MMEX Resources Corp
Form 10-Q
January 30, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended July 31, 2015

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

For the transition period from _______________ to _______________.

Commission file number: 333-152608

MMEX RESOURCES CORPORATION

(Exact name of Issuer as specified in its charter)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ¨ No x

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

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer (Do not check if a smaller reporting company)	¨	Smaller reporting company	x

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

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

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

Applicable only to corporate issuers:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of January 30, 2017, there were 906,923,522 shares of common stock, $0.001 par value, issued and outstanding.

MMEX RESOURCES CORPORATION

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QUARTER ENDED JULY 31, 2015

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PART I – FINANCIAL INFORMATION

ITEM 1. Financial Statements

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

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

Operating results and cash flows for any interim period are not necessarily indicative of the results that may be expected for other interim periods or the full fiscal year. These condensed consolidated financial statements and related notes should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended April 30, 2015 filed with the Securities and Exchange Commission ("SEC").

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MMEX RESOURCES CORPORATION

Condensed Consolidated Balance Sheets

	July 31, 2015 (Unaudited)		April 30, 2015	
Assets				
Current assets:				
Cash	$	144	$	141
Deferred loan costs – short term		-		8,822
Total current assets		144		8,963
Property and equipment, net		1,447		2,333
Other assets:				
Deposits		10,000		10,000
Total assets	$	11,591	$	21,296
Liabilities and Stockholders' Deficit				
Current liabilities:				
Accounts payable	$	665,905	$	669,709
Accounts payable – related party		-		8,033
Accrued expenses		1,180,422		1,187,052
Accrued expenses – related party		37,783		2,389,957
Notes payable, currently in default		375,000		375,000
Convertible notes payable, net of discount of $0 and $0 at July 31, 2015 and April 30, 2015, respectively, currently in default		195,001		2,145,001
Convertible preferred stock, currently in default		137,500		137,500
Derivative liabilities		303,830		-
Convertible notes payable – related party, net of discount of $0 and $17 at July 31, 2015 and April 30, 2015, respectively, currently in default		-		129,950
Preferred stock – mandatory redemption right, net of discount of $0 and $375,600 at July 31, 2015 and April 30, 2015, respectively		-		624,400
Total current liabilities		2,895,441		7,666,602
Commitments and contingencies				
Stockholders' deficit:				
Common stock; $0.001 par value, 1,000,000,000 shares authorized, 57,148,313 and 57,188,313 shares issued and outstanding at July 31, 2015 and April 30, 2015, respectively		57,150		57,189
Common stock payable		4,879,256		90,000

Additional paid-in capital		22,428,158		20,215,398
Non-controlling interest		(375,244)		(374,781)
Accumulated (deficit)		(29,873,170)		(27,633,112)
Total stockholders' deficit		(2,883,850)		(7,645,306)
Total liabilities and stockholders' deficit	$	11,591	$	21,296

See accompanying notes to condensed consolidated financial statements.

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MMEX RESOURCES CORPORATION

Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended July 31,	
	2015	**2014**
Revenues	$ -	$ -
Operating expenses:		
Selling, general and administrative expenses	101,344	195,228
Depreciation and amortization	886	1,251
Total operating expenses	102,230	196,479
Loss from operations	(102,230)	(196,479)
Other (expense):		
Interest expense	(420,890)	(122,530)
Loss on derivative liabilities	(303,830)	-
Loss on extinguishment of debt	(1,413,571)	-
Total other (expense)	(2,138,291)	(122,530)
Loss before income taxes	(2,240,521)	(319,009)
Provision for income taxes	-	-
Net loss	(2,240,521)	(319,009)
Non-controlling interest in loss of consolidated subsidiaries	463	253
Net loss attributable to the Company	$ (2,240,058)	$ (318,756)
Weighted average number of common shares outstanding – basic and diluted	57,188,313	57,188,313
Net loss per common share – basic and diluted	$ (0.04)	$ (0.01)

See accompanying notes to condensed consolidated financial statements.

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MMEX RESOURCES CORPORATION

Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended July 31, 2015	Three Months Ended July 31, 2014
Cash flows from operating activities:		
Net loss attributable to the Company	$ (2,240,058)	$ (318,756)
Non-controlling interest in net loss	(463)	(253)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	886	1,251
Amortization of debt discount	375,617	53,861
Amortization of deferred loan costs	8,822	2,500
Loss on derivative liabilities	303,830	-
Loss on extinguishment of debt	1,413,571	-
Increase in liabilities:		
Accounts payable	1,732	1,601
Accrued expenses	121,066	249,503
Net cash used in operating activities	(14,997)	(10,293)
Cash flows from investing activities:		
Net cash used in investing activities	-	-
Cash flows from financing activities:		
Proceeds from common stock payable	15,000	-
Proceeds from debt	-	10,000
Net cash provided by financing activities	15,000	10,000
Net increase (decrease) in cash	3	(293)
Cash at the beginning of the period	141	434
Cash at the end of the period	$ 144	$ 141

	2015	2014
Supplemental disclosure:		
Interest paid	$ -	$ -
Income taxes paid	-	-
Debt discount on issuance of warrants	-	114
Adjustment to common stock and additional paid-in capital	(39)	-
Accrued expenses contributed to capital	2,063,468	-
Preferred stock and accrued dividends converted to common stock payable	(1,410,685)	-
Notes payable converted to common stock payable	1,950,000	-

Notes payable – related party contributed to capital	149,253	-

See accompanying notes to condensed consolidated financial statements.

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MMEX RESOURCES CORPORATION

Notes to Condensed Consolidated Financial Statements

Three Months Ended July 31, 2015
(Unaudited)

NOTE 1 – BACKGROUND, ORGANIZATION AND BASIS OF PRESENTATION

MMEX Resources Corporation (the "Company" or "MMEX") was formed in the State of Nevada on May 19, 2005 as Inkie Entertainment Group, Inc. Subsequently, the Company amended its articles of incorporation to change its name to MMEX Resources Corporation and to authorize the Company to issue up to 3,000,000,000 common shares and 10,000,000 preferred shares. The changes in the number of authorized shares of the Company have been given retroactive effect in the accompanying consolidated financial statements.

The Board of Directors of the Company has decided to focus efforts on the oil, gas, refining and electric power business in the United States and Latin America.

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 Subsidiary
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")	100%	Corporation	British Virgin Isles	Subsidiary
Armadillo Mining Corp. ("AMC")	98.6%	Corporation	British Virgin Isles	Subsidiary

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Our significant accounting policies are described in our Annual Report on Form 10-K for the year ended April 30, 2015 filed with the SEC on July 11, 2016.

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.

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Derivative liabilities

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

Fair value of financial instruments

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

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

Level 1

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

Level 2

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

Level 3

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

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Our derivative liabilities are measured at fair value on a recurring basis and estimated as follows at July 31, 2015:

	Total	Level 1	Level 2	Level 3
Derivative liability	$ 303,830	$ -	$ -	$ 303,830

Basic and diluted loss per share

Basic net income or loss per share is calculated by dividing net income or loss (available to common stockholders) by the weighted average number of common shares outstanding for the period. Diluted income or loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock, such as stock options, warrants, convertible debt and convertible preferred stock, were exercised or converted into common stock. For the three months ended July 31, 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; therefore, basic net loss per share is the same as diluted net loss per share.

Issuance of shares for non-cash consideration

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

Reclassifications

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

Recently Issued Accounting Pronouncements

In October 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-17, "Consolidation (Topic 810): Interests Held Through Related Parties That are Under Common Control." This update amends the consolidation guidance on how a reporting entity that is the single decision maker of a variable interest entity ("VIE") should treat indirect interests in the entity held through related parties that are under common control with the reporting entity when determining whether it is the primary beneficiary of that VIE. The primary beneficiary of a VIE is the reporting entity that has a controlling financial interest in a VIE and, therefore, consolidates the VIE. A reporting entity has an indirect interest in a VIE if it has a direct interest in a related party that, in turn, has a direct interest in the VIE. The amendments in this ASU are effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The Company is currently unable to determine the impact on its consolidated financial statements of the adoption of this new accounting pronouncement.

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In August 2016, the FASB issued ASU No. 2016-15, “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments.” This ASU addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The amendments in this ASU are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently unable to determine the impact on its consolidated financial statements of the adoption of this new accounting pronouncement.

In March 2016, the FASB issued ASU No. 2016-09, "Stock Compensation (Topic 718)", which is intended to simplify several aspects of the accounting for share-based payment award transactions, including the income tax impacts, the classification on the statement of cash flows, and forfeitures. The amendments in this ASU are effective for fiscal years beginning after December 15, 2016, including interim periods. The Company is currently unable to determine the impact on its consolidated financial statements of the adoption of this new accounting pronouncement.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)". The amendments in this ASU revise the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for all leases. The new lease guidance also simplifies the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. The amendments in this ASU are effective for public companies for fiscal years beginning after December 15, 2018 and are to be applied through a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Early adoption is permitted. The Company is currently unable to determine the impact on its consolidated financial statements of the adoption of this new accounting pronouncement.

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

NOTE 3 – GOING CONCERN

Our financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. We have incurred continuous losses from operations, have an accumulated deficit of $29,873,170 and a total stockholders’ deficit of $2,883,850 at July 31, 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.

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.

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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 past few years, Tydus Richards, the former Chairman of our board of directors and shareholder, made certain payments on behalf of the Company. The Company has partially reimbursed Mr. Richards for these advances. As of July 31, 2015 and April 30, 2015, a remaining balance payable of $31,633 is included in accrued expenses – related party.

On May 18, 2015, Jack W. Hanks, Bruce N. Lemons and Nabil Katabi, the then three directors of the Company and certain companies under their control, entered an agreement to forgive the following indebtedness from the Company totaling $2,212,721 as of April 30, 2015 and contribute the amounts to capital.

	Accounts Payable	**Accounts Payable – Related Party**	**Accrued Expenses**	**Notes Payable**
Hanks:				
Accrued compensation	$ -	$ -	$ 883,584	$ -
Accounts payable	-	8,033	-	-
Notes payable	-	-	-	39,337
Accrued interest payable	-	-	5,901	-
Lemons:				
Accrued consulting fees	-	-	791,315	-
Notes payable	-	-	-	63,530
Accrued interest payable	-	-	9,320	-
Katabi:				
Accounts payable	5,536	-	-	-
Accrued consulting fees	-	-	375,000	-

Notes payable		-		-		-		27,100
Accrued interest payable		-		-		4,065		-
Total	$	5,536	$	8,033	$	2,069,185	$	129,967

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On September 4, 2010, MCCH entered 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. The agreement was cancelled effective May 1, 2015.

On September 4, 2010, MCCH entered 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. The agreement was cancelled effective May 1, 2015.

Accrued expenses (see Note 6) to related parties totaled $37,783 and $2,389,957 as of July 31, 2015 and April 30, 2015, respectively.

The convertible notes payable – related party that were forgiven and contributed to capital consisted of the following at April 30, 2015:

Note payable to a BNL Family Partners, Ltd., partially owned by Bruce N. Lemons, with interest at 15%, convertible at the option of the holder into common shares of the Company at a fixed conversion price of $0.025 per share	$	53,530
Note payable to a BNL Family Partners, Ltd., partially owned by Bruce N. Lemons, maturing June 30, 2015, with interest at 15%, convertible at the option of the holder into common shares of the Company at a fixed conversion price of $0.025 per share		10,000
Note payable to Delavega Trading Ltd., controlled by Nabil Katabi, maturing June 20, 2015, with interest at 15%, convertible at the option of the holder into common shares of the Company at a fixed conversion price of $0.25 per share		27,100
Note payable to The Maple Gas Corporation, owned by Jack W. Hanks, with interest at 15%, convertible at the option of the holder into common shares of the Company at a fixed conversion price of $0.025 per share		39,337
Total	$	129,967

BNL Family Partners Convertible Notes

On September 15, 2012, the Corporation entered into a $4,500 convertible note agreement with BNL Family Partners, Ltd., a related party. Mr. Bruce N. Lemons, a director of the Corporation, is a partner of BNL Family Partners. The note carries a 20% interest rate until maturity at September 30, 2013 and is convertible into common shares of the Company at the holder's option at $0.20 per share. The holder may accelerate repayment of the promissory notes upon the Company 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. In addition, the Company issued 4,500 warrants valued at $800 using

the Black-Scholes option pricing model. The value of the warrants of $800 was recorded as an increase to debt discount and to additional paid-in capital. The warrants were exercisable at an exercise price of $0.30 per common share until September 15, 2015.

Subsequently, the Company converted the note payable described above and additional advances from BNL Family Partners into a single $53,530 convertible note agreement with 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 of the Company 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 Company entered into a $10,000 convertible note agreement with BNL Family Partners. The note carries a 15% interest rate until maturity on June 20, 2015 and is convertible into common shares at the holder's option at $0.025 per common share. The Company issued 10,000 warrants valued at $114 using the Black-Scholes option pricing model. The value of the warrants of $114 was recorded as an increase to debt discount and to additional paid-in capital. The warrants are exercisable at an exercise price of $0.05 per common share until June 30, 2017.

On May 18, 2015, the two BNL Family Partners notes were forgiven and contributed to capital.

Delavega Trading Ltd. Convertible Notes

On August 1, 2012, the Company entered into a $13,000 convertible note agreement with Delavega Trading Ltd., a related party. Mr. Nabil Katabi, a former director of the Company, is a control person of Delavega Trading Ltd. The note carries a 20% interest rate until maturity at September 30, 2013 and is convertible into common shares of the Company 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. In addition, the Company issued 13,000 warrants valued at $1,292 using the Black-Scholes option pricing model. The value of the warrants of $1,292 was recorded as an increase to debt discount and to additional paid-in capital. The warrants were exercisable at an exercise price of $0.30 per common share until August 1, 2015.

On December 17, 2012, the Company entered into a $6,500 convertible note agreement with Delavega Trading Ltd. The note carries a 20% interest rate until maturity at December 17, 2013 and is convertible into common shares of the Company 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. In addition, the Company issued 6,500 warrants valued at $549 using the Black-Scholes option pricing model. The value of the warrants of $549 was recorded as an increase to debt discount and to additional paid-in capital. The warrants were exercisable at an exercise price of $0.30 per common share until December 17, 2015.

Subsequently, the Company converted the notes payable described above and associated accrued interest and additional advances from Delavega Trading Ltd. into a single $27,100 convertible note agreement with Delavega

Trading Ltd. The holder may accelerate repayment of the promissory note upon the Company raising additional capital of $1,000,000. The holder may also convert the note into common shares of the Company at the holder's option at $0.025 per Common Share. As the conversion option was above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

On May 18, 2015, the Delavega Trading Ltd. note was forgiven and contributed to capital.

Maple Gas Convertible Notes

During the year ended April 30, 2014, The Maple Gas Corporation, a related party owned by Mr. Jack W. Hanks, a director and officer of the Company, advanced funds or incurred expenses on behalf of the Company. On April 30, 2014, the Company entered into a $39,337 convertible note agreement with Maple Gas Corporation for the total advances to that date. The note carries a 15% interest rate. The holder may accelerate repayment of the promissory note upon the Company raising additional capital of $1,000,000. The holder may also convert the note into common shares of the Company at the holder's option at $0.025 per common share. As the conversion option was above the value of the stock on the date of conversion, no beneficial conversion feature was recorded with this note.

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On May 18, 2015, the Maple Gas Corporation note was forgiven and contributed to capital.

On October 9, 2014, convertible notes payable in default to an accredited investor of $1,650,000, $120,000 and $180,000 (see Note 7) were assigned to The Maple Gas Corporation. On May 8, 2015, The Maple Gas Corporation converted the notes into 194,999,999 common shares of the Company at $0.01 per share, which resulted in a loss on extinguishment of debt of $975,000. The issuance of the common shares to Maple Structure Holdings was approved by the Company's Board of Directors Resolution dated May 18, 2015. The shares were issued subsequent to July 31, 2015 (see Note 14). At July 31, 2015, common stock payable included an obligation of $2,925,000 for the issuance of the shares

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at:

	July 31, 2015	April 30, 2015
Computer software and hardware	$ 25,023	$ 25,023
Less accumulated depreciation and amortization	(23,576)	(22,690)
	$ 1,447	$ 2,333

Depreciation and amortization expense totaled $886 and $1,251 for the three months ended July 31, 2015 and 2014, respectively.

NOTE 6 – ACCRUED EXPENSES

Accrued expenses consisted of the following at:

	July 31, 2015	April 30, 2015
Accrued payroll	$ 301,359	$ 1,184,943

Accrued consulting		292,301		1,433,616
Accrued dividend		-		410,685
Accrued interest		562,004		485,224
Other		62,541		62,541
	$	1,218,205	$	3,577,009

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NOTE 7 – NOTES PAYABLE

Notes payable, currently in default, consist of the following at:

	July 31, 2015	April 30, 2015
Note payable to an unrelated party, maturing July 15, 2010, with interest at 10%	$ 300,000	$ 300,000
Note payable to an unrelated party, maturing December 31, 2010, with interest at 10%	25,000	25,000
Note payable to an unrelated party, maturing January 27, 2012, with interest at 25%	50,000	50,000
	$ 375,000	$ 375,000

Accrued interest payable on notes payable, currently in default, totaled $245,540 and $235,227 at July 31, 2015 and April 30, 2015, respectively.

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

	July 31, 2015	April 30, 2015
Note payable to an accredited investor, maturing July 31, 2013, with interest at 10%, convertible at the option of the holder into common shares of the Company at a fixed conversion price of $0.20 per share, secured with 2,995,000 common shares of the Company, converted to common stock in May 2015	$ -	$ 1,650,000
Note payable to an accredited investor, maturing October 31, 2013, with interest at 20%, convertible at the option of the holder into common shares of the Company at a fixed conversion price of $0.20 per share, converted to common stock in May 2015	-	120,000
Note payable to an accredited investor, maturing February 1, 2014, with interest at 20%, convertible upon default at the option of the holder into common shares of the Company at a fixed conversion price of $0.20 per share, converted to common stock in May 2015	-	180,000
Note payable to an accredited investor, maturing March 1, 2013, with interest at 1.87% per month, secured with 900,000 common shares of the	120,000	120,000

Company owned by the president and CEO of the Company		
Note payable to an unrelated party, maturing March 18, 2014, with interest at 10%	75,001	75,001
Total	195,001	2,145,001
Less discount	-	-
Net	$ 195,001	$ 2,145,001

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Accrued interest payable on convertible notes payable, currently in default, totaled $86,237 and $77,630 at July 31, 2015 and April 30, 2015, respectively.

On April 25, 2012, four prior convertible notes payable to an accredited investor were combined into a new $1,500,000 note. The note was due and payable on July 31, 2013. The note bore interest at 10% due at maturity. The computed interest of $150,000 was added to the balance of the note and recorded as additional debt discount. The note was convertible at the option of the holder into shares of the Company's common stock at a fixed conversion price of $0.20 per share.

On August 15, 2012, the Company entered into a $100,000 convertible note agreement with an accredited investor. The note was subject to a 20% placement fee payable to the holder irrespective of the date redeemed, matured on October 31, 2013 and was convertible at the option of the holder into shares of the Company's common stock at a fixed conversion price of $0.20 per share. The computed interest of $20,000 was added to the balance of the note and recorded as additional debt discount. In addition, the Company issued 120,000 warrants valued at $14,232 using the Black-Scholes option pricing model. The value of the warrants of $14,232 was recorded as an increase to debt discount and to additional paid-in capital. The warrants were exercisable at an exercise price of $0.30 per common share until August 15, 2015.

On February 1, 2013, the Company entered into a $150,000 convertible note agreement with an unrelated party. The note was due and payable on February 1, 2014 and carried an interest rate of 20%. The note was convertible upon default at the option of the holder into shares of the Company's common stock at a fixed conversion price of $0.20 per share. The computed interest of $30,000 was added to the balance of the note and recorded as additional debt discount. In addition, the Company issued 150,000 warrants valued at $16,103 using the Black-Scholes option pricing model. The value of the warrants of $16,103 was recorded as an increase to debt discount and to additional paid-in capital. The warrants were exercisable at an exercise price of $0.20 per common share on or before three years from the repayment or conversion date.

On October 9, 2014, the convertible notes payable in default of $1,650,000, $120,000 and $180,000 were assigned to The Maple Gas Corporation, a company owned by Jack W. Hanks, the Company's President and CEO. On May 8, 2015, The Maple Gas Corporation converted the notes into 195,000,000 common shares of the Company at $0.01 per share, which resulted in a loss on extinguishment of debt of $975,000. The issuance of the common shares to Maple Structure Holdings was approved by the Company's Board of Directors Resolution dated May 18, 2015, and common stock payable at July 31, 2015 included an obligation of $2,925,000 for the issuance of the shares. See Note 13.

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 was due and payable on March 1, 2013, is currently in default and carries a monthly interest rate of 1.87%. The note purchase agreement included the issuance of 300,000 shares of the Company's common stock. The note is secured with 900,000 shares of the Company's common

stock owned by Jack W. Hanks, the Company's President and CEO. The 300,000 shares were valued at $0.10 per share, the closing price of the Company's common stock on January 2, 2013, and recorded as a $30,000 increase to debt discount and an increase to common stock payable.

The Company allocated the proceeds from the issuance of the notes to the warrants when applicable and to the notes based on their estimated fair market values at the date of issuance using the Black-Scholes option pricing model. The debt discount resulting from interest and the value of warrants computed at the inception of the notes payable was amortized as additional interest expense over the term of the notes.

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NOTE 8 – CONVERTIBLE PREFERRED STOCK

Preferred Stock – Mandatory Redemption Right

On March 22, 2011, the Company issued 1,000,000 shares of Series A Preferred Stock (the "Preferred Stock") to William D. Gross, 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 has amortized the discount through the mandatory redemption feature date of March 1, 2016. During the three months ended July 31, 2015 and 2014, amortization of debt discount to interest expense totaled $375,600 and $53,848, respectively. The investment is collateralized with a security interest in 2,500,000 shares of the Company's common stock.

Loan costs of $50,000 incurred on the issuance of the Preferred Stock were recorded as deferred loan costs and have been amortized by the effective interest method. The Company recorded amortization of deferred loan costs in the amount of $8,822 and $2,500 for the three months ended July 31, 2015 and 2014, respectively. Unpaid dividends payable on the Preferred Stock totaled $0 and $410,685 at July 31, 2015 and April 30, 2015, respectively.

On October 7, 2014, The Company transferred the 1,000,000 Preferred Shares from Mr. Gross to Maple Structure Holdings, LLC, a related party controlled by Mr. Jack W. Hanks, a director and officer of the Company.

On May 18, 2015, Maple Structure Holdings converted the 1,000,000 Preferred Shares with a book value of $1,000,000 and accrued dividends of $410,685 into 123,283,700 common shares of the Company at $0.01 per share, which resulted in a loss on extinguishment of debt of $438,571. The unamortized discount on the Preferred Shares of $375,600 was charged to interest expense. The issuance of the common shares to Maple Structure Holdings was approved by the Company's Board of Directors Resolution dated May 18, 2015.

Convertible Preferred Stock, Currently in Default

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 the Company's common stock at a price of $.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. As of July 31, 2015 and April 30, 2015, the remaining face value of the Preferred Stock was $137,500. Accrued dividends on the Preferred Stock totaled $230,227 and $213,039 as of July 31, 2015 and April 30, 2015, respectively.

The Company recorded interest expense, which includes amortization of debt discount on certain debt described above, totaling $420,890 and $122,530 for the three months ended July 31, 2015 and 2014, respectively.

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NOTE 9 – DERIVATIVE LIABILITIES

In a series of subscription agreements, we have issued warrants that contain certain anti-dilution provisions that we have identified as derivatives.

During the three months ended July 31, 2015, we had the following activity in our derivative liabilities:

Balance, April 30, 2015	$ -
Increases in derivative value due to new issuances of notes	303,833
Change in fair value of derivative liabilities	(3)
Balance, July 31, 2015	$ 303,830

The Company calculated the fair value of the derivatives using a multinomial lattice model simulation. The model is based on a probability weighted discounted cash flow model using projections of the various potential outcomes.

Key inputs and assumptions used in valuing the Company’s derivative liabilities are as follows for issuances of warrants:

- Stock prices on all measurement dates were based on the fair market value
- Risk-free interest rates ranging from 1.03% – 2.49%
- The probability of future financing was estimated at 100%
- Computed volatility ranging from 103% to 249%

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

NOTE 10 – STOCKHOLDERS’ DEFICIT

Authorized Shares

Pursuant to amendments to its articles of incorporation (Note 13), the Company increased its authorized shares to 3,000,000,000 common shares and 10,000,000 preferred shares. The increase in authorized shares has been given retroactive effect in the accompanying condensed consolidated financial statements for all periods presented.

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Adjustment to Outstanding Shares

During the three months ended July 31, 2015, the Company cancelled 40,000 outstanding shares of its common stock, resulting in a decrease to common stock and an increase to additional paid-in capital of $39.

Stock Issuances

During the three months ended July 31, 2015, the Company did not issue any shares of its common or preferred stock.

Common Stock Payable

On May 8, 2015, a related party converted convertible notes payable with a book value of $1,950,000 into 194,999,999 common shares of the Company at $0.01 per share. The common shares issued were valued at $0.015 per share, the market price on the date of the conversion, which resulted in a loss on extinguishment of debt of $975,000. The common shares were issued subsequent to July 31, 2015, and common stock payable included $2,925,000 at July 31, 2015 related to this transaction.

On May 18, 2015, a related party converted 1,000,000 Preferred Shares with a book value of $1,000,000 and accrued dividends of $410,685 into 123,283,700 common shares of the Company at $0.01 per share. The common shares issued were valued at $0.015 per share, the market price on the date of the conversion, which resulted in a loss on extinguishment of debt of $438,571. The common shares were issued subsequent to July 31, 2015, and common stock payable included $1,849,256 at July 31, 2015 related to this transaction.

During the three months ended July 31, 2015, the Company completed subscription agreements for common stock and warrants with qualified investors in a private placement for cash of $15,000. The shares of common stock were issued subsequent to July 31, 2015, and common stock payable included $15,000 at July 31, 2015 related to these transactions. The attached warrants were identified as derivatives, resulting in derivative liabilities of $303,830 at July 31, 2015 (see Note 9).

Stock Options

On March 7, 2012, the Company issued a total of 2,000,000 stock options exercisable at $0.35 per share for a period of ten years from the date of grant. The Company did not grant any stock options during the three months ended July 31, 2015.

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A summary of stock option activity during the three months ended July 31, 2015 is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Outstanding, April 30, 2015	2,000,000	$ 0.35	6.85
Granted	-	-	
Canceled / Expired	-	-	
Exercised	-	-	
Outstanding, July 31, 2015	2,000,000	$ 0.35	6.61

The Company uses the Black-Scholes option pricing model to estimate the grant date fair value of its stock options, which value is amortized to stock-based compensation expense over the vesting period of the options. No stock-based compensation expense was recorded during the three months ended July 31, 2015 and 2014 related to stock option grants. There was no unrecognized stock option expense at July 31, 2015.

Warrants

The Company has issued warrants to non-employees for debt discounts, equity financing or other stock-based compensation. These warrants generally vest upon grant and are valued using the Black-Scholes option pricing model or multinomial lattice models that value the warrants based on a probability weighted cash flow model using projections of the various potential outcomes.

A summary of warrant activity during the three months ended July 31, 2015 is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)

Outstanding, April 30, 2015	32,875,345	$	0.33	.42
Granted	2,192,794	$	0.01	
Canceled / Expired	(32,334,345)	$	0.33	
Exercised	-		-	
Outstanding, July 31, 2015	2,733,794	$	0.06	5.34

Common Stock Reserved

At July 31, 2015, 2,733,794 shares of the Company's common stock were reserved for issuance of outstanding warrants.

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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 the Company's common stock resulting in 100% ownership of AHGC. On March 22, 2011, AHGC acquired 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 a 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 – SUBSEQUENT EVENTS

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

Amendments of Articles of Incorporation

As of April 6, 2016, the Company amended its articles of incorporation to change its corporate name from MMEX Mining Corporation to MMEX Resources Corporation and to increase its authorized shares to 1,000,000,000 common shares and 10,000,000 preferred shares.

As of November 29, 2016, the Company amended its articles of incorporation to increase its authorized common shares to 3,000,000,000 shares.

Transfer of Coal Project

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

On September 1, 2016, the Company entered into a stock assignment agreement with LatAm Services, LLC (“LatAm”) pursuant to which it assigned MCCH to LatAm. With the assignment of MCCH to LatAm, the Company has exited the Hunza coal project to focus on energy related projects under its new business plan.

Issuance of Common Shares for Conversion of Preferred Shares and Convertible Notes Payable

On November 10, 2015, the Company issued 123,283,700 of its common shares to a related party pursuant to the conversion of preferred stock and accrued dividends (Note 8).

On May 2, 2016, the Company issued a total of 194,999,999 shares of its common stock to a related party pursuant to the conversion of notes payable in default (see Note 7).

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Private Placement

As the Company 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 initiated in fiscal year 2016 a private placement to qualified investors for cash and services. Through the date of the filing of this report, $118,230 cash and $60,000 in services had been received, including $49,200 cash from related parties, for a total of 41,784,320 common shares of the Company and a total of 43,025,313 warrants. The warrants entitle the investors to purchase common shares at exercise prices of $0.0001 and $0.01 per share through March 1, 2022. Of the common shares issued, 1,096,397 shares were issued in July 2016, 27,740,123 shares were issued in December 2016 and 12,947,500 shares were issued in January 2017.

Settlement Agreement and Stipulation

On October 28, 2016, the Company entered into a Settlement Agreement and Stipulation (the “Settlement Agreement”) with Rockwell Capital Partners, Inc. (“RCP”). Pursuant to the Settlement Agreement, as amended, RCP has purchased certain outstanding payables between the Company and designated vendors totaling $109,391 (the “Payables” or “Claims”) and will exchange the portion of such Payables assigned for a Settlement Amount payable in common shares of the Company.

In settlement of the Claims, the Company shall issue and deliver to RCP, in one or more tranches as necessary, shares of the Company’s common stock (“Common Stock”), subject to adjustment and ownership limitations as set forth in the Settlement Agreement, sufficient to satisfy the Claims amount at a 50% discount to market based on the market price during the valuation period as defined in the Settlement Agreement. The Company also issued 7,000,000 shares of Common Stock as a settlement fee on October 31, 2016.

On October 28, 2016, a circuit court in Florida issued an order confirming the fairness of the terms of the Settlement Agreement within the meaning of exemption from registration provided by Section 3(a) (10) of the Securities Act of 1933.

The Company issued the following shares of its common stock to RCP in settlement of Claims: 10,000,000 shares on November 3, 2016, 15,000,000 shares on November 4, 2016, 18,000,000 shares on November 10, 2016, 18,000,000 shares on November 16, 2016, 14,000,000 shares on November 21, 2016, 22,000,000 shares on November 28, 2016, 22,000,000 shares on November 30, 2016, 25,000,000 shares on December 5, 2016, 25,000,000 shares on December 7, 2016, 27,000,000 shares on January 4, 2017, 28,000,000 shares on January 6, 2017, 29,000,000 shares on January 10, 2017, 30,000,000 shares on January 11, 2017, 31,000,000 shares on January 12, 2017, 33,000,000 shares on January 18, 2017, 34,000,000 shares on January 23, 2017, 35,000,000 shares on January 25, 2017 and 36,000,000

shares on January 26, 2017.

Other Subsequent Events

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.

On January 24, 2017, the Company issued 2,082,190 shares of its common stock to a former employee in settlement of accrued salaries of $208,219.

On January 24, 2017, the Company issued 28,625,000 shares of its common stock to a consultant in payment of services valued at $5,725.

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ITEM 2 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 Condensed Consolidated Financial Statements, including the notes thereto.

Overview

New Business Plan

The MMEX Board of Directors has 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

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 publicly listed company.

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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. We recently completed a private placement financing with certain accredited investors, including our two executive officers and directors. 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 $2,240,521, or $0.04 per share, for the three months ended July 31, 2015, compared to a net loss of $319,009, or $0.01 per share, for the three months ended July 31, 2014.

Revenues

We have not yet begun to generate revenues.

Operating Expenses

Our selling, general and administrative expenses decreased $93,884 to $101,344 for the three months ended July 31, 2015 from $195,228 for the three months ended July 31, 2014. The decrease is due to reduced payroll and professional fees as we have focused on our new development strategy.

Depreciation and Amortization Expense

Our depreciation and administrative expenses are not currently material to our operations. Depreciation and administrative expenses were $886 and $1,251 for the three months ended July 31, 2015 and 2014, respectively.

Other (Expense)

Our interest expense increased $298,360 to $420,890 for the three months ended July 31, 2015 from $122,530 for the three months ended July 31, 2014. During the current fiscal year, we reduced our interest-bearing indebtedness; however, the decreased interest expense attributable to the debt reduction was offset by increased interest expense attributable to debt discount being amortized to interest expense.

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For the three months ended July 31, 2015, we reported a loss on derivative liabilities of $303,830. In a series of subscription agreements, we have issued warrants that contain certain anti-dilution provisions that we have identified as derivatives. We estimate the fair value of the derivatives using multinomial lattice models that value the warrants based on a probability weighted cash flow model using projections of the various potential outcomes. These estimates are based on multiple inputs, including the market price of our stock, interest rates, our stock price volatility and management's estimates of various potential equity financing transactions. These inputs are subject to significant changes from period to period and to management's judgment; therefore, the estimated fair value of the derivative liabilities will fluctuate from period to period, and the fluctuation may be material.

For the three months ended July 31, 2015, we reported a loss on extinguishment of debt of $1,413,571 resulting primarily from the conversion of preferred stock and accrued dividends and convertible notes payable to shares of our common stock. We record the value of the shares issued at the current market price, which has been significantly higher than the conversion price per share, resulting in a loss on conversion.

Net Loss

As a result of the above, our net loss increased to $2,240,521 for the three months ended July 31, 2015 from $319,009 for the three months ended July 31, 2014.

Non-Controlling Interest in Loss of Consolidated Subsidiaries

Non-controlling interest in loss of consolidated subsidiaries increased to $463 for the three months ended July 31, 2015 from $253 for the three months ended July 31, 2014.

Net Loss Attributable to the Company

Net loss attributable to the Company increased to $2,240,058 for the three months ended July 31, 2015 from $318,756 for the three months ended July 31, 2014.

Liquidity and Capital Resources

Introduction

As of July 31, 2015, we had current assets of $144 and current liabilities of $2,895,441, resulting in a working capital deficit of $2,895,297. In addition, we had a total stockholders' deficit of $2,883,850 at July 31, 2015.

Because of our continuing operating losses, we have not generated positive operating cash flows. As a result, we have significant short-term cash needs. Our principal source of operating capital has been provided from private sales of our common stock and debt financing.

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During the three months ended July 31, 2015, financing of $15,000 was provided by common stock and warrant subscriptions in a private placement.

We have reduced our total indebtedness from $7,666,602 at April 30, 2015 to $2,895,441 at July 31, 2015. We have improved our liquidity through the conversion of preferred stock and accrued dividends and convertible notes payable to shares of our common stock. We have also entered into settlement agreements where certain officers and directors forgave accounts payable, accrued expenses and notes payable and contributed the amounts to capital.

Private Placement

In fiscal year 2016, we initiated a private placement of common stock and warrants to qualified investors for cash and services. Through the date of the filing of this report, $118,230 cash and $60,000 in services had been received, including $49,200 cash from related parties, for a total of 41,784,320 common shares of the Company and a total of 43,025,313 warrants. The warrants entitle the investors to purchase common shares at exercise prices of $0.0001 and $0.01 per share through March 1, 2022. Of the common shares issued, 1,096,397 shares were issued in July 2016, 27,740,123 shares were issued in December 2016 and 12,947,500 shares were issued in January 2017.

Settlement Agreement and Stipulation

On October 28, 2016, the Company entered into a Settlement Agreement and Stipulation (the “Settlement Agreement”) with Rockwell Capital Partners, Inc. (“RCP”). Pursuant to the Settlement Agreement, as amended, RCP has purchased certain outstanding payables between the Company and designated vendors totaling $109,391 (the “Payables” or “Claims”) and will exchange the portion of such Payables assigned for a Settlement Amount payable in common shares of the Company.

In settlement of the Claims, the Company shall issue and deliver to RCP, in one or more tranches as necessary, shares of the Company’s common stock (“Common Stock”), subject to adjustment and ownership limitations as set forth in the Settlement Agreement, sufficient to satisfy the Claims amount at a 50% discount to market based on the market price during the valuation period as defined in the Settlement Agreement. The Company also issued 7,000,000 shares of Common Stock as a settlement fee on October 31, 2016.

On October 28, 2016, a circuit court in Florida issued an order confirming the fairness of the terms of the Settlement Agreement within the meaning of exemption from registration provided by Section 3(a) (10) of the Securities Act of 1933.

Through the date of filing of this report, the Company's creditors have received a total of $84,782 and the Company has repaid $56,100 through the issuance of the following shares of its common stock to RCP: 10,000,000 shares on November 3, 2016, 15,000,000 shares on November 4, 2016, 18,000,000 shares on November 10, 2016, 18,000,000 shares on November 16, 2016, 14,000,000 shares on November 21, 2016, 22,000,000 shares on November 28, 2016, 22,000,000 shares on November 30, 2016, 25,000,000 shares on December 5, 2016, 25,000,000 shares on December 7, 2016, 27,000,000 shares on January 4, 2017, 28,000,000 shares on January 6, 2017, 29,000,000 shares on January 10, 2017, 30,000,000 shares on January 11, 2017, 31,000,000 shares on January 12, 2017, 33,000,000 shares on January 18, 2017, 34,000,000 shares on January 23, 2017, 35,000,000 shares on January 25, 2017 and 36,000,000 shares on January 26, 2017.

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Future Financing Needs

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 recently completed a private placement 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.

Sources and Uses of Cash

We used net cash of $14,997 in operating activities for the three months ended July 31, 2015 as a result of our net loss attributable to the Company of $2,240,058 and non-controlling interest in net loss of $463, partially offset by non-cash expenses totaling $2,102,726 and increases in accounts payable of $1,732 and accrued expenses of $121,066.

By comparison, we used net cash of $10,293 in operating activities for the three months ended July 31, 2014 as a result of our net loss attributable to the Company of $318,756 and non-controlling interest in net loss of $253, partially offset by non-cash expenses totaling $57,612 and increases in accounts payable of $1,601 and accrued expenses of $249,503.

We had no net cash provided by or used in investing activities for the three months ended July 31, 2015 and 2014.

We had net cash provided by financing activities of $15,000 for the three months ended July 31, 2015 from proceeds from common stock payable. We had net cash provided by financing activities of $10,000 for the three months ended July 31, 2014 from proceeds from debt.

Off-Balance Sheet Arrangements

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

Critical Accounting Policies

For further information on our significant accounting policies see the notes to our condensed consolidated financial statements included in this filing. Other than accounting policies for derivatives and related fair value disclosures that were added in the current fiscal year, there have been no changes to our significant accounting policies.

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Derivative liabilities

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

Fair value of financial instruments

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

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

Level 1

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

Level 2

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

Level 3

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

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Our derivative liabilities are measured at fair value on a recurring basis and estimated as follows at July 31, 2015:

	Total	Level 1	Level 2	Level 3
Derivative liability	$ 303,830	$ -	$ -	$ 303,830

The following describes the general application of accounting principles that impact our condensed consolidated financial statements.

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

ITEM 3 Quantitative and Qualitative Disclosures About Market Risk

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

ITEM 4 Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

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

reported within the required time periods and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

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

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Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act, as amended. Our management assessed the effectiveness of our internal control over financial reporting as of July 31, 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:

- As of July 31, 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.

Because of these material weaknesses, management has concluded that the Company did not maintain effective internal control over financial reporting as of July 31, 2015, based on the criteria established in "Internal Control-Integrated Framework" issued by the COSO.

(b) Changes in Internal Control over Financial Reporting

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

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PART II – OTHER INFORMATION

ITEM 1 Legal Proceedings

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

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

ITEM 1A Risk Factors

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

ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended July 31, 2015, we had no unregistered sales of equity securities:

ITEM 3 Defaults Upon Senior Securities

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

ITEM 4 Mine Safety Disclosures

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

ITEM 5 Other Information

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

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ITEM 6 Exhibits

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

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* Filed herewith.

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

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SIGNATURES

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

MMEX Resources Corporation

Dated: January 30, 2017

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