

MMEX Resources Corp
Form 10-K
July 11, 2016

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x Annual report under Section 13 or 15 (d) of the Securities Exchange Act of 1934 for the fiscal year ended **April 30, 2015**

.. Transition report under Section 13 or 15 (d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission File Number **333-152608**

MMEX RESOURCES CORPORATION

(Exact name of Issuer as specified in its charter)

Nevada

26-1749145

Securities registered under Section 12(b) of the Exchange Act:

Title of Each Class

NONE

Name of Each Exchange on Which
Registered

N/A

Securities registered under Section 12(g) of the Exchange Act: **NONE**

Edgar Filing: MMEX Resources Corp - Form 10-K

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

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

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

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

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

Large accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a smaller reporting company)

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price (\$0.01 per share) at October 31, 2014 (the second quarter-end date) was approximately \$571,884.

There were 375,432,012 shares of the Registrant's Common Stock outstanding on June 16, 2016.

DOCUMENTS INCORPORATED BY REFERENCE: None

MMEX RESOURCES CORPORATION

Page

Table of Contents

PART I

Explanatory Note

This Annual Report includes forward-looking statements within the meaning of the Securities Exchange Act of 1934 (the "Exchange Act"). These statements are based on management's beliefs and assumptions, and on information currently available to management. Forward-looking statements include the information concerning possible or assumed future results of operations of the Company set forth under the heading "Management's Discussion and Analysis of Financial Condition or Plan of Operation." Forward-looking statements also include statements in which words such as "expect," "anticipate," "intend," "plan," "believe," "estimate," "consider" or similar expressions are used.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. The Company's future results and shareholder values may differ materially from those expressed in these forward-looking statements. Readers are cautioned not to put undue reliance on any forward-looking statements.

Item 1: Business

Background of the Company

The Company was engaged in the exploration, extraction and distribution of coal from September 23, 2010 until April 12, 2016. As of April 12, 2016, the Company changed its business to the exploration, extraction, refining, distribution of oil, gas, petroleum products and electric power. Effective as of April 6, 2016, the Company changed its name from MMEX Mining Corporation to MMEX Resources Corporation to reflect the change in its business plan.

Company History

MMEX Resources Corporation (the Company or "MMEX") was formed in the State of Nevada on May 19, 2005 as Inkie Entertainment Group, Inc., for the purpose of engaging in the production, distribution and marketing of filmed entertainment products. On January 15, 2008, the Company changed its name to Quantum Information, Inc. In January 2009, the Company announced that it would transition out of the filmed entertainment products business and into the coal business. As part of that transition, on January 14, 2009, the Company sold all of its assets in exchange

for the surrender to the Company of 4,000,000 shares of the Company's common stock, and the assumption of all of the Company's liabilities. The Company also changed its name to MGMT Energy, Inc. on February 5, 2009 to Management Energy, Inc. on May 28, 2009 to better reflect the Company's business focus. On September 23, 2010, the Company, through a reverse merger, acquired 100% of the outstanding shares of Maple Carpenter Creek Holdings, Inc., ("MCCH") a Delaware Corporation, organized on October 15, 2009 as a holding Company with an 80% interest in Maple Carpenter Creek, LLC ("MCC"), which in turn owned a 95% interest in the subsidiary, Carpenter Creek, LLC ("CC"), and at the time of the merger, owned a 98.12% interest in Armadillo Holdings Group Corp. ("AHGC"), which in turn owned an 80% interest in Armadillo Mining Corp. ("AMC"). As of April 30, 2013, AHGC owned 94.6% of AMC through additional capital contributions. The non-controlling interest of 1.88% in AHGC was subsequently acquired by MCCH on December 21, 2010 in exchange for 313,339 shares of MMEX. On February 22, 2011, the Company amended its articles of incorporation to change the corporate name from Management Energy, Inc. to MMEX Mining Corporation. On April 6, 2016 the Company amended its articles of incorporation to change the corporate name to MMEX Resources Corporation and to authorize the Company to issue up to 1,000,000,000 common shares and 10,000,000 preferred shares.

Table of Contents

Merger with Maple Carpenter Creek Holdings, Inc

On September 21, 2010, MMEX Mining Corporation, Inc entered into a merger agreement with Maple Carpenter Creek Holdings, Inc. ("MCCH"). MCCH is engaged in the development of both thermal and metallurgical coal projects in the U.S. and Colombia. MCCH had the following coal project interests as of the date of closing of the merger:

Under the terms of the merger agreement, MCCH merged with a wholly owned subsidiary of MMEX Mining Corporation in exchange for the issuance of 6,500,000 shares of MMEX Mining Corporation common stock to the owners of MCCH, of which 5,000,000 shares were issued on October 8, 2010 and 1,500,000 shares were presented as common stock payable. On January 11, 2011, the Board of Directors, through a Unanimous Written Consent of the Board of Directors issued the remaining 1,500,000 in accordance with the merger agreement. The Company reversed the subscription payable resulting in a \$15,000 adjustment to common stock payable. The owners of MCCH also were granted the right to receive an additional 1,500,000 shares of common stock as contingent consideration to vest on certain milestones defined in the definitive merger agreement.

Status of Previously Reported Coal Project

Hunza Project: On January 20, 2011, a subsidiary of the Company executed an exclusive option agreement to purchase a 50% interest in C.I. Hunza Coal, Ltd. (Hunza), a Colombian limited liability corporation that holds various mining concessions in the Boyacá Province of east-central Colombia. As of April 30, 2014, due to the fact that the Colombian government has suspended the Hunza Projects mining permits, the Company recorded a 2014 fiscal year impairment charge of \$4,006,722 which represents 100% of the Hunza Project's net value after first reducing the assets by the payable of \$3,000,000.

As of April 13, 2016 the Company assigned AMC to an irrevocable trust (the "Trust"), whose beneficiaries are the existing shareholders of MMEX. AMC thru the Trust controls the Hunza coal interest previously owned by the Company.

Change of the Company Business

On October 7, 2014, Mr. William D. Gross, the holder of the MMEX Preferred Shares and certain MMEX notes (the "Instruments"), entered into an assignment agreement to assign the Instruments to Maple Project Finance, LLC

("MPF") and in turn, on October 9, 2014, MPF assigned the Instruments to Maple Structure Holdings, LLC ("MSH"). On May 15, 2015 MSH notified the Company that it would convert the Instruments into common shares at a conversion rate of US\$0.01 per share, or otherwise foreclose on the Instruments. The Company has agreed with MSH to convert the outstanding Instruments of \$3,182,877 and the 3rd Party debt of \$500,000 under a settlement agreement dated as of May 18, 2015 at the rate of \$0.01 per share. On May 18, 2015 the MMEX Board of Director approved these transactions.

On May 18, 2015, MSH Board of Managers approved the assignment by MSH of a certain amount of the Company shares to related parties to the Company Board of Directors in exchange for the related parties waiving past due obligations of the Company to the related parties.

On May 19, 2015, a majority of shareholders of the Company approved an amendment to Article 4 of the Company's Articles of Incorporation which was approved by the Company's Board of Directors on May 19, 2015. The Company amended its articles of incorporation on April 6, 2016 to change its corporate name to MMEX Resources Corporation and to increase the authorization of the Company to issue up to 1,010,000,000 shares of capital stock, of which 10,000,000 shares shall be Preferred Stock, \$.001 par value ("Preferred Stock"), and 1,000,000,000 shares shall be Common Stock, \$.001 par value ("Common Stock"). The Preferred Stock may be issued in one or more classes and series as determined and designated by the Board of Directors of the corporation, each such class and series to have the powers, preferences and rights, and qualifications, limitations and restrictions as shall be stated and as determined by the Board of Directors of the Company.

Table of Contents

On November 10, 2015, the Company converted and transferred the Maple Structure Holdings, LLC shares. As of February 25, 2016 the Company had 180,432,013 shares issued with 19,567,987 authorized but unissued.

On April 6, 2016, The Company filed with the Nevada Secretary of State to amend its Articles of Incorporation to provide for the issuance of shares and changed its name to MMEX Resources Corporation which was approved on April 6, 2016.

Effective as of April 12, 2016 the Board of Directors approved the change of the Company business to the refining, distribution of oil, gas and petroleum products and electric power.

As of April 13, 2016, the Company assigned AMC to an irrevocable trust (the "MMEX Trust"), whose beneficiaries are the existing shareholders of MMEX. AMC thru the Trust controls the Hunza coal interest previously owned by the Company.

Pursuant to the Board of Directors Consent of May 18, 2015 and the MSH Assignment Agreement of May 18, 2015, as of May 1, 2016, the Company issued the following common shares to related parties to the Board of Directors: (i) BNL Family Trust related to Director Bruce N. Lemons-43,569,160 shares; (ii) Enzamora LTD related to Director Nabil Katabi-24,124,688 shares, (iii) The Maple Gas Corporation related to Director Jack W. Hanks-44,431,151 shares; and (iv) Maple Structure Holdings, LLC related to Director Jack W. Hanks-82,875,000 shares.

As of June 16, 2016, the issued and outstanding common shares of the Company are 375,432,012 and no preferred shares.

Oil, Gas, Refining, and Electric Power Development Strategy

As MMEX continues to expand its business and implement its business strategy, its current monthly cash flow requirements will exceed its near term cash flow from operations. In order to fund its development costs the Company completed a private placement to qualified investors of \$105,000 in cash and services in July, August September of 2015 and April of 2016. The investors were granted warrants to purchase 11,512,171 common shares at an exercise price of \$0.0001 per share for a 3 year period from the date of the Company 1st future round of 3rd party financing in exchange for the \$105,000 investment.

Notwithstanding this recent private placement, there can be no assurance that the Corporation will be able to generate sufficient cash from operations in future periods to satisfy its capital requirements. Therefore, the Corporation will have to continue to rely on external financing activities, including the sale of equity securities, to satisfy capital requirements for the foreseeable future. Equity financings of the type the Corporation has been required to pursue are dilutive to shareholders and may adversely impact the market price of the Common Shares. However, the Corporation has no commitments for borrowings or additional sales of equity, the precise terms upon which it may be able to attract additional funding is not known at this time, and there can be no assurance that it will be successful in consummating any such future financing transactions on terms satisfactory to MMEX, or at all. See "*Risk Factors*".

Table of Contents

Employees

As of June 20, 2016, we had 2 full time employees. Our employees are not represented by a labor organization. We maintain various employee benefit plans.

Item 1A: Risk Factors

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

Item 1B: Unresolved Staff Comments

None

Item 2: Properties

Our executive offices are located at 3616 Far West Blvd #117-321, Austin, Texas 78731.

Item 3: Legal Proceedings

None

Item 4: Mining Safety Disclosures

N/A

Table of Contents**PART II****Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

The Common Stock is listed on the OTC Electronic Bulletin Board under the symbol "MMEX". The following table indicates the quarterly high and low bid price for the Common Stock on the OTC Electronic Bulletin Board for the fiscal years ending April 30, 2015 and April 30, 2014. Such inter-dealer quotations do not necessarily represent actual transactions and do not reflect retail mark-ups, mark-downs or commissions.

OTC ELECTRONIC BULLETIN BOARD BID PRICE

	Fiscal 2015		Fiscal 2014		
	HIGH	LOW	HIGH	LOW	
1st Quarter	\$ 0.02	\$ 0.01	1st Quarter	\$ 0.03	\$ 0.02
2nd Quarter	\$ 0.01	\$ 0.01	2nd Quarter	\$ 0.01	\$ 0.01
3rd Quarter	\$ 0.01	\$ 0.01	3rd Quarter	\$ 0.01	\$ 0.01
4th Quarter	\$ 0.02	\$ 0.01	4th Quarter	\$ 0.01	\$ 0.01

On April 30, 2015, the closing bid price of the Common Stock as reported on the OTC Electronic Bulletin Board was \$0.01.

The number of holders of record of the Company's common stock as of May 3, 2016 was 123 as reported by our transfer agent. This number does not include an undetermined number of stockholders whose stock is held in "street" or "nominee" name.

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

We did not repurchase any of our equity securities during the fourth quarter of fiscal 2015.

Recent Sales of Unregistered Securities not previously reported on the Company's 10-Q

None sold during the fourth quarter ended April 30, 2015.

Table of Contents

Item 6. Selected Financial Data

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

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

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

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

Overview

As of April 30, 2015, MMEX Mining Corporation had interests in coal prospects in Colombia, South America. As of May 18, 2015, the MMEX Board of Directors approved the transfer its coal assets in Colombia to a trust for the benefit of its existing shareholders. The shareholders in MMEX have the same prorata ownership interests in the trust that they had in MMEX as of the date of the transfer which is as of April 11, 2016. In addition, the shareholders in MMEX have the same ownership interests in MMEX subject to the dilution by the acquisition of Maple Structured Holdings, LLC of the purchase of the Preferred Shares and selected debt of the Company, and then the subsequent conversion of those Instruments into equity in MMEX at US\$0.01 per share followed by the assignment by Maple Structure Holdings, LLC of shares to related parties. That conversion results in a substantial dilution of existing shareholders including majority shareholder ownership. See Note 15 on page F-29 below for details of the dilution.

New Business Plan

The MMEX Board of Directors have made the decision to focus the Company efforts into the oil, gas, refining and electric power business in the U.S. and in Latin America. The principal reasons are the following:

- MMEX principal shareholders and directors are also principals in a privately held U.S. oil and gas company, Maple Resources Corporation ("Maple") based in Austin, Texas.
- The MMEX management team has over 30 years of experience in natural resource project development and project financing in North and South America and the U.K.
- MMEX directors and principal shareholders with oil, gas, refining and electric power experience will bring this expertise into the Company.

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

Table of Contents

MMEX principals formed Maple Resources Corporation ("Maple Resources") in 1986. Maple Resources is a privately held corporation, registered in Delaware, with its principal operating offices in Austin, Texas. It is engaged in the evaluation, acquisition and development of oil & gas, refining, power generation, natural gas transmission and processing energy projects in the western United States and Latin America. Maple Resources was established in 1986 in Dallas, Texas USA. Maple Resources engaged in a number of oil and gas acquisitions and dispositions and ultimately acquired assets that included 10 gas processing plants and approximately 770 miles of natural gas gathering lines and transmission infrastructure. In 1992, Maple Resources Dallas sold substantially all of its existing US-based assets and began to pursue energy projects in Latin America. Maple Resources went to Peru in 1992 and managed its Peru business through The Maple Gas Corporation del Peru Ltd ("Maple Peru"). In 1993, Maple Peru began developing the Aguaytía Project, an integrated natural gas and electric power generation and transmission project. This US\$ 273 million project involved the first commercial development of a natural gas field in Peru, as well as the construction and operation of approximately 175 miles of hydrocarbon pipelines, a gas processing plant, a fractionation facility, a 153 MW power plant and the related 392 km of electricity transmission lines. The Aguaytía Project began commercial operation in 1998. Maple Peru also acquired a 4,000 barrel per day refinery in Pucallpa along with 3 producing oil fields. In 2007, Maple Peru was registered on the London Stock Market AIM under the name of Maple Energy, plc. In October 2015, Maple Resources along with its partners took Maple Gas del Peru private with the acquisition of the company from Maple Energy, plc, the publically listed company.

Development Strategy

The new development strategy is to focus on the acquisition, development and financing of oil, gas, refining and electric power projects in Texas, Peru and other countries in Central and Latin America.

As we continue to expand our business and implement our business strategy, our current monthly cash flow requirements will exceed our near term cash flow from operations. Our available cash resources and anticipated cash flow from operations are insufficient to satisfy our anticipated costs associated with new project development. There can be no assurance that we will be able to generate sufficient cash from operations in future periods to satisfy our capital requirements. Therefore, we will have to continue to rely on external financing activities, including the sale of our equity securities, to satisfy our capital requirements for the foreseeable future. Due, in part, to our lack of historical earnings, our prior success in attracting additional funding has been limited to transactions in which our equity is used as currency. In light of the availability of this type of financing, and the lack of alternative proposals, our board of directors has determined that the continued use of our equity for these purposes may be necessary if we are to sustain operations. Equity financings of the type we have been required to pursue are dilutive to our stockholders and may adversely impact the market price for our shares. However, we have no commitments for borrowings or additional sales of equity, the precise terms upon which we may be able to attract additional funding is not known at this time, and there can be no assurance that we will be successful in consummating any such future financing transactions on terms satisfactory to us, or at all.

Results of Operations

We recorded a net loss of \$1,328,445, or \$0.02 per share, for the fiscal year ended April 30, 2015, compared to a net loss of \$1,679,518, or \$0.03 per share, for the fiscal year ended April 30, 2014.

Revenues:

We have not yet begun to generate revenues.

General and administrative:

General and administrative expenses were \$289,593 for the fiscal year ended April 30, 2015 compared to \$357,713 for the fiscal year ended April 30, 2014, a decrease of \$68,120.

Table of Contents

Payroll and taxes:

Payroll and taxes expense was \$315,566 for the fiscal year ended April 30, 2015 compared to \$520,000 for the fiscal year ended April 30, 2014, a decrease of \$204,434. The decrease was due to changes in administrative personnel.

Professional fees:

Professional fees expense was \$174,900 for the fiscal year ended April 30, 2015 compared to \$181,756 for the fiscal year ended April 30, 2014, a decrease of \$6,856. The decrease was due to reduced need for legal, accounting, financial, and engineering services.

Depreciation and amortization:

Depreciation and amortization expense was \$5,005 for the fiscal year ended April 30, 2015 compared to \$5,353 for the fiscal year ended April 30, 2014, an decrease of \$348 due to fewer assets subject to depreciation during 2015 compared to 2014.

Net operating loss:

Net operating loss for the fiscal year ended April 30, 2015 was \$785,064 compared to a net operating loss of \$1,064,822 for the fiscal year ended April 30, 2014, a decrease of \$279,758. The net operating loss decreased primarily due to fewer payroll expenses incurred during the fiscal year ended April 30, 2015 as compared to the prior year.

Other income (expense):

Interest expense was \$543,381 for the fiscal year ended April 30, 2015 and \$614,696 for the fiscal year ended April 30, 2014. The decrease of \$71,315 was due to lower amortization expense from debt discounts in 2015 compared to 2014.

Non-controlling interests in loss of consolidated subsidiaries:

Non-controlling interests in loss of consolidated subsidiaries were \$6,603 and \$6,853 for the fiscal years ended April 30, 2015 and 2014, respectively.

Net loss attributed to the Company:

We recorded a net loss attributed to the Company of \$1,321,842, or \$0.02 per share, for the fiscal year ended April 30, 2015, compared to a net loss of \$1,672,665, or \$0.03 per share, for the fiscal year ended April 30, 2014, a decreased net loss of \$350,823. Net losses decreased primarily as a result of our decreased expenses for the year.

Table of Contents

Liquidity and Capital Resources

Our principal source of operating capital has been provided from private sales of our common stock, preferred stock, partnership capital contributions, and debt financing. At April 30, 2015, we had a negative working capital position of \$7,657,639.

On April 30, 2014, the Company converted the notes into a single \$48,130 convertible note agreement with BNL Family Partners (a related party); Mr. Bruce N. Lemons, a director of the Company, is a partner of BNL Family Partners. The holder may accelerate repayment of the promissory note upon the Corporation raising additional capital of \$1,000,000. The holder may also convert the note into Common Shares at the holder's option at \$0.025 per Common Share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

On April 30, 2014, the Company converted the notes and associated accrued interest into a single \$27,100 convertible note agreement with Delavega Trading Ltd., Mr. Nabil Katabi, a director of the Corporation, is a control person of Delavega Trading Ltd. (a related party). The holder may accelerate repayment of the promissory note upon the Corporation raising additional capital of \$1,000,000. The holder may also convert the note into Common Shares at the holder's option at \$0.025 per Common Share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

On April 30, 2014, the Company entered into a \$39,337 convertible note agreement with Maple Gas Corporation (a related party); Mr. Jack W. Hanks, a director of the Company, is owner of Maple Gas Corporation. The holder may accelerate repayment of the promissory note upon the Corporation raising additional capital of \$1,000,000. The holder may also convert the note into Common Shares at the holder's option at \$0.025 per Common Share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

On June 20, 2014, the Corporation entered into a \$10,000 convertible note agreement with BNL Family Partners, LLC. Mr. Bruce N. Lemons, a director of the Corporation, is a partner of BNL Family Partners. The debentures carry a 15% interest rate until maturity at June 20, 2015 and are convertible into common shares at the holder's option at \$0.025 per common share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

As we attempt to expand exploration activities and develop our international operations, we expect to continue to experience net negative cash flows from operations in amounts not now determinable, and will be required to obtain

additional financing to fund operations through common stock offerings, preferred stock offerings, and debt borrowings to the extent necessary to provide working capital. We have and expect to continue to have substantial capital expenditure and working capital needs. We do not now have funds sufficient to fund our operations at their current level for the next twelve months. We need to raise additional cash to fund our operations and implement our business plan. We expect that the additional financing will (if available) take the form of a private placement of equity, although we may be constrained to obtain additional debt financing in lieu thereof. We are maintaining an on-going effort to locate sources of additional funding, without which we will not be able to remain a viable entity. No financing arrangements are currently under contract, and there are no assurances that we will be able to obtain adequate financing. If we are able to obtain the financing required to remain in business, eventually achieving operating profits will require commencement of operations to generate revenues or drastically reducing expenses from their current levels or both. If we are able to obtain the required financing to remain in business, future operating results depend upon a number of factors that are outside of our control.

Table of Contents

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.

Future Obligations

Management projects working capital needs to be uncertain and this will depend on future projects to be developed by the Company. The corporate overhead requirements are uncertain also at this time and will depend on the project pipeline flow. With Armadillo Mining Corporation now subject to its own trust arrangement, the Company will not be responsible for any more costs or obligations for Armadillo Mining Corporation or the Colombia coal operations of Hunza. Management believes that current cash and cash equivalents will not be sufficient to meet anticipated capital requirements or corporate overhead requirements under this new business plan. We will be forced to raise additional capital through the issuance of new shares, the exercise of outstanding warrants, or reduce our current overhead. However, any projections of future cash needs and cash flows are subject to substantial uncertainty.

Critical Accounting Policies

Our accounting policies are fully described in Note 2 to our financial statements. The following describes the general application of accounting principles that impact our consolidated financial statements.

Our results of operations are based upon our 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 bad debt, 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.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

Table of Contents

Item 8. Financial Statements and Supplementary Data

MMEX Resources Corporation

FINANCIAL STATEMENTS

APRIL 30, 2015 and 2014

<u>Report of Independent Registered Public Accounting Firm</u>	F-2
Financial Statements	
<u>Balance Sheets</u>	F-3
<u>Statements of Operations</u>	F-4
<u>Statements of Stockholders' Equity (Deficit)</u>	F-5
<u>Statements of Cash Flows</u>	F-6
<u>Notes to Financial Statements</u>	F-7

F-1

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors

MMEX Resources Corporation

Dallas, Texas

We have audited the accompanying consolidated balance sheets of MMEX Resources Corporation (the "Company") as of April 30, 2015 and 2014 and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for the twelve month periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MMEX Resources Corporation as of April 30, 2015 and 2014 and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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

/s/ M&K CPAS, PLLC

www.mkacpas.com

Houston, Texas

July 11, 2016

F-2

Table of Contents

MMEX RESOURCES CORPORATION
Consolidated Balance Sheets

	April 30,		April 30,
	2015		2014
Assets			
Current assets:			
Cash	\$ 141	\$	434
Deferred loan costs - short term	8,822		10,000
Total current assets	8,963		10,434
Property and equipment, net	2,333	\$	7,338
Other assets:			
Deferred loan costs - long term	-		8,822
Deposits	10,000		10,000
Total Assets	\$ 21,296	\$	36,594
Liabilities and Stockholders' (Deficit)			
Current liabilities:			
Accounts payable	\$ 669,709	\$	657,426
Accounts payable - related party	8,033		8,033
Accrued expenses	1,187,052		1,396,206
Accrued expenses - related party	2,389,957		1,159,607
Notes payable, currently in default	375,000		375,000
Convertible notes, net of discount of \$0 and \$0 at April 30, 2015 and April 30, 2014, respectively	2,145,001		2,145,001
Convertible notes, net of discount of \$17 and \$0 at April 30, 2015 and April 30, 2014, respectively	129,950		119,967
Convertible preferred stock, currently in default	137,500		137,500
Preferred stock - mandatory redemption right, net of \$375,600 and \$645,172 discount at April 30, 2015 and April 30, 2014, respectively	624,400		354,828
Total current liabilities	7,666,602		6,353,569
Stockholders' Deficit:			
Common stock, \$0.001 par value, 300,000,000 shares authorized, 57,188,313 shares issued and outstanding at April 30, 2015 and April 30, 2014	\$ 571,882	\$	571,882
Common stock payable	90,000		90,000
Additional paid in capital	19,700,705		19,700,591
Non-controlling interest	(374,781)		(368,178)
Accumulated deficit	(27,633,112)		(26,311,270)
Total Stockholders' Deficit	(7,645,306)		(6,316,974)
Total Liabilities and Stockholders' Deficit	\$ 21,296	\$	36,594

See accompanying notes to consolidated financial statements.

Table of Contents

MMEX RESOURCES CORPORATION
Consolidated Statements of Operations

	For the Year ended	
	April 30	
	2015	2014
Operating Expenses:		
General and administrative	289,593	357,713
Payroll and taxes	315,566	520,000
Professional fees	174,900	181,756
Depreciation and amortization	5,005	5,353
Total operating expenses	785,064	1,064,822
Net operating (loss)	(785,064)	(1,064,822)
Other income (expense):		
Interest expense	(543,381)	(614,696)
Total other income (expense)	(543,381)	(614,696)
Net Loss	(1,328,445)	(1,679,518)
Non-controlling interest in loss of consolidated subsidiaries	6,603	6,853
Net loss attributable to company	\$ (1,321,842)	\$ (1,672,665)
Weighted average number of common shares outstanding - basic and fully diluted	57,188,313	57,188,313
Net (loss) per share - basic and fully diluted	\$ (0.02)	\$ (0.03)

See accompanying notes to consolidated financial statements.

Table of Contents**MMEX RESOURCES CORPORATION****Consolidated Statement of Stockholders' Deficit and Members' Interests**

	Common Stock		Additional Paid In Capital	Common Stock Payable	Accumulated Deficit	Non-controlling Interests	Total Stockholders Equity deficit and Members' Interests
	Shares	Amount					
Balance, April 30, 2013	57,188,313	\$ 571,882	\$ 19,700,591	\$ 90,000	\$ (24,638,605)	\$ (361,325)	\$ (4,637,457)
Net loss for the year ended April 30, 2014	-	-	-	-	(1,672,665)	(6,853)	(1,679,518)
Balance, April 30, 2014	57,188,313	571,882	19,700,591	90,000	(26,311,270)	(368,178)	(6,316,975)
Beneficial conversion feature on convertible note	-	-	114	-	-	-	114
Net loss for the year ended April 30, 2015	-	-	-	-	(1,321,842)	(6,603)	(1,328,445)
Balance, April 30, 2015	57,188,313	571,882	19,700,705	90,000	(27,633,112)	(374,781)	(7,645,306)

See accompanying notes to consolidated financial statements.

Table of Contents

MMEX RESOURCES CORPORATION
Consolidated Statements of Cash Flows

	For the year ended April 30,	
	2015	2014
Cash flows from operating activities		
Net loss	\$ (1,321,842)	\$ (1,672,665)
Non-controlling interest in net loss	(6,603)	(6,853)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	5,005	5,353
Amortization of debt discount	269,668	365,113
Amortization of issuance costs	10,000	10,000
Increase (decrease) in liabilities:		
Accounts payable	12,283	16,837
Accrued expenses	1,021,196	1,189,454
Net cash used in operating activities	(10,293)	(92,761)
Cash flows from investing activities		
Net cash (used) in investing activities	-	-
Cash flows from financing activities		
Proceeds from debt, net of issuance costs	10,000	92,466
Net cash provided by financing activities	10,000	92,466
Net increase (decrease) in cash	(293)	(295)
Cash - beginning	434	729
Cash - ending	\$ 141	\$ 434
Supplemental disclosures:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Debt discount on issuance of warrants	\$ 114	\$ -

See accompanying notes to consolidated financial statements.

Table of Contents

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED APRIL 30, 2015 AND 2014

NOTE 1 – BACKGROUND, ORGANIZATION, AND BASIS OF PRESENTATION

On May 25, 2011, the Board of Directors approved a 1 for 10 reverse stock split of its common stock. All references in the accompanying financial statements to the number of shares of common stock and loss per share have been retroactively restated to reflect the reverse stock split.

Organization

MMEX Resources Corporation (the Company or "MMEX") was formed in the State of Nevada on May 19, 2005 as Inkie Entertainment Group, Inc., for the purpose of engaging in the production, distribution and marketing of filmed entertainment products. On January 15, 2008, the Company changed its name to Quantum Information, Inc. In January 2009, the Company announced that it would transition out of the filmed entertainment products business and into the coal business. As part of that transition, on January 14, 2009, the Company sold all of its assets in exchange for the surrender to the Company of 400,000 shares of the Company's common stock, and the assumption of all of the Company's liabilities. The Company also changed its name to MGMT Energy, Inc. on February 5, 2009 and to Management Energy, Inc. on May 28, 2009 to better reflect the Company's business focus. On September 23, 2010, the Company, through a reverse merger, acquired 100% of the outstanding shares of Maple Carpenter Creek Holdings, Inc., ("MCCH") a Delaware Corporation, organized on October 15, 2009 as a holding Company with an 80% interest in Maple Carpenter Creek, LLC ("MCC"), which in turn owns a 95% interest in the subsidiary, Carpenter Creek, LLC ("CC"), and a 98.12% interest in Armadillo Holdings Group Corp. ("AHGC"), which in turn owned at April 30, 2012 a 98.6% interest in Armadillo Mining Corp. ("AMC"). The non-controlling interest of 1.88% in AHGC was subsequently acquired by MCCH on December 21, 2010 in exchange for 31,334 shares of MMEX. On February 22, 2011, the Company amended its articles of incorporation to change the corporate name from Management Energy, Inc. to MMEX Mining Corporation. On April 6, 2016 the Company amended its articles of incorporation to change the corporate name from MMEX Mining Corporation to MMEX Resources Corporation and to authorize the Company to issue up to 1,000,000,000 common shares and 10,000,000 preferred shares.

Merger with Maple Carpenter Creek Holdings, Inc.

On September 21, 2010, MMEX entered into a merger agreement with Maple Carpenter Creek Holdings, Inc. ("MCCH") that closed on September 23, 2010. Under the terms of the merger agreement, MCCH merged with a

wholly owned subsidiary of MMEX, MCC Merger, Inc. ("MCCM"), which was formed just prior to the merger and subsequently dissolved, in exchange for the issuance of 6,500,000 shares of MMEX, common stock to the owners of MCCH, of which 5,000,000 shares were issued on October 8, 2010 and 1,500,000 shares issued on January 12, 2011. The merger resulted in the owners of MCCH gaining control of MMEX.

The equity structure reflects the equity structure of the Company, the legal parent, and the equity structure of MCCH, the accounting acquirer, as restated using the exchange ratios established in the merger agreement to reflect the numbers of shares of the legal parent. References to the "Company" in these notes refer to MMEX and its wholly owned subsidiary, MCCH, as well as the subsidiaries discussed below.

Armadillo Group Holdings Corporation: A 78.12% ownership of Armadillo Mining Corp. ("AMC") in Colombia. As of the date of closing of the merger, AMC had exclusive options to acquire two metallurgical coal mines in the Cundinamarca province of Colombia: (i) Caparrapi is a permitted mine with minimum production and with a resource potential of 11 million metric tons; (ii) Yacopi has resource potential of 40 million metric tons. AMC has terminated the exclusive options for the Caparrapi and Yacopi mines.

Nature of Business

The MMEX Board of Directors have made the decision to focus the Company efforts into the oil, gas, refining and electric power business in the U.S. and in Latin America.

Table of ContentsBasis of Presentation

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

Name of Entity	%	Form of Entity	State of Incorporation	Relationship
MMEX Resources Corporation ("MMEX")	-	Corporation	Nevada	Parent
MCC Merger, Inc. ("MCCM")	100%	Corporation	Delaware	Holding Sub
Maple Carpenter Creek Holdings, Inc. ("MCCH")	100%	Corporation	Delaware	Subsidiary
Maple Carpenter Creek, LLC ("MCC")	80%	LLC	Nevada	Subsidiary
Carpenter Creek, LLC ("CC")	95%	LLC	Delaware	Subsidiary
Armadillo Holdings Group Corp. ("AHGC")			British Virgin Isl.	Subsidiary
Armadillo Mining Corp. ("AMC")	100%	Corporation	British Virgin Isl.	Subsidiary
	98.6%	Corporation	Isl.	Subsidiary

The condensed consolidated financial statements herein contain the operations of the above listed subsidiaries as of the dates and for the periods as indicated. All significant inter-company transactions have been eliminated in the preparation of these financial statements.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESConsolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and its aforementioned subsidiaries. See *Recently Issued Accounting Pronouncements* ("ASC 810") below for additional information on Non-controlling interests in Consolidated Financial Statements. All significant intercompany accounts and transactions have been eliminated in consolidation.

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.

Table of Contents

Property and equipment

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:

Furniture and fixtures	5 years
Machinery and equipment	5 years
Software and hardware	5 years

Maintenance and repairs will be 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 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.

Fair value of financial instruments

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, accounts payable and accrued expenses reported on the balance sheet are estimated by management to approximate fair value primarily due to the short term nature of the instruments. The Company had no other items that required fair value measurement on a recurring basis.

Advertising and promotion

All costs associated with advertising and promoting products are expensed as incurred. No expenses were incurred for the years ended April 30, 2015 and 2014, respectively.

Income taxes

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

Basic and diluted loss per share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the periods presented, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

Table of Contents

Stock-based compensation

The Company adopted FASB guidance on stock based compensation upon inception at April 23, 2009. Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, are to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. For the fiscal years ended April 30, 2015 and 2014, the Company did not record any share based compensation.

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.

Uncertain tax positions

Effective upon the Company's fiscal year ended April 30, 2009, the Company adopted new standards for accounting for uncertainty in income taxes. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

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

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

Income or loss per share

Basic EPS 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 EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock, such as stock options, warrants, convertible preferred stock and convertible debentures, were exercised or converted into common stock. For 2015 and 2014, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

Loss per share is based on the weighted average number of shares outstanding of 57,188,313 for the both of the years ended April 30, 2015 and 2014.

Table of Contents

Recently issued accounting pronouncements

Accounting standards promulgated by the Financial Accounting Standards Board ("FASB") are subject to change. Changes in such standards may have an impact on the Company's future financial statements. The following are a summary of recent accounting developments.

In April 2015, the FASB issued Accounting Standards Update ("ASU") 2015-05 regarding Subtopic 350-40, "Intangibles - Goodwill and Other - Internal-Use Software." The amendments in ASU 2015-05 provide guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, the customer should account for the software license element of the arrangement consistent with other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The amendments in ASU 2015-05 are effective for annual and interim periods beginning after December 15, 2015. Early adoption is permitted. The amendments in ASU 2015-05 may be applied either prospectively to all arrangements entered into or materially modified after the effective date or retrospectively. The adoption of ASU 2015-05 is not expected to have a material impact on our financial position or results of operations.

In November 2014, the FASB issued ASU No. 2014-16, "Derivatives and Hedging (Topic 815) - Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share is More Akin to Debt or to Equity". ASU 2014-16 was issued to clarify how current U.S GAAP should be interpreted in evaluating the economic characteristics and risk of a host contract in a hybrid financial instrument that is issued in the form of a share. In addition, ASU 2014-16 was issued to clarify that in evaluating the nature of a host contract, an entity should assess the substance of the relevant terms and features (that is, the relative strength of the debt-like or equity-like terms and features given the facts and circumstances) when considering how to weight those terms and features. The effects of initially adopting ASU 2014-16 should be applied on a modified retrospective basis to existing hybrid financial instruments issued in a form of a share as of the beginning of the fiscal year for which the amendments are effective. Retrospective application is permitted to all relevant prior periods. ASU 2014-16 is effective fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption in an interim period is permitted. The adoption of ASU 2014-16 is not expected to have a material impact on our financial position or results of operations.

In August 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 310-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The amendments in this Update provide guidance in GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. In doing so, the amendments are intended to reduce diversity in the timing and content of footnote disclosures. The amendments are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company has not determined the impact of the future adoption of the provisions of ASU No. 2014-15 on its 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 \$27,633,112 and a working capital deficit of \$7,657,639 at April 30, 2015, 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. 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.

F-11

Table of Contents

Since inception, our operations have primarily been funded through private debt and equity financing, as well as capital contributions by our subsidiaries' partners, and we expect to continue to seek additional funding through private or public equity and debt financing.

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

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

NOTE 4 – RELATED PARTY TRANSACTIONS

During the period from May 1, 2009 through April 30, 2010, Tydus Richards, the former Chairman of our board of directors and shareholder, made payments totaling \$71,700 on behalf of the Company. The Company reimbursed Mr. Richards \$8,700 on September 3, 2009 and the remaining balance of \$63,000 was outstanding as of April 30, 2010. During the first and second quarter of the current fiscal year, Mr. Richards made additional payments totaling \$7,633 on behalf of the Company. On May 12, 2010, the Company reimbursed an additional \$39,000 of the balance and as of April 30, 2015 and 2014, the remaining balance of \$31,633 remains outstanding.

On September 4, 2010, MCCH entered into an employment agreement with the Company's CEO, Jack W. Hanks for a two year term, automatically renewable for one year terms thereafter, at an annual compensation of \$300,000 per year.

On September 4, 2010, MCCH entered into a consulting agreement with Bruce N. Lemons, one of the Company's two directors, for a two year term, automatically renewable for one year terms thereafter, at an annual compensation of \$170,000 per year.

Convertible notes

BNL Family Partners Convertible Notes

On September 15, 2012, the Corporation entered into a \$4,500 convertible note agreement with BNL Family Partners, LLC. Mr. Bruce N. Lemons, a director of the Corporation, is a partner of BNL Family Partners. The debentures carry a 20% interest rate until maturity at September 30, 2013 and are convertible into common shares at the holder's option at \$0.20 per common share. The holders may accelerate repayment of the promissory notes upon the Corporation raising additional capital of \$150,000. The computed interest of \$900 was added to the balance of the note and recorded as additional debt discount. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$497 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015. In addition, the Corporation issued 4,500 Warrants at an exercise price of \$0.30 per Common Share until September 15, 2015 valued at \$800.

Table of Contents

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$800 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$358 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015.

On April 30, 2014, the Company converted the notes above into a single \$48,130 convertible note agreement with BNL Family Partners (a related party); Mr. Bruce N. Lemons, a director of the Company, is a partner of BNL Family Partners. The holder may accelerate repayment of the promissory note upon the Corporation raising additional capital of \$1,000,000. The holder may also convert the note into Common Shares at the holder's option at \$0.025 per Common Share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

On June 20, 2014, the Corporation entered into a \$10,000 convertible note agreement with BNL Family Partners, LLC. Mr. Bruce N. Lemons, a director of the Corporation, is a partner of BNL Family Partners. The debentures carry a 15% interest rate until maturity at June 20, 2015 and are convertible into common shares at the holder's option at \$0.025 per common share. The Corporation issued 10,000 Warrants at an exercise price of \$0.05 per Common Share until June 20, 2017 valued at \$114 which was recorded as a debt discount of the same amount. During the year ended April 30, 2015, \$96 was amortized into interest expense from the debt discount, resulting in a remaining debt discount of \$18 as of April 30, 2015.

Delavega Trading Ltd. Convertible Notes

On August 1, 2012, the Company entered into a \$13,000 convertible note agreement with Delavega Trading Ltd., Mr. Nabil Katabi, a director of the Corporation, is a control person of Delavega Trading Ltd. The debenture carries a 20% interest rate until maturity at September 30, 2013 and is convertible into common shares at the holder's option at \$0.20 per common share. The computed interest of \$2,600 was added to the balance of the note and recorded as additional debt discount. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$936 was recorded as amortization of the debt discount into interest expense with a remaining balance of \$0 as of April 30, 2015. In addition, the Corporation issued 13,000 Warrants at an exercise price of \$0.30 per Common Share until August 1, 2015 valued at \$1,292.

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$1,292 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan

discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$465 was recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015.

On December 17, 2012, the Company entered into a \$6,500 convertible note agreement with Delavega Trading Ltd., Mr. Nabil Katabi, a director of the Corporation, is a control person of Delavega Trading Ltd. The debenture carries a 20% interest rate until maturity at December 17, 2013 and is convertible into common shares at the holder's option at \$0.20 per common share. The computed interest of \$1,300 was added to the balance of the note and recorded as additional debt discount. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$815 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015. In addition, the Corporation issued 6,500 Warrants at an exercise price of \$0.30 per Common Share until December 17, 2015 valued at \$549.

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$549 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$344 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015.

Table of Contents

On April 30, 2014, the Company converted the notes above and associated accrued interest into a single \$27,100 convertible note agreement with Delavega Trading Ltd., Mr. Nabil Katabi, a director of the Corporation, is a control person of Delavega Trading Ltd. (a related party). The holder may accelerate repayment of the promissory note upon the Corporation raising additional capital of \$1,000,000. The holder may also convert the note into Common Shares at the holder's option at \$0.025 per Common Share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

Maple Gas Convertible Note

On April 30, 2014, the Company entered into a \$39,337 convertible note agreement with Maple Gas Corporation (a related party); Mr. Jack W. Hanks, a director of the Company, is owner of Maple Gas Corporation. The holder may accelerate repayment of the promissory note upon the Corporation raising additional capital of \$1,000,000. The holder may also convert the note into Common Shares at the holder's option at \$0.025 per Common Share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

NOTE 5 – PROPERTY AND EQUIPMENT**Property and Equipment consists of the following:**

	April 30, 2015	April 30, 2014
Software and hardware	\$ 25,023	\$ 25,023
Less: accumulated depreciation and amortization	(22,691)	(17,685)
	\$ 2,333	\$ 7,338

Depreciation and amortization expense totaled \$5,005 and \$5,353 for the years ended April 30, 2015 and 2014, respectively.

NOTE 6 – ACCRUED EXPENSES

As of April 30, 2015 and 2014 accrued expenses included the following:

April 30, 2015 April 30, 2014

Accrued Lease Expenses	\$	62,541	\$	62,541
Accrued Payroll, Officers		883,584		579,891
Accrued Payroll, Employees		301,359		177,559
Accrued Consulting		1,433,616		1,051,983
Accrued Dividend		410,685		310,685
Accrued Interest		485,219		373,154
	\$	3,577,004	\$	2,555,813

F-14

Table of Contents

NOTE 7 – NOTES PAYABLE

In November of 2009 the Company entered into a \$300,000 note agreement, which carried a 10% interest, rate due on July 15, 2010. Accrued interest of \$182,986 and \$152,986 was outstanding at April 30, 2015 and April 30, 2014, respectively. As of April 30, 2015, this note is in default.

On March 18, 2013, the Company entered into a \$75,000 note agreement with an unrelated party. The note is due and payable on March 18, 2014 and carries a 10% interest rate. Accrued interest of \$15,884 and \$8,384 was outstanding at April 30, 2015 and April 30, 2014, respectively. As of April 30, 2015, this note is in default.

NOTE 8 – CONVERTIBLE DEBENTURES

March 8, 2010 Convertible Note

On March 8, 2010, the Company closed a note purchase agreement with an accredited investor pursuant to which the Company sold a \$50,000 convertible note in a private placement transaction. In the transaction, the Company received proceeds of \$35,000 and the investor also paid \$15,000 of consulting expense on behalf of the Company. The convertible note was due and payable on December 31, 2010 with an interest rate of 10% per annum. The note is convertible at the option of the holder into our common stock at a fixed conversion price of \$3.70, subject to adjustment for stock splits and combinations. Accrued interest of \$25,704 and \$20,704 were outstanding at April 30, 2015 and April 30, 2014 respectively. As of April 30, 2015 and 2014, this note is in default.

January 28, 2011 Convertible Notes

On January 28, 2011 and February 1, 2011, the Company closed a Convertible Note Agreement totaling \$514,900 in principal amount of 25% Convertible Note (the "Notes") due on the first anniversary of the date of the Note, to a group of institutional and high net worth investors. The Notes are convertible into the Company's common stock at the holders' option at \$1.00 per common share. The holder may accelerate repayment of the Note upon sale of the Carpenter Creek prospect. In addition, the Company issued 643,625 warrants to purchase shares of the Company's common stock at an exercise price of \$1.00 per share on or before three years from the repayment or conversion date. All but \$25,000 of the promissory notes plus interest were paid in full on March 23, 2011. Accrued interest of \$26,537 and \$20,287 were outstanding at April 30, 2015 and April 30, 2014 respectively. As of April 30, 2015 and 2014 the remaining \$25,000 was in default.

Convertible note consolidated on April 25, 2012

On April 25, 2011, the Company closed a note purchase agreement with an investor pursuant to which the Company sold a \$375,000 note in a private placement transaction. The note was due and payable on or before October 14, 2011 and carry a 25% interest rate due in full at issuance. The note was convertible upon default at the option of the holder into our common stock at a fixed conversion price of \$0.40, subject to adjustment for stock splits and combinations. In addition, the Company issued 1,062,500 warrants to purchase shares of the Company's common stock at an exercise price of \$0.80 per share on or before three years from the issuance date.

F-15

Table of Contents

The Company allocated the proceeds from the issuance of the notes to the warrants and the notes based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$375,000 was recorded as an increase in additional paid-in capital and was limited to the note balance. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original six-month term of the notes as additional interest expense.

On September 9, 2011, the Company closed a note purchase agreement with an accredited investor pursuant to which the Company sold a \$300,000 note in a private placement transaction. The note is due and payable on September 19, 2012, carries a 25% interest rate due in full at issuance. The computed interest of \$75,000 was added to the balance of the note and recorded as additional debt discount. The note is secured with 1,000,000 of the Company's common stock. In addition, the Company issued 375,000 warrants to purchase shares of the Company's common stock at an exercise price of \$0.16 per share on or before three years from the issuance date.

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$55,934 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$0 was amortized into interest expense leaving a remaining balance of \$0 at April 30, 2015 and 2014.

On October 28, 2011, the Company closed a note purchase agreement with an accredited investor pursuant to which the Company sold a \$500,000 note in a private placement transaction. The note is due and payable on October 31, 2012, carries a 25% interest rate due in full at issuance. The computed interest of \$125,000 was added to the balance of the note and recorded as additional debt discount. The note is secured with 1,665,000 of the Company's common stock. In addition, the Company issued 625,000 warrants to purchase shares of the Company's common stock at an exercise price of \$0.16 per share on or before three years from the issuance date.

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$124,400 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$0 was amortized into interest expense leaving a remaining balance of \$0 at April 30, 2015 and 2014.

On December 8, 2011, the Company closed a note purchase agreement with an accredited investor pursuant to which the Company sold a \$100,000 note in a private placement transaction. The Company is required to redeem the note on that date which is the earlier of: (i) the closing of any Company equity financing in excess of \$2,250,000 or (ii)

December 8, 2012 at a payment equal to \$125,000. The Company at its option may elect to redeem the note at such payment amount on any earlier date. In addition to redemption of the note, the Company agreed to redeem an additional amount of debt owed to the investor in the amount of \$100,000 in principal and \$25,000 in fees out of additional funding from any financing. Such funding shall be applied to the \$500,000 note dated October 28, 2011 issued by the Company to the investor. The note is secured with 330,000 shares of the Company's common stock. In addition, the Company issued 125,000 warrants to purchase shares of the Company's common stock at an exercise price of \$0.20 per share on or before three years from the issuance date.

Table of Contents

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$28,369 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$0 was amortized into interest expense leaving a remaining balance of \$0 at April 30, 2015 and 2014.

On April 25, 2012, the notes dated September 9, 2011, October 28, 2011 and December 8, 2011 and \$375,000 from the April 25, 2011 offering were consolidated into a new \$1,500,000 note. The note is due and payable on July 31, 2013, carries an additional 10% interest rate due in full at maturity. The computed interest of \$150,000 was added to the balance of the note and recorded as additional debt discount. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$49,819, respectively, of the discount was amortized into interest expense with a remaining discount balance at April 30, 2015 of \$0. The note is convertible at the option of the holder into our common stock at a fixed conversion price of \$0.20, subject to adjustment for stock splits and combinations. The note is secured with 2,995,000 of the Company's common stock.

The Company recorded the intrinsic value of the beneficial conversion of \$330,000 as debt discount and will amortize the discount over the original fifteen month term of the Note. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$109,603, respectively, of the discount was amortized into interest expense with a remaining discount balance at April 30, 2015 of \$0.

BNL Family Partners Convertible Notes

On September 15, 2012, the Corporation entered into a \$4,500 convertible note agreement with BNL Family Partners, LLC. Mr. Bruce N. Lemons, a director of the Corporation, is a partner of BNL Family Partners. The debentures carry a 20% interest rate until maturity at September 30, 2013 and are convertible into common shares at the holder's option at \$0.20 per common share. The holders may accelerate repayment of the promissory notes upon the Corporation raising additional capital of \$150,000. The computed interest of \$900 was added to the balance of the note and recorded as additional debt discount. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$497 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015. In addition, the Corporation issued 4,500 Warrants at an exercise price of \$0.30 per Common Share until September 15, 2015 valued at \$800.

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$800 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the

Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$358 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015.

On April 30, 2014, the Company converted the notes above into a single \$48,130 convertible note agreement with BNL Family Partners (a related party); Mr. Bruce N. Lemons, a director of the Company, is a partner of BNL Family Partners. The holder may accelerate repayment of the promissory note upon the Corporation raising additional capital of \$1,000,000. The holder may also convert the note into Common Shares at the holder's option at \$0.025 per Common Share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

F-17

Table of Contents

On June 20, 2014, the Corporation entered into a \$10,000 convertible note agreement with BNL Family Partners, LLC. Mr. Bruce N. Lemons, a director of the Corporation, is a partner of BNL Family Partners. The debentures carry a 15% interest rate until maturity at June 20, 2015 and are convertible into common shares at the holder's option at \$0.025 per common share. The Corporation issued 10,000 Warrants at an exercise price of \$0.05 per Common Share until June 20, 2017 valued at \$114 which was recorded as a debt discount of the same amount. During the year ended April 30, 2015, \$96 was amortized into interest expense from the debt discount, resulting in a remaining debt discount of \$18 as of April 30, 2015.

Delavega Trading Ltd. Convertible Notes

On August 1, 2012, the Company entered into a \$13,000 convertible note agreement with Delavega Trading Ltd., Mr. Nabil Katabi, a director of the Corporation, is a control person of Delavega Trading Ltd. The debenture carries a 20% interest rate until maturity at September 30, 2013 and is convertible into common shares at the holder's option at \$0.20 per common share. The computed interest of \$2,600 was added to the balance of the note and recorded as additional debt discount. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$936 was recorded as amortization of the debt discount into interest expense with a remaining balance of \$0 as of April 30, 2015. In addition, the Corporation issued 13,000 Warrants at an exercise price of \$0.30 per Common Share until August 1, 2015 valued at \$1,292.

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$1,292 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$465 was recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015.

On December 17, 2012, the Company entered into a \$6,500 convertible note agreement with Delavega Trading Ltd., Mr. Nabil Katabi, a director of the Corporation, is a control person of Delavega Trading Ltd. The debenture carries a 20% interest rate until maturity at December 17, 2013 and is convertible into common shares at the holder's option at \$0.20 per common share. The computed interest of \$1,300 was added to the balance of the note and recorded as additional debt discount. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$815 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015. In addition, the Corporation issued 6,500 Warrants at an exercise price of \$0.30 per Common Share until December 17, 2015 valued at \$549.

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$549 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$344 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015.

On April 30, 2014, the Company converted the notes above and associated accrued interest into a single \$27,100 convertible note agreement with Delavega Trading Ltd., Mr. Nabil Katabi, a director of the Corporation, is a control person of Delavega Trading Ltd. (a related party). The holder may accelerate repayment of the promissory note upon the Corporation raising additional capital of \$1,000,000. The holder may also convert the note into Common Shares at the holder's option at \$0.025 per Common Share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

Table of Contents

August 15, 2012 Convertible Note

On August 15, 2012, the Corporation entered into a \$100,000 convertible note agreement with an unrelated party. The debenture is subject to a 20% placement fee payable to the holder irrespective of the date redeemed, matures on October 31, 2013 and is convertible into common shares at the holder's option at \$0.20 per Common Share. Pursuant to the agreement, the Corporation also (i) amended the conversion rate of the March 2011 Series A Preferred Stock ("Preferred Stock") from \$0.40 to \$0.20 per Common Share, (ii) amended the maturity date of the April 2012 Debenture from July 31, 2013 to October 31, 2013, (iii) amended the exercise price of the Warrant agreement of April 2011 to purchase 468,750 Common Shares from \$0.80 to \$0.20, and (iv) issued 120,000 Warrants, to the holder of the August 15, 2012 Debenture, with an exercise price of \$0.30 per Common Share until August 15, 2015 valued at \$14,232. The computed interest of \$20,000 was added to the balance of the note and recorded as additional debt discount. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$8,326 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015.

As a result of the August 15, 2012 amendment of the Preferred Stock exercise price, \$300,000 of additional paid in capital was recognized as an additional interest expense in conjunction with the proceeds received from the note agreement. As a result of the August 25, 2012 amendment to the exercise price of the warrant agreement, \$2,694 of additional paid in capital was recognized as an additional interest expense in conjunction with the proceeds received from the note agreement.

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$14,232 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$5,925 were amortized into interest expense with a remaining discount balance of \$0 as of April 30, 2015.

January 2, 2013 Convertible Note

On January 2, 2013, the Company closed a note purchase agreement with an accredited investor pursuant to which the Company sold a \$120,000 note in a private placement transaction. The note is due and payable on March 1, 2013, carries a 1.87% per month interest rate due and payable on March 1, 2013 and included 300,000 shares of the Company's common stock. The note is secured with 900,000 of the Company's common stock which were pledged and owned by Jack Hanks, the Company's President and CEO. The 300,000 shares were valued at \$0.10 per share, the closing price of the Company stock on January 2, 2013, and recorded as a \$30,000 increase to discount on notes payable and an increase in common stock payable. The discount will be amortized over the term of the note. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$0 were amortized into interest expense with a remaining

discount balance of \$0 as of April 30, 2015. This note is currently in default.

February 1, 2013 Convertible Note

On February 1, 2013, the Company entered into a \$150,000 convertible note agreement with an unrelated party. The debentures carry a 20% interest rate until maturity at February 1, 2014 and are convertible into Common Shares at the holder's option at \$0.20 per Common Share. The note is convertible upon default at the option of the holder into our common stock at a fixed conversion price of \$0.20, subject to adjustment for stock splits and combinations. The Company recorded as a \$30,000 increase to debt discount on notes payable from the additional accrued interest. The discount will be amortized over the term of the note. During the fiscal year ended April 30, 2015 and 2014, \$0 and \$22,500 were amortized into interest expense with a remaining discount balance of \$0 as of April 30, 2015. In addition, the Company issued 150,000 warrants to purchase shares of the Company's common stock at an exercise price of \$0.20 per share on or before three years from the repayment or conversion date.

Table of Contents

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$16,103 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$12,077 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015.

Maple Gas Convertible Note

On April 30, 2014, the Company entered into a \$39,337 convertible note agreement with Maple Gas Corporation (a related party); Mr. Jack W. Hanks, a director of the Company, is owner of Maple Gas Corporation. The holder may accelerate repayment of the promissory note upon the Corporation raising additional capital of \$1,000,000. The holder may also convert the note into Common Shares at the holder's option at \$0.025 per Common Share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

NOTE 9 – CONVERTIBLE PREFERRED STOCK

On March 22, 2011 the Company issued 1,000,000 shares of Series A Preferred Stock (the "Preferred Stock") to an unrelated party in exchange for an investment of \$1,000,000. The shares may be converted into the Company's common shares at \$0.40 per common share. The Preferred Stock carry a 10% cumulative dividend and have a mandatory redemption feature on the earlier of March 1, 2016 or on a change of control transaction. The Company is required to redeem the shares at a liquidation value of \$1.00 per share plus any accrued and unpaid dividends. Due to the mandatory redemption feature, the Company recorded the investment as a liability under ASC Subtopic 480-10.

The Company recorded the intrinsic value of the beneficial conversion of \$1,000,000 as debt discount and will amortize the discount through the mandatory redemption feature date of March 1, 2016. The investment is collateralized with a security interest in 2,500,000 MMEX Mining Corporation common stock shares. During the fiscal years ended April 30, 2015 and 2014, \$269,572 and \$153,190 were amortized into interest expense with a remaining discount balance of \$375,600 as of April 30, 2015.

Loan costs of \$50,000 incurred on the issuance of the Preferred Stock were recorded as deferred loan costs and will be amortized by the effective interest method. The Company recorded amortization on loan costs in the amount of \$10,000 and \$10,000 for the years ended April 30, 2015 and 2014, respectively. Dividends payable were \$410,685

and \$310,685 for the periods ended April 30, 2015 and 2014, respectively.

On June 30, 2011, the Company issued 360,000 shares of Armadillo Mining Corporation Preferred Stock to five unrelated parties in exchange for an investment of \$360,000. The Preferred Stock carry a 25% cumulative dividend and have a mandatory redemption feature on December 31, 2011 at a price of \$1.25 per share. In addition, the Company issued 360,000 warrants to purchase shares of the Company's common stock at an exercise price of \$0.60 per share on or before three years from the repayment or conversion date.

On January 6, 2012, three unrelated parties converted their Preferred Stock and accrued dividends of \$312,500 into 2,983,293 shares of MMEX Mining Corporation common stock at a price of \$0.10475 per share. As the conversion took place at below the market price and not within the terms of the agreement on the date of conversion, a loss of \$75,328 was recorded. The remaining two unrelated parties balances at April 30, 2015 and 2014 were \$137,500 and \$137,500, respectively. Accrued interest on the two unrelated parties at April 30, 2015 and 2014 was \$213,039 and \$144,289, respectively.

On August 15, 2012, the company amended the Preferred Stock agreement and lowered the conversion rate provided from \$0.40 per common share to \$0.20 per common share. The amendment generated a \$302,694 fair value adjustment that was recorded as additional interest expense and increased additional paid in capital.

Table of Contents**NOTE 10 – CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**

The Company is authorized to issue up to 200,000,000 shares of its \$0.001 par value common stock. There were 57,188,313 shares issued and outstanding at April 30, 2015.

Common stock

No shares were issued during the years ended April 30, 2015 and 2014.

Stock-based compensation – Stock options

On March 7, 2012, three directors of the Company (the "Optionees") received 2,000,000 unvested stock options exercisable for the common stock; after service of one year, 50% will be vested, and after service of the second year the remaining 50% will become vested; with an actual term of ten years from the date of grant. No stock-based compensation expense was recorded during the fiscal year ended April 30, 2015 and 2014 related to stock option grants.

A summary of stock option activity during the fiscal years ended April 30, 2015 and 2014 are presented below:

	April 30, 2015			April 30, 2014		
	Number Outstanding	Weighted Average exercise priceper share	Weighted Average remaining contractual life (years)	Number Outstanding	Weighted Average exercise priceper share	Weighted Average remaining contractual life (years)
Outstanding at beginning of year	2,000,000	\$ 0.35	8.83	2,000,000	\$ 0.35	9.83
Granted						
Exercised						
Forfeited						
Cancelled						

Edgar Filing: MMEX Resources Corp - Form 10-K

Expired							
Outstanding							
at end of							
year	2,000,000	\$	0.35	7.83	2,000,000	\$	0.35
Options							
exercisable							
at end of							
year	-		-	-	-		-

F-21

Table of Contents

The Company uses the Black-Scholes option pricing model in determining its option expense. There were no options granted during the fiscal year ended April 30, 2015 and April 30, 2014.

Stock Based Compensation – Stock warrants

During the fiscal year ended April 30, 2015, the Company issued vested warrants totaling 10,000 respectively to a related party in connection with a convertible note discussed in Note 8. These warrants were valued using a Black Scholes Model and the amounts were recorded as either debt discounts or stock-based compensation.

During the fiscal year ended April 30, 2014, the Company did not issue any warrants.

Expense Information

The Company measures and recognizes compensation expense for all stock-based payment awards made to non-employees based upon estimated fair values. The Company recorded stock-based compensation in operating expenses for non-employees of \$0 and \$0 for the fiscal years ended April 30, 2015 and 2014, respectively.

Valuation Assumptions

The Company uses the Black-Scholes option pricing model in determining its warrants expense issued to non-employees. The ranges of assumptions used during the fiscal year ended April 30, 2015, are as follows:

	April 30, 2015 Warrants
Expected Volatility	291%
Risk-free interest rate	0.94%
Forfeiture Rate	0%
Expected Dividend Rate	0%
Expected Life (yrs)	3

The expected volatility is based on the weighted average of the historical volatility of the Company's stock.

The risk-free interest rate assumption is based upon published interest rates appropriate for the expected life of the Company's non-employee stock options.

F-22

Table of Contents

The dividend yield assumption is based on the Company's history of not paying dividends and no future expectations of dividend payouts.

The expected life of the warrants represent the weighted-average period that the warrants are expected to remain outstanding and was determined based on historical experience of similar warrants, giving consideration to the contractual terms of the warrants, vesting and expectations of future investor behavior as influenced by changes to the terms of its warrants.

A summary of warrant activity during the fiscal years ended April 30, 2015 and 2014 are presented below:

	April 30, 2015			April 30, 2014		
	Number Outstanding	Weighted Average exercise price per share	Weighted Average remaining contractual life (years)	Number Outstanding	Weighted Average exercise price per share	Weighted Average remaining contractual life (years)
Outstanding at beginning of year	32,865,345	\$ 0.33	1.42	32,865,345	\$ 0.33	2.42
Granted	10,000	\$ 0.05	3.00			
Exercised						
Forfeited						
Cancelled						
Expired						
Outstanding at end of year	32,875,345	\$ 0.33	0.42	32,865,345	\$ 0.33	1.42
Warrants exercisable at end of year	32,875,345	\$ 0.33	0.42	32,865,345	\$ 0.33	1.42

Common stock reserved

At April 30, 2015, 49,350,984 shares of common stock were reserved: 16,485,639 for debt conversion purposes, and 32,865,345 for issuance of warrants outstanding.

Preferred Stock

On March 18, 2011 the Board of Directors authorized 2,000,000 shares of \$0.001 par value Series A Preferred Stock. The shares carry a 10% cumulative dividend, a \$1.00 liquidation value, and may be converted into common shares at \$0.40 per common share. The Preferred Stock has a mandatory redemption feature on such date that is the earlier of March 1, 2016 or upon a change of control transaction. Dividends payable were \$410,685 and \$310,685 for the period ended April 30, 2015 and 2014, respectively.

F-23

Table of Contents

NOTE 11 – NON-CONTROLLING INTERESTS

On September 23, 2010, the Company, through a reverse merger, acquired 100% of the outstanding shares of Maple Carpenter Creek Holdings, Inc., ("MCCH"), a holding Company, with an 80% interest in Maple Carpenter Creek, LLC ("MCC"), which in turn owned a 95% interest in the subsidiary, Carpenter Creek, LLC ("CC"), and a 98.12% interest in Armadillo Holdings Group Corp. ("AHGC"), which in turn owned an 80% interest in Armadillo Mining Corp. ("AMC"). The non-controlling interest of 1.88% in AHGC was acquired by MCCH on December 21, 2010 in exchange for 31,334 shares of MMEX resulting in 100% ownership of AHGC. On March 22, 2011, AHGC acquired a 14.6% of AMC and on April 30, 2012, an additional 4% interest for a total of 98.6% based upon agreement with the minority interest holder to reduce their interest based upon proportionate share of additional capital contributed to AMC.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Legal

There were no legal proceedings against the Company.

Operating Lease Commitments

The Company acquired the Bolzer Lease pursuant to the September 23, 2010 merger. Subsequently, notice of termination on this lease effective April 26, 2010 was provided by previous management. The Company has recorded an accrued expense for the minimum lease payment of \$62,541 for the January 2010 payment.

NOTE 13 – INCOME TAXES

The Company accounts for income taxes in accordance with standards of disclosure propounded by the FASB, and any related interpretations of those standards sanctioned by the FASB. Accordingly, deferred tax assets and liabilities are determined based on differences between the financial statement and tax bases of assets and liabilities, as well as a consideration of net operating loss and credit carry forwards, using enacted tax rates in effect for the period in which the differences are expected to impact taxable income. A valuation allowance is established, when necessary, to

reduce deferred tax assets to the amount that is more likely than not to be realized.

No provision for income taxes has been recorded due to the net operating loss carryforwards totaling approximately \$8,688,089 as of April 30, 2015 that will be offset against future taxable income. The available net operating loss carry forwards of approximately \$8,688,089 expire in various years through 2035. No tax benefit has been reported in the financial statements because the Company believes there is a 50% or greater chance the carry forwards will expire unused. There were no uncertain tax positions taken by the Company.

F-24

Table of Contents

Deferred tax asset and the valuation account is as follows:

	April 30, 2015	April 30, 2014
Deferred tax asset:		
NOL Carryforward	3,040,831	2,676,070
Valuation Allowance	(3,040,831)	(2,676,070)
Total	-	-

The components of income tax expense are as follows:

Change in NOL benefit	364,761	454,143
Change in valuation allowance	(364,761)	(454,143)
	-	-

NOTE 14 – SUBSEQUENT EVENTS

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

As of April 6, 2016, MMEX amended its articles of incorporation to change its corporate name from MMEX Mining Corporation to MMEX Resources Corporation ("MMEX or the "Company") and to increase its authorized shares to 1,000,000,000 common shares and 10,000,000 preferred shares. As of April 13, 2016, MMEX had 180,432,013 common shares outstanding and no preferred shares outstanding.

As of April 30, 2014, MMEX had interests in coal prospects in Colombia, South America. As of May 18, 2015, the Board of Directors of MMEX approved a transfer its coal assets in Colombia to a trust for the benefit of its existing shareholders with an effective date as of April 13, 2016. The shareholders in MMEX have the same allocated share ownership interests in the trust that they had in MMEX as of the effective date of the transfer which is as of April 13, 2016. In addition, the shareholders in MMEX have the same ownership interests in MMEX subject to the dilution by the acquisition of Maple Structure Holdings, LLC of the purchase of the Preferred Shares and selected debt of the Company, and then the subsequent conversion of those Instruments into equity in MMEX at US\$0.01 per share. That conversion results in a substantial dilution of existing shareholders including majority shareholder ownership. See below for details of the dilution.

Table of Contents

On October 7, 2015, The Company transferred 1,000,000 Preferred Shares from William D. Gross to Maple Structure Holdings, LLC.

On November 10, 2015, the Company converted 100,000,000 common shares at \$0.01 per share for 1,000,000 Preferred Shares acquired by Maple Structure Holdings, LLC and voided the issued Preferred Shares.

On November 10, 2015, the Company issued 23,283,700 new common shares to Maple Structure Holdings, LLC at \$0.01 per share subject to the Company Board of Directors Resolutions issued May 18, 2015.

On November 11, 2015, Maple Structure Holdings, LLC transferred a total 70,890,440 shares to the following entities: (i) AAM Investments, LLC- 27,546,375 shares (ii) The Maple Gas Corporation- 28,091,350 shares (iii) Delavega Trading LTD- 15,252,715. All of the foregoing entities are related parties to the Directors of the Company.

As MMEX continues to expand its business and implement its business strategy, its current monthly cash flow requirements will exceed its near term cash flow from operations. In order to fund its development costs the Company completed a private placement to qualified investors of US\$ 105,000 in cash and services in July, August September of 2015 and April of 2016. The investors were granted warrants to purchase 11,512,171 common shares at an exercise price of \$0.0001 per share for a 3 year period from the date of the Company 1st future round of 3rd party financing in exchange for the US\$105,000 investment. Of the \$105,000 in cash and services contributed as of April 13, The Maple Gas Corporation, a related party to Director Jack W. Hanks has contributed \$10,000 in cash and AAM Investments, LLC, a related party to Director Bruce N. Lemons has contributed \$5,000 in cash.

As of April 13, 2016 the Company assigned AMC to an irrevocable trust (the " MMEX Trust"), whose beneficiaries are the existing shareholders of MMEX. AMC thru the Trust controls the Colombia Hunza coal interest previously owned by the Company.

As of April 13, 2016, Maple Structure Holdings, LLC a related party to Director Jack W. Hanks owns 52,393,260 common shares or 29.04 percent of the outstanding shares. The Maple Gas Corporation, a related party to Director Jack W. Hanks owns 33,061,224 common shares or 18.32 percent of the outstanding shares. AAM Investments, LLC, a related party to Director Bruce N. Lemons owns 32,736,850 common shares or 18.14 percent of the outstanding shares. Delavega Trading LTD, a related party to Director Nabil Katabi owns 17,549,603 common shares or 9.73 percent of the outstanding shares.

Edgar Filing: MMEX Resources Corp - Form 10-K

As of June 29, 2016, the Board of Directors executed a Board Resolution that the Directors of the Company may be two directors pursuant to the By-Laws of the Company. As of June 29, 2016, Nabil Katabi resigned as a director of the Company.

F-26

Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

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

Item 9A(T). Controls and Procedures

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

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

Management's Annual Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act, as amended. Our management assessed the effectiveness of our internal control over financial reporting as of April 30, 2015. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. We have identified the following material weaknesses:

Table of Contents

1. As of April 30, 2015, we did not maintain effective controls over the control environment. Specifically, the Board of Directors does not currently have any independent members and no director qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-B. Since these entity level programs have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness.
2. As of April 30, 2015, 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.

Because of these material weaknesses, management has concluded that the Company did not maintain effective internal control over financial reporting as of April 30, 2015, based on the criteria established in "Internal Control-Integrated Framework" issued by the COSO.

Changes in Internal Control Over Financial Reporting. There have been no changes in the Company's internal control over financial reporting through the date of this report or during the quarter ended April 30, 2015, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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

Corrective Action. Management plans to address the structure of the Board of Directors and discuss adding an audit committee during 2016.

Item 9B. Other Information

None

Table of Contents**PART III****Item 10. Directors, Executive Officers and Corporate Governance***Directors and Executive Officers*

The Board of Directors currently consists of two (2) people. Directors serve until the next annual meeting and until their successors are elected and qualified. The following table sets forth information about all of our Directors and executive officers and all persons nominated or chosen to become such:

Name	Age	Office	Year First Elected Director
Jack W. Hanks	69	Director, Chief Executive Officer, President and Chief Financial Officer	2010
Bruce N. Lemons	61	Director	2010

Mr. Hanks has served as Director, Chief Executive Officer and President of the Company since the merger of Maple Carpenter Creek, LLC with the Company in September 2010. Mr. Hanks founded Maple Resources Corporation in the United States, in 1986 and has been President or Chairman of the Board of Maple Resources Corporation since its inception. Mr. Hanks has also been the Executive Chairman of Maple Energy PLC, a publicly-listed company on the London Stock Exchange AIM and the Lima Bolsa. Prior to founding Maple, Mr. Hanks was a partner in the Washington D.C. office of the law firm of Akin Gump Strauss. Mr. Hanks graduated from the University of Texas at Austin with a law degree in 1971 and a petroleum land management degree in 1968.

Mr. Lemons has been a practicing lawyer in the mineral area for over 25 years. He has been a private investor in oil and gas and coal projects in the last several years, including in Maple Carpenter Creek, LLC and Maple Energy, PLC and predecessor entities. Since 2002, Mr. Lemons has served as a director of Ansen, an electronics manufacturing company based in upstate New York, which has a Chinese affiliate. Mr. Lemons was a partner in the law firms of Holme Roberts & Owen and in Holland & Hart. Mr. Lemons graduated law school from Brigham Young University in 1980, where he was a member of law review and holds undergraduate degrees in Economics and Political Science from Utah State University.

Edgar Filing: MMEX Resources Corp - Form 10-K

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

Except as set forth above, we are not aware of any event (as listed in Item 401(d) of Regulation S B promulgated by the SEC) that occurred during the past five years that are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, promoter or control person of the company.

Table of Contents

The Board of Directors has determined that Mr. Lemons is not "independent" as such term is defined by the listing standards of Nasdaq and the rules of the SEC since he is a major shareholder and a consultant to the Company. The Board of Directors has determined that Mr. Katabi is not "independent" as such term is defined by the listing standards of Nasdaq and the rules of the SEC since he is a major shareholder and a consultant to the Company. Mr. Hanks is not "independent" since he is an employee of the Company.

Compliance with Section 16(a) of the Exchange Act

Due to our status as a Section 15(d) reporting company, our executive officers, directors, and persons who beneficially own more than 10% of a registered class of our equity securities are not required to file with the SEC reports of ownership and changes in ownership of MMEX Mining's equity securities pursuant to Section 16(a) of the Securities Exchange Act of 1934.

Code of Ethics

The Board of Directors adopted a code of business ethics on July 3, 2012, that applies to its directors, officers and management employees generally. A copy of this code of business ethics may be obtained, at no cost, by writing or telephoning the Company at, 4447 N Central Expwy, Ste 110 PMB 416, Dallas TX 75205, 855-880-0400 Attn: Secretary.

Audit, Nominating and Compensation Committees

There currently are no committees of our board of directors. Our board of directors is expected to appoint an audit committee, nominating committee and compensation committee, and to adopt charters relative to each such committee. We intend to appoint such persons to the board of directors and committees of the board of directors as are expected to be required to meet the corporate governance requirements imposed by a national securities exchange, although we are not required to comply with such requirements until we elect to seek listing on a securities exchange.

Compensation of Directors

We do not currently pay any cash fees to our directors, but we pay directors' expenses in attending board meetings. During the fiscal year ended April 30, 2015, no director expenses were incurred.

Item 11. Executive Compensation

The following table sets forth the compensation paid or earned by our executive officers during the fiscal years ended April 30, 2015 and 2014.

Table of Contents*Annual Compensation*

Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Non-qualified Deferred Compensation Earnings	All Other Compensation (\$)	Total
Jack W. Hanks Chief Executive Officer, President, and Chief Financial Officer (1)	2015	\$ 360,000 ⁽²⁾	-	-	-	-	-	-	\$ 360,000
	2014	(2)	-	-	-	-	-	-	\$ 360,000

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

(2) The 2014 and 2015 amounts have been accrued but not paid.

The Company has an employment agreement with Jack W. Hanks, its Chief Executive Officer, which provides for annual compensation of \$360,000. The agreement was effective September 4, 2010 and continues for a period of three years thereafter, and then on a year to year basis.

Outstanding Equity Awards at Fiscal Year-End

Plan Category	Number of Securities To be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(b)	Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (excluding securities in column (a))(c)
Equity Compensation Plans Approved by Security Holders	0	\$ 0.35	0
	1,000,000	0	1,000,000

Equity Compensation Plans Not Approved by Security Holders

Total	1,000,000	\$	0.35	1,000,000
-------	-----------	----	------	-----------

Table of Contents

We have not granted any stock awards other than as stock options. The following table reflects all option awards outstanding at April 30, 2015 to our executive officers:

Name (a)	Number of securities underlying unexercised options		Option awards Equity incentive plan awards:		Option exercise price	Option expiration date
	(#) exercisable	(#) unexercisable	(#) unexercised unearned options	(#)		
(b)	(c)	(d)	(e)	(f)		
Jack Hanks	0	1,000,000	0	\$	0.35	March 7, 2022

Compensation of Directors

We do not currently pay any cash fees to our directors, but we pay directors' expenses in attending board meetings. During the year ended April 30, 2015, no director expenses were reimbursed. The following table reflects all option awards outstanding at April 30, 2015 to our non-executive directors:

Name (a)	Number of securities underlying unexercised options		Option awards Equity incentive plan awards:		Option exercise price	Option expiration date
	(#) exercisable	(#) unexercisable	(#) unexercised unearned options	(#)		
(b)	(c)	(d)	(e)	(f)		
Bruce N. Lemons	0	500,000	0	\$	0.35	March 7, 2022
Nabil Katabi	0	500,000	0	\$	0.35	March 7,

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

The following table sets forth as of June 29, 2016, the name and number of shares of the Company's common stock, par value \$0.001 per share, held of record by (i) each of the directors and named executive officers of the Company, (ii) beneficial owners of 5% or more of our common stock; and (iii) all the officers and directors as a group. Pursuant to the rules and regulations of the Securities and Exchange Commission, shares of common stock that an individual or group has a right to acquire within 60 days pursuant to the exercise of options or warrants are deemed to be outstanding for the purposes of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purposes of computing the percentage ownership of any other person shown in the table.

Beneficial Ownership^{(1), (2)}

Jack W. Hanks ⁽³⁾	212,872,010	56.70%
Bruce N. Lemons ⁽⁴⁾	76,369,510	20.34%
All Directors and executive officers as a group (two persons) ⁽⁶⁾	289,241,520	77.04%

- 1) SEC rules provide that, for purposes hereof, a person is considered the "beneficial owner" of shares with respect to which the person, directly or indirectly, has or shares the voting or investment power, irrespective of his/her/its economic interest in the shares. Unless otherwise noted, each person identified possesses sole voting and investment power over the shares listed, subject to community property laws.
- 2) Based on 375,432,012 shares outstanding on June 16, 2016 and 403,938 of shares of common stock subject to options by Beneficial Owners. Shares of common stock subject to options that are exercisable within 60 days of June 16, 2016, are deemed beneficially owned by the person holding such options for the purposes of calculating the percentage of ownership of such person but are not treated as outstanding for the purpose of computing the percentage of any other person.
- 3) Includes 135,268,260 shares owned by Maple Structure Holdings, LLC and 77,492,375 shares owned by The Maple Gas Corporation., for which Mr. Hanks has sole voting power over the shares held by Maple Structure Holdings LLC and The Maple Gas Corporation. It also includes 31,250 shares issuable upon exercise of warrants held by the Alexis L. Hanks Trust for which Mr. Hanks has voting and investment power over the shares held by the Alexis L. Hanks Trust, and 80,125 shares issuable upon exercise of warrants held by the Maple Gas Corporation,
- 4) Includes 43,569,160 shares held by BNL Family Trust and 32,736,850 shares held by AAM Investments, LLC, both entities which are owned principally by trusts for the benefit of Mr. Lemons and his family. This amount includes 63,500 shares issuable upon exercise of warrants held by BNL Family Partners, for which Mr. Lemons currently has voting and investment power.

Table of Contents

Item 13. Certain Relationships and Related Transactions, and Director Independence

The Company has an employment agreement with Mr. Hanks. (see Item 11 for further discussion of this agreement).

The Company has a consulting agreement with Bruce N. Lemons, a Company Director, which provides for annual compensation of \$170,000. The agreement was effective September 4, 2010 and continues for a period of three years thereafter. As of April 30, 2015, no compensation has been paid but the Company has accrued \$791,315 of consulting fees.

On September 4, 2010, MCCH entered into an employment agreement with the Company's CEO, Jack W. Hanks for a two year term, automatically renewable for one year terms thereafter, at an annual compensation of \$300,000 per year. On December 15, 2011 the agreement was amended and restated to provide for a three year term with automatic renewable one year terms thereafter at an annual compensation of \$360,000.

On September 4, 2010, MCCH entered into a consulting agreement with Bruce N. Lemons, one of the Company's two directors, for a two year term, automatically renewable for one year terms thereafter, at an annual compensation of \$170,000 per year. On December 15, 2011 the agreement was amended and restated to provide for a three year term with automatic renewable one year terms thereafter.

As of May 18, 2015, the Directors have waived any past due payments for employment or consulting fees.

BNL Family Partners Convertible Notes

On September 15, 2012, the Corporation entered into a \$4,500 convertible note agreement with BNL Family Partners, LLC. Mr. Bruce N. Lemons, a director of the Corporation, is a partner of BNL Family Partners. The debentures carry a 20% interest rate until maturity at September 30, 2013 and are convertible into common shares at the holder's option at \$0.20 per common share. The holders may accelerate repayment of the promissory notes upon the Corporation raising additional capital of \$150,000. The computed interest of \$900 was added to the balance of the note and recorded as additional debt discount. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$497 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015. In addition, the Corporation issued 4,500 Warrants at an exercise price of \$0.30 per Common Share until September 15, 2015 valued at \$800.

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$800 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$358 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015.

On April 30, 2014, the Company converted the notes above into a single \$48,130 convertible note agreement with BNL Family Partners (a related party); Mr. Bruce N. Lemons, a director of the Company, is a partner of BNL Family Partners. The holder may accelerate repayment of the promissory note upon the Corporation raising additional capital of \$1,000,000. The holder may also convert the note into Common Shares at the holder's option at \$0.025 per Common Share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

Table of Contents

On June 20, 2014, the Corporation entered into a \$10,000 convertible note agreement with BNL Family Partners, LLC. Mr. Bruce N. Lemons, a director of the Corporation, is a partner of BNL Family Partners. The debentures carry a 15% interest rate until maturity at June 20, 2015 and are convertible into common shares at the holder's option at \$0.025 per common share. The Corporation issued 10,000 Warrants at an exercise price of \$0.05 per Common Share until June 20, 2017 valued at \$114 which was recorded as a debt discount of the same amount. During the year ended April 30, 2015, \$96 was amortized into interest expense from the debt discount, resulting in a remaining debt discount of \$18 as of April 30, 2015.

Delavega Trading Ltd. Convertible Notes

On August 1, 2012, the Company entered into a \$13,000 convertible note agreement with Delavega Trading Ltd., Mr. Nabil Katabi, a director of the Corporation, is a control person of Delavega Trading Ltd. The debenture carries a 20% interest rate until maturity at September 30, 2013 and is convertible into common shares at the holder's option at \$0.20 per common share. The computed interest of \$2,600 was added to the balance of the note and recorded as additional debt discount. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$936 was recorded as amortization of the debt discount into interest expense with a remaining balance of \$0 as of April 30, 2015. In addition, the Corporation issued 13,000 Warrants at an exercise price of \$0.30 per Common Share until August 1, 2015 valued at \$1,292.

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$1,292 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$465 was recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015.

On December 17, 2012, the Company entered into a \$6,500 convertible note agreement with Delavega Trading Ltd., Mr. Nabil Katabi, a director of the Corporation, is a control person of Delavega Trading Ltd. The debenture carries a 20% interest rate until maturity at December 17, 2013 and is convertible into common shares at the holder's option at \$0.20 per common share. The computed interest of \$1,300 was added to the balance of the note and recorded as additional debt discount. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$815 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015. In addition, the Corporation issued 6,500 Warrants at an exercise price of \$0.30 per Common Share until December 17, 2015 valued at \$549.

The Company allocated the proceeds from the issuance of the note to the warrants and the note based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of \$549 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a loan discount being recorded for the same amount. The discount will be amortized over the original one year term of the Note as additional interest expense. During the fiscal years ended April 30, 2015 and 2014, \$0 and \$344 were recorded as amortization of the debt discount into interest expense with a remaining discount balance of \$0 as of April 30, 2015.

On April 30, 2014, the Company converted the notes above and associated accrued interest into a single \$27,100 convertible note agreement with Delavega Trading Ltd., Mr. Nabil Katabi, a director of the Corporation, is a control person of Delavega Trading Ltd. (a related party). The holder may accelerate repayment of the promissory note upon the Corporation raising additional capital of \$1,000,000. The holder may also convert the note into Common Shares at the holder's option at \$0.025 per Common Share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

Table of Contents*Maple Gas Convertible Note*

On April 30, 2014, the Company entered into a \$39,337 convertible note agreement with Maple Gas Corporation (a related party); Mr. Jack W. Hanks, a director of the Company, is owner of Maple Gas Corporation. The holder may accelerate repayment of the promissory note upon the Corporation raising additional capital of \$1,000,000. The holder may also convert the note into Common Shares at the holder's option at \$0.025 per Common Share. As the conversion option is above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

May 18, 2015 Cancellation and/or Conversion of Related Party Debt and Preferred Shares

As of May 18, 2015, in order to recapitalize the Company by cancelling related party debt and/or converting related party debt and preferred shares to equity, the Company Directors and related parties agreed to waive any and all debt obligations that were owed or accrued by the Company to related parties.

See Item 9 above for information concerning director independence.

Item 14. Principal Accountant Fees and Services

Our independent auditors, M&K CPAs, PLLC ("M&K"), have no direct or indirect interest in the Company and have been the Company's Independent Registered Public Accounting Firm since 2009. The following table sets forth the fees billed and estimated fees for professional audit services provided by such firm for the fiscal years ended April 30, 2015 and 2014:

	2015	2014
Audit Fees (a)	\$ 20,000	\$ 20,000
Audit-Related Fees (b)	\$ 0	\$ 0
Tax Fees (c)	\$ 0	\$ 0
All Other Fees	\$ 0	\$ 0

Edgar Filing: MMEX Resources Corp - Form 10-K

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

Our Board of Directors established a policy whereby the outside auditors are required to seek pre-approval on an annual basis of all audit, audit-related, tax and other services by providing a prior description of the services to be performed. For the year ended April 30, 2015, 100% of all audit-related services were pre-approved by the Board of Directors, which concluded that the provision of such services by M&K was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

Table of Contents**PART IV****Item 15. Exhibits**

(a) (3) Exhibits

No	Description
2.1	Agreement and Plan of Merger, dated September 21, 2010 (2)
3.1	Articles of Incorporation (3)
3.2	Certificate of Amendment to the Articles of Incorporation dated February 5, 2009 (4)
3.3	Certificate of Amendment to the Articles of Incorporation dated May 28, 2009 (5)
3.4	Certificate of Amendment to the Articles of Incorporation dated June 3, 2010 (6)
3.5	Certificate of Amendment to the Articles of Incorporation dated February 18, 2011 (8)
3.6	Certificate of Amendment to the Articles of Incorporation dated March 22, 2011 (8)
3.7	Amended and Restated By-Laws of the Registrant (7)
3.8	Certificate of Amendment to the Articles of Incorporation dated April 16, 2012 (9)
4.1	Statement of Designation of Series A Preferred Stock of the Registrant (7)
4.2	Form of warrant to purchase Common Stock of the Registrant (8)
4.3	Form of bridge note for April 2011 financing (8)
10.1	Form of Subscription Agreement for April 2011 financing (8)
10.2	Pledge Agreement dated March 22, 2011 between Armadillo Holdings Group Corporation and William D. Gross (8)
10.3	Convertible Preferred Stock Subscription Agreement dated March 22, 2011 between the Registrant and William D. Gross (8)
10.4	2012 Equity Compensation Plan (9)
10.5	Amended and Restated Consulting Agreement dated December 15, 2011 between the Registrant and Jack W. Hanks (9)
10.6	Amended and Restated Consulting Agreement dated December 15, 2011 between the Registrant and Bruce N. Lemons (9)
10.7	Consulting Agreement dated February 1, 2012 between the Registrant and Delavega Trading, Ltd. (9)
21	Subsidiaries of the Registrant (9)
<u>31.1</u>	<u>Certification by Chief Executive Officer and Chief Financial Officer of the Registrant, pursuant to 17 CFR 240.13a—14(a) or 17 CFR 240.15d—14(a).(11). (1)</u>
<u>32.1</u>	<u>Certification by Chief Executive Officer and Chief Financial Officer of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (1)</u>

(1) Filed herewith

(2) Incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the SEC on September 29, 2010.

(3)

Edgar Filing: MMEX Resources Corp - Form 10-K

Incorporated herein by reference to the registrant's Registration Statement on Form S-1 filed with the SEC on July 29, 2008.

- (4) Incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the SEC on March 3, 2009.
- (5) Incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the SEC on May 29, 2009.
- (6) Incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the SEC on June 7, 2010.
- (7) Incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the SEC on March 28, 2011.
- (8) Incorporated herein by reference to the registrant's Current Report on Form 10-K filed with the SEC on August 11, 2011.
- (9) Incorporated herein by reference to the registrant's Current Report on Form 10-K filed with the SEC on August 13, 2012.

Table of Contents

SIGNATURES

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

MMEX Resources Corporation

(Registrant)

Date: July 11, 2016

By: */s/ Jack W. Hanks*
Jack W. Hanks, Chairman

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

SIGNATURE

TITLE

DATE