	\$ 0.52	\$ 0.29
Quarter ended October 31, 2018	\$ 0.48	\$ 0.11
Quarter ended January 31, 2019	\$ 0.40	\$ 0.05
Quarter Ended April 30, 2019	\$ 0.10	\$ 0.01
<b>Fiscal year ended April 30, 2020</b>		
Quarter ended July 31, 2019	\$ 0.0250	\$ 0.0005
Quarter ended October 31, 2019	\$ 0.0008	\$ 0.0001
Quarter ended January 31, 2020	\$ 0.0002	\$ 0.0001
Quarter Ended April 30, 2020	\$ 0.0002	\$ 0.0001

On July 31, 2020, the closing bid price of our common stock as reported on the OTC Pink was \$.0001.

The number of holders of record of the Company’s common stock as of April 30, 2020 was 159 as reported by our transfer agent. This number does not include an undetermined number of stockholders whose stock is held in “street” or “nominee” name.

We have not declared or paid any cash or other dividends on our common stock to date for the last two (2) fiscal years and have no intention of doing so in the foreseeable future.

We did not repurchase any of our equity securities during the fourth quarter of fiscal 2020.

**Recent Sales of Unregistered Securities not previously reported in the Company’s Form 10-Q**

During the fourth quarter ended April 30, 2020, we did not issue any unregistered shares of our common stock.

**Outstanding Equity Awards at Fiscal Year-End**

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)</b>	<b>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities in Column (a) (d))</b>
Equity Compensation Plans Approved by Security Holders	0	0	0
Equity Compensation Plans Not Approved by Security Holders (1)	448,037,755	\$ 1.00	0
<b>Total</b>	<b>448,037,755</b>	<b>\$ 1.00</b>	<b>0</b>

(1) Consists of warrants to purchase 446,037,755 common shares and options to purchase 2,000,000 common shares.

**Penny Stock**

Our stock is considered to be a penny stock. The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a market price of less than \$5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that: (a) contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; (b) contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the securities laws; (c) contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price; (d) contains a toll-free telephone number for inquiries on disciplinary actions; (e) defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and (f) contains such other information and is in such form, including language, type size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with: (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statement showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement as to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

These disclosure requirements may have the effect of reducing the trading activity for our common stock. Therefore, stockholders may have difficulty selling our securities.

**Item 6: Selected Financial Data**

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

## Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations

*Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under Special Note Regarding Forward-Looking Statements and Business sections in this Annual Report. We use words such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forward-looking statements.*

*The following discussion and analysis constitutes 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 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 focus of our current business plan is to build crude oil distillation units and refining facilities in the Permian Basin in West Texas (hereinafter referred to as the "Projects", or the "Distillation Unit" or the "CDU" or the "Refinery"). 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. We contemplate that these projects will be built on land owned or land being negotiated for purchase by the Company. As of this date, we also are in negotiations to acquire an existing refinery in the Louisiana Gulf Coast-Mississippi River area with a capacity of 46,000 bpd (the "Louisiana Gulf Project").

## [Table of Contents](#)

Initially, Pecos Refining, the owner of the 1<sup>st</sup> Distillation Unit, and the other entities we may form to own and operate the 2<sup>nd</sup> and 3<sup>rd</sup> Distillation Units, and the Hydrotreater will be wholly owned subsidiaries of the Company. However, the construction of the Distillation Units and Hydrotreater 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 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.

### **Current Business Operations and Strategy**

The Company's business plan has not changed and it continues to evolve into additional potential components:

- ◆ The addition of a 2<sup>nd</sup> CDU at our present site Pecos County Texas site and potentially a 3<sup>rd</sup> CDU at another location
- ◆ Adding a Crude by Rail transportation and export component
- ◆ Adding a Hydrotreater as separate component to produce transportation grade diesel
- ◆ Development of a Terminal and Storage facility on the Texas Gulf Coast
- ◆ Organization of a Trading Company for exporting physical petroleum products to Latin American markets
- ◆ Associated gas and gas liquids treating
- ◆ Development of a Solar Project to power the Projects by solar energy
- ◆ Acquisition of an existing refinery in the Louisiana Gulf Coast-Mississippi River area

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 Pacific Railroad rail route 20 miles Northeast of Fort Stockton, Texas, approximately 1.5 miles from the Sulphur Junction on the Texas Pacific Railroad. Once needed repairs are finished to the tracks and railway, the Texas Pacific 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 1<sup>st</sup> CDU. The total indicated cost estimate including contingencies and owner costs plus or minus 10% is \$ 112 Million for the 1<sup>st</sup> 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 2<sup>nd</sup> CDU to be less in cost than the 1<sup>st</sup> CDU and the Hydrotreater capex to be in the range of \$25,000,000. The total indicated cost of the 1<sup>st</sup> CDU, the 2<sup>nd</sup> CDU and the Hydrotreater is in the range of \$250 million.

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 1<sup>st</sup> Distillation Unit.

Through April 30, 2020, we have had no revenues and have reported continuing losses from operations.

### **Results of Operations**

We recorded a net loss of \$4,393,689 or \$(0.00) per share, for the fiscal year ended April 30, 2020, compared to net income of \$3,986,830 or \$(0.13) per share, for the fiscal year ended April 30, 2019. As discussed below, the net income or loss for any fiscal year fluctuates materially due to non-operating gains and losses.

**Revenues**

We have not yet begun to generate revenues.

**General and Administrative Expenses**

Our general and administrative expenses decreased \$426,790 to \$904,306 for the year ended April 30, 2020 from \$1,331,096 for the year ended April 30, 2019. 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**

During the year ended April 30, 2019, the expenditures for the development of our proposed crude oil refinery in Pecos County, Texas decreased from the prior fiscal year due to financing constraints. We expense all costs incurred prior to opening the refinery, including acquisition of refinery rights, planning, design and permitting. Such costs totaled \$214,439 and \$531,983 for the years ended April 30, 2020 and 2019, respectively.

**Depreciation and Amortization Expense**

Our depreciation and amortization expenses remained somewhat constant, totaling \$34,663 and \$30,914 for the years ended April 30, 2020 and 2019, respectively. The expense results from the depreciation of refinery land improvements and amortization of refinery land easements.

**Other Income (Expense)**

Our interest expense decreased \$129,704 to \$1,846,603 for the year ended April 30, 2020 from \$1,976,307 for the year ended April 30, 2019. We had no material non-related party convertible debt in the current fiscal year third and fourth quarters, resulting in less amortization of debt discount to interest expense, which was partially offset by the increase in loan penalties and default interest.

For the years ended April 30, 2020 and 2019, we reported losses on derivative liabilities of \$1,402,233 and \$128,860, respectively. 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 debt of \$8,555 for the year ended April 30, 2020 compared to a gain on extinguishment of debt of \$14,239 for the year ended April 30, 2019. The gain on extinguishment of debt generally results from the settlement and extinguishment of convertible notes payable and certain accounts payable and accrued expenses. Where shares of our common stock are issued in extinguishment of debt, we record the value of the shares issued at the current market price, which at times differs from the book value of the debt extinguished, resulting in a gain or loss on extinguishment of debt.

For the year ended April 30, 2019, we reported a loss on conversion of debt to common stock of \$1,909. We had no gain or loss on conversion of debt for the year ended April 30, 2020.

[Table of Contents](#)

**Net Income (Loss)**

As a result of the above, we reported net losses of \$4,393,689 and \$3,986,830 for the years ended April 30, 2020 and 2019, 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 years ended April 30, 2020 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.

**Liquidity and Capital Resources**

**Working Capital**

As of April 30, 2020, we had current assets of \$89,975, comprised of cash of \$66,830 and prepaid expenses and other current assets of \$23,145, and current liabilities of \$6,322,880, resulting in a working capital deficit of \$6,232,905. Included in our current liabilities as of April 30, 2020 are derivative liabilities of \$2,607,433, which we do not anticipate will require the payment of cash.

**Sources and Uses of Cash**

Our sources and uses of cash for the years ended April 30, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Cash, Beginning of Year	\$ 55,188	\$ 304,173
Net Cash Used in Operating Activities	(734,518)	(1,934,078)
Net Cash Used in Investing Activities	(10,540)	(260,812)
Net Cash Provided by Financing Activities	756,700	1,945,905
Cash, End of Year	<u>\$ 66,830</u>	<u>\$ 55,188</u>

We used net cash of \$734,518 in operating activities for the year ended April 30, 2020 as a result of our net loss of \$4,393,689 and non-cash gain of \$8,555, partially offset by non-cash expenses totaling \$3,020,499, decrease in prepaid expenses and other current assets of \$15,804, and increases in accounts payable of \$58,753, accrued expenses of \$375,732 and accounts payable and accrued expenses – related parties of \$196,938.

In comparison, we used net cash of \$1,934,078 in operating activities for the year ended April 30, 2019 as a result of net loss of \$3,986,830, non-cash gain of \$14,239, increase in prepaid expenses and other current assets of \$33,949 and decrease in accounts payable of \$1,880, partially offset by non-cash expenses totaling \$1,948,042 and increases in accrued expenses of \$145,375 and accounts payable and accrued expenses – related parties of \$9,403.

Net cash used in investing activities was \$10,540, and \$260,812 for the years ended April 30, 2020 and 2019, respectively, comprised on the purchase of property and equipment.

Net cash provided by financing activities was \$756,700 for the year ended April 30, 2020, comprised of proceeds from convertible notes payable of \$365,300, proceeds from convertible notes payable – related parties of \$323,500 and proceeds from PPP loan payable of \$167,900, partially offset by repayments of convertible notes payable of \$100,000.

By comparison, net cash provided by financing activities was \$1,945,905 for the year ended April 30, 2019, comprised of net proceeds from convertible notes payable of \$2,032,653 and proceeds from the issuance of common stock of \$116,252, partially offset by repayments of convertible notes payable of \$203,000.

**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 \$43,457,807 and a total stockholders' deficit of \$5,724,961 at April 30, 2020, 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. Most recently, we have funded our operations from the proceeds of convertible debt. However, we currently do not have sufficient authorized shares of common stock to secure additional convertible debt funding. The recent Covid-19 worldwide pandemic has negatively impacted capital markets adding to the difficulty of raising either debt or equity 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 year ended April 30, 2020, we received net proceeds of \$365,300 from the issuance of convertible notes payable. This amount compares, however, to net proceeds of \$2,032,653 received from the issuance of convertible notes payable during the year ended April 30, 2019.

During the year ended April 30, 2020, we issued to related parties an aggregate of \$397,500 principal of convertible notes of which \$323,500 represented cash proceeds to us. Of the remaining consideration of \$30,000 was for consulting fees, \$30,000 for accrued consulting fees and \$14,000 was for financing fees. See Note 9 to the accompanying consolidated financial statements for the detail of these related party notes. Subject to available common shares to issue, the convertible notes payable – related party are convertible into common shares of the Company at a conversion price equal to 110% of the lowest price at which shares of our common stock have been issued by the Company during the twenty prior trading days, including the day upon which a notice of conversion is received by the Company. Conversion notices for all these related party convertible notes payable were submitted simultaneously with the note agreements; however, certain of the conversions were not completed, and the shares have not been issued pending an increase in the number of authorized shares of common stock. We received no proceeds from convertible notes payable – related parties during the year ended April 30, 2019.

## [Table of Contents](#)

Currently, all of our authorized shares of common stock are either issued or reserved for issuance of outstanding warrants, stock options and convertible notes payable. Therefore, no common shares are available for share issuances other than those shares included in the reserves established for debt holders. The lack of authorized shares currently limits our ability to raise capital through convertible debt financing

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.

### ***Current and Future Impact of Covid-19***

The Covid-19 pandemic continues to have a material negative impact on capital markets. Without a current source of revenue, we are currently dependent on debt or equity financing to fund our operations and execute our business plan. We believe that the impact on capital markets of Covid-19 may make it more costly and more difficult for us to access these sources of funding. Effective April 20, 2020, the Company received loan proceeds of \$167,900 in connection with the Paycheck Protection Program of the United States Small Business Administration ("SBA") and the CARES Act implemented in response to the Covid-19 pandemic. The loan may be forgiven pursuant to the provisions of the Act. See Note 10 to the Consolidated Financial Statements.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a material 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 this Annual Report. There were no material changes to our significant accounting policies during the year ended April 30, 2020. 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 April 30, 2020, 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. 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, accounts payable, accrued expenses and notes 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:

<u>April 30, 2020</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Derivative liabilities	\$ 2,607,433	\$ -	\$ -	\$ 2,607,433
<u>April 30, 2019</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Derivative liabilities	\$ 1,825,596	\$ -	\$ -	\$ 1,825,596

**Item 7A: 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 8: Financial Statements and Supplementary Data**

The following financial statements are being filed with this report and are located immediately following the signature page.

Index to Consolidated Financial Statements  
Report of Independent Registered Public Accounting Firm  
Consolidated Balance Sheets as of April 30, 2020 and 2019  
Consolidated Statements of Operations for the years ended April 30, 2020 and 2019  
Consolidated Statements of Stockholders' Deficit for the years ended April 30, 2020 and 2019  
Consolidated Statements of Cash Flows for the years ended April 30, 2020 and 2019  
Notes to Consolidated Financial Statements

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

There have been no changes in or disagreements with our accountants on accounting and financial disclosures.

**Item 9A(T): Controls and Procedures**

*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(e) 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 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 consolidated financial statements included in this annual 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.

**Management's Annual Report on Internal Control over Financial Reporting.**

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 April 30, 2019. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in 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 April 30, 2020, 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 April 30, 2020, 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 April 30, 2020, we did not establish a formal written policy for the approval, identification and authorization of related party transactions.
4. As of April 30, 2020, 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 April 30, 2020, based on the criteria established in "2013 Internal Control-Integrated Framework" issued by the COSO.

**Changes in Internal Control Over Financial Reporting.**

There have been no changes in the Company's internal control over financial reporting through the date of this report or during the quarter ended April 30, 2020, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**Independent Registered Accountant's Internal Control Attestation.**

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

**Corrective Action.**

Subject to availability of funds and progress with the Company's business plan, management plans to address the structure of the Board of Directors and discuss adding an audit committee during fiscal year 2021.

**Item 9B. Other Information**

None.

Part III

**Item 10. Directors, Executive Officers and Corporate Governance**

**Directors and Executive Officers**

The Board of Directors currently consists of two persons. Directors serve until the next annual meeting and until their successors are elected and qualified. The following table sets forth information about our directors and executive officers:

<u>Name</u>	<u>Age</u>	<u>Office</u>	<u>Year First Elected Director</u>
Jack W. Hanks	73	Director, Chief Executive Officer, President and Chief Financial Officer	2010
Bruce N. Lemons	65	Director	2010

*Mr. Hanks* has served as Director, Chief Executive Officer and President of the Company since the merger of Maple Carpenter Creek, LLC with the Company in September 2010. Mr. Hanks founded Maple Resources Corporation in 1986 and has been President or Chairman of the Board of Maple Resources since its inception. Mr. Hanks has also been the Executive Chairman of Maple Energy plc, a publicly listed company on the London Stock Exchange AIM and the Lima Bolsa. Prior to founding Maple Resources Corporation, Mr. Hanks was a partner in the Washington D.C. office of the law firm of Akin Gump Strauss Hauer & Feld LLP. Mr. Hanks graduated from the University of Texas at Austin with a law degree in 1971 and a petroleum land management degree in 1968. We believe that Mr. Hanks' business, finance and management experience qualifies him to serve as a member of our board of directors.

*Mr. Lemons* has been a practicing lawyer in the mineral area for over 25 years. He has been a private investor in oil and gas and coal projects in the last several years, including in Maple Carpenter Creek, LLC and Maple Energy, plc and predecessor entities. Since 2002, Mr. Lemons has served as a director of Ansen, an electronics manufacturing company based in upstate New York. Mr. Lemons was a partner in the law firms of Holme Roberts & Owen and in Holland & Hart. Mr. Lemons graduated law school from Brigham Young University in 1980, where he was a member of law review, and holds undergraduate degrees in Economics and Political Science from Utah State University. We believe that Mr. Lemons' business, finance and management experience qualifies him to serve as a member of our board of directors.

We are not aware of any "family relationships" (as defined in Item 401(d) of Regulation S-K promulgated by the SEC) among directors, executive officers, or persons nominated or chosen by us to become directors or executive officers.

The Board of Directors has determined that neither director is "independent" as such term is defined by the listing standards of Nasdaq and the rules of the SEC. Mr. Lemons is not "independent" due to his significant beneficial ownership of our common stock. Mr. Hanks is not "independent" due to his significant beneficial ownership of our common stock and his role as an executive officer of the Company.

**Audit, Nominating and Compensation Committees**

Because we are not listed on a securities exchange, we are not required to establish audit, nominating or compensation committees of the Board of Directors and we have not done so. In the event we elect to seek listing on a securities exchange, we will meet the corporate governance requirements imposed by a national securities exchange, including the appointment of an audit committee, nominating committee and compensation committee, the adoption of charters for each such committee and the appointment of independent directors to such committees as required by the requirements of such securities exchange.

*Compensation of Directors*

We do not currently pay any compensation to our directors, but we pay their expenses to attend our board meetings. During the fiscal year ended April 30, 2020, no director expenses were incurred.

No option awards were granted to our non-executive directors during the year ended April 30, 2020. There were no stock option awards outstanding at April 30, 2020 to our non-executive directors:

**Item 11. Executive Compensation**

The following table sets forth the compensation paid or earned by our executive officers during the fiscal years ended April 30, 2020 and 2019.

**Summary Compensation Table**

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Stock Awards</b>	<b>Option Awards</b>	<b>Non-Equity Incentive Plan Compensation</b>	<b>All Other Compensation</b>	<b>Total</b>
Jack W. Hanks Chief Executive Officer, President and Chief Financial Officer (1)	2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Mr. Hanks has served as Chief Executive Officer since September 21, 2010.

There are no employment agreements in place and no severance benefits are currently in place. During the years ended April 30, 2020 and 2019, we incurred consulting fees and expense reimbursement related to the development of the refinery project, financing and other corporate activities to Maple Resources Corporation ("Maple Resources"), a related party controlled by our President and CEO, totaling \$275,713 and \$350,931, respectively. Amounts included in accounts payable due to Maple Resources totaled \$101,012 and \$9,403 as of April 30, 2020 and 2019, respectively.

**Outstanding Equity Awards at Fiscal Year-End**

We have not granted any stock awards other than stock options. At April 30, 2020, we had no outstanding stock options or other equity awards issued to our executive officers.

As a condition for entering into an October 9, 2018 convertible debenture, the lender required affiliates of our directors (the "Affiliates"), to pledge their shares of Class B Common Stock (constituting 100% of the outstanding shares of Class B Common Stock at that time) 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 2,000,000 shares of our Common Stock at \$0.08 per share.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The following table sets forth as of July 31, 2020, the name and number of shares of the Company's common stock beneficially owned by (i) each of the directors and named executive officers of the Company, (ii) beneficial owners of 5% or more of our common stock; and (iii) all the officers and directors as a group. Pursuant to the rules and regulations of the SEC, shares of common stock that an individual or group has a right to acquire within 60 days pursuant to the exercise of options or warrants are deemed to be outstanding for the purposes of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purposes of computing the percentage ownership of any other person shown in the table.

SEC rules provide that, for purposes hereof, a person is considered the "beneficial owner" of shares with respect to which the person, directly or indirectly, has or shares the voting or investment power, irrespective of his/her/its economic interest in the shares. Unless otherwise noted, each person identified possesses sole voting and investment power over the shares listed, subject to community property laws.

The percentages in the table below are based on 13,352,828,472 shares of common stock outstanding on July 31, 2020. Shares of common stock subject to options and warrants that are exercisable within 60 days of July 31, 2020 are deemed beneficially owned by the person holding such options for the purposes of calculating the percentage of ownership of such person but are not treated as outstanding for the purpose of computing the percentage of any other person.

<b>Name and Address of Beneficial Owners (1)</b>	<b>Shares</b>	<b>Percentage Ownership of Class</b>	<b>Voting Power (4)</b>
Jack W. Hanks (2)(4)	5,570,498,269	41.68%	71.42%
Bruce N. Lemons (3)	367,068,097	2.75%	2.75%
All directors and officers as a group (two persons)	5,937,566,366	44.43%	74.17%

- (1) Unless otherwise noted, the business address for each of the individuals set forth in the table is c/o MMEX Resources Corporation, 3616 Far West Blvd, #117-321, Austin, Texas 78731.
- (2) Common shares for Mr. Hanks include: (i) 381,763 shares held by The Maple Gas Corporation, (ii) 1,352,683 shares held by Maple Structure Holdings, LLC, (iii) 5,528,008,278 shares held by Maple Resources Corporation; (iv) 38,955,545 shares held by Leslie Doheny-Hanks, wife of Mr. Hanks and (v) 1,800,000 shares to be received by Maple Resources Corporation upon its exercise of an option to purchase such shares at a price of \$0.08 per share. The option expires in December 2028.
- (3) Common shares for Mr. Lemons include: (i) 365,540,728 shares held by BNL Family Trust, (ii) 327,369 shares held by AAM Investments, LLC; (iii) 1,000,000 shares to be received by BNL Family Trust upon its exercise of an option to purchase such shares from Maple Resources Corporation at a price of \$0.08 per share (the option expires in December 2028) and 200,000 shares to be received by BNL Family Trust upon its exercise of an option expiring in March 2022 to purchase such shares from Maple Resources Corporation at a price of \$0.20 per share. Mr. Lemons and his family are the beneficiaries of BNL Family Trust. AAM Investments, LLC is indirectly owned by BNL Family Trust, a trust established for the benefit of Mr. Lemons and his family.
- (4) The holders of Series A Preferred Stock have 51% of the voting power of the outstanding shares of capital stock of the Company. The holders of Series A Preferred Stock have pledged their shares to GS Capital Partners, LLC to secure outstanding indebtedness of the Company to such lender. If the indebtedness is not paid on or before its scheduled maturity date of November 20, 2020, GS Capital Partners, LLC would be entitled to foreclose on such shares and would have 51% of the voting power of the Company's equity securities.

### **Item 13. Certain Relationships and Related Transactions and Director Independence**

Unless otherwise indicated, the terms of the following transactions between related parties were not determined as a result of arm's length negotiations.

#### **Contractual Agreements**

On March 4, 2017, the Company entered into an agreement with Maple Resources Corporation ("Maple Resources"), a related party owned by Mr. Jack W. Hanks, to acquire Maple Resources' business plan to build a \$450 million, 50,000 barrels per day capacity crude oil refinery in Pecos County, Texas in exchange for the issuance of 7 billion shares of common stock. The Company issued 15,000,000 shares of common stock on March 4, 2017. Subsequently, the Company amended and restated its articles of incorporation to authorize Class A and Class B common stock. Upon such amendment and restatement, Maple Resources agreed to waive its right to receive the remainder of the 7 billion shares of common stock and the 1.5 billion shares already issued were designated as Class B common stock. The Class B common stock is identical to the Class A common stock except that the Class A common stock has one vote per share and the Class B common stock has 10 votes per share. The 15,000,000 Class B common stock issued to Maple Resources was valued at \$150,000 by an independent valuation firm, with the \$150,000 expensed to refinery start-up costs. The 15,000,000 Class B common shares were subsequently converted to the same number of Class A common shares.

Maple Resources subsequently granted BNL Family Trust ("BNL"), a related party to Mr. Lemons, an option to purchase 1,000,000 shares of common stock from Maple Resources at a price of \$0.20 per share. The option expires in March 2022. Beneficial ownership of Messrs. Hanks and Lemons give effect to the exercise of such option.

As a condition for entering into an October 9, 2018 convertible debenture, the lender required Maple Resources and BNL, affiliates of Jack W. Hanks and Bruce Lemons, respectively, 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. The pledge agreement was later amended to substitute 1,000 shares of Series A preferred stock (constituting 100% of the outstanding shares of Series A Preferred stock) for the Class B Common Stock. 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 2,000,000 shares of the Company's common stock at \$0.08 per share.

#### **Consulting Fees and Expense Reimbursement**

Effective July 1, 2019, we entered into a consulting agreement with Maple Resources, a related party controlled by our President and CEO, that provides for payment of consulting fees and expense reimbursement related to the development of the refinery project, financing and other corporate activities. Effective January 1, 2020, the Maple consulting agreement was amended to provide for monthly consulting fees of \$17,897. During the years ended April 30, 2020 and 2019, we incurred consulting fees and expense reimbursement to Maple Resources totaling \$275,713 and \$350,931, respectively.

In addition, the consulting agreement provides for the issuance to Maple Resources of shares of our 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. In November 2019, 76,282,091 shares of our common stock were issued to Maple Resources in payment of \$20,000 of consulting fees for July through October 2019. No shares have been issued to Maple Resources in payment of consulting fees for November 2019 through April 2020 under the consulting agreement.

Amounts included in accounts payable and accrued expenses – related parties due to Maple Resources totaled \$101,012 and \$9,403 as of April 30, 2020 and 2019, respectively.

[Table of Contents](#)

Effective October 1, 2018, we entered into a consulting agreement with a related party to issue shares of our 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. The related party consultant provides certain administrative and accounting services and is reimbursed for expenses paid on behalf of the Company. During the year ended April 30, 2020, we issued a total of 38,761,580 common shares valued at \$15,009 to the related party, with the shares valued at the market price on the date of issuance, in payment of accrued consulting fees totaling \$17,500. A gain on extinguishment of debt of \$2,491 related to this compensation arrangement was recorded as a contribution to capital. During the year ended April 30, 2019, we issued a total of 193,965 Class A common shares valued at \$11,166 to the related party. A gain on extinguishment of debt of \$3,835 related to this compensation arrangement was recorded as a contribution to capital in the year ended April 30, 2019. As of April 30, 2020, consulting fees of \$15,000 were payable in stock, and the related party had also advanced the Company \$18,179, for a total of \$33,179 included in accounts payable and accrued expenses – related parties.

**Series A Preferred Stock**

Effective August 1, 2019, the Company issued 1,000 shares of Series A preferred stock to Maple Resources for services rendered. The shares were valued by an independent valuation firm at \$23,900.

**Convertible Notes Payable – Related Parties**

During the year ended April 30, 2020, Maple Resources, BNL and an individual who is a consultant and shareholder of the Company loaned the Company a total of \$397,500 in the form of convertible notes payable. The notes were issued for cash of \$323,500, consulting fees of \$30,000, accrued expenses of \$30,000 and financing fees of \$14,000. Notes totaling \$354,000 were converted in November 2019 into 6,436,363,636 total common shares of the Company. As of April 30, 2020, total principal of \$43,500 and accrued interest payable of \$690 were outstanding. The related party lenders simultaneously submitted notices to convert the note principal outstanding at April 30, 2020 into shares of the Company's common stock. The conversions were not completed, and the shares have not been issued pending an increase in the number of authorized shares of common stock.

**Item 14: Principal Accounting Fees and Services**

Our independent auditors, M&K CPAs, PLLC ("M&K"), have no direct or indirect interest in the Company and have been the Company's Independent Registered Public Accounting Firm since 2009. The following table sets forth the fees billed and estimated fees for professional audit services provided by such firm for the fiscal years ended April 30, 2020 and 2019:

	2020	2019
Audit Fees (a)	\$ 24,400	\$ 25,500
Audit-Related Fees (b)	\$ 0	\$ 0
Tax Fees (c)	\$ 0	\$ 0
All Other Fees	\$ 0	\$ 0

- (a) Includes fees for services related to the audits of our annual financial statements and the reviews of our interim financial statements and assistance with SEC filings.
- (b) Includes fees for services related to transaction due diligence and consultations with respect to compliance with Section 404 of the Sarbanes-Oxley Act.
- (c) Includes fees for services related to tax compliance, preparation and planning services (including U.S. federal, state and local returns) and tax examination assistance.

Our Board of Directors established a policy whereby the outside auditors are required to seek pre-approval on an annual basis of all audit, audit-related, tax and other services by providing a prior description of the services to be performed. For the year ended April 30, 2020, 100% of all audit-related services were pre-approved by the Board of Directors, which concluded that the provision of such services by M&K was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

**Item 15: Exhibits**

(a) (3) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">3.1</a>	<a href="#">Amended and Restated Articles of Incorporation <sup>(1)</sup></a>
<a href="#">3.2</a>	<a href="#">Amended and Restated By-laws <sup>(1)</sup></a>
<a href="#">3.3</a>	<a href="#">Amendment to Amended and Restated Articles of Incorporation <sup>(4)</sup></a>
<a href="#">3.4</a>	<a href="#">Certificate of Designation of Series A Preferred Stock <sup>(9)</sup></a>
<a href="#">4.1</a>	<a href="#">Form of Warrant to Purchase Common Stock <sup>(2)</sup></a>
<a href="#">4.2</a>	<a href="#">10% Convertible Note due September 18, 2019, payable to GS Capital Partners LLC <sup>(6)</sup></a>
<a href="#">4.3</a>	<a href="#">10% Convertible Debenture due October 5, 2019, payable to GS Capital Partners LLC <sup>(6)</sup></a>
<a href="#">4.4</a>	<a href="#">9% Convertible Note due April 4, 2020, payable to Geneva Roth Remark Holdings, Inc. <sup>(6)</sup></a>
<a href="#">4.5</a>	<a href="#">12% Convertible Note due January 11, 2020, payable to One44 Capital LLC <sup>(6)</sup></a>
<a href="#">4.6</a>	<a href="#">12% Convertible Note due January 17, 2020, payable to JSJ Investments, Inc. <sup>(6)</sup></a>
<a href="#">4.7</a>	<a href="#">10% Convertible Note due January 31, 2020, payable to Auctus Fund, LLC <sup>(6)</sup></a>
<a href="#">4.8</a>	<a href="#">10% Convertible Note due February 20, 2020, payable to GS Capital Partners LLC<sup>(8)</sup></a>
<a href="#">4.9</a>	<a href="#">10% Convertible Note due May 7, 2020, payable to Odyssey Capital Funding LLC<sup>(8)</sup></a>
<a href="#">4.10</a>	<a href="#">10% Convertible Note due June 19, 2020, payable to Odyssey Capital Funding LLC<sup>(8)</sup></a>
<a href="#">4.11</a>	<a href="#">Second Amendment to Promissory Notes, dated March 31, 2020, by and between MMEX Resources Corporation and GS Capital Partners LLC <sup>*</sup></a>
<a href="#">10.1</a>	<a href="#">Stock Purchase Agreement, dated March 4, 2017, by and between MMEX Resources Corporation and Maple Resources Corporation <sup>(7)</sup></a>
<a href="#">10.2</a>	<a href="#">Option Agreement, dated December 11, 2018, by and among MMEX Resources Corporation, Maple Resources Corporation and BNL Family Trust <sup>(6)</sup></a>
<a href="#">21.1</a>	<a href="#">Subsidiaries <sup>(3)</sup></a>
<a href="#">31.1</a>	<a href="#">Certification by Chief Executive Officer and Chief Financial Officer of the Registrant, pursuant to 17 CFR 240.13a—14(a) or 17 CFR 240.15d—14(a).(11). <sup>*</sup></a>
<a href="#">32.1</a>	<a href="#">Certification by Chief Executive Officer and Chief Financial Officer of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase.
101.LAB*	XBRL Taxonomy Extension Label Linkbase.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase.

\* Filed herewith.

- (1) Filed as exhibit to Report on Form 8-K filed on April 3, 2017.
- (2) Filed as exhibit to Report on Form 10-K filed on August 11, 2011.
- (3) Filed as exhibit to Form S-1 Registration Statement No. 333-218958.
- (4) Filed as exhibit to Report on Form 8-K filed on October 12, 2018
- (5) Filed as exhibit to Form S-3 Registration Statement No. 333-228746
- (6) Filed as exhibit to Report on Form 10-Q filed on March 12, 2019
- (7) Filed as exhibit to Report on Form 8-K filed on March 10, 2017.
- (8) Filed as exhibit to Report on Form 10-K filed on July 26, 2019.
- (9) Filed as exhibit to Report on Form 8-K filed on August 20, 2019.

**SIGNATURES**

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this annual report on Form 10-K to be signed on its behalf by the undersigned thereto duly authorized.

**MMEX Resources Corporation**  
(Registrant)

Date: August 13, 2020

By: /s/ Jack W. Hanks

Jack W. Hanks, Chairman

Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>SIGNATURE</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ Jack W. Hanks</u> Jack W. Hanks	Chairman and Chief Executive Officer (Principal Executive Officer) President, Chief Financial Officer and Director (Principal Financial and Accounting Officer)	August 13, 2020
<u>/s/ Bruce N. Lemons</u> Bruce N. Lemons	Director	August 13, 2020

**MMEX RESOURCES CORPORATION  
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-2
<a href="#">Consolidated Balance Sheets as of April 30, 2020 and 2019</a>	F-3
<a href="#">Consolidated Statements of Operations for the Years Ended April 30, 2020 and 2019</a>	F-4
<a href="#">Consolidated Statements of Stockholders' Deficit for the Years Ended April 30, 2020 and 2019</a>	F-5
<a href="#">Consolidated Statements of Cash Flows for the Years Ended April 30, 2020 and 2019</a>	F-7
<a href="#">Notes to Consolidated Financial Statements</a>	F-9



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders  
MMEX Resources Corporation

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of MMEX Resources Corporation (the Company) as of April 30, 2020 and 2019, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the company suffered a net loss from operations and has a net capital deficiency, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ M&K CPAS, PLLC

M&K CPAS, PLLC

We have served as the Company's auditor since 2013

Houston, TX  
August 13, 2020

**MMEX RESOURCES CORPORATION**  
**Consolidated Balance Sheets**

	<b>April 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 66,830	\$ 55,188
Prepaid expenses and other current assets	23,145	38,949
Total current assets	89,975	94,137
Property and equipment, net	507,044	531,167
Deposit	900	900
Total assets	\$ 597,919	\$ 626,204
<b>Liabilities and Stockholders' Deficit</b>		
Current liabilities:		
Accounts payable	\$ 764,945	\$ 706,192
Accrued expenses	519,447	307,078
Accounts payable and accrued expenses – related parties	236,514	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 April 30, 2020 and 2019, respectively	323,133	75,000
Convertible notes payable, net of discount of \$140,941 and \$869,433 at April 30, 2020 and 2019, respectively	1,587,239	783,836
Convertible notes payable – related parties, net of discount of \$2,232 and \$0 at April 30, 2020 and 2019, respectively	41,268	-
PPP loan payable	167,900	-
Derivative liabilities	2,607,433	1,825,596
Total current liabilities	6,322,880	3,813,739
Long-term liabilities:		
Convertible notes payable, net of discount of \$0 and \$263,960 at April 30, 2020 and 2019, respectively	-	176,140
Total liabilities	6,322,880	3,989,879
Commitments and contingencies		
Stockholders' deficit:		
Common stock; \$0.001 par value; 25,000,000,000 shares authorized, 13,352,828,472 and 68,172,427 shares issued and outstanding at April 30, 2020 and 2019, respectively	13,352,830	68,174
Series A preferred stock; \$0.001 par value; 10,000,000 shares authorized, 1,000 Series A shares issued and outstanding	1	-
Additional paid-in capital	24,370,144	35,622,398
Non-controlling interest	9,871	9,871
Accumulated (deficit)	(43,457,807)	(39,064,118)
Total stockholders' deficit	(5,724,961)	(3,363,675)
Total liabilities and stockholders' deficit	\$ 597,919	\$ 626,204

See accompanying notes to consolidated financial statements.

**MMEX RESOURCES CORPORATION**  
**Consolidated Statements of Operations**

	Years Ended	
	April 30,	
	2020	2019
Revenues	\$ -	\$ -
Operating expenses:		
General and administrative expenses	904,306	1,331,096
Refinery start-up costs	214,439	531,983
Depreciation and amortization	34,663	30,914
Total operating expenses	1,153,408	1,893,993
Loss from operations	(1,153,408)	(1,893,993)
Other income (expense):		
Interest expense	(1,846,603)	(1,976,307)
Loss on derivative liabilities	(1,402,233)	(128,860)
Gain on extinguishment of liabilities	8,555	14,239
Loss on conversion of debt	-	(1,909)
Total other income (expense)	(3,240,281)	(2,092,837)
Loss before income taxes	(4,393,689)	(3,986,830)
Provision for income taxes	-	-
Net loss	(4,393,689)	(3,986,830)
Non-controlling interest in income of consolidated subsidiaries	-	-
Net loss attributable to the Company	\$ (4,393,689)	\$ (3,986,830)
Net loss per common share – basic and diluted	\$ (0.00)	\$ (0.13)
Weighted average number of common shares outstanding:		
Basic	6,692,100,334	31,492,895
Diluted	6,692,100,334	31,492,895

See accompanying notes to consolidated financial statements.

**MSEX RESOURCES CORPORATION**  
**Consolidated Statements of Stockholders' Deficit**  
**Years Ended April 30, 2020 and 2019**

	Class A Common Stock		Series A Preferred Stock		Additional Paid-in Capital	Non- Controlling Interest	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balance, April 30, 2018	36,274,369	\$ 36,274	-	\$ -	\$ 33,085,221	\$ 9,871	\$ (35,077,288)	\$(1,945,922)
Common shares issued for:								
Services	699,971	699	-	-	91,231	-	-	91,930
Accrued expenses	16,031	16	-	-	6,236	-	-	6,252
Conversion of convertible notes payable	30,192,113	30,195	-	-	1,236,393	-	-	1,266,588
Stock subscription receivable	989,474	989	-	-	115,263	-	-	116,252
Reverse split rounding	469	1	-	-	(1)	-	-	-
Debt extinguishment	-	-	-	-	3,835	-	-	3,835
Settlement of derivative liabilities	-	-	-	-	1,084,220	-	-	1,084,220
Net loss	-	-	-	-	-	-	(3,986,830)	(3,986,830)
Balance, April 30, 2019	68,172,427	\$ 68,174	-	\$ -	\$ 35,622,398	\$ 9,871	\$ (39,064,118)	\$(3,363,675)

See accompanying notes to consolidated financial statements.

**MMEX RESOURCES CORPORATION**  
**Consolidated Statements of Stockholders' Deficit**  
**Years Ended April 30, 2020 and 2019 (continued)**

	Class A Common Stock		Series A Preferred Stock		Additional Paid-in Capital	Non- Controlling Interest	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balance, April 30, 2019	68,172,427	\$ 68,174	-	\$ -	\$ 35,622,398	\$ 9,871	\$ (39,064,118)	\$(3,363,675)
Common shares issued for:								
Services	30,000	30	-	-	54	-	-	84
Accrued expenses	169,913,936	169,914	-	-	(141,527)	-	-	28,387
Conversion of convertible notes payable	6,678,348,473	6,678,348	-	-	(5,866,672)	-	-	811,676
Conversion of convertible notes payable - related parties	6,436,363,636	6,436,364	-	-	(6,080,904)	-	-	355,460
Preferred shares issued for services to related party	-	-	1,000	1	23,899	-	-	23,900
Settlement of derivative liabilities	-	-	-	-	812,896	-	-	812,896
Net loss	-	-	-	-	-	-	(4,393,689)	(4,393,689)
Balance, April 30, 2020	<u>13,352,828,472</u>	<u>\$ 13,352,830</u>	<u>1,000</u>	<u>\$ 1</u>	<u>\$ 24,370,144</u>	<u>\$ 9,871</u>	<u>\$ (43,457,807)</u>	<u>\$(5,724,961)</u>

See accompanying notes to consolidated financial statements.

**MMEX RESOURCES CORPORATION**  
**Consolidated Statements of Cash Flows**

	Years Ended	
	April 30,	
	2020	2019
Cash flows from operating activities:		
Net loss	\$ (4,393,689)	\$ (3,986,830)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	34,663	30,914
Stock-based compensation	84	91,930
Preferred shares issued to related party for services	23,900	-
Loan fees and penalties added to convertible note principal	335,700	25,000
Loss on derivative liabilities	1,402,233	128,860
Gain on extinguishment of liabilities	(8,555)	(14,239)
Loss on conversion of debt	-	1,909
Amortization of debt discount	1,223,919	1,587,612
Interest expense from issuance of stock options	-	42,217
Interest expense added to convertible note principal	-	39,600
Loss on conversion of debt	-	1,909
(Increase) decrease in prepaid expenses and other current assets	15,804	(33,949)
Increase in deposits	-	-
Increase (decrease) in liabilities:		
Accounts payable	58,753	(1,880)
Accrued expenses	375,732	145,375
Accounts payable and accrued expenses – related parties	196,938	9,403
Net cash used in operating activities	<u>(734,518)</u>	<u>(1,934,078)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(10,540)	(260,812)
Net cash used in investing activities	<u>(10,540)</u>	<u>(260,812)</u>
Cash flows from financing activities:		
Proceeds from convertible notes payable	365,300	2,032,653
Proceeds from convertible notes payable – related parties	323,500	-
Proceeds from PPP loan payable	167,900	-
Proceeds from issuance of common stock	-	116,252
Repayments of convertible notes payable	(100,000)	(203,000)
Net cash provided by financing activities	<u>756,700</u>	<u>1,945,905</u>
Net increase (decrease) in cash	11,642	(248,985)
Cash at the beginning of the period	55,188	304,173
Cash at the end of the period	<u>\$ 66,830</u>	<u>\$ 55,188</u>

See accompanying notes to consolidated financial statements.

**MMEX RESOURCES CORPORATION**  
**Consolidated Statements of Cash Flows (continued)**

	Years Ended	
	April 30,	
	2020	2019
Supplemental disclosure:		
Interest paid	\$ 10,402	\$ 104,990
Income taxes paid	-	-
Non-cash investing and financing activities:		
Common stock issued in conversion of debt	811,676	1,264,679
Common stock issued in conversion of related party debt	355,460	
Common stock issued for accrued expenses	46,945	5,000
Settlement of derivative liabilities	812,896	1,084,220
Derivative liabilities for debt discount	192,500	1,742,136
Convertible notes payable for accrued expenses	10,000	-
Convertible notes payable – related parties for accrued expenses	74,000	-
Increase in common stock for reverse stock split rounding	-	1
Related party gain on shares issued for services	-	3,835

See accompanying notes to consolidated financial statements.

**MMEX RESOURCES CORPORATION**  
**Notes to Consolidated Financial Statements**  
**Years Ended April 30, 2020 and 2019**

**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 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:

<u>Name of Entity</u>	<u>%</u>	<u>Form of Entity</u>	<u>State of Incorporation</u>	<u>Relationship</u>
MMEX Resources Corporation (“MMEX”)	-	Corporation	Nevada	Parent
Pecos Refining & Transport, LLC	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 & Transport, LLC (“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.

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*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 or amortized using the straight-line method over the estimated useful life or legal life of the related asset as follows:

Office furniture and equipment	10 years
Computer equipment and software	5 years
Refinery land improvement	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 April 30, 2020, 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. 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, accounts payable, accrued expenses and notes 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:

<b>April 30, 2020</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Derivative liabilities	\$ 2,607,433	\$ -	\$ -	\$ 2,607,433
<b>April 30, 2019</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
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. ASC 606 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.

[Table of Contents](#)

*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.

*Advertising and promotion*

All costs associated with advertising and promoting products are expensed as incurred. No material expenses were incurred for the years ended April 30, 2020 and 2019, respectively.

*Income taxes*

The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

*Uncertain tax positions*

The Company has adopted FASB standards for accounting for uncertainty in income taxes. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities and has not identified any uncertain tax positions requiring recognition in its consolidated financial statements.

The assessment of the Company's tax position relies on the judgment of management to estimate the exposures associated with the Company's various filing positions.

[Table of Contents](#)

*Basic and diluted income (loss) per share*

Basic net income or loss per common 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 years ended April 30, 2020 and 2019, 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 common share is the same as diluted net loss per share.

*Employee 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 years ended April 30, 2020 and 2019, the Company recorded share-based compensation to employees of \$0 and \$13,366, respectively. Effective January 2019, the Company had no employees.

*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 have been reclassified to conform with the current year presentation.

*Recently Issued Accounting Pronouncements*

In December 2019, the FASB issued Accounting Standards Update (ASU) No. 2019-12, "Simplifying the Accounting for Income Taxes" (Income Taxes Topic 740). The amendments in this ASU simplify the accounting for income taxes by removing certain exceptions to the general provision of Topic 740. The amendments also improve consistent application of and simplify General Accepted Accounting Principles for other areas of Topic 740 by clarifying and amending existing practice. For public entities, the amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020, or May 1, 2020 for the Company. Early adoption is permitted. Early adoption of the amendments is permitted. The Company is currently unable to determine the impact on its consolidated financial statements of the implementation of this ASU.

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, was 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 \$43,457,807 and a total stockholders' deficit of \$5,724,961 at April 30, 2020, 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. Most recently, we have funded our operations from the proceeds of convertible debt. However, we currently do not have sufficient authorized shares of common stock to secure additional convertible debt funding. The recent Covid-19 worldwide pandemic has negatively impacted capital markets adding to the difficulty of raising either debt or equity 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 and expense reimbursements payable, totaled \$236,514 as of April 30, 2020 consisting of \$101,012 payable to Maple Resources Corporation, \$31,633 to a former officer and \$103,869 to consultants who are significant shareholders or affiliates of our President and CEO, and \$41,036 as of April 30, 2019 consisting of \$9,403 payable to Maple Resources Corporation and \$31,633 to a former officer.

Effective July 1, 2019, we entered into a consulting agreement with Maple Resources Corporation ("Maple Resources"), a related party controlled by our President and CEO, that provides for payment of consulting fees and expense reimbursement related to the development of the refinery project, financing and other corporate activities. Effective January 1, 2020, the Maple consulting agreement was amended to provide for monthly consulting fees of \$17,897. During the years ended April 30, 2020 and 2019, we incurred consulting fees and expense reimbursement to Maple Resources totaling \$275,713 and \$350,931, respectively.

[Table of Contents](#)

In addition, the consulting agreement provides for the issuance to Maple Resources of shares of our 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. In November 2019, 76,282,091 shares of our common stock were issued to Maple Resources in payment of \$20,000 of consulting fees for July through October 2019. No shares have been issued to Maple Resources in payment of consulting fees for November 2019 through April 2020 under the consulting agreement.

Amounts included in accounts payable and accrued expenses – related parties due to Maple Resources totaled \$101,012 and \$9,403 as of April 30, 2020 and 2019, respectively.

Effective October 1, 2018, we entered into a consulting agreement with a related party to issue shares of our 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. The related party consultant provides certain administrative and accounting services and is reimbursed for expenses paid on behalf of the Company. During the year ended April 30, 2020, we issued a total of 38,761,580 common shares valued at \$15,009 to the related party, with the shares valued at the market price on the date of issuance, in payment of accrued consulting fees totaling \$17,500. A gain on extinguishment of debt of \$2,491 related to this compensation arrangement was recorded as a contribution to capital. During the year ended April 30, 2019, we issued a total of 193,965 Class A common shares valued at \$11,166 to the related party. A gain on extinguishment of debt of \$3,835 related to this compensation arrangement was recorded as a contribution to capital in the year ended April 30, 2019. As of April 30, 2020, consulting fees of \$15,000 were payable in stock, and the related party had also advanced the Company \$18,179, for a total of \$33,179 included in accounts payable and accrued expenses – related parties.

Effective August 1, 2019, the Company issued 1,000 shares of Series A preferred stock to Maple Resources for services rendered. The shares were valued by an independent valuation firm at \$23,900. See Note 11.

During the year ended April 30, 2019, we issued to an employee 93,620 shares of our common stock valued at \$12,807 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. The pledge agreement was later amended to substitute 1,000 shares of Series A preferred stock (constituting 100% of the outstanding shares of Series A Preferred stock) for the Class B Common Stock. 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 2,000,000 shares of the Company’s common stock at \$0.08 per share.

During the year ended April 30, 2020, Maple Resources, BNL Family Trust (a trust established for the benefit of Bruce Lemons, a director of the Company, and his family) and an individual who is a consultant and shareholder of the Company loaned the Company a total of \$397,500 in the form of convertible notes payable. See Note 9. The notes were issued for cash of \$323,500, consulting fees of \$30,000, accrued expenses of \$30,000 and financing fees of \$14,000. Notes totaling \$354,000 were converted in November 2019 into 6,436,363,636 total common shares of the Company. As of April 30, 2020, total principal of \$43,500 and accrued interest payable of \$690 were outstanding.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at April 30:

	<u>2020</u>	<u>2019</u>
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	452,005	441,465
Refinery land easements	37,015	37,015
	<u>580,934</u>	<u>570,394</u>
Less accumulated depreciation and amortization	(73,890)	(39,227)
	<u>\$ 507,044</u>	<u>\$ 531,167</u>

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 April 30, 2020, the Company incurred a total of \$478,480 additional costs to acquire certain easements related to the land parcel and make other improvements.

Depreciation and amortization expense totaled \$34,663 and \$30,914 for the years ended April 30, 2020 and 2019, 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. The 15,000,000 Class B common shares were subsequently converted to the same number of Class A common shares.

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 the 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 April 30:

	<u>2020</u>	<u>2019</u>
Accrued payroll	\$ 30,090	\$ 30,090
Accrued consulting	24,000	4,500
Accrued interest and penalties	402,126	209,947
Other	63,231	62,541
	<u>\$ 519,447</u>	<u>\$ 307,078</u>

**NOTE 8 – NOTES PAYABLE**

*Note Payable, Currently in Default*

Note payable, currently in default, consists of the following at April 30:

	<u>2020</u>	<u>2019</u>
Note payable to an unrelated party, maturing March 18, 2014, with interest at 10%	\$ 75,001	\$ 75,001
	<u>\$ 75,001</u>	<u>\$ 75,001</u>

*Convertible Notes Payable, Currently in Default*

Convertible notes payable, currently in default, consist of the following at April 30:

	<u>2020</u>	<u>2019</u>
Note payable to an unrelated party, matured January 27, 2012, with interest at 25%, convertible into common shares of the Company at \$3.70 per share	\$ 25,000	\$ 25,000
Note payable to an unrelated party, matured December 31, 2010, with interest at 10%, convertible into common shares of the Company at \$1.00 per share	50,000	50,000
Note payable to an accredited investor, matured January 11, 2020, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price	59,400	-
Note payable to an accredited investor, matured January 17, 2020, with interest at 12%, convertible into common shares of the Company at a defined variable exercise price	53,028	-
Note payable to an accredited investor, matured January 24, 2020, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price	42,365	-
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	91,331	-
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	2,009	-
	<u>323,133</u>	<u>75,000</u>
Less discount	-	-
Total	<u>\$ 323,133</u>	<u>\$ 75,000</u>

[Table of Contents](#)

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 matured on January 11, 2020 and was in default as of April 30, 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 year ended April 30, 2020, One44 converted principal of \$60,600 into common shares of the Company, resulting in a principal balance of \$59,400 as of April 30, 2020.

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 matured on January 17, 2020 and was in default as of April 30, 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 year ended April 30, 2020, JSJ converted principal of \$82,672 into common shares of the Company and the principal was increased by \$10,700 for a penalty, resulting in a principal balance of \$53,028 as of April 30, 2020.

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 matured on January 24, 2020 and was in default as of April 30, 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 April 30, 2019. In November 2019, a penalty of \$25,000 was added to the principal of the note. During the year ended April 30, 2020, EMA converted principal of \$37,635 into common shares of the Company, resulting in a principal balance of \$42,365 as of April 30, 2020.

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 180<sup>th</sup> 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 at 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 matured on January 31, 2020 and was in default as of April 30, 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 April 30, 2019. During year ended April 30, 2020, Auctus converted principal of \$33,669 into common shares of the Company, resulting in a principal balance of \$91,331 as of April 30, 2020.

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 matured on February 27, 2020 and was in default as of April 30, 2020. During the first 150 days the Note is in effect, the Company may redeem the note at a redemption price of 135%. The note had a principal balance of \$55,000 as of April 30, 2019. During the year ended April 30, 2020, Coventry converted principal of \$52,991 into common shares of the Company, resulting in a principal balance of \$2,009 as of April 30, 2020.

## Current Convertible Notes Payable

Current convertible notes payable consisted of the following at April 30:

	2020	2019
Note payable to an accredited investor, maturing November 20, 2020, with interest at 18%, convertible into common shares of the Company at a defined variable exercise price.	\$ 24,700	\$ 110,000
Note payable to an accredited investor, maturing November 20, 2020, with interest at 18%, 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 November 20, 2020, with interest at 18%, convertible into common shares of the Company at a defined variable exercise price.	600,000	600,000
Note payable to an accredited investor issued for extension fees, maturing November 20, 2020 with interest at 18%, convertible into common shares of the Company at a defined variable exercise price.	200,000	-
Note payable to an accredited investor issued for extension fees, maturing November 20, 2020 with interest at 18%, convertible into common shares of the Company at a defined variable exercise price.	90,000	-
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. In default at April 30, 2020.	-	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. In default at April 30, 2020.	-	125,000
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. In default at April 30, 2020.	-	55,000
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. In default at April 30, 2020.	-	125,000
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. In default at April 30, 2020.	-	55,000
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 (long-term at April 30, 2020)	35,900	-
Note payable to an accredited investor, maturing November 20, 2020, with interest at 18%, convertible into common shares of the Company at a defined variable exercise price	110,000	110,000

[Table of Contents](#)

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 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 (long-term at April 30, 2019)	56,500	-
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 individual, maturing December 27, 2020, with interest at 5%, convertible into common shares of the Company at a defined variable exercise price	10,000	-
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 – See discussion under Long-Term Convertible Notes Payable below:		
Advance dated September 13, 2018, maturing September 13, 2020 (long-term at April 30, 2019)	1,380	-
Advance dated October 16, 2018, maturing October 16, 2020 (long-term at April 30, 2019)	123,200	-
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, converted in full into shares of common stock	-	136,000
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, 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 common stock	-	47,269
Total	1,728,180	1,653,269
Less discount	(140,941)	(869,433)
Net	<u>\$ 1,587,239</u>	<u>\$ 783,836</u>

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 an original issue discount of \$4,500 and 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 maturity date of the note has been extended to November 20, 2020 and the interest rate increased to 18%. 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 year ended April 30, 2020, GS converted principal of \$85,300 into common shares of the Company, resulting in a principal balance of \$24,700 as of April 30, 2020.

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 maturity date of the note has been extended to November 20, 2020 and the interest rate raised to 18%. 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 April 30, 2020 and 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 maturity date of the debenture has been extended to November 20, 2020 and the interest rate raised to 18%. 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 April 30, 2020 and 2019. Affiliates of Jack W. Hanks and Bruce Lemons, our directors, pledged their shares of Series A preferred stock (constituting 100% of the outstanding shares of Series A preferred stock) to GS to secure the repayment of the debenture by the Company.

Effective March 31, 2020, the Company issued and delivered to GS an 18% convertible note in the principal amount of \$200,000. The note was issued to GS in consideration for GS extending the maturity date of other convertible notes payable to GS to November 30, 2020. The extension fee is payable in cash at the earlier of (1) in connection with, and at the time of repayment of the Notes, or (2) on November 20, 2020. The note had a principal balance of \$200,000 as of April 30, 2020. GS, at its option, may convert the unpaid principal balance and accrued interest into shares of common stock at the same terms as the September GS convertible notes payable.

Effective February 4, 2020, the Company issued and delivered to GS an 18% convertible note in the principal amount of \$90,000. The note was issued to GS in consideration for GS extending the maturity date of other convertible notes payable to GS to February 4, 2020. The extension fee is payable in cash at the earlier of (1) in connection with, and at the time of repayment of the Notes, or (2) on November 20, 2020. The note had a principal balance of \$90,000 as of April 30, 2020. GS, at its option, may convert the unpaid principal balance and accrued interest into shares of common stock at the same terms as the September GS convertible notes payable.

[Table of Contents](#)

Effective February 7, 2019, the Company issued and delivered to Geneva Roth Remark Holdings, Inc. (“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 April 30, 2019. During the year ended April 30, 2020, Geneva converted principal of \$20,600 into common shares of the Company, resulting in a principal balance of \$35,900 as of April 30, 2020.

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 an original issue discount of \$4,500 and 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 maturity date of the note has been extended to November 20, 2020 and the interest rate increased to 18%. 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, 2020 and 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 April 30, 2020 and 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 April 30, 2020.

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 April 30, 2020.

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 April 30, 2020.

Effective December 27, 2020, the Company issued and delivered to a consultant a 5% convertible note in the principal amount of \$10,000 in payment of accrued fees of \$10,000. Subject to available common shares to issue, the note is convertible into common shares of the Company at a conversion price equal to 110% of the lowest price at which shares of our common stock have been issued by the Company during the twenty prior trading days, including the day upon which a notice of conversion is received by the Company. The note had a principal balance of \$10,000 as of April 30, 2020. On December 27, 2019, the consultant simultaneously submitted a notice to convert the note into 9,090,909,091 shares of the Company's common stock. The conversion was not completed, and the shares have not been issued pending an increase in the number of authorized shares of common stock.

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 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 common shares of the Company, resulting in a principal balance of \$47,269 as of April 30, 2019. During the year ended April 30, 2020, the balance of the note was converted in full into shares of the Company's common stock.

Effective January 4, 2019, the Company issued and delivered to 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 and was converted in full into common shares of the Company during the year ended April 30, 2020.

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:

	<u>2020</u>	<u>2019</u>
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, reclassified to current convertible notes payable	\$ -	\$ 80,700
Advance dated October 16, 2018, maturing October 16, 2020, reclassified to current convertible notes payable	-	246,400
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	-	440,100
Less discount	-	(263,960)
Total	<u>\$ -</u>	<u>\$ 176,140</u>

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.

[Table of Contents](#)

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 common stock resulting in a principal balance of \$80,700 as of April 30, 2019. During the year ended, 2020, Vista converted principal of \$79,320 into common shares of the Company, resulting in a principal balance of \$1,380 as of April 30, 2020, which has been reclassified as current in the Current Convertible Notes Payable section above.

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 \$123,200 of this note, resulting in a principal balance of \$123,200 as of April 30, 2020, which has been reclassified as current in the Current Convertible Notes Payable section above.

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 year ended April 30, 2020, EMA converted the note in full into common shares of the Company.

On September 12, 2019, the Company and GS entered into an Amendment to Promissory Notes pursuant to which the maturity dates of the September 13, 2018, September 18, 2018 and October 5, 2018 GS convertible notes payable were extended to February 4, 2020. In consideration of the extension of maturity dates, GS is due a fee of \$90,000 payable at the time of repayment of the notes.

On March 31, 2020, the Company and GS entered into a Second Amendment to Promissory Notes pursuant to which the maturity dates of the September 13, 2018, September 18, 2018 and October 5, 2018 GS convertible notes payable (the "Notes") were extended to November 20, 2020. In consideration of the extension of maturity dates, GS is due an extension fee of \$200,000 due and payable in cash as an increase to the principal balance of the Notes. The extension fee is payable at the earlier of (1) in connection with, and at the time of repayment of the Notes, or (2) on November 20, 2020. Further, the interest rate on the Notes was increased to 18% per annum effective as of February 20, 2020. repayment of the notes.

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 11).

Accrued interest payable on convertible notes payable totaled \$351,307 and \$164,063 at April 30, 2020 and 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 11).

No gain or loss was recorded on conversion of convertible notes payable during the year ended April 30, 2020 as the conversions were within the terms of the note agreements. During the year ended April 30, 2019, a loss on conversion of debt of \$1,909 was recorded where the conversions of certain convertible notes payable were not within the terms of the note agreement.

**NOTE 9 – NOTES PAYABLE – RELATED PARTIES**

Convertible notes payable – related party consisted of the following at April 30, 2020:

<b>Related Party</b>	<b>Maturity Date</b>	<b>Consideration</b>	<b>Amount</b>
Maple Resources Corporation (“Maple”)	December 27, 2020	Cash of \$5,500 and Financing Fees of \$5,500	\$ 11,000
BNL Family Trust (“BNL”)	December 27, 2020	Cash	11,000
Shareholder and consultant	December 27, 2020	Accrued Consulting Fees	10,000
Shareholder and consultant	January 22, 2021	Cash	6,500
Maple Resources Corporation	February 12, 2021	Cash	5,000
Total			43,500
Less discount			(2,232)
Net			<u>\$ 41,268</u>

The convertible notes payable – related party accrue interest at an annual rate of 5%. Accrued interest payable totaled \$690 at April 30, 2020.

Subject to available common shares available to issue, the convertible notes payable – related party are convertible into common shares of the Company at a conversion price equal to 110% of the lowest price at which shares of our common stock have been issued by the Company during the twenty prior trading days, including the day upon which a notice of conversion is received by the Company.

The Company has identified the conversion feature of its convertible notes payable – related party 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 11).

On November 5, 2019, Maple converted notes payable with total principal balance of \$299,000 into 5,436,363,636 shares of the Company’s common stock. The notes were issued to Maple during the months of August through October 2019 in consideration for cash of \$276,000, consulting fees of \$20,000 and financing fees of \$3,000.

On November 5, 2019, BNL converted a note payable with a principal balance of \$20,000 into 363,636,364 shares of the Company’s common stock. The note was issued to BNL in August and October 2019 for cash of \$20,000.

On November 5, 2019, the consultant converted notes payable with total principal balance of \$35,000 into 636,363,636 shares of the Company’s common stock. The notes were issued to the consultant during the months of August through October 2019 in consideration for cash of \$5,000 and accrued consulting fees of \$30,000.

On December 27, 2019, the related party lenders simultaneously submitted notices to convert the total note principal of \$32,000 into 29,090,909,091 total shares of the Company’s common stock. The conversions were not completed, and the shares have not been issued pending an increase in the number of authorized shares of common stock.

On January 22, 2020, the consultant simultaneously submitted a notice to convert the note with principal of \$6,500 into 5,909,090,909 shares of the Company’s common stock. The conversion was not completed, and the shares have not been issued pending an increase in the number of authorized shares of common stock.

On February 12, 2020, Maple simultaneously submitted a notice to convert the note with principal of \$5,000 into 5,545,454,545 shares of the Company’s common stock. The conversion was not completed, and the shares have not been issued pending an increase in the number of authorized shares of common stock.

No gain or loss was recorded on conversion of convertible notes payable – related parties during the year ended April 30, 2020 as the conversions were within the terms of the note agreements.

**NOTE 10 – PPP LOAN PAYABLE**

With an effective date of April 20, 2020, a loan to the Company was approved under the terms and conditions of the Paycheck Protection Program of the United States Small Business Administration (“SBA”) and the CARES Act (2020) (H.R. 748) (15 U.S.C. 636 et seq.) ( the “Act” ) in the amount of \$167,900 and was funded on April 21, 2020. The loan may be forgiven pursuant to the provisions of the Act.

**NOTE 11 – 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 April 30, 2020 and 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 years ended April 30, 2020 and 2019, we had the following activity in our derivative liabilities:

	<b>Options and Warrants</b>	<b>Convertible Notes</b>	<b>Total</b>
Balance, April 30, 2018	\$ 90,772	\$ 905,831	\$ 996,603
New issuances of debt	42,217	1,742,136	1,784,353
Debt conversions and repayments	-	(1,084,220)	(1,084,220)
Change in fair value of derivative liabilities	(114,926)	243,786	128,860
Balance, April 30, 2019	18,063	1,807,533	1,825,596
New issuances of options, warrants and debt	-	192,500	192,500
Debt conversions and repayments	-	(812,896)	(812,896)
Change in fair value of derivative liabilities	(18,048)	1,420,281	1,402,233
Balance, April 30, 2020	<u>\$ 15</u>	<u>\$ 2,607,418</u>	<u>\$ 2,607,433</u>

Key inputs and assumptions used in valuing the Company's derivative liabilities as of April 30, 2020 are as follows:

- Stock prices on all measurement dates were based on the fair market value
- Risk-free interest rate of 0.12% to 0.55%
- The probability of future financing was estimated at 100%
- Computed volatility ranging from 784% to 795%

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 12 – STOCKHOLDERS' DEFICIT**

### *Authorized Shares*

As of April 30, 2020, the Company had authorized 25,010,000,000 shares consisting of 25,000,000,000 shares of common stock and 10,000,000 shares of preferred stock.

On November 4, 2019, we received confirmation from the Secretary of State of Nevada that an amendment to our Amended and Restated Articles of Incorporation to increase the number of authorized shares of common stock from 12,000,000,000 to 25,000,000,000 shares was accepted for filing, effective October 30, 2019.

On December 4, 2019, the Company issued 15,000,000 shares of its Class A common stock to Maple Resources in conversion of all outstanding Class B common stock. In accordance with the Company's amended Articles of Incorporation, effective with this conversion, all authorized common shares are designated common shares. This combination of Class A and Class B common stock into one class of common stock has been given retroactive treatment in the accompanying consolidated financial statements for all periods presented.

Effective July 30, 2019, the Company filed a Certificate of Designation designating 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, as detailed below.

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.

On September 14, 2018, the Company amended its articles of incorporation to provide for a 1 for 100 reverse stock split of our 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.

### *Common Stock Issuances*

During the year ended April 30, 2020, the Company issued a total of 13,284,656,045 shares of its common stock: 30,000 shares for consulting services valued at \$84; 169,913,936 shares valued at \$28,387 in payment of accrued expenses of \$36,942 resulting in a gain on extinguishment of debt of \$8,555; 6,678,348,473 shares valued at \$811,676 in conversion of convertible notes principal of \$769,255, accrued interest payable of \$33,671 and payment of fees of \$8,750; and 6,436,363,636 shares valued at \$355,460 in conversion of convertible notes payable – related party principal of \$354,000 and accrued interest payable of \$1,460. Settlement of derivative liabilities in debt conversions and repayments totaled \$812,896.

[Table of Contents](#)

During the year ended April 30, 2019, the Company issued a total of 31,898,058 shares of its common stock: 699,971 shares for services valued at \$91,930 (\$13,366 employee and \$78,564 consultants) resulting in a gain on extinguishment of debt of \$14,239; 16,031 shares valued at \$6,252 in payment of accrued expenses of \$5,000 resulting in a loss on extinguishment of liabilities of \$1,252; 30,192,113 shares valued at \$1,266,588 in conversion of convertible notes principal of \$1,210,304, accrued interest payable of \$51,125, and payment of fees of \$3,250, resulting in a loss on conversion of debt of \$1,909; 989,474 shares for stock subscription receivable of \$116,252; and 469 shares valued at \$1 for reverse split rounding. Settlement of derivative liabilities in the debt conversions totaled \$1,084,220.

*Series A Preferred Stock*

The Series A preferred stock has no redemption, conversion or dividend rights; however, the holders of the Series A preferred stock, voting separately as a class, has the right to vote on all shareholder matters equal to 51% of the total vote.

Effective August 1, 2019, the Company issued 1,000 shares of Series A preferred stock to Maple Resources for services rendered. The shares were valued at \$23,900 by an independent valuation firm.

*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 11).

A summary of warrant activity during the years ended April 30, 2020 and 2019 is presented below:

	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life (Years)</u>
Outstanding, April 30, 2018	723,803	\$ 1.00	3.90
Granted	1,065,488	\$ 1.00	
Canceled / Expired	-		
Exercised	-		
Outstanding, April 30, 2019	1,789,291	\$ 1.00	2.91
Granted	444,248,462	\$ 1.00	
Canceled / Expired	-		
Exercised	-		
Outstanding, April 30, 2020	<u>446,037,753</u>	\$ 1.00	1.91

The warrant shares granted during the years ended April 30, 2020 and 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 2,000,000 common shares of the Company at \$0.08 per share.

A summary of stock option activity during the years ended April 30, 2020 and 2019 is presented below:

	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life (Years)</u>
Outstanding, April 30, 2018	-		
Granted	2,000,000	\$ 0.08	
Canceled / Expired	-		
Exercised	-		
Outstanding, April 30, 2019	2,000,000	\$ 0.08	9.62
Granted	-	\$ 0.08	
Canceled / Expired	-		
Exercised	-		
Outstanding, April 30, 2020	<u>2,000,000</u>	\$ 0.08	8.62

*Common Stock Reserved*

Combined with the 13,352,828,472 common shares outstanding at April 30, 2020, all authorized common shares have been issued or reserved for issuance of outstanding warrants, stock options, and convertible notes payable and no common shares are available for share issuances other than those shares included in the reserves.

**NOTE 13 – INCOME TAXES**

The Company accounts for income taxes in accordance with standards of disclosure propounded by the FASB, and any related interpretations of those standards sanctioned by the FASB. Accordingly, deferred tax assets and liabilities are determined based on differences between the financial statement and tax bases of assets and liabilities, as well as a consideration of net operating loss and credit carry forwards, using enacted tax rates in effect for the period in which the differences are expected to impact taxable income. A valuation allowance is established, when necessary, to reduce deferred tax assets to the amount that is more likely than not to be realized.

[Table of Contents](#)

No provision for income taxes has been recorded due to the net operating loss carryforwards totaling approximately \$14,413,000 as of April 30, 2020 that will be available to offset future taxable income. The available net operating loss carry forwards expire in various years through 2040. No tax benefit has been reported in the financial statements because the Company believes there is a 50% or greater chance the carry forwards will expire unused. There were no uncertain tax positions taken by the Company.

The deferred tax asset and valuation account is as follows at April 30:

	<u>2020</u>	<u>2019</u>
Deferred tax asset:		
Net operating loss carryforward	\$ 3,026,640	\$ 2,698,710
Valuation allowance	(3,026,640)	(2,698,710)
Total	<u>\$ -</u>	<u>\$ -</u>

The components of income tax expense are as follows for the years ended April 30:

	<u>2020</u>	<u>2019</u>
Change in net operating loss benefit	\$ 327,930	\$ 1,217,233
Change in valuation allowance	(327,930)	(1,217,233)
Total	<u>\$ -</u>	<u>\$ -</u>

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cut and Jobs Act (the "Tax Act"). The Tax Act established new tax laws that affect 2018 and future years, including a reduction in the U.S. federal corporate income tax rate to 21%, effective January 1, 2018. The reduction in the federal corporate income tax rate is reflected in the above tables.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

*Legal*

On March 31, 2020, the Company entered into an amendment to the convertible debt notes with GS Capital Partners, LLC ("GS Capital") to extend the maturity dates to November 20, 2020. As consideration for the extension, the parties agreed to a Joint Motion for Agreed Judgement to include the \$1,094,750 principal amount of the notes and accrued interest of \$487,166. In the event the notes are not paid in full, the Joint Motion may be filed by GS Capital and judgment entered against the Company. The holders of the Company's Series A Preferred Stock have pledged their shares to GS Capital to secure the outstanding indebtedness of the Company to GS. If the indebtedness is not paid on or before its scheduled maturity date of November 20, 2020, GS Capital would be entitled to foreclose on such shares and would have 51% of the voting power of the Company's equity securities.

*Completion of Land Purchase*

As discussed in Note 6, on July 28, 2017, we acquired the 126 acre parcel of the land, which is the site for our planned Distillation Unit, and negotiations are underway with the seller of the 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. We have not yet received any financing commitment for such purchase.

**NOTE 15 – SUBSEQUENT EVENTS**

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

On May 12, 2020, Maple loaned the Company issued a \$41,466 convertible promissory note in satisfaction of accounts payable and accrued expenses due Maple. The convertible promissory note has the same terms as described in Note 9. Maple simultaneously submitted a notice to convert the note into 37,696,363,636 shares of the Company’s common stock. The conversion was not completed, and the shares have not been issued pending an increase in the number of authorized shares of common stock.

On July 14, 2020, a consultant for rail services to the Company filed a complaint against the Company and its CEO Jack W Hanks, an individual, for payment of \$100,000 of consulting fees. The Court Action is filed as CRU Trading Co, Plaintiff, v. MMEX Resources Corp and Jack W. Hanks in the District Court of Harris, County Texas Cause No. 2020-41853/Court;165. The Company believes the complaint is without merit.

On July 30, 2020, Maple loaned the Company \$10,000 pursuant to a convertible promissory note with the same terms as described in Note 9. Maple simultaneously submitted a notice to convert the note into 9,090,909,091 shares of the Company’s common stock. The conversion was not completed, and the shares have not been issued pending an increase in the number of authorized shares of common stock.

## SECOND AMENDMENT TO PROMISSORY NOTES

THIS SECOND AMENDMENT TO PROMISSORY NOTES (the "Amendment"), dated March 31, 2020, is entered into by MMEX Resources Corporation (the "Company") and GS Capital Partners, LLC ("Holder").

WHEREAS, the Company has issued the following notes (the "Notes") to Holder:

- (i) a \$110,000 note dated September 13, 2018 and due September 13, 2019;
- (ii) a \$70,000 note dated September 18, 2018 and due September 18, 2019;
- (iii) a \$600,000 note dated October 5, 2018 and due October 5, 2019; and
- (iv) a \$110,000 note dated February 20, 2019 and due February 20, 2020; and

WHEREAS, on September 12, 2019, the Company and Holder executed an Amendment to Promissory Notes, which extended the maturity dates for convertible promissory notes (i)-(iii) to February 4, 2020; and

WHEREAS, the Company and the Holder desire to amend the Notes;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by each party hereto as follows:

1. The maturity dates of the Notes are hereby extended to November 20, 2020.

2. In consideration of the extension of the maturity dates of the Notes, the Company will pay an extension fee of \$200,000 to Holder. The extension fee will be due and payable in cash to Holder, as an increase to the principal balance of the Notes, at the earlier of (1) in connection with, and at the time of, the repayment of the Notes, or (2) on November 20, 2020. Further, the interest rate on the Notes shall be increased to 18% per annum effective as of February 20, 2020.

3. Concurrent with the execution of this Amendment, the Company shall execute and deliver to the Holder the Joint Motion for Agreed Judgment (“Judgment”), annexed hereto as Exhibit A, which Holder shall promptly file with the Texas District Court, Travis County. The Company shall not engage in any Judgment execution or enforcement actions whatsoever unless and until the occurrence of an Event of Default under any of the Notes (in accordance with their terms), at which point the Holder may engage in any and all Judgment enforcement and execution actions, including but not limited to recording the Judgment in the real property records. The terms of the Notes notwithstanding, the Holder may (but is not required to) commence an action to enforce any of the Notes, in any court of competent jurisdiction located in the State of Texas, for which the Company hereby consents to such jurisdiction.

4. Except as expressly amended and modified by this Amendment, the Notes are and shall continue to be in full force and effect in accordance with the terms thereof.

5. This Amendment may be executed by the parties hereto in counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Promissory Notes to be duly executed as of the date first written above.

MSEX Resources Corporation

By: /s/ JACK W. HANKS  
Jack W. Hanks, CEO

GS Capital Partners, LLC

By: /s/ GABE SAYEGH  
Gabe Sayegh, President

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER  
AND CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Jack W. Hanks, Chief Executive Officer and Chief Financial Officer of MMEX Resources Corporation, certify that:

1. I have reviewed this annual report on Form 10-K of MMEX Resources Corporation;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report.
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange 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 annual report on Form 10-K 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 that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.
5. 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 Registrant's board of directors (or persons fulfilling the equivalent function):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal controls 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 controls over financial reporting.

Date: August 13, 2020

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

**CERTIFICATE OF THE CHIEF EXECUTIVE OFFICER  
AND CHIEF FINANCIAL OFFICER  
OF MMEX Resources Corporation (REGISTRANT)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350):

I, Jack W. Hanks, Chief Executive Officer and Chief Financial Officer of the Registrant, certify to the best of my knowledge and belief pursuant to Section 906 of Sarbanes-Oxley Act of 2002 (18 U.S.C. ss. 1350) that:

1. The Annual Report on Form 10-K for the period ended April 30, 2020, which this statement accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and result of operations of the Registrant.

Date: August 13, 2020

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

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