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

Form 10−Q

(Mark One)

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

For the quarterly period ended October 31, 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: 000-55831

MMEX RESOURCES CORPORATION

(Exact name of Issuer as specified in its charter)

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
(Do not check if a 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 registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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

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

Applicable only to corporate issuers:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of December 21, 2020, there were 14,959,987,158 shares of common stock, $0.001 par value, issued and outstanding.

MMEX RESOURCES CORPORATION

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QUARTER ENDED OCTOBER 31, 2020

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PART I – FINANCIAL INFORMATION

ITEM 1. Financial Statements

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

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

Operating results and cash flows for any interim period are not necessarily indicative of the results that may be expected for other interim periods or the full fiscal year. These condensed consolidated financial statements and related notes should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended April 30, 2020 filed with the Securities and Exchange Commission ("SEC").

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MMEX RESOURCES CORPORATION
Condensed Consolidated Balance Sheets

	October 31, 2020 (unaudited)	April 30, 2020
Assets		
Current assets:		
Cash	$ 50	$ 66,830
Prepaid expenses and other current assets	6,958	23,145
Total current assets	7,008	89,975
Property and equipment, net	489,606	507,044
Deposit	900	900
Total assets	$ 497,514	$ 597,919
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 905,376	$ 764,945
Accrued expenses	1,040,463	519,447
Accounts payable and accrued expenses – related parties	390,198	236,514
Note payable, currently in default	75,001	75,001
Convertible notes payable, currently in default, net of discount of $0 and $0 at October 31, 2020 and April 30, 2020, respectively	928,114	323,133
Convertible notes payable, net of discount of $10,701 and $140,941 at October 31, 2020 and April 30, 2020, respectively	1,093,999	1,587,239
Convertible notes payable – related parties, net of discount of $4,615 and $2,232 at October 31, 2020 and April 30, 2020, respectively	135,151	41,268
PPP loan payable	167,900	167,900
SBA express bridge loan payable	10,000	-
Derivative liabilities	1,306,229	2,607,433
Total current liabilities	6,052,431	6,322,880
Total liabilities	6,052,431	6,322,880
Commitments and contingencies		
Stockholders' deficit:		
Common stock; $0.001 par value; 25,000,000,000 shares authorized, 14,211,114,185 and 13,352,828,472 shares issued and outstanding at October 31, 2020 and April 30, 2020, respectively	14,211,116	13,352,830
Preferred stock; $0.001 par value; 10,000,000 shares authorized, 1,000 Series A shares issued and outstanding	1	1
Additional paid-in capital	23,587,150	24,370,144
Non-controlling interest	9,871	9,871
Accumulated (deficit)	(43,363,055)	(43,457,807)
Total stockholders' deficit	(5,554,917)	(5,724,961)

Total liabilities and stockholders' deficit	$ 497,514	$ 597,919

See accompanying notes to condensed consolidated financial statements.

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MMEX RESOURCES CORPORATION
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended October 31,		Six Months Ended October 31,	
	2020	2019	2020	2019
Revenues	$ -	$ -	$ -	$ -
Operating expenses:				
General and administrative expenses	179,350	299,312	362,675	545,419
Refinery start-up costs	51,985	87,539	89,685	138,939
Depreciation and amortization	8,720	8,638	17,438	17,225
Total operating expenses	240,055	395,489	469,798	701,583
Loss from operations	(240,055)	(395,489)	(469,798)	(701,583)
Other income (expense):				
Interest expense	(171,054)	(534,232)	(725,143)	(1,222,204)
Gain (loss) on derivative liabilities	102,341	(416,171)	1,289,693	(161,044)
Gain on extinguishment of liabilities	-	-	-	1,992
Total other income (expense)	(68,713)	(950,403)	564,550	(1,381,256)
Income (loss) before income taxes	(308,768)	(1,345,892)	94,752	(2,082,839)
Provision for income taxes	-	-	-	-
Net income (loss)	(308,768)	(1,345,892)	94,752	(2,082,839)
Non-controlling interest in income of consolidated subsidiaries	-	-	-	-
Net income (loss) attributable to the Company	$ (308,768)	$ (1,345,892)	$ 94,752	$ (2,082,839)
Net income (loss) per common share:				
Basic	$ (0.00)	$ (0.00)	$ 0.00	$ (0.00)
Diluted	$ (0.00)	$ (0.00)	$ 0.00	$ (0.00)
Weighted average number of common shares outstanding:				
Basic	13,913,213,564	1,727,348,034	13,633,021,019	919,329,234
Diluted	13,913,213,564	1,727,348,034	25,000,000,000	919,329,234

See accompanying notes to condensed consolidated financial statements.

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

	Common Stock		Class 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)
Shares issued for:								
Services	30,000	30	-	-	54	-	-	84
Accrued expenses	1,116,961	1,117	-	-	10,391	-	-	11,508
Conversion of convertible notes payable and accrued interest	3,080,979,835	3,080,980	-	-	(2,464,763)	-	-	616,217
Preferred shares issued to related party for services	-	-	1,000	1	23,899	-	-	23,900
Settlement of derivative liabilities	-	-	-	-	599,328	-	-	599,328
Net loss	-	-	-	-	-	-	(2,082,839)	(2,082,839)
Balance, October 31, 2019	3,150,299,223	$3,150,301	1,000	$ 1	$33,791,307	$ 9,871	$ (41,146,957)	$(4,195,477)

See accompanying notes to condensed consolidated financial statements.

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MMEX RESOURCES CORPORATION
Condensed Consolidated Statement of Stockholders' Deficit
Six Months Ended October 31, 2020 (Unaudited)

	Common Stock		Series A Preferred Stock		Additional Paid-in Capital	Non-Controlling Interest	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balance, April 30, 2020	13,352,828,472	$13,352,830	1,000	$ 1	$24,370,144	$ 9,871	$ (43,457,807)	$(5,724,961)
Shares issued for conversion of convertible notes payable and accrued interest	858,285,713	858,286	-	-	(801,606)	-	-	56,680
Settlement of derivative liabilities	-	-	-	-	18,612	-	-	18,612
Net income	-	-	-	-	-	-	94,752	94,752
Balance, October 31, 2020	14,211,114,185	$14,211,116	1,000	$ 1	$23,587,150	$ 9,871	$ (43,363,055)	$(5,554,917)

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended October 31, 2020	Six Months Ended October 31, 2019
Cash flows from operating activities:		
Net income (loss)	$ 94,752	$(2,082,839)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization expense	17,438	17,225
(Gain) loss on derivative liabilities	(1,289,693)	161,044
Amortization of debt discount	134,959	976,323
Interest expense added to convertible note payable principal	35,000	10,000
Stock-based compensation	-	84
Convertible note payable – related parties for interest expense	-	3,000
Convertible note payable – related parties for consulting fees	-	20,000
Preferred shares issued to related party for services	-	23,900
Gain on extinguishment of liabilities	-	(1,992)
Decrease in prepaid expenses and other current assets	16,187	14,363
Increase in liabilities:		
Accounts payable	140,431	95,923
Accrued expenses	524,196	123,667
Accounts payable and accrued expenses – related party	229,950	101,046
Net cash used in operating activities	(96,780)	(538,256)
Cash flows from investing activities:		
Purchase of property and equipment	-	(10,351)
Net cash used in investing activities	-	(10,351)
Cash flows from financing activities:		
Proceeds from convertible notes payable	-	365,300
Proceeds from convertible notes payable – related party	20,000	301,000
Repayments of convertible notes payable	-	(100,000)
Proceeds from SBA express bridge loan payable	10,000	-
Net cash provided by financing activities	30,000	566,300
Net increase (decrease) in cash	(66,780)	17,693
Cash at the beginning of the period	66,830	55,188
Cash at the end of the period	$ 50	$ 72,881
Supplemental disclosure:		
Interest paid	$ -	$ 10,402
Income taxes paid	-	-
Non-cash investing and financing activities:		
Common stock issued in conversion of debt	56,680	616,217
Common stock issued for accrued expenses	-	13,500
Settlement of derivative liabilities	18,612	599,328
Derivative liabilities for debt discount	-	50,960
Derivative liabilities for related party debt discount	7,101	-
Convertible notes payable for accrued expenses	-	30,000

Convertible notes payable – related party for accounts payable and accrued expenses	76,266	-
Related party gain on common shares issued for services	-	2,491

See accompanying notes to condensed consolidated financial statements.

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MMEX RESOURCES CORPORATION
Notes to Condensed Consolidated Financial Statements
Six Months Ended October 31, 2020
(Unaudited)

NOTE 1 – BACKGROUND, ORGANIZATION AND BASIS OF PRESENTATION

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

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

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

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

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

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

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

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

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

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Our significant accounting policies are described in our Annual Report on Form 10-K for the year ended April 30, 2020 filed with the SEC on August 13, 2020.

Consolidation

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

Use of Estimates

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

Property and equipment

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

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

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

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

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

Derivative liabilities

The Company has issued warrants and stock options, certain of which contain anti-dilution provisions that have been identified as derivatives. In addition, the Company has identified the conversion feature of convertible notes payable as derivatives. As of October 31, 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 derivatives. We estimate the fair value of the derivatives using multinomial lattice models that value the derivative liabilities based on a probability weighted cash flow model using projections of the various potential outcomes. These estimates are based on multiple inputs, including the market price of our stock, interest rates, our stock price volatility and management's estimates of various potential equity financing transactions. These inputs are subject to significant changes from period to period and to management's judgment; therefore, the estimated fair value of the derivative liabilities will fluctuate from period to period, and the fluctuation may be material.

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Fair value of financial instruments

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

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

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

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

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

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

October 31, 2020	**Total**	**Level 1**	**Level 2**	**Level 3**
Derivative liabilities	$ 1,306,229	$ -	$ -	$ 1,306,229
April 30, 2020	**Total**	**Level 1**	**Level 2**	**Level 3**
Derivative liabilities	$ 2,607,433	$ -	$ -	$ 2,607,433

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Revenue Recognition

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

Refinery start-up costs

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

Basic and diluted income (loss) per share

Basic net income or loss per share is calculated by dividing net income or loss (available to common stockholders) by the weighted average number of common shares outstanding for the period. Diluted income or loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock, such as stock options, warrants, convertible debt and convertible preferred stock, were exercised or converted into common stock.

Basic weighted average number common shares outstanding are reconciled to diluted weighted average number of common shares outstanding as follows:

	Three Months Ended October 31,		Six Months Ended October 31,	
	2020	**2019**	**2020**	**2019**
Basic weighted average number of shares	13,913,213,564	1,727,348,034	13,633,021,019	919,329,234
Dilutive effect of options, warrants and convertible notes payable	-	-	11,366,978,981	-
Diluted weighted average number of shares	**13,913,213,564**	1,727,348,034	25,000,000,000	919,329,234

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 three months and six months ended October 31, 2020 and 2019, the Company had no stock-based compensation to employees.

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Issuance of shares for non-cash consideration

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

Reclassifications

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

Recently Issued Accounting Pronouncements

There were no new accounting pronouncements issued by the FASB during the six months ended October 31, 2020 and through the date of filing of this report that the Company believes will have a material impact on its consolidated financial statements.

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 $43,363,055 and a total stockholders' deficit of $5,554,917 at October 31, 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 ongoing 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.

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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

As of October 31, 2020, accounts payable and accrued expenses to related parties, consisting primarily of consulting fees and expense reimbursements payable, totaled $390,198 comprised of $153,486 payable to Maple Resources Corporation (“Maple Resources”), $31,633 to a former officer, $201,307 to consultants who are significant shareholders or affiliates of our President and CEO and $3,772 accrued interest payable on related party convertible notes payable.

As of April 30, 2020, accounts payable and accrued expenses to related parties totaled $236,514 consisting of $101,012 payable to Maple Resources, $31,633 to a former officer, $103,179 to consultants who are significant shareholders or affiliates of our President and CEO and $690 accrued interest payable on related party convertible notes payable.

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 six months ended October 31, 2020 and 2019, we incurred consulting fees to Maple Resources totaling $107,382 and $187,289, 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. Because no authorized common shares are currently available, no shares have been issued to Maple Resources in payment of consulting fees for the months of November 2019 through October 31, 2020 under the consulting agreement.

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. As of October 31, 2020, consulting fees of $30,000 were payable in stock, and the related party had also advanced the Company $30,807, for a total of $60,807 included in accounts payable and accrued expenses – related parties. 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. Because no authorized common shares are currently available, no shares have been issued to the related party in payment of consulting fees for the months of November 2019 through October 31, 2020 under the consulting agreement.

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.

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As more fully discussed in Note 9, 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 have provided funding to the Company or converted accounts payable and accrued expenses in the form of convertible notes payable. As of October 31, 2020, total principal of $139,766 and accrued interest payable of $3,772 were outstanding, and 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:

	October 31, 2020	April 30, 2020
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	452,005
Refinery land easements	37,015	37,015
	580,934	580,934
Less accumulated depreciation and amortization	(91,328)	(73,890)
	$ 489,606	$ 507,044

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 $8,720 and $8,638 for the three months ended October 31, 2020 and 2019, respectively, and totaled $17,438 and $17,225 for the six months ended October 31, 2020, 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"). On July 28, 2017, we acquired a 126-acre parcel of the land, which is the site for our project, at a purchase price of $550 per acre, or $67,088.

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.

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NOTE 7 – ACCRUED EXPENSES

Accrued expenses consisted of the following at:

	October 31, 2020	April 30, 2020
Accrued payroll	$ 30,090	$ 30,090
Accrued consulting	22,000	24,000
Accrued interest and penalties	925,832	402,126
Other	62,541	63,231
	$1,040,463	$ 519,447

NOTE 8 – NOTES PAYABLE

Note Payable, Currently in Default

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

	October 31, 2020	April 30, 2020
Note payable to an unrelated party, matured March 18, 2014, with interest at 10%	$ 75,001	$ 75,001
	$ 75,001	$ 75,001

Accrued interest payable on note payable, currently in default, totaled $55,259 and $51,509 at October 31, 2020 and April 30, 2020, respectively.

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Convertible Notes Payable, Currently in Default

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

	October 31, 2020	April 30, 2020
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	59,400
Note payable to an accredited investor, matured January 17, 2020, with interest at 18%, convertible into common shares of the Company at a defined variable exercise price	42,429	53,028
Note payable to an accredited investor, matured January 24, 2020, with interest at 24%, convertible into common shares of the Company at a defined variable exercise price	42,365	42,365
Note payable to an accredited investor, matured January 31, 2020, with interest at 24%, convertible into common shares of the Company at a defined variable exercise price	91,331	91,331
Note payable to an accredited investor, matured February 27, 2020, with interest at 24%, convertible into common shares of the Company at a defined variable exercise price	2,009	2,009
Note payable to an accredited investor, matured June 25, 2020, with interest at 22%, convertible into common shares of the Company at a defined variable exercise price	49,500	-
Note payable to an accredited investor, matured September 4, 2020, with interest at 22%, convertible into common shares of the Company at a defined variable exercise price	56,500	-
Note payable to an accredited investor, matured May 7, 2020, with interest at 24%, convertible into common shares of the Company at a defined variable exercise price	110,000	-
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, matured September 13, 2020	1,380	-
Advance dated October 16, 2018, matured October 16, 2020	123,200	-
Note payable to an accredited investor, matured June 19, 2020, with interest at 24%, convertible into common shares of the Company at a defined variable exercise price	275,000	-
	928,114	323,133
Less discount	-	-
Total	$ 928,114	$ 323,133

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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 October 31, 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 $59,400 as of October 31, 2020 and April 30, 2019.

Effective January 17, 2019, the Company issued and delivered to JSJ Investments, Inc. ("JSJ") a 12% convertible note in the principal amount of $125,000. The Company received net proceeds of $122,000 after payment of $3,000 of the fees and expenses of the lender and its counsel. JSJ, at any time at its option, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock at $0.03 per share or, upon the occurrence of certain defined defaults, at a 42% discount to the lowest trading price during the 20 days prior to the date the notice of conversion is received by the Company. The note matured on January 17, 2020, with the interest rate increasing to 18%, and was in default as of October 31, 2020. The Company may redeem the note at redemption prices ranging from 135% to 150% during the first 180 days after issuance. In August and October 2020, the Company issued a total of 200,000,000 shares of its common stock to JSJ in conversion of $10,599 principal. The note had a principal balance of $42,429 as of October 31, 2020 and $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, with the interest rate increasing to 24%, and was in default as of October 31, 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. In November 2019, a penalty of $25,000 was added to the principal of the note. The note had a principal balance of $42,365 as of October 31, 2020 and 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 180th calendar day after the issuance date of the note, may convert the unpaid principal balance of, and accrued interest on, the note into shares of common stock a 40% discount to the lowest trading price during the 20 days prior to the date the notice of conversion is received by the Company. The note matured on January 31, 2020, with the interest rate increasing to 24%, and was in default as of October 31, 2020. The Company may redeem the note at redemption prices ranging from 120% to 135% during the first 180 days after issuance. The Company may not redeem the note after 180 days from the issuance date. The note had a principal balance of $91,331 as of October 31, 2020 and April 30, 2020.

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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, with the interest rate increasing to 24%, and was in default as of October 31, 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 $2,009 as of October 31, 2020 and April 30, 2020.

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 matured on June 25, 2020, with the interest rate increasing to 22%, and was in default as of October 31, 2020. The Company may redeem the note at redemption prices ranging from 105% to 130% during the first 180 days after issuance. In October 2020, the Company issued 100,000,000 shares of its common stock in conversion of $7,000 principal. The note had a principal balance of $49,500 as of October 31, 2020 and $56,500 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 matured on September 4, 2020, with the interest rate increasing to 22%, and was in default as of October 31, 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 October 31, 2020 and April 30, 2020.

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 matured on May 7, 2020, with the interest rate increasing to 24%, and was in default as of October 31, 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. A penalty of $10,000 has been added to the principal of the note. The note had a principal balance of $110,000 and $100,000 as of October 31, 2020 and April 30, 2020, respectively.

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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 matured on June 19, 2020, with the interest rate increasing to 24%, and was in default as of October 31, 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. A penalty of $25,000 has been added to the principal of the note. The note had a principal balance of $275,000 and $250,000 as of October 31, 2020 and April 30, 2020, respectively.

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 was added to principal. The maturity date of advances under the convertible note is two years from the date of each advance. Terms of the convertible note include certain penalties for additional principal and changes in conversion prices when the trading price of the Company’s common stock decreases to defined levels.

An original issue discount of $10,000 and a one-time 12% interest charge of $13,200 was added to the $100,000 advance at inception, resulting in total initial principal of $123,200. The note matured September 13, 2020 and was in default as of October 31, 2020. As of October 31, 2020 and April 30, 2020, the note had a principal balance of $1,380.

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. Effective May 14, 2019, Vista assigned $123,200 of this note, resulting in a principal balance of $123,200. The note matured on October 16, 2020 and was in default as of October 31, 2020. As of October 31, 2020 and April 30, 2020, the note had a principal balance of $123,200.

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 matured on May 7, 2020, with the interest rate increasing to 22%, and was in default as of October 31, 2020. The Company may redeem the note at redemption prices ranging from 105% to 130% during the first 180 days after issuance. In August 2020, the Company issued a total of 558,285,713 shares of its common stock to Geneva in full conversion of $35,900 principal and $3,180 accrued interest payable. The note had a principal balance of $0 as of October 31, 2020 and $35,900 as of April 30, 2020.

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Current Convertible Notes Payable

Current convertible notes payable consisted of the following at:

	October 31, 2020	April 30, 2020
Note payable to an accredited investor, maturing December 20, 2020, with interest at 18%, convertible into common shares of the Company at a defined variable exercise price.	$ 24,700	$ 24,700
Note payable to an accredited investor, maturing December 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 December 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 December 20, 2020 with interest at 18%, convertible into common shares of the Company at a defined variable exercise price.	200,000	200,000
Note payable to an accredited investor issued for extension fees, maturing December 20, 2020 with interest at 18%, convertible into common shares of the Company at a defined variable exercise price.	90,000	90,000
Note payable to an accredited investor, matured May 7, 2020, with interest at 12%, convertible into common shares of the Company at a defined variable exercise price (in default as of October 31, 2020)	-	35,900
Note payable to an accredited investor, maturing December 20, 2020, with interest at 18%, convertible into common shares of the Company at a defined variable exercise price	110,000	110,000
Note payable to an accredited investor, matured May 7, 2020, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price (in default as of October 31, 2020)	-	100,000
Note payable to an accredited investor, matured June 19, 2020, with interest at 10%, convertible into common shares of the Company at a defined variable exercise price (in default as of October 31, 2020)	-	250,000
Note payable to an accredited investor, matured June 25, 2020, with interest at 9%, convertible into common shares of the Company at a defined variable exercise price (in default as of October 31, 2020)	-	56,500
Note payable to an accredited investor, matured September 4, 2020, with interest at 9%, convertible into common shares of the Company at a defined variable exercise price (in default as of October 31, 2020)	-	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	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, matured September 13, 2020 (in default as of October 31, 2020)	-	1,380
Advance dated October 16, 2018, matured October 16, 2020 (in default as of October 31, 2020)	-	123,200
Total	1,104,700	1,728,180
Less discount	(10,701)	(140,941)

Net	$ 1,093,999	$ 1,587,239

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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 December 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 $24,700 as of October 31, 2020 and 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 December 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 October 31, 2020 and April 30, 2020.

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 prices during the 25 days prior to conversion. The maturity date of the debenture has been extended to December 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 October 31, 2020 and April 30, 2020. 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.

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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 December 20, 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. The note had a principal balance of $200,000 as of October 31, 2020 and April 30, 2020.

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 December 20, 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. The note had a principal balance of $90,000 as of October 31, 2020 and April 30, 2020.

Effective February 20, 2019, the Company issued and delivered to GS an 18% 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 December 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 October 31, 2020 and 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. 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. The note had a principal balance of $10,000 as of October 31, 2020 and April 30, 2020.

On March 31, 2020, the Company entered into an amendment to the convertible debt notes with GS 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 and penalties of $487,166, which amount is included in accrued expenses as of October 31, 2020. 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. On December 15, 2020, the maturity date of the convertible debt notes with GS was extended to December 31, 2020.

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 $521,722 and $351,307 as of October 31, 2020 and April 30, 2020, respectively.

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NOTE 9 – NOTES PAYABLE – RELATED PARTY

Convertible notes payable – related party consisted of the following: as of October 31, 2020 and 2019:

			Balance	
Related Party	**Maturity Date**	**Consideration**	**October 31, 2020**	**April 30, 2020**
Maple Resources Corporation	December 27, 2020	Cash of $5,500 and Financing Fees of $5,500	$ 11,000	$ 11,000
BNL Family Trust	December 27, 2020	Cash	11,000	11,000
Shareholder and consultant	December 27, 2020	Accrued Consulting Fees	10,000	10,000
Shareholder and consultant	January 22, 2021	Cash	6,500	6,500
Maple Resources Corporation	February 12, 2021	Cash	5,000	5,000
Maple Resources Corporation	March 2, 2021	Cash	800	-
Maple Resources Corporation	May 12, 2021	Accrued Consulting Fees	41,466	-
Shareholder and consultant	May 14, 2021	Accrued Consulting Fees	34,000	-
Maple Resources Corporation	July 31, 2021	Cash	10,000	-
Shareholder and consultant	September 9, 2021	Cash	10,000	-
Total			139,766	43,500
Less discount			(4,615)	(2,232)
Net			$ 135,151	$ 41,268

The convertible notes payable – related party accrue interest at an annual rate of 5%. Accrued interest payable totaled $3,772 and $690 at October 31, 2020 and April 30, 2020, respectively.

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).

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On the effective date of certain of the convertible notes payable detailed above, the related party lenders simultaneously submitted notices to convert the total note principal of loans 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.

NOTE 10 – OTHER NOTES 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. PPP loan payable had a balance of $167,900 as of Octo ber 31, 2020 and April 30, 2020.

On July 14, 2020, the Company received $10,000 pursuant to the SBA's Express Bridge Loan Pilot Program. This program allows small businesses who have a business relationship with an SBA Express Lender to access up to $25,000 quickly. The funds were advanced to the Company since it has applied for an Economic Injury Disaster Loan ("EIDL"). The loan had a balance of $10,000 as of October 31, 2020 and is to be repaid in full by proceeds from the EIDL.

NOTE 11 – DERIVATIVE LIABILITIES

The Company has issued warrants and stock options, certain of which contain anti-dilution provisions that have been identified as derivatives. In addition, the Company has identified the conversion feature of convertible notes payable as derivatives. As of October 31, 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 derivatives. We estimate the fair value of the derivatives using multinomial lattice models that value the derivative liabilities based on a probability weighted cash flow model using projections of the various potential outcomes. These estimates are based on multiple inputs, including the market price of our stock, interest rates, our stock price volatility and management's estimates of various potential equity financing transactions. These inputs are subject to significant changes from period to period and to management's judgment; therefore, the estimated fair value of the derivative liabilities will fluctuate from period to period, and the fluctuation may be material.

During the six months ended October 31, 2020, we had the following activity in our derivative liabilities:

	Options and Warrants	Convertible Notes	Total
Balance, April 30, 2020	$ 15	$ 2,607,418	$ 2,607,433
New issuances of options, warrants and debt	-	7,101	7,101
Decrease due to conversions	-	(18,612)	(18,612)
Change in fair value of derivative liabilities	(15)	(1,289,678)	(1,289,693)
Balance, October 31, 2020	$ -	$ 1,306,229	$ 1,306,229

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Key inputs and assumptions used in valuing the Company's derivative liabilities as of October 31, 2020 are as follows:

- Stock prices on all measurement dates were based on the fair market value
- Risk-free interest rate of 0.07% - 2.35%
- The probability of future financing was estimated at 100%
- Computed volatility ranging from 215.8% to 2,110.7%

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 October 31, 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.

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 this proposal.

Common Stock Issuances

During the six months ended October 31, 2020, the Company issued a total of 858,285,713 shares of its common stock in conversion of convertible notes principal of $53,500 and accrued interest payable of $3,180. Settlement of derivative liabilities in the debt conversions totaled $18,612.

During the six months ended October 31, 2019, the Company issued a total of 3,082,126,796 shares of its common stock: 30,000 shares for services valued at $84; 1,116,961 shares valued at $11,508 in payment of accrued expenses of $13,500 resulting in a gain on extinguishment of debt of $1,992 and 3,080,979,835 shares valued at $616,217 in conversion of convertible notes principal of $586,549, accrued interest payable of $24,918 and payment of fees of $4,750. Settlement of derivative liabilities in debt conversions and repayments totaled $599,328.

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, a related party, for services rendered, which shares were outstanding as of October 31, 2020 and April 30, 2020. The shares were valued at $23,900 by an independent valuation firm.

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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 six months ended October 31, 2020 is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Outstanding, April 30, 2020	446,037,755	$ 1.00	1.91
Granted	28,669,321	$ 1.00	
Canceled / Expired	-		
Exercised	-		
Outstanding, October 31, 2020	474,699,076	$ 1.00	1.41

The warrant shares granted during the six months ended October 31, 2020 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 then 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 the stock option activity during the six months ended October 31, 2020 is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Outstanding, April 30, 2020	2,000,000	$ 0.08	8.62
Granted	-		
Canceled / Expired	-		
Exercised	-		
Outstanding, October 31, 2020	2,000,000	$ 0.08	8.37

The option described above was subsequently amended to substitute 1,000 outstanding shares of the Company's Series A Preferred Stock for 1,000,000 shares of the Company's common stock. See Note 14.

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Common Stock Reserved

Combined with the 14,211,114,185 common shares outstanding as of October 31, 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 – 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 and penalties of $487,166, which amount is included in accrued expenses as of October 31, 2020. 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 December 31, 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.

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.

NOTE 14 – SUBSEQUENT EVENTS

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

Subsequent to October 31, 2020, the Company issued a total of 748,872,973 common shares to two lenders in the conversion of debt principal of $50,939, accrued interest payable of $3,547 and conversion fees of $668.

Effective November 30, 2020, the option agreement discussed in Note 12 was amended to substitute the 1,000 outstanding shares of the Company's Series A Preferred Stock for 1,000,000 shares of the Company's common stock.

On December 15, 2020, the Company and GS Capital entered into a Fourth Amendment to Promissory Notes pursuant to which the maturity date of all convertible notes payable and accrued interest and penalties payable to GS Capital was extended to December 31, 2020. GS also agreed to loan the Company $80,000, with net proceeds to the Company of $75,000 after an original issue discount of $5,000. The Company agreed to pay out of loan proceeds outstanding fees to the State of Nevada to file a previous amendment to increase the number of authorized common shares, and to increase the number of shares of the Company's common stock reserved for conversion of GS Capital convertible notes payable.

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

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

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

Overview

Business Plan

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

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

The 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").

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Initially, Pecos Refining, the owner of the 1st Distillation Unit, and the other entities we may form to own and operate the 2nd and 3rd Distillation Units, 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 2nd CDU at our present site Pecos County Texas site and potentially a 3rd 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 Pacifico Railroad rail route 20 miles Northeast of Fort Stockton, Texas, approximately 1.5 miles from the Sulphur Junction on the Texas Pacifico Railroad ("TXPF") . Effective August 14, TXPF awarded a $14M contract to start rail improvement work immediately as part of a phased, multi-year capex program to further enhance the railroad. At the same time, the parent company of TXPF, Grupo México Transportes, through Ferromex, has also embarked on a project of similar size and scope (~$15M) on the Mexican side of the border going towards Chihuahua, Mexico. These joint projects are projected to be completed by the end of the first quarter of 2021, which will allow rail traffic over the bridge at Presidio, Texas /Ojinaga, Mexico and this corridor in April.

Once these rail improvements are completed, the TXPF will connect to the Ferromex RR in Ojinago, Mexico, giving us access to the western Mexico markets.

The Company has hired VFuels Oil & Gas Engineering and Saulsbury Industries (the "EPCs") with respect to the construction of the 1st CDU. The total indicated cost estimate including continencies and owner costs plus or minus 10% is $ 112 Million for the 1st CDU. Once we close on the financing and issue the notice to proceed, the completion and start-up date guaranteed by the EPCs is 15 months. We expect the 2nd CDU to be less in cost than the 1st CDU and the Hydrotreater capex to be in the range of $25,000,000. The total indicated cost of the 1st CDU, the 2nd CDU and the Hydrotreater is in the range of $250 million.

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Constructing the Projects will require a significant number of governmental permits and approvals. The principal permit for the construction is the Air Permit issued by TCEQ, which has been received for the 1st CDU.

Through October 31, 2020, we have had no revenues and have reported continuing losses from operations.

Results of Operations

Revenues

We have not yet begun to generate revenues.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses decreased to $179,350 for the three months ended October 31, 2020 from $299,312 for the three months ended October 31, 2019 and decreased to $362,675 for the six months ended October 31, 2020 from $545,419 for the six months ended October 31, 2019. The decreases 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

Our refinery start-up costs decreased to $51, 985 for the three months ended October 31, 2020 from $87,539 for the three months ended October 31, 2019 and decreased to $89,685 for the six months ended October 31, 2020 from $138,939 for the six months ended October 31, 2019. We expense the direct costs incurred prior to opening our proposed crude oil refinery in Pecos County, Texas, including acquisition of refinery rights, planning, design and permitting. The decreases resulted in reduced levels due to financing constraints. The levels of spending on the development of our refinery will vary from period to period based on availability of financing.

Depreciation and Amortization Expense

Our depreciation and amortization expense results from the depreciation of refinery land improvements and amortization of refinery land easements and totaled to $8,720 and $8,638 for the three months ended October 31, 2020 and 2019, respectively, and $17,438 and $17,225 for the six months ended October 31, 2020 and 2019, respectively.

Other Income (Expense)

Our interest expense includes interest accrued on debt, amortization of debt discount and penalties assessed on debt. Interest expense totaled $171,054 and $534,232 for the three months ended October 31, 2020 and 2019, respectively, and $725,143 and $1,222,204 for the six months ended October 31, 2020 and 2019, respectively. The decreases in interest expense is due no material new non-related party convertible debt in the current fiscal year, resulting in less amortization of debt discount to interest expense, partially offset by an increase in loan penalties.

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We reported gains on derivative liabilities of $102,341 and $1,289,693 for the three months and six months ended October 31, 2020, respectively. We reported a loss on derivative liabilities of $416,171 and $161,044 for the three months and six months ended October 31, 2019, respectively. We have issued warrants that contain certain anti-dilution provisions that we have identified as derivatives. We also identified the variable conversion feature of certain convertible notes payable as derivatives. We estimate the fair value of the derivatives using multinomial lattice models that value the warrants based on a probability weighted cash flow model using projections of the various potential outcomes. These estimates are based on multiple inputs, including the market price of our stock, interest rates, our stock price volatility and management's estimates of various potential equity financing transactions. These inputs are subject to significant changes from period to period and to management's judgment; therefore, the estimated fair value of the derivative liabilities will fluctuate from period to period, and the fluctuation may be material.

We reported a gain on extinguishment of liabilities of $1,992 for the six months ended October 31, 2019 related to the issuance of our common shares in payment of accrued expenses. Where shares of our common stock are issued in extinguishment of liabilities, we record the value of the shares issued at the current market price, which at times may differ from the book value of the debt, resulting in a gain or loss on extinguishment of liabilities. We reported no gain or loss on extinguishment of liabilities for the three months ended October 31, 2020 and 2019 and for the six months ended October 31, 2020.

Net Income (Loss)

As a result of the above, we reported net losses of $308,768 and $1,345,892 for the three months ended October 31, 2020 and 2019, respectively, and a net loss of $2,082,839 for the six months ended October 31, 2019. We reported net income of $94,752 for the six months ended October 31, 2020.

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 all periods presented

Net Income (Loss) Attributable to the Company

Because we had no non-controlling interest in income of consolidated subsidiaries, net income (loss) attributed to the Company was the same as net income (loss).

Liquidity and Capital Resources

Working Capital

As of October 31, 2020, we had current assets of $7,008, including cash of $50, and current liabilities of $6,052,431, resulting in a working capital deficit of $6,045,423. Included in our current liabilities as of October 31, 2020 are derivative liabilities of $1,306,229, which we do not anticipate will require the payment of cash. As further discussed in the notes to our condensed consolidated financial statements, we have substantial debt that is in default.

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Sources and Uses of Cash

Our sources and uses of cash for the six months ended October 31, 2020 and 2019 were as follows:

	2020	2019
Cash, beginning of period	$ 66,830	$ 55,188
Net cash used in operating activities	(96,780)	(538,256)
Net cash used in investing activities	-	(10,351)
Net cash provided by financing activities	30,000	566,300
Cash, end of period	$ 50	$ 72,881

We used net cash of $96,780 in operating activities for the six months ended October 31, 2020 as a result of our net income of $94,752, non-cash expenses totaling $187,397, decrease in prepaid expenses and other current assets of $16,187, and increases in accounts payable of $140,431, accrued expenses of $524,196 and accounts payable and accrued expenses – related party of $229,950, partially offset by non-cash gain of $1,289,693.

We used net cash of $538,256 in operating activities for the six months ended October 31, 2019 as a result of net loss of $2,082,839 and non-cash gain of $1,992, partially offset by non-cash expenses totaling $1,211,576, decrease in prepaid expenses and other current assets of $14,363, and increases in accounts payable of $95,923, accrued expenses of $123,667 and accounts payable and accrued expenses – related party of $101,046.

Net cash used in investing activities for the six months ended October 31, 2019 was $10,351, comprised of the purchase of property and equipment. We had no net cash provided by or used in investing activities for the six months ended October 31, 2020.

Net cash provided by financing activities for the six months ended October 31, 2020 was $30,000, comprised of proceeds from convertible notes payable - related party of $20,000 and proceeds from an SBA express bridge loan of $10,000.

Net cash provided by financing activities for the six months ended October 31, 2019 was $566,300, comprised of proceeds from convertible notes payable of $365,300 and proceeds from convertible notes payable – related party of $301,000, partially offset by repayments of convertible notes payable of $100,000.

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 $43,363,055 and a total stockholders' deficit of $5,554,917 at October 31, 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.

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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 ongoing 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 six months ended October 31, 2020 we received net proceeds of $20,000 from the issuance of a convertible note payable – related party. We also received proceeds from an SBA express bridge loan of $10,000. These amounts compare, however, to net proceeds of $566,300 received from the issuance of convertible notes payable during the six months ended October 31, 2019.

On December 15, 2020, the Company and GS Capital entered into a Fourth Amendment to Promissory Notes pursuant to which the maturity date of all convertible notes payable and accrued interest and penalties payable to GS Capital was extended to December 31, 2020. GS also agreed to loan the Company $80,000, with net proceeds to the Company of $75,000 after an original issue discount of $5,000. The Company agreed to pay out of loan proceeds outstanding fees to the State of Nevada to file a previous amendment to increase the number of authorized common shares, and to increase the number of shares of the Company's common stock reserved for conversion of GS Capital convertible notes payable.

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.

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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 ("PPP") 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.

Off-Balance Sheet Arrangements

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

Critical Accounting Policies

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

For further information on our significant accounting policies see the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended April 30, 2019 filed with the SEC and Note 2 to our condensed consolidated financial statements included in this quarterly report. There were no changes to our significant accounting policies during the six months ended October 31, 2020. The following is a description of those significant accounting policies that involve estimates and judgment by management.

Derivative liabilities

The Company has issued warrants and stock options, certain of which contain anti-dilution provisions that have been identified as derivatives. In addition, the Company has identified the conversion feature of convertible notes payable as derivatives. As of October 31, 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 derivatives. We estimate the fair value of the derivatives using multinomial lattice models that value the derivative liabilities based on a probability weighted cash flow model using projections of the various potential outcomes. These estimates are based on multiple inputs, including the market price of our stock, interest rates, our stock price volatility and management's estimates of various potential equity financing transactions. These inputs are subject to significant changes from period to period and to management's judgment; therefore, the estimated fair value of the derivative liabilities will fluctuate from period to period, and the fluctuation may be material.

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Fair value of financial instruments

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

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

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

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

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

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

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

October 31, 2020	**Total**	**Level 1**	**Level 2**	**Level 3**
Derivative liabilities	$1,306,229	$ -	$ -	$1,306,229
April 30, 2020	**Total**	**Level 1**	**Level 2**	**Level 3**
Derivative liabilities	$2,607,433	$ -	$ -	$2,607,433

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ITEM 3 Quantitative and Qualitative Disclosures About Market Risk

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

ITEM 4 Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

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

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

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act, as amended. Our management assessed the effectiveness of our internal control over financial reporting as of January 31, 2020. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in 2013 Internal Control-Integrated Framework. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. We have identified the following material weaknesses:

1. As of October 31, 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.

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2. As of October 31, 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 October 31, 2020, we did not establish a formal written policy for the approval, identification and authorization of related party transactions.

4. As of October 31, 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 October 31, 2020, based on the criteria established in "2013 Internal Control-Integrated Framework" issued by the COSO.

(b) Changes in Internal Control over Financial Reporting

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

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PART II – OTHER INFORMATION

ITEM 1 Legal Proceedings

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 and penalties of $487,166. The accrued interest and penalties are included in accrued expenses as of October 31, 2020. 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 December 31, 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.

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.

ITEM 1A Risk Factors

Not applicable.

ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

During the six months ended October 31, 2020, the Company issued a total of 858,285,713 shares of its common stock to two lenders in conversion of convertible notes principal of $53,500 and accrued interest payable of $3,180. Settlement of derivative liabilities in the debt conversions totaled $18,612.

ITEM 3 Defaults Upon Senior Securities

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

ITEM 4 Mine Safety Disclosures

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

ITEM 5 Other Information

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

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ITEM 6 Exhibits

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

* Filed herewith.

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

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SIGNATURES

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

MMEX Resources Corporation

Dated: December 21, 2020

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