MMEX Mining Corp
Form 10-Q
September 14, 2012

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

Form 10-Q

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

For the quarterly period ended July 31, 2012

o 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 MINING CORPORATION
(Exact name of registrant as specified in its charter)

Nevada	26-1749145
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2626 Cole Avenue, Suite 714	
Dallas, Texas	75204
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (214) 880-0400

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 x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Date 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 o 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	o	Accelerated filer	o

Non-accelerated filer	o	(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 o No x

The number of shares of Common Stock, par value $0.01 per share, outstanding as of September 4, 2012 was 54,972,788.

MMEX MINING CORPORATION & SUBSIDIARIES

INDEX TO QUARTERLY REPORT

July 31, 2012

Part I. Financial Information

Part II. Other Information

MMEX MINING CORPORATION
(An Exploration Stage Company)
Consolidated Balance Sheets

	July 31, 2012	April 30, 2012
Assets		
Current assets:		
Cash	$544	$163,673
Prepaid Legal Fees	-	5,994
Other assets - current	10,000	10,000
Total current assets	10,544	179,667
Property and equipment, net	16,444	17,034
Other assets:		
Deferred loan costs - long term	26,322	28,822
Deposits	14,696	14,696
Investment accounted for under equity method in property	7,254,880	7,287,705
Total Assets	$7,322,886	$7,527,924
Liabilities and Stockholders' (Deficit)		
Current liabilities:		
Accounts payable	$531,151	$419,486
Related party payables	19,652	8,033
Accrued expenses	693,780	536,603
Accrued expenses - related party	212,999	446,274
Due on investment in property	3,000,000	3,000,000
Convertible notes, net of discount of $0 at July 31, 2012 and April 30, 2012, both currently in default	75,000	75,000
Convertible debenture, net of discount of $103,619 at April 30, 2012	-	558,181
Notes payable, currently in default	300,000	300,000
Notes payable - related party	-	290,000
Convertible preferred stock	137,500	137,500
Total current liabilities	4,970,082	5,771,077
Long-term liabilities:		
Convertible notes, net of discount of $432,430 and $585,367 at July 31, 2012 and April 30, 2012, respectively	1,217,570	1,064,633
Preferred stock - mandatory redemption right, net of $959,582 and $959,424 discount at July 31, 2012 and April 30, 2012, respectively	40,576	40,418
Total Liabilities	6,228,228	6,876,128
Stockholders' (Deficit):		

Common stock, $0.001 par value, 300,000,000 shares authorized, 54,972,788 and 45,269,055 shares issued and outstanding at July 31, 2012 and April 30, 2012, respectively	549,727	452,690
Common stock payable	-	518,289
Additional paid in capital	18,853,365	16,751,775
Non-controlling interest	(294,428)	(290,241)
Accumulated (deficit) during the exploration stage	(18,014,006)	(16,780,717)
Total Stockholders' (Deficit)	1,094,658	651,796
Total Liabilities and Stockholders' (Deficit)	$7,322,886	$7,527,924

See accompanying notes to financial statements.

MMEX MINING CORPORATION
(An Exploration Stage Company)
Consolidated Statements of Operations

	For the three months ended July 31, 2012	For the three months ended July 31, 2011	For the period May 23, 2007 (Inception) through July 31, 2012
Revenue:			
Revenues	$ -	$ -	$ 10,000
Operating Expenses:			
Exploration and development	-	-	3,207,262
General and administrative	72,620	113,931	4,552,924
Payroll and taxes	128,643	127,220	2,450,144
Professional fees	265,562	76,282	4,499,349
Impairment expense	-	213,668	2,762,454
Depreciation and amortization	1,240	1,234	20,255
Total operating expenses	468,065	532,335	17,492,388
Net operating (loss)	(468,065)	(532,335)	(17,482,388)
Other income (expense):			
Interest income	-	-	59
Gain on disposition of property	-	-	2,592,023
Loss on debt conversion	(441,960)	-	(462,345)
Loss on investment in property	(32,825)	-	(12,295)
Loss on disposal of fixed assets	-	-	(15,003)
Interest expense	(294,626)	(560,827)	(4,354,262)
Total other income (expense)	(769,411)	(560,827)	(2,251,823)
Net (loss) before non-controlling interest	(1,237,476)	(1,093,162)	(19,734,211)
Non-controlling interest in loss of consolidated subsidiaries	4,187	22,228	1,753,030
Net (loss)	$ (1,233,289)	$ (1,070,934)	$ (17,981,181)
Weighted average number of common shares outstanding - basic and fully diluted	52,726,069	11,165,761	
Net (loss) per share - basic and fully diluted	$ (0.02)	$ (0.10)	

See accompanying notes to financial statements.

MMEX MINING CORPORATION
(An Exploration Stage Company)
Consolidated Statement of Stockholders' Equity (Deficit) and Members' Interests

	Common Stock Shares	Amount	Additional Paid In Capital	Common Stock Payable	Accumulated (Deficit)	Non-controlling Interests	Total Stockholders Equity (deficit) and Members' Interests
Balance, May 23, 2007 (Inception)	5,000,000	$ 50,000	$ (50,000)	$ -	$ -	$ -	$ -
Acquisition of subsidiary, Carpenter Creek, LLC, 75% interest	-	-	-	-	-	69,411	69,411
Note receivable issued as capital contributions from members	-	-	453,563	-	-	69,668	523,231
Acquisition of subsidiary, Carpenter Creek, LLC, 2.5% interest	-	-	(65,208)	-	-	65,208	-
Capital contributions from members	-	-	2,906,086	-	-	447,414	3,353,500
Net (loss) for the period from May 23, 2007 (Inception) through April 30, 2008	-	-	-	-	(3,327,375)	(638,912)	(3,966,287)
Balance, April 30, 2008	5,000,000	$ 50,000	$ 3,244,441	$ -	$ (3,327,375)	$ 12,789	$ (20,145)
Capital contributions from members	-	-	2,762,446	-	-	468,735	3,231,181
Net (loss) for the year ended April 30, 2009	-	-	-	-	(2,305,551)	(364,765)	(2,670,316)
	5,000,000	$ 50,000	$ 6,006,887	$ -	$ (5,632,926)	$ 116,759	$ 540,720

Balance, April 30, 2009							
Acquisition of subsidiary, Carpenter Creek, LLC, 2.5% interest	-	-	(473,385)	-	-	(26,615)	(500,000)
Capital contributions from members	-	-	1,306,505	-	-	299,849	1,606,354
Net (loss) for the year ended April 30, 2010	-	-	-	-	(1,506,729)	(392,033)	(1,898,762)
Balance, April 30, 2010	5,000,000	$ 50,000	$ 6,840,007	$ -	$ (7,139,655)	$ (2,040)	$ (251,688)
Distribution of property, Snider Ranch property	-	-	-	-	-	(282,651)	(282,651)
Common stock issued for services	50,000	500	164,500	-	-	-	165,000
Imputed interest on related party advances	-	-	1,650	-	-	-	1,650
Effect of reverse acquisition merger	4,584,427	45,844	(131,676)	15,000	-	-	(70,832)
Capital contributions from shareholder	-	-	343,139	-	-	97,604	440,743
Capital contributions from members	-	-	268,052	-	-	15,000	283,052
Acquisition of subsidiary, Armadillo Holdings 1.88% interest	31,334	313	(22,839)	-	-	22,526	-
Issuance of shares related to reverse merger	1,500,000	15,000	-	(15,000)	-	-	-
Discount from the issuance of Notes allocated to warrants	-	-	1,034,900	-	-	-	1,034,900
Discount from the issuance of Preferred Stock allocated to	-	-	1,000,000	-	-	-	1,000,000

warrants							
Dividend payable	-	-	-	-	(10,685)	-	(10,685)
Issuance of subsidiary ownership interests beneficial conversion feature	-	-	(212,453)	-	-	212,453	-
Net (loss) for the year ended April 30, 2011	-	-	-	-	(3,466,111)	(174,812)	(3,640,923)
Balance, April 30, 2011	11,165,761	$ 111,657	$ 9,285,280	$ -	$ (10,616,451)	$ (111,920)	$ (1,331,434)
Rounding of shares on stock reverse	2	-	-	-	-	-	-
Discount from the issuance of Notes allocated to warrants	-	-	602,051	-	-	-	602,051
Financing fee for warrants issued as additional consideration	-	-	240,734	-	-	-	240,734
Issuance of shares related to reverse merger	1,230,349	12,303	(15,000)	2,697	-	-	-
Issuance of common stock for cash	26,983,938	269,839	4,711,678	225,000	-	-	5,206,517
Conversion of convertible preferred stock to common stock	2,983,293	29,832	357,995	-	-	-	387,827
Beneficial conversion feature on convertible note	-	-	610,182	-	-	-	610,182
Conversion of debenture to common stock	2,059,625	20,598	772,068	290,592	-	-	1,083,258
Options issued to employees and consultants	-	-	34,491	-	-	-	34,491
Issuance of shares related to consulting agreements	846,087	8,461	152,296	-	-	-	160,757

Net (loss) for the year ended April 30, 2012	-	-	-	-	(6,164,266)	(178,321)	(6,342,587)
Balance, April 30, 2012	45,269,055	$ 452,690	$ 16,751,775	$ 518,289	$ (16,780,717)	$ (290,241)	$ 651,796
Issuance of shares related to reverse merger	269,651	2,697	-	(2,697)			-
Issuance of common stock for cash	1,125,000	11,250	213,750	(225,000)			-
Conversion of accounts payable to common stock	881,032	8,810	245,351				254,161
Conversion of debenture to common stock	7,428,050	74,280	1,642,489	(290,592)			1,426,177
Net (loss) for the three months ended July 31, 2012					(1,233,289)	(4,187)	(1,237,476)
	54,972,788	549,727	18,853,365	-	(18,014,006)	(294,428)	1,094,658

See accompanying notes to financial statements.

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MMEX MINING CORPORATION
(An Exploration Stage Company)
Consolidated Statements of Cash Flows

	For the three months ended 31-Jul 2012	For the three months ended 31-Jul 2011	For the period from May 23, 2007 (Inception) through July 31, 2012
Cash flows from operating activities			
Net (loss)	$(1,233,289)	$(1,070,934)	$(18,014,006)
Non-controlling interest in net (loss)	(4,187)	(22,228)	(1,753,030)
Adjustments to reconcile net (loss) to net			
cash (used) provided by operating activities:			
Depreciation and amortization expense	1,240	1,234	20,255
Loss on sale of assets	-	-	15,003
Loss on investment	32,825	-	45,120
Loss due to late payment penalty	-	-	1,200,000
Common stock issued for services	-	-	360,248
Imputed interest	-	-	1,650
Amortization of debt discount	256,714	514,360	2,515,280
Loss on conversion of debt	441,960	-	462,345
Impairment expense	-	213,668	2,762,454
Financing fee on issuance of warrants	-	-	240,734
Decrease (increase) in assets:			
Prepaid expenses	5,994	-	-
Employee receivable	-	(1,652)	-
Deferred loan costs	2,500	2,500	(36,322)
Deposits	-	(4,696)	(14,696)
Increase (decrease) in liabilities:			
Accounts payable	111,665	(55,096)	531,150
Related party payable	11,619	(15,979)	19,652
Accrued expenses	210,480	120,435	1,193,357
Net cash (used) in operating activities	(162,479)	(318,388)	(10,450,806)
Cash flows from investing activities			
Proceeds from sale of Snider Ranch	-	-	1,130,602
Purchase of Hunza option	-	(213,668)	(7,062,454)
Purchase of fixed assets	(650)	(4,082)	(54,712)
Proceeds from sale of fixed assets	-	-	3,010
Net cash (used) in investing activities	(650)	(217,750)	(5,983,554)
Cash flows from financing activities			
Capital contributions from members	-	-	8,023,387
Acquisition of noncontrolling interest	-	-	(500,000)
Proceeds from debt	-	160,000	5,734,900
Proceeds from issuance of preferred stock	-	260,000	1,360,000

Proceeds from issuance of common stock	-	-	5,206,517
Payments on notes payable	-	-	(3,389,900)
Net cash provided by financing activities	-	420,000	16,434,904
Net increase (decrease) in cash	(163,129)	(116,138)	544
Cash - beginning	163,673	118,059	-
Cash - ending	$544	$1,921	$544
Supplemental disclosures:			
Interest paid	$-	$-	$483,723
Income taxes paid	$-	$-	$-
Non-cash investing and financing transactions:			
Note receivable issued as capital contributions	$-	$-	$523,231
Distribution of property, Snider Ranch	$-	$-	$(282,651)
Effect of reverse acquisition merger	$-	$-	$(70,832)
Conversion of minority interest into equity	$-	$-	$(22,839)
Additional ownership interest in subsidiary	$-	$-	$212,453
Issuance of contingent consideration from merger	$-	$-	$(15,000)
Stock issued for conversion of debt	$(985,440)	$-	$465,259
Stock issued for conversion of accrued compensation	$254,162	$-	$254,162
Stock issued for common stock payable	$518,289	$-	$518,289
Preferred stock beneficial conversion feature	$-	$-	$1,000,000
Common stock beneficial conversion feature	$-	$-	$610,183
Purchase of Hunza option	$-	$-	$3,000,000
Debt discount on issuance of warrants	$-	$314,216	$1,636,951
Convertible debenture issued by agreement	$-	$-	$1,200,000

See accompanying notes to financial statements.

Note 1 – Nature of Business and Significant Accounting Policies

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.

Basis 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 Mining 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")	100%	Corporation	British Virgin Isl.	Subsidiary
Armadillo Mining Corp. ("AMC")	98.6%	Corporation	British Virgin 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. On September 21, 2010 the Company's wholly-owned subsidiary, MCC Merger, Inc. ("Acquisition Sub"), formed previous to the merger, and Maple Carpenter Creek Holdings, Inc. ("The Target Company") entered into an Agreement and Plan of Merger (the "Merger Agreement"). Under the Merger Agreement, as closed on September 23, 2010, Acquisition Sub merged with and into the Target Company, with the Target Company remaining as the surviving corporation and wholly-owned subsidiary of the Company (the "Merger"). Going forward, the Company will be a holding company parent of the Target Company, and the Company's business operations following the Merger will be those of the Target Company.

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

The Company's functional and reporting currency is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated in accordance with ASC 820, using the exchange rate prevailing at the balance sheet date. Gains and losses arising on settlement of foreign currency denominated transactions or balances are included in the determination of income. Foreign currency transactions are primarily undertaken in the Colombian peso. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

The accounting policies followed by MMEX Mining Corporation are set forth in the Company's financial statements that are a part of its April 30, 2012, Form 10-K and should be read in conjunction with the financial statements for the three months ended July 31, 2012, contained herein.

The financial information included herein as of July 31, 2012, and for the three month periods ended July 31, 2012 and 2011, has been presented without an audit, pursuant to accounting principles for the interim financial information generally accepted in the United States of America and the rules of the Securities and Exchange Commission. The Company believes that the disclosures are adequate to make the information presented not misleading. The information presented reflects all adjustments (consisting solely of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of results for the period.

Organization

MMEX Mining 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.

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. On January 20, 2011, AMC acquired an option to purchase a 50% interest in a permitted and operating mine Company in Colombia producing metallurgical coal, with a potential resource of 16 million tons to 90 million tons based on existing exploration resources reports. The agreement required an exclusivity fee of $1,400,000 that was completed on March 22, 2011, and $5,000,000 to be deposited to an exploration fund to continue the financing of an exploration and drilling program. On February 3, 2012 the parties to the Hunza Agreement executed and delivered an amendment thereto, which, among other things, provided that:

(a) in order to exercise the option to acquire 50% of Hunza, AMCC would be required to complete the payment of exclusivity fees on or before February 29, 2012, including issuing on February 3, 2012 a $1,200,000 debenture convertible into 4,000,000 Common Shares to Black Stone Investment S.A. Black Stone Investment S.A. converted the March 2012 Debenture into 4,000,000 Common Shares in two tranches: (i) 1,794,000 Common Shares were issued on March 8, 2012; and (ii) 2,206,000 Common Shares were issued on May 1, 2012.

(b) after exercise of the option, AMCC would be obligated to fund an additional $3,000,000 upon the earlier of May 1, 2013 and 90 calendar days after the delivery of a technical report in respect of the work program to be carried out on the Hunza Project (see "The Hunza Project - Recommendations"); and

(c) AMCC would pledge one half of its interest in Hunza to secure any payment default by AMCC, which default would result in a reduction of the AMCC's interest to 25% of Hunza.

Nature of Business

Our current strategy is to pursue various coal exploration projects in Colombia and expand to other minerals in other South American countries with development partners.

Exploration Stage Company

The Company is currently an exploration stage company. As an exploration stage enterprise, the Company discloses the deficit accumulated during the exploration stage and the cumulative statements of operations and cash flows from inception to the current balance sheet date. The Company has incurred net losses of $17,981,181 and used net cash in operations of $10,450,806 for the period from inception (May 23, 2007) through July 31, 2012. An entity remains in the exploration stage until such time as proven or probable reserves have been established for its deposits. Upon the location of commercially mineable reserves, the Company plans to prepare for mineral extraction and enter the development stage. To date, the exploration stage of the Company's operations consists of contracting with geologists who sample and assess the mining viability of the Company's claims.

Consolidation

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.

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

On January 1, 2011, the Company adopted guidance which defines fair value, establishes a framework for using fair value to measure financial assets and liabilities on a recurring basis, and expands disclosures about fair value measurements. Beginning on January 1, 2011, the Company also applied the guidance to non-financial assets and liabilities measured at fair value on a non-recurring basis, which includes goodwill and intangible assets. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

Level 1 - Valuation is based upon unadjusted quoted market prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 -Valuation is based upon quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable in the market.

Level 3 - Valuation is based on models where significant inputs are not observable. The unobservable inputs reflect the Company's own assumptions about the inputs that market participants would use.

The following table presents assets and liabilities that are measured and recognized at fair value as of July 31, 2012 on a recurring and non-recurring basis:

Description	Level 1	Level 2	Level 3	Gains (Losses)
	$ -	$ -	$ -	$ -

The following table presents assets and liabilities that are measured and recognized at fair value as of April 30, 2012 on a recurring and non-recurring basis:

Description	Level 1	Level 2	Level 3	Gains (Losses)
	$ -	$ -	$ -	$ -

The Company's financial instruments consist of cash and cash equivalents, equity investments, accounts payable, accrued liabilities and long-term debt. The estimated fair value of cash, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. The carrying value of equity investments and long-term debt also approximate their fair values since their terms are similar to those in the lending market for comparable loans with comparable risks. None of these instruments are held for trading purposes.

Advertising and promotion

All costs associated with advertising and promoting products are expensed as incurred. No expenses were incurred for the three months ended July 31, 2012 and 2011, 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.

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 periods presented, there were no share-based payments to employees.

In December of 2004, the FASB issued a standard which applies to transactions in which an entity exchanges its equity instruments for goods or services and also applies to liabilities an entity may incur for goods or services that are based on the fair value of those equity instruments. For any unvested portion of previously issued and outstanding awards, compensation expense is required to be recorded based on the previously disclosed methodology and amounts. Prior periods presented are not required to be restated. The Company adopted this standard upon inception on May 23, 2007 and applied the standard using the modified prospective method.

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.

Non-controlling interest

The Company accounts for non-controlling interest (“minority interest”) in accordance with ASC 810-10-45-18 through 21 which allows revenues, expenses, gains and losses, net income, or loss, and other comprehensive income to be reported in the consolidated financial statements at the consolidated amounts, which include the amounts attributable to the owners of the parent and the non-controlling interest. Net income or loss and comprehensive income or loss are attributed to the parent and the non-controlling interest. Losses attributable to the parent and the non-controlling interest in a subsidiary may exceed their interests in the subsidiary’s equity. The excess, and any further losses attributable to the parent and the non-controlling interest, shall be attributed to those interests. That is, the non-controlling interest shall continue to be attributed its share of losses even if that attribution results in a deficit non-controlling interest balance.

Recently issued accounting pronouncements

In December 2011, FASB issued ASU No. 2011-11, “Balance Sheet - Disclosures about Offsetting Assets and Liabilities” (ASU 2011-11) to enhance disclosure requirements relating to the offsetting of assets and liabilities on an entity's balance sheet. The update requires enhanced disclosures regarding assets and liabilities that are presented net or gross in the statement of financial position when the right of offset exists, or that are subject to an enforceable master netting arrangement. The new disclosure requirements relating to this update are retrospective and effective for annual and interim periods beginning on or after January 1, 2013. The update only requires additional disclosures, as such, we do not expect that the adoption of this standard will have a material impact on our results of operations, cash flows or financial condition.

In September 2011, the FASB issued ASU No. 2011-08, “Intangibles — Goodwill and Other” (ASU 2011-08). ASU 2011-08 allows a qualitative assessment of whether it is more likely than not that a reporting unit’s fair value is less than its carrying amount before applying the two-step goodwill impairment test. If it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the two-step impairment test would be performed. ASU 2011-08 is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, and early adoption is permitted.

In May 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. This update clarifies the application of certain existing fair value measurement guidance and expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This update is effective on a prospective basis for annual and interim reporting periods beginning on or after December 15, 2011, which for the Company is January 1, 2012.

Note 2 – 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 $18,014,006 and a working capital deficit of $4,959,538 at July 31, 2012, 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.

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 3 – 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 the remaining balance of $31,633 remains outstanding.

On July 15, 2009, MCC entered into a loan agreement with an Irrevocable Trust, of which the Company's CEO is the trustee. The unsecured promissory note, carried a 20% interest rate until maturity at July 15, 2010, at which time the principal interest (or $60,000), was compounded and extended under an amended agreement carrying a 10% interest that is being amortized over the extended life of the loan. The promissory note plus total accrued interest of $96,000 was paid in full on December 23, 2010.

On September 2, 2010 the Company's subsidiary, Maple Carpenter Creek, LLC, a Nevada limited liability company entered into a distribution resolution and agreement to distribute the Snider Ranch investment property, carrying a value of $1,413,253 at the time of distribution, to its partners; Garb Holdings, LLC, AAM Investments, LLC, and Maple Resources Corporation. The Company's Officers and Directors are majority owners of AAM Investments, LLC and Maple Resources Corporation.

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On September 4, 2010, AAM Investments, LLC, and Maple Resources Corporation contributed their interest in Snider Ranch to MCCH. The value of the contribution was $1,130,602.

On September 4, 2010, MCCH entered into an employment agreement with the Company's CEO, Jack W. Hank 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.

In connection with the closing of the merger with MCCH, our executive officers (David Walters, President and Matt Szot, Chief Financial Officer) and directors (Mr. Walters) resigned, effective September 22, 2010, and we appointed designees of MCCH (Jack W. Hanks and Bruce N. Lemons) as the new directors, all effective as of September 23, 2010. The board also named Mr. Hanks as our new President and Chief Executive Officer.

Starting on October 13, 2010 and at various times through January 31, 2011, the Company's Director Bruce N. Lemons advanced the Company a total of $25,800. On February 1, 2011, the advance was converted into a promissory note that carried a 25% interest rate, matured on January 27, 2012 and was convertible into the Company's common stock at the holders' option at $0.10 per common share. The promissory note plus interest of $32,250 was paid in full on March 23, 2011. In addition, the Company issued 32.250 warrants to purchase shares of the Company's common stock at the time of repayment of the note equal to one warrant shares for every dollar value of the principal and interest, at an exercise price of $1.00 per share on or before three years from the repayment or conversion date.

On January 24, 2011, the Company entered into a securities purchase agreements with unaffiliated investors and with each of The Maple Gas Corporation, a wholly owned subsidiary of Maple Resources Corporation, which is 100% owned by the Company's CEO, an Irrevocable Trust, of which the Company's CEO is the trustee, and BNL Family Partners of which one of the Company's Directors, Bruce N. Lemons is a partner, for the issuance of a convertible debentures in the amount of $25,000. The promissory notes carry a 25% interest rate, mature on January 27, 2012 and 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 562,500 warrants to purchase shares of the Company's common stock at the time of repayment of the note equal to one warrant shares for every dollar value of the principal and interest, at an exercise price of $1.00 per share on or before three years from the repayment or conversion date. These convertible debentures were issued to each of the affiliated investors at the same price as that paid by the unaffiliated investors in the private offering. The promissory notes plus interest were paid in full on March 23, 2011.

On February 1, 2011, The Maple Gas Corporation, a wholly owned subsidiary of Maple Resources Corporation, which is 100% owned by the Company's CEO, converted $39,100 of advances into a promissory note that carried a 25% interest rate, matured on January 27, 2012 and was convertible into the Company's common stock at the holders' option at $1.00 per common share. The promissory note plus interest of $48,875 was paid in full on March 23, 2011. In addition, the Company issued 48,875 warrants to purchase shares of the Company's common stock at the time of repayment of the note equal to one warrant shares for every dollar value of the principal and interest, at an exercise price of $1.00 per share on or before three years from the repayment or conversion date.

On March 18, 2011, the Company issued a $290,000 notes payable to Montana Coal Royalty, LLC in exchange for the relinquishment of a royalty agreement upon the sale of Carpenter Creek. Montana Coal Royalty, LLC is owned equally by The Maple Gas Corporation, a wholly owned subsidiary of Maple Resources Corporation, which is 100% owned by the Company's CEO and AAM Investments, LLC which is owned principally by a trust for Mr. Lemons' family, a director of the Company.

For the period from inception (May 23, 2007) through July 31, 2012, there has been contributions of capital from members of $7,696,652 and contributions of capital from shareholders of $343,139.

Common stock
On September 23, 2010 the Company issued a subscription payable for 15,000,000 shares of common stock pursuant to the merger with MCCH. The shares were valued at par value, resulting in a total subscription payable of $15,000 at October 31, 2010. On January 11, 2011, the Board of Directors cancelled the subscription payable.

On October 8, 2010 the Company issued 25,000,000 shares of common stock to The Maple Gas Corporation, a wholly owned subsidiary of Maple Resources Corporation, which is 100% owned by the Company's CEO pursuant to the merger with MCCH on September 23, 2010. The shares were valued at par value, resulting in a $25,000 adjustment to additional paid in capital in accordance with the accounting for reverse acquisition under ASC 805-10-40.

On October 8, 2010 the Company issued 25,000,000 shares of common stock to AAM Investments, LLC, affiliated with one of the Company's Directors, Bruce N. Lemons, pursuant to the merger with MCCH on September 23, 2010. The shares were valued at par value, resulting in a $25,000 adjustment to additional paid in capital in accordance with the accounting for reverse acquisitions under ASC 805-10-40.

On January 11, 2011, the Board of Directors approved the issuance of the remaining 15,000,000 shares of merger consideration, agreed upon during the reverse merger, equally to AAM Investments, LLC, affiliated with one of the Company's Directors, Bruce N. Lemons, and the Maple Gas Corporation, a wholly owned subsidiary of Maple Resources Corporation, which is 100% owned by the Company's CEO, Jack Hanks.

Pursuant to the merger on September 23, 2010, the Company awarded the owners of MCCH the right to receive 1,500,000 shares of common stock as contingent consideration. The milestones are accelerated in the event the owners of MCCH are diluted below 30% in their ownership of the Company. The milestones defined in the definitive merger agreement are as follows:

- 1,000,000 shares upon the closing of equity or debt financing that generates at least 2 million in net proceeds,
- 250,000 shares upon the successful generation of $250,000 in revenue from coal sales in any fiscal quarter,
- 250,000 shares upon the successful closing of additional equity or debt financing that will generate at least $2,000,000 in net proceeds.

On September 13, 2011, the Board of Directors determined that the first $2,000,000 milestone had been met and approved the issuance of 1,000,000 shares of merger consideration, equally to AAM Investments, LLC, affiliated with one of the Company's Directors, Bruce N. Lemons, and the Maple Gas Corporation, a wholly owned subsidiary of Maple Resources Corporation, which is 100% owned by the Company's CEO, Jack Hanks.

On April 26, 2012, the Board of Directors determined that the remaining milestones and acceleration regarding the Merger Agreement had been reached and the Corporation issued the remaining 500,000 shares of merger consideration, equally to AAM Investments, LLC, affiliated with one of the Company's Directors, Bruce N. Lemons, and the Maple Gas Corporation, a wholly owned subsidiary of Maple Resources Corporation, which is 100% owned by the Company's CEO, Jack Hanks.

On May 1, 2012, the Company issued 131,250 shares of common stock to DelaVega Trading Ltd., an entity controlled by one of the Company's Directors, Nabil Katabi, pursuant to conversion of a note and accrued interest of $43,750 at a price of $.33 per share. Since the debt was converted at a lower price than under the terms of the note agreement, a loss on conversion of shares of $5,250 was reported during the fiscal year ended April 30, 2012.

On May 16, 2012, the Corporation issued 3,480,000 shares of the Company's common stock to Montana Coal Royalty, LLC pursuant to conversion of $323,640 of a note and accrued interest. Montana Coal Royalty, LLC is owned equally by AAM Investments, LLC and The Maple Gas Corporation. The Maple Gas Corporation is controlled by Mr. Jack Hanks, the CEO and a director of the Corporation. As the conversion took place at below the market price on the date of conversion, a loss of $441,960 was recorded.

Note 4 – Other Assets – Current

The current portion of Other Assets consists of the following:

	July 31, 2012	April 30, 2012
Deferred Costs on Bridge Financing	$ 10,000	$ 10,000
	$ 10,000	$ 10,000

Note 5 – Property and Equipment

Property and Equipment consists of the following:

	July 31, 2012	April 30, 2012
Software and hardware	$ 25,023	$ 24,373
Less accumulated depreciation and amortization	(8,579)	(7,339)
	$ 16,444	$ 17,034

Depreciation and amortization expense totaled $1,240 and $1,234 for the three months ended July 31, 2012 and 2011, respectively.

Note 6 – Investment in Property

On July 30, 2008, Maple Resources Corporation ("MRC"), a related party via common control from the Company's CEO, Jack Hanks, purchased the Snider Ranch in Musselshell and Yellowstone Counties, Montana for $1,615,000. Simultaneously, MCC and MRC executed an option agreement whereby MCC became responsible for all principal and interest payments on a $1,000,000 bank note payable issued in MRC's name in connection with its acquisition of the Snider Ranch and all other payments made by MRC to acquire the Snider Ranch. MRC has agreed that upon successful repayment of the note, it will transfer the Snider Ranch title to MCC. MCC also has issued MRC a $0.08/ton royalty from all future production generated from the Snider Ranch prospect as consideration for MRC and Jack W. Hanks, personally, guaranteeing the loan. The expected fair value of this royalty could not readily be determined, and as such, was not recognized. The value of the property was periodically measured for impairment and $201,747 of impairment charges were recognized during the year ended, April 30, 2010. On September 2, 2010, the option to purchase the Snider Ranch was distributed to the owners of MCC and recorded as a dividend in the amount of $1,413,253. In the merger with MMEX, MCC partners, The Maple Gas Corporation and AAM Investments, LLC assigned their rights under the option agreement to the Company. Subsequently, on December 21, 2010, Maple Resources Corporation sold the Snider Ranch property located in Yellowstone and Musselshell counties, Montana, to Great Northern Properties Limited Partnership, and the Company's subsidiary relinquished its option right to acquire this property.

On January 20, 2011, AMC acquired an option to purchase a 50% interest in a permitted and operating mine company in Colombia, the Hunza lease, producing metallurgical coal, with a potential resource of 16 million tons to 90 million tons based on existing exploration resources reports. The agreement required an exclusivity fee of $1,400,000 that was completed on March 22, 2011, and $5,000,000 to be deposited to an exploration fund to continue the financing of an exploration and drilling program. On February 3, 2012 the Company executed and delivered an amendment to the Hunza option agreement which, among other items, provides that:

- In order to exercise the option to acquire 50% of Hunza, the Company would be required to complete the payment of exclusivity fees on or before February 29, 2012, including issuing a $1.2 million note convertible into 4,000,000 shares of the Company's common stock. On March 8, 2012, $538,200 of the note was converted into 1,794,000 shares of the Company's common stock.

- After exercise of the option, the Company would be obligated to fund an additional $3.0 million upon the earlier of May 1, 2013 or 90 days after the completion of the technical resources report which will be commissioned by Hunza.

- The Company would pledge one half of its interest in Hunza to secure any payment default by the Company, which default would result in a reduction of the Company's interest to 25% of Hunza.

As a result of the acquisition of the 50% interest in Hunza, the board of directors and operating committee of Hunza consist of four members in total: two members from the Company; namely, Jack Hanks (CEO) and Nabil Katabi (Director). The other two members of the board of directors and operating committee are non-related party to MMEX and jointly own the other 50% interest in Hunza and are themselves, brothers, and therefore, related party to each other (the "Original Shareholders). The Original Shareholders have the right to, in the occurrence of a deadlock between themselves and the two board members from the Company, repurchase the 50% ownership from the Company at its fair value. The Company does not have primary control over the Original Shareholders or Hunza.

On March 8, 2012, the final exclusivity payment of $3,600,000 was made with an additional $700,000 payment to the exploration fund, for a total of $2,015,559 contributed to the exploration fund, the Hunza purchase was completed.

During the course of fiscal years ended April 30, 2012 and 2011, impairments of $932,343 and $1,830,000 were taken due to the fact that it was uncertain whether or not the Company would be able to purchase the option to own 50% of Hunza. During the fourth quarter of the fiscal year ended April 30, 2012, the Company did obtain the option with the final payment of $3,600,000 of cash and exercised it with the final payment of $700,000. In addition, the Company obtained a valuation report from an independent contractor, as well as a feasibility report, indicating that production and exploration of Hunza is probable and economical. The Company considered whether impairment of the payments made during the fourth quarter was necessary, but determined that based upon the information contained within the two reports received, that the investment bears value to the Company that exceeded the cash amounts paid during the fourth quarter, in addition to the future cash payment of $3,000,000 expected to be paid within the next twelve months.

The Company has capitalized the $3,600,000 exclusivity payment, $3,000,000 payable due, and the $700,000 exploration fund payments as investment in the property and will report income and loss from the investment by the equity method of accounting.

The following table reflects the income statements for the 3 and 4 month periods ended July 31, 2012 and April 30, 2012, respectively, for the Hunza equity investment:

(Thousands)	July 31, 2012 (Unaudited)	April 30, 2012 (Audited)
Administrative expenses	$ 97.5	$ 279.1
Other expenses	.1	.1
Loss before taxes	97.6	279.2
Income tax expense (benefit)	(31.6)	(20.7)
Net loss for the period	$ 66.0	$ 258.5

During the three months ended July 31, 2012 and 2011, losses of $32,825 and $0, respectively, were incurred in relation to the acquired assets above.

Note 7 – Accrued Expenses

As of July 31, 2012 and April 30, 2012 accrued expenses included the following:

	July 31, 2012	April 30, 2012
Accrued Lease Expenses	$ 62,541	$ 62,541
Accrued Payroll, Officers	164,672	117,543
Accrued Payroll, Employees	24,190	-
Accrued Consulting	397,832	548,145
Accrued Dividend	135,685	110,685
Accrued Interest	121,859	143,963
	$ 906,779	$ 982,877

Note 8 – Long-term Debt

Long-term debt were as follows at:

(Thousands)		July 31, 2012		April 30, 2012
Issued by MMEX Mining Corporation:				
Dosdall Investments – 10%, due 12/31/10, currently in default	$	50.0	$	50.0
Montana Coal Royalty – 10%, due 3/18/12		-		290.0
William Gross (common shares convertible) – 10%, due 7/31/13		1,217.6		1,064.6
Blackstone Investment Corp. – 6%, due 3/1/17		-		558.2
William Gross (preferred shares convertible) – 10%, due 3/18/16		40.6		40.4
AMC (preferred stock) – 10%, due 6/30/12, currently in default		137.5		137.5
Issued by subsidiaries of the Company:				
Hawn Financial – 25%, due 1/27/12, currently in default		25.0		25.0
Atlantic Coal PLC – 10%, On demand, currently in default		300.0		300.0
Total debt issued by the Company and subsidiaries		1,770.6		2,465.7
Less current maturities		(512.5)		(1,360.7)
Total long-term debt	$	1,258.1	$	1,105.0

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 $100,486 and $92,986 was outstanding at July 31, 2012 and April 30, 2012, respectively. As of July 31, 2012, this note is in default.

On March 18, 2011, the Company issued a $290,000 related party promissory note due and payable on March 18, 2012. The note carried a 10% interest rate. On May 16, 2012, the Corporation issued 3,480,000 shares of the Company's common stock to Montana Coal Royalty, LLC pursuant to conversion of $323,640 of the note and accrued interest; the fair value of these shares ($0.22 per share) on May 16, 2012, was $765,600, which when compared to the obligations fulfilled of $323,640, resulted in a loss on conversion of $441,960 as the note and interest were converted outside of the terms of the agreement. Montana Coal Royalty, LLC is owned equally by AAM Investments, LLC and The Maple Gas Corporation. The Maple Gas Corporation is controlled by Mr. Jack Hanks, the CEO and a director of the Corporation.

Convertible Debentures

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 $11,985 and $10,735 was outstanding at July 31, 2012 and April 30, 2012 respectively. As of July 31, 2012 this note is in default.

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. As of July 31, 2012 the remaining $25,000 was in default.

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 $514,900 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 one-year term of the Notes as additional interest expense. Upon repayment of the notes on March 23, 2011, $514,900 of the loan discount was taken as an interest expense.

On April 25, and May 7, 2011, the Company closed a note purchase agreement with various investors pursuant to which the Company sold an aggregate of $680,000 notes in a private placement transaction. The notes are due and payable on or before October 14, 2011 and carry a 25% interest rate due in full at issuance. The computed interest of $170,000 was added to the balance of the note and recorded as debt discount which will be taken as interest expense over the life of the notes. The note is 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 $.80 per share on or before three years from the issuance date.

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 $680,000 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 October 14, 2011, $106,250 of these notes plus interest was converted into common stock. As consideration for the extension of the balance of the notes, the Company issued 989,188 warrants to purchase shares of the Company's common stock at an exercise price of $.20 per share on or before April 25, 2014. The warrants were valued at the date of issuance using the Black-Scholes model. The value assigned to the warrants of $195,646 was recorded as an increase in additional paid-in capital. The assignment of a value to the warrants resulted in a financing fee being recorded for the same amount.

On February 17, 2012, $43,750 of these notes plus interest was converted into common stock, and on April 24, 2012, $368,750 of these notes plus interest was converted into common stock. Loss on conversion of the debentures of $46,842 was recorded.

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 $.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.

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 $.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.

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 $.20 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 $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.

On January 13, 2012, 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 note is due and payable on January 12, 2013, carries a 25% interest rate due in full at issuance. The computed interest of $25,000 was added to the balance of the note and recorded as additional debt discount. The note is secured with 330,000 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 $.075 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 $19,817 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.

The Company recorded the intrinsic value of the beneficial conversion of $80,183 as debt discount and will amortize the discount over the original one year term of the Note.

On March 1, 2012, the Company issued a $1,200,000 convertible debenture as part of an amendment to its acquisition of the Hunza mine. The note is due and payable on March 1, 2017 and carries a 6% interest rate. The note is convertible at the option of the holder into our common stock at a fixed conversion price of $.30. On March 8, 2012 $538,200 of the note was converted into 1,794,000 of the Company's common stock. On May 1, 2012, the remaining $661,800 balance of the $1,200,000 convertible note was converted into 2,206,000 shares of the Company’s common stock. No gain or loss was recognized on the conversions as they were within the terms of the convertible debenture.

The Company recorded the intrinsic value of the beneficial conversion of $200,000 as debt discount and was to be amortized over the life of the convertible debenture or as conversions occured. As a result of the conversion of part of the convertible debenture, $89,700 of the beneficial conversion debt discount was recognized as expense on March 8, 2012, with the remaining $103,619 being expensed on May 1, 2012 when the remaining debt was converted.

On April 25, 2012, the holder of the above note elected to convert their note and accrued interest into 625,000 common shares under the same terms as provided to investors in the March 2, 2012 private placement. In addition, the Company issued 625,000 warrants to purchase shares of the Company’s common stock at an exercise price of $.30 per share on or before three years from the issuance date.

Since the debt was converted at a higher price than under the terms of the note agreement, a gain on conversion of shares of $250,000 was reported. The Company allocated the proceeds from the issuance of the shares to the warrants and the shares on their fair market values at the date of conversion using the Black-Scholes model. The value assigned to the warrants of $148,215 was recorded as a reduction in the gain realized on the conversion of the shares and an increase in additional paid-in capital. In addition, the beneficial conversion feature of $80,183 was fully expensed on April 25, 2012 due to the conversion of the note into common shares.

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, carry 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. 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.

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.

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 $2,500 for both periods ended July 31, 2012 and 2011, respectively. Dividends payable were $135,685 and $35,685 for the period ended July 31, 2012 and 2011, 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 $.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; thus, a loss of $75,328 was recorded.

The Company recorded interest expense, which includes amortization of debt discounts on convertible debt from above, on debt in the amount of $294,626 and $560,827 for the three months ended July 31, 2012 and 2011, respectively.

Note 9 – Changes in Stockholders' Equity (Deficit)

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.

The Company is authorized to issue up to 200,000,000 shares of its $0.001 par value common stock. There were 54,972,788 shares issued and outstanding at July 31, 2012.

For the period from inception (May 23, 2007) through July 31, 2012, there has been contributions of capital from members of $7,696,652 and contributions of capital from shareholders of $343,139.

Common stock issued commensurate with the merger with MCCH

On September 23, 2010 the Company issued a subscription payable for 1,500,000 shares of common stock pursuant to the merger with MCCH. The shares were valued at par value, resulting in a total subscription payable of $15,000 at October 31, 2010. On January 11, 2011, the Board of Directors, through a Unanimous Written Consent of the Board of Directors issued the remaining shares in accordance with the merger agreement. The Company reversed the subscription payable resulting in a $15,000 adjustment to additional paid in capital.

On October 8, 2010 the Company issued 2,500,000 shares of common stock The Maple Gas Corporation, a wholly owned subsidiary of Maple Resources Corporation, which is 100% owned by the Company's CEO pursuant to the merger with MCCH on September 23, 2010. The shares were valued at par value, resulting in a $25,000 adjustment to additional paid in capital in accordance with the accounting for reverse acquisition under ASC 805-10-40.

On October 8, 2010 the Company issued 2,500,00 shares of common stock to AAM Investments, LLC, affiliated with one of the Company's Directors, Bruce N. Lemons, pursuant to the merger with MCCH on September 23, 2010. The shares were valued at par value, resulting in a $25,000 adjustment to additional paid in capital in accordance with the accounting for reverse acquisitions under ASC 805-10-40.

Common stock issued subsequent to the merger with MCCH
On October 12, 2010 the Company granted 50,000 shares of restricted common stock to a consultant for public relations services provided. The total fair value of the common stock was $165,000 based on the closing price of the Company's common stock on the date of grant.

On December 22, 2010 the Company issued 31,334 shares to Steve Eppig in exchange for Mr. Eppig's 1.88% interest in the equity of its Armadillo Holdings Group Corporation subsidiary. The shares were valued at the value of the minority interest held in Armadillo Holding Group Corporation through January 31, 2011 which was $22,526.

On January 12, 2011 the Company issued 750,000 shares of common stock The Maple Gas Corporation, a wholly owned subsidiary of Maple Resources Corporation, which is 100% owned by the Company's CEO pursuant to the termination and rescission of the DEIC agreement. The shares were valued at par value, resulting in a $7,500 adjustment to common stock payable in accordance with the accounting for reverse acquisition under ASC 805-10-40.

On January 12, 2011 the Company issued 750,000 shares of common stock to AAM Investments, LLC, affiliated with one of the Company's Directors, Bruce N. Lemons, pursuant to the termination and rescission of the DEIC agreement. The shares were valued at par value, resulting in a $7,500 adjustment to common stock payable in accordance with the accounting for reverse acquisitions under ASC 805-10-40.

On August 28, 2011, the Company sold 200,000 shares of MMEX Mining Corporation common stock to an unrelated party in exchange for an investment of $32,000.

On September 13, 2011 the Company issued 500,000 shares of common stock to The Maple Gas Corporation, a wholly owned subsidiary of Maple Resources Corporation, which is 100% owned by the Company's CEO pursuant to the vesting of contingent consideration which was connected to the original issuance of Company common stock in connection with the acquisition of MCCH. The shares were valued at par value, resulting in a $5,000 adjustment to common stock payable in accordance with the accounting for reverse acquisition under ASC 805-10-40.

On September 13, 2011 the Company issued 500,000 shares of common stock to AAM Investments, LLC, affiliated with one of the Company's Directors, Bruce N. Lemons, pursuant to the vesting of contingent consideration which was connected to the original issuance of Company common stock in connection with the acquisition of MCCH. The shares were valued at par value, resulting in a $5,000 adjustment to common stock payable in accordance with the accounting for reverse acquisition under ASC 805-10-40.

On October 4, 2011, the Company sold 312,500 shares of MMEX Mining Corporation common stock to an unrelated party in exchange for an investment of $50,000.

On October 19, 2011, an unrelated party converted their promissory note and accrued interest of $62,500 into 156,250 shares of MMEX Mining Corporation common stock at a price of $.40 per share.

On December 8, 2011, the Company sold 50,000 shares of MMEX Mining Corporation common stock to an unrelated party in exchange for an investment of $10,000.

On January 6, 2012, three unrelated parties converted their promissory notes and accrued interest of $312,500 into 2,983,293 shares of MMEX Mining Corporation common stock at a price of $.10475 per share. As the conversion took place at below the market price on the date of conversion, a loss of $75,328 was recorded.

On February 17, 2012, 109,375 shares of MMEX Mining Corporation common stock at a price of $.40 per share were issued as a result of a conversion of $43,750 of debt and interest which had been requested on October 19, 2012.

On February 17, 2012 the Company granted 546,087 shares of restricted common stock to a consultant for consulting services provided. The total fair value of the common stock was $103,757 based on the closing price of the Company's common stock on the date of grant.

On March 2, 2012, the Company completed a private placement of units to South American investors (the "March 2012 Private Placement"). Each unit consisted of one Common Share and one Common Share purchase warrant and was issued at $0.20 per unit. The Corporation received gross proceeds of US$5,509,288. Of the total 27,546,438 common shares due associated with the private placement, the Company was only able to issue 26,421,438 by April 30, 2012, the remaining 1,125,000 common shares were issued after authorization in its authorized share capital. In conjunction with the private placement, an unrelated party received 300,000 common shares at a price of $0.20 as compensation for services. Each warrant entitles the holder to acquire one common share at a price of US$0.30 per Common Share for a period of three years.

The Company computed the proceeds from the issuance of the common shares to the warrants and the shares based on their fair market values at the date of issuance using the Black-Scholes model. The value assigned to the warrants of $9,546,249 is provided for footnote purposes only.

On March 8, 2012, $538,200 of the $1,200,000 convertible note issued in conjunction with the Hunza amendment was converted into 1,794,000 shares of the Company's common stock at a price of $.30 per share. No gain or loss was recognized on this conversion as the note was converted within the terms of the agreement.

On April 26, 2012, the Company granted 250,000 shares of common stock to The Maple Gas Corporation, a wholly owned subsidiary of Maple Resources Corporation, which is 100% owned by the Company's CEO pursuant to the vesting of contingent consideration which was connected to the original issuance of Company common stock in connection with the acquisition of MCCH. The shares were valued at par value, resulting in a $2,500 adjustment to common stock payable in accordance with the accounting for reverse acquisition under ASC 805-10-40. On April 26, 2012, 4,874 of these shares were issued, the remaining 245,126 shares were issued to DelaVega Trading Ltd., an entity controlled by Nabil Katabi a company board member, on May 1, 2012.

On April 26, 2012, the Company issued 250,000 shares of common stock to AAM Investments, LLC, affiliated with one of the Company's Directors, Bruce N. Lemons, pursuant to the vesting of contingent consideration which was connected to the original issuance of Company common stock in connection with the acquisition of MCCH. The shares were valued at par value, resulting in a $2,500 adjustment to common stock payable in accordance with the accounting for reverse acquisition under ASC 805-10-40. On April 26, 2012, 225,475 of these shares were issued, the remaining 24,525 shares were issued to DelaVega Trading Ltd., an entity controlled by Nabil Katabi a company board member, on May 1, 2012.

On May 1, 2012, the Company issued 131,250 shares of common stock to DelaVega Trading Ltd., an entity controlled by one of the Company's Directors, Nabil Katabi, pursuant to conversion of a note and accrued interest of $43,750 at a price of $.33 per share. Since the debt was converted at a lower price than under the terms of the note agreement, a loss on conversion of shares of $5,250 was reported during the fiscal year ended April 30, 2012.

On May 1, 2012, the Corporation issued 625,000 shares of the Company's common stock at a price of $0.20 per share upon the conversion of $125,000 convertible debenture. Since the debt was converted at a higher price than under the terms of the note agreement, a gain on conversion of shares of $250,000 was reported during the fiscal year ended April 30, 2012. The Company allocated the proceeds from the issuance of the shares to the warrants and the shares on their fair market values at the date of conversion (April 25, 2012) using the Black-Scholes model. The value assigned to the warrants of $148,215 was recorded as a reduction in the gain realized on the conversion of the shares and an increase in additional paid-in capital. In addition, the beneficial conversion feature of $80,183 was fully expensed on

April 25, 2012 due to the conversion of the note into common shares. The subsequent issuance of common shares during May 2012 resulted in a decrease to the common stock payable and an increase to common stock.

On May 1, 2012, the Corporation issued 500,000 shares of the Company's common stock at $0.20 per share to an unrelated party pursuant to the terms provided in the March 2, 2012 private placement. These shares had already been paid for by the unrelated party and were represented by a common stock payable as of April 30, 2012. The subsequent issuance of common shares during May 2012 resulted in a decrease to the common stock payable and an increase to common stock.

On May 1, 2012, the remaining $661,800 of the $1,200,000 convertible note issued in conjunction with the Hunza amendment was converted into 2,206,000 shares of the Company's common stock at a price of $.30 per share. No gain or loss was recognized on this conversion as the note was converted within the terms of the agreement.

On May 16, 2012, the Corporation issued 3,480,000 shares of the Company's common stock at $0.10 per share to Montana Coal Royalty, LLC pursuant to conversion of $323,640 of a note and interest. Montana Coal Royalty, LLC is owned equally by AAM Investments, LLC and The Maple Gas Corporation. The Maple Gas Corporation is controlled by Mr. Jack Hanks, the CEO and a director of the Corporation. As the conversion took place at below the market price on the date of conversion, a loss of $441,960 was recorded.

On May 16, 2012, the Corporation issued 375,000 shares of the Company's common stock at $0.20 per share to an unrelated party pursuant to the terms provided in the March 2, 2012 private placement. These shares had already been paid for by the unrelated party and were represented by a common stock payable as of April 30, 2012. The subsequent issuance of common shares during May 2012 resulted in a decrease to the common stock payable and an increase to common stock.

On May 16, 2012, the Corporation issued 385,800 shares of the Company's common stock at $0.33 per share to an unrelated party, in exchange for conversion of a total of $125,000 notes and interest. Since the debt was converted at a lower price than under the terms of the note agreement, a loss on conversion of shares of $17,592 was reported during the fiscal year ended April 30, 2012.

On May 16, 2012, the Corporation issued 600,000 shares of the Company's common stock at $0.33 per share to an unrelated party, in exchange for conversion of a total of $200,000 notes and interest. Since the debt was converted at a lower price than under the terms of the note agreement, a loss on conversion of shares of $24,000 was reported during the fiscal year ended April 30, 2012.

On June 5, 2012, the Corporation issued a total of 881,032 shares of the Company's common stock, 144,932 at $.23 per share and 736,100 at $.30 per share, to an unrelated party pursuant to a consulting agreement which was already part of third party accrued compensation. This amount had been expensed in the fiscal year ended April 30, 2012. As the accrued compensation was converted in accordance with the signed written agreement, no gain or loss was recognized, as this was a non-cash transaction.

On June 15, 2012, the Corporation issued 250,000 shares of the Company's common stock at $0.20 per share to an unrelated party pursuant to the terms of the March 2, 2012 private placement. These shares had already been paid for with cash by the unrelated party and were represented by a common stock payable as of April 30, 2012. The subsequent issuance of common shares during May 2012 resulted in a decrease to the common stock payable and an increase to common stock.

Common stock reserved
At July 31, 2012, 54,089,475 shares of common stock were reserved 14,598,037 for debt conversion purposes, 6,786,094 for pledged shares and 32,705,344 for issuance of warrants outstanding.

Preferred Stock

On March 18, 2011 the Board of Directors authorized 2,000,000 shares of $.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 $135,685 and $35,685 for the period ended July 31, 2012 and 2011, respectively.

Note 10 - 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. On July 31, 2012, non-controlling interests held an approximate 1.4% residual interest in AMC and 20% interest in MCC and 5% interest in CC.

Non-controlling interest balances were as follows:

(Thousands)	July 31, 2012	April 30, 2012
Balances at the beginning of period	$ (290.2)	$ (111.9)
Losses due to minority interest in subsidiaries:		
MCCH (13.66%)	(1.0)	(6.6)
CC (5%)	(0.4)	(0.8)
AMC (1.4%)	(2.8)	(170.9)
Balances at the end of the period	$ (294.4)	$ (290.2)

Note 11 – Commitments and Contingencies

Merger Agreement

Pursuant to the merger on September 23, 2010, the Company awarded the owners of MCCH the right to receive 1,500,000 shares of common stock as contingent consideration. The milestones are accelerated in the event the owners of MCCH are diluted below 30% in their ownership of the Company. The milestones defined in the definitive merger agreement are as follows:

- 1,000,000 shares upon the closing of equity or debt financing that generates at least 2 million in net proceeds,
- 250,000 shares upon the successful generation of $250,000 in revenue from coal sales in any fiscal quarter,
- 250,000 shares upon the successful closing of additional equity or debt financing that will generate at least $2,000,000 in net proceeds.

On September 13, 2011, the Board of Directors, through a Unanimous Written Consent of the Board of Directors, declared that the milestone to distribute 1,000,000 shares of the 1,500,000 contingent consideration had vested leaving a balance of 500,000 shares of common stock as contingent consideration.

On April 26, 2012, the Board of Directors determined that the remaining milestones and acceleration regarding the Merger Agreement had been reached and the Corporation issued the remaining 500,000 shares of merger consideration, equally to AAM Investments, LLC, affiliated with one of the Company's Directors, Bruce N. Lemons, and the Maple Gas Corporation, a wholly owned subsidiary of Maple Resources Corporation, which is 100% owned by the Company's CEO, Jack Hanks.

After exercise of the Hunza option, the Company is obligated to fund an additional $3.0 million upon the earlier of May 1, 2013 or 90 days after the completion of the technical resources report which will be commissioned by Hunza.

The Company pledged one half of its interest in Hunza as collateral; therefore, any payment default by the Company will result in a reduction of the Company's interest to 25% of Hunza.

Legal

There were no legal proceedings against the Company.

Note 12 – Subsequent Events

On August 1, 2012, the Company entered into a $10,000 convertible note agreement with BNL Family Partners; Mr. Bruce N. Lemons, a director of the Company, is a partner of BNL Family Partners. The August 1, 2012 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. In addition, the Corporation issued 10,000 warrants to purchase Common Shares at an exercise price of $0.30 per Common Share until August 1, 2015.

On August 1, 2012, the Company entered into a $13,000 convertible note agreement with Delavega Trading Ltd., an entity controlled by Nabil Katabi, a director of the Company. The August 1, 2012 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. In addition, the Corporation issued 13,000 warrants to purchase Common Shares at an exercise price of $0.30 per Common Share until August 1, 2015.

On August 15, 2012, the Corporation entered into a $100,000 convertible note agreement with an unrelated party. The debentures carry a 20% interest rate until maturity at October 31, 2013 and is convertible into Common Shares at the holder's option at $.20 per Common Share. Pursuant to the agreement, the Corporation also (i) amended the conversion rate of the March 2011 Preferred Shares 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, and (iii) issued 120,000 warrants to purchase Common Shares, to the holder of the August 15, 2012 Debenture, with an exercise price of $0.30 per Common Share until August 15, 2015.

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

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In this Quarterly Report on Form 10-Q, unless the context requires otherwise, “we,” “us” and “our” refer to MMEX Mining Corporation, a Nevada corporation. The following Management’s Discussion and Analysis of Financial Condition and Results of Operation provide information that we believe is relevant to an assessment and understanding of our financial condition and results of operations. The following discussion should be read in conjunction with our financial statements and notes thereto included with this Quarterly Report on Form 10-Q, and all our other filings, including Current Reports on Form 8-K, filed with the Securities and Exchange Commission (“SEC”) through the date of this report.

Forward Looking Statements

This Quarterly Report on Form 10-Q includes both historical and forward-looking statements, which include information relating to future events, future financial performance, strategies, expectations, competitive environment and regulations. Words such as “may,” “should,” “could,” “would,” “predicts,” “potential,” “continue,” “expects,” “anticipate “intends,” “plans,” “believes,” “estimates,” and similar expressions, as well as statements in future tense, identify forward-looking statements. Such statements are intended to operate as “forward-looking statements” of the kind permitted by the Private Securities Litigation Reform Act of 1995, incorporated in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). That legislation protects such predictive statements by creating a “safe harbor” from liability in the event that a particular prediction does not turn out as anticipated. Forward-looking statements should not be read as a guarantee of future performance or results and will probably not be accurate indications of when such performance or results will be achieved. Forward-looking statements are based on information we have when those statements are made or our management’s good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. You should review carefully the section entitled “Risk Factors” beginning on page 8 of our Annual Report on Form 10-K for a discussion of certain of the risks that could cause our actual results to differ from those expressed or suggested by the forward-looking statements.

The inclusion of the forward-looking statements should not be regarded as a representation by us, or any other person, that such forward-looking statements will be achieved. You should be aware that any forward-looking statement made by us in this Quarterly Report on Form 10-Q, or elsewhere, speaks only as of the date on which we make it. We undertake no duty to update any of the forward-looking statements, whether as a result of new information, future events or otherwise. In light of the foregoing, readers are cautioned not to place undue reliance on the forward-looking statements contained in this Quarterly Report on Form 10-Q.

Overview and Outlook

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.

MMEX Mining Corporation has interests in coal prospects in the United States and South America. We are currently considered to be an exploration stage corporation because we are engaged in the search for coal deposits and are not engaged in the exploitation of a coal deposit. We will be in the exploration stage until we discover commercially viable coal deposits. In an exploration stage company, management devotes most of its activities to acquiring and exploring mineral properties.

On January 20, 2011 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 interests in Colombia.

On February 3, 2012 the Company executed and delivered an amendment to the Hunza option agreement which, among other items, provides that:

- In order to exercise the option to acquire 50% of Hunza, the Company would be required to complete the payment of exclusivity fees on or before February 29, 2012, including issuing a $1.2 million note convertible into 4,000,000 shares of the Company's common stock.
- After exercise of the option, the Company would be obligated to fund an additional $3.0 million upon the earlier of May 1, 2013 or 90 days after the completion of the technical resources report which will be commissioned by Hunza.
- The Company would pledge one half of its interest in Hunza to secure any payment default by the Company, which default would result in a reduction of the Company's interest to 25% of Hunza.

On March 7, 2012, the Company completed the acquisition of the Hunza mine and will begin the process of evaluating its future drilling program.

In 2012, the primary operational activities of Hunza have been initiating the community relations activities in advance of the commencement of the work program to be carried out on the Hunza Project as recommended in the Technical Report. These activities involved working with the local community leaders to understand the needs of the communities in proximity to the Hunza Project. In 2012, Hunza also initiated a transportation and logistics feasibility study for marketing of coal, an update of the initial mine plan and a marketing study for metallurgical coal. With respect to the drilling program, negotiations are underway with the sub-contractor to finalize and to mobilize the drilling operations. Hunza has also engaged a Colombian underground mining operator to develop a complete pre-feasibility and feasibility mining plan for the mine development on the Hunza Project with a Small Scale Mining Plan for extraction of up 240,000 tons per year and a Large Scale Mining Plan providing for the increase in the production to 2,400,000 tons per year over the course of seven years. Additionally, in January and February 2012, Hunza obtained environmental and mining permits allowing for the production of up to 2,400,000 tons per year. No mining activities have taken place on the Hunza Project in 2012.

Going forward, we plan to focus the company efforts in acquiring metallurgical coal assets in the country of Colombia and other Latin America countries.

Mineral Reserve Estimates

Hunza Project: On March 7, 2012 the Company completed its 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. The coal prospects in the Hunza concessions are mid-volatility metallurgical or coking coal. We have commissioned a technical report in accordance with National Instrument (NI) 43-101 specifications. Based on the report, the in-place coal tonnage estimate for the property is in the range of 45 to 50 million metric tons. The Company is undertaking a drilling program and until the drilling has been performed and the results analyzed, the estimates presented herein cannot be categorized as estimates of a coal resource under the standards of the 43-101 guidelines.

Development Strategy

The Corporation's current strategy is to focus on the acquisition of metallurgical coal assets in Colombia and iron ore in Peru.

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 the acquisition of AMCC's 50% ownership in Hunza and its 18-month exploration program at the Hunza Project, on March 7, 2012, the Corporation completed a private placement of Common Shares to qualified South American investors for gross proceeds of approximately US$5.6 million.

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.

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. 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. On September 13, 2011, the Board of Directors, through a Unanimous Written Consent of the Board of Directors issued 1,000,000 shares of the contingent consideration.

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.

Critical Accounting Policies and Significant Judgments and Estimates

The Securities and Exchange Commission ("SEC") issued disclosure guidance for "critical accounting policies." The SEC defines "critical accounting policies" as those that require the application of management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Our significant accounting policies are described in the Notes to these financial statements.

Results of Operations

Revenues:

We are currently in the exploration stage and have not yet begun to generate revenues.

General and administrative:

General and administrative expenses were $72,620 for the period ended July 31, 2012 compared to $113,931 for the period ended July 31, 2011, a decrease of $41,311. The decrease is due to focus on our acquisition of our Colombian mining activity.

Payroll and taxes:

Payroll and taxes expense was $128,643 for the period ended July 31, 2012 compared to $127,220 for the period ended July 31, 2011, an increase of $1,423.

Professional fees:

Professional fees expense was $265,562 for the period ended July 31, 2012 compared to $76,282 for the period ended July 31, 2011, an increase of $189,280. The increase was due to increased consulting services.

Impairment expenses:

Impairment expense was $0 for the period ended July 31, 2012 compared to $213,668 for the period ended July 31, 2011, a decrease of $213,668. The decrease was due to the reclassification of exploration costs to those of proven properties.

Depreciation and amortization:

Depreciation and amortization expense was $1,240 for the period ended July 31, 2012 compared to $1,234 for the period ended July 31, 2011, an increase of $6.

Net operating loss:

Net operating loss for the period ended July 31, 2012 was $468,065 or $0.01 per share compared to a net operating loss of $532,335 for the period ended July 31, 2011, or $0.05 per share, a decrease of $64,270. The net operating loss decreased primarily due to decreased exploration costs of proven properties during the period ended July 31, 2012 as compared to the prior year.

Other expense:

We reported a loss on debt conversion of $441,960 for the period ended July 31, 2012 and $0 for the period ended July 31, 2011.

We also reported loss of $32,825 on investment of property for the period ended July 31, 2012 and $0 for the fiscal period ended July 31, 2011. This reflects the Company's 50% interest in Hunza's loss for the period ended July 31, 2012.

We reported interest expense of $294,626 for the period ended July 31, 2012 compared to $560,827 for the period ended July 31, 2012, a decrease of $266,201. The decrease was due to a reduction in outstanding debt.

Non-controlling interests in loss of consolidated subsidiaries:

Non-controlling interests in loss of consolidated subsidiaries represented approximately $4,187 and $22,228 of the total losses for the period ended July 31, 2012 and 2011, respectively, a decrease of $8,041.

Net loss:

We recorded a net loss of $1,233,289 or $0.02 per share, for the period ended July 31, 2012, compared to a net loss of $1,070,934, or $.10 per share for the period ended July 31, 2011.

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 July 31, 2012, we had a negative working capital position of $4,959,538.

On January 28, 2011 and February 1, 2011, pursuant to Section 4(2) of the Securities Act and Regulation D thereunder, we completed the closing of 1-year Convertible Note to a group of high net worth investors for an aggregate of $514,900. The notes carried a 25% interest rate, maturity on the first anniversary date of the note and are convertible into the Company's common stock at the holders' option at $1.00 per common share. In addition, the Company issued warrants to purchase shares of the Company's common stock at the time of repayment or conversion of the note equal to ten warrant shares for every dollar value of the principal and interest, at an exercise price of $1.00 per share on or before three years from the repayment or conversion date. $489,900 of these debentures were paid in full on March 23, 2011.

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, that is being reported as interest due to the classification of the preferred stock, and have a mandatory redemption feature on the earlier of March 1, 2016 or on a change of control transaction. The investment is collateralized with a security interest in 2,500,000 MMEX Mining Corporation common stock shares.

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On April 25, 2011, the Company closed a note purchase agreement with various investors pursuant to which the Company sold an aggregate of $520,000 notes in a private placement transaction. The notes are due and payable on or before October 14, 2011 and carry a 25% interest rate. The computed interest of $130,000 was added to the balance of the note. The note is 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 $.80 per share on or before three years from the repayment or conversion date. On October 14, 2011, $62,500 of the notes plus interest were converted into common stock, the remaining $743,750 of notes and interest were extended to April, 14, 2012. As consideration for the extension, the Company issued 989,188 warrants to purchase shares of the Company's common stock at an exercise price of $.20 per share on or before April 25, 2014.

On May 9, 2011, the Company closed a note purchase agreement with various investors pursuant to which the Company sold an aggregate of $160,000 notes in a private placement transaction. The notes are due and payable on or before October 14, 2011 and carry a 25% interest rate. The note is 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 250,000 warrants to purchase shares of the Company's common stock at an exercise price of $.80 per share on or before three years from the repayment or conversion date.

On June 30, and August 8, 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 17, 2012, $312,500 of these notes plus interest were converted into common stock, the remaining $171,875 of notes and interest were extended to June 30, 2012. As consideration for the extension, the Company issued 484,375 warrants to purchase shares of the Company's common stock at an exercise price of $.2095 per share on or before December 31, 2014.

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, carry 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.

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, carry 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.

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 note is due and payable on December 8, 2012, carry a 25% interest rate due in full at issuance. The computed interest of $25,000 was added to the balance of the note and recorded as additional debt discount. The note is secured with 330,000 of the Company's common stock.

On January 13, 2012, 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 note is due and payable on January 13, 2013, carry a 25% interest rate due in full at issuance. The computed interest of $25,000 was added to the balance of the note and recorded as additional debt discount. The note is convertible upon default at the option of the holder into our common stock at a fixed conversion price of $0.075, subject to adjustment for stock splits and combinations. The note is secured with 1,666,667 of the Company's common stock.

On March 7, 2012, the Company completed a private placement of units to South American investors, with each unit consisting of one share of our common stock and one common share purchase warrant. We received gross proceeds of US$5,534,288 at an issue price of US$0.20 per unit. Each warrant entitles the holder to acquire an additional common share at a price of US$0.30 per share for a period of three years.

On August 15, 2012, the Company entered into a $100,000 convertible note agreement with an unrelated party. The debentures carry a 20% interest rate until maturity at October 31, 2013 and is convertible into Common Shares at the holder's option at $.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.

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.

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 approximately $4,000,000 over the next twelve months to complete its acquisition of current mining contracts, corporate overhead, and continue as a reporting company. Management believes that current cash and cash equivalents will not be sufficient to meet these anticipated capital requirements. Such projections have been based on remaining contractual requirements and general overhead. 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. We would be required to renegotiate our current contracts until such time as necessary funds are secured.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

Not required by smaller reporting companies.

ITEM 4T. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, Jack W. Hanks, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on the evaluation, Mr. Hanks concluded that our disclosure controls and procedures are not effective in timely alerting them to material information relating to us that is required to be included in our periodic SEC filings and ensuring that information required to be disclosed by us in the reports we file or submit under the Act is accumulated and communicated to our management, including our chief financial officer, or person performing similar functions, as appropriate to allow timely decisions regarding required disclosure, for the following reasons:

- The Company does not have an independent board of directors or audit committee or adequate segregation of duties;
- All of our financial reporting is carried out by our financial consultant;
- We do not have an independent body to oversee our internal controls over financial reporting and lack segregation of duties due to the limited nature and resources of the Company.

We plan to rectify these weaknesses by implementing an independent board of directors and hiring additional accounting personnel once we have additional resources to do so.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There were no legal proceedings against the Company.

ITEM 1A. RISK FACTORS

Not required by smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On December 8, 2011, the Company issued and sold 50,000 shares of MMEX Mining Corporation common stock to an unrelated accredited investor in exchange for an investment of $10,000. The proceeds will be used for working capital needs.

On March 7, 2012, the Company completed a private placement of 27,671,440 units to South American investors, with each unit consisting of one share of our common stock and one common share purchase warrant. We received gross proceeds of US$5,534,288 at an issue price of US$0.20 per unit.

The Company claims an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Act") for the private placement of these securities pursuant to Section 4(2) of the Act and/or Regulation D promulgated there under.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
31.1	Certification of Chief Executive Officer and Chief Financial Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of
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

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

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 Mining Corporation.
(Registrant)

Date: September 14, 2012	By:	/s/ Jack W. Hanks Jack W. Hanks President and Chief Executive Officer