MMEX Mining Corp
Form 10-K
August 13, 2012

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

x Annual report under Section 13 or 15 (d) of the Securities Exchange Act of 1934 for the fiscal year ended April 30, 2012

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

Commission File Number 333-152608

MMEX MINING CORPORATION
(Exact name of Issuer as specified in its charter)

Nevada (State or Other Jurisdiction of Incorporation or Organization)	26-1749145 (I.R.S. Employer Identification No.)
2626 Cole Avenue, Suite 714 Dallas, Texas 75204 (Address of principal executive offices, including zip code)	214-880-0400 (Issuer's telephone number, including area code.)

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

Title of Each Class	Name of Each Exchange on Which Registered
NONE	N/A

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and no disclosure will be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. 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 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 aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of October 31, 2011 (the last business day of the registrant’s most recently completed second fiscal quarter) was approximately $9,044,488.

There were 54,932,788 shares of the Registrant's Common Stock outstanding on July 23, 2012.

DOCUMENTS INCORPORATED BY REFERENCE: None

MMEX MINING CORPORATION

PART I

Explanatory Note

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

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

Item 1: Business

Background of the Company

Our business plan is to engage in the exploration, extraction and distribution of coal. We are currently considered to be an exploration stage company 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 on the mining property we currently lease or any other property that we acquire, if ever. In an exploration stage company, management devotes most of its activities to acquiring and exploring mineral properties.

Company History

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 4,000,000 shares of the Company's common stock, and the assumption of all of the Company's liabilities. The Company also changed its name to MGMT Energy, Inc. on February 5, 2009 to Management Energy, Inc. on May 28, 2009 to better reflect the Company's business focus. On September 23, 2010, the Company, through a reverse merger, acquired 100% of the outstanding shares of Maple Carpenter Creek Holdings, Inc., ("MCCH") a Delaware Corporation, organized on October 15, 2009 as a holding Company with an 80% interest in Maple Carpenter Creek, LLC ("MCC"), which in turn owned a 95% interest in the subsidiary, Carpenter Creek, LLC ("CC"), and at the time of the merger, owned a 98.12% interest in Armadillo Holdings Group Corp. ("AHGC"), which in turn owned an 80% interest in Armadillo Mining Corp. ("AMC"). As of April 30, 2012, AHGC owned 98.6% of AMC through additional capital contributions. The non-controlling interest of 1.88% in AHGC was subsequently acquired by MCCH on December 21, 2010 in exchange for 313,339 shares of MMEX. On February 22, 2011, the Company amended its articles of incorporation to change the corporate name from Management Energy, Inc. to MMEX Mining Corporation.

Merger with Maple Carpenter Creek Holdings, Inc

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

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

Status of Previously Reported Coal Project

Hunza Project: On January 20, 2011, a subsidiary of the Company executed an exclusive option agreement to purchase a 50% interest in C.I. Hunza Coal, Ltd. (Hunza), a Colombian limited liability corporation that holds various mining concessions in the Boyacá Province of east-central Colombia. The coal prospects in the Hunza concessions are mid-volatility metallurgical or coking coal. We commissioned a technical report in accordance with Canadian 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.

The Hunza Agreement was amended by the parties thereto on each of February 2, 2012 and February 29, 2012. On Mach 9, 2012, our subsidiary Armadillo Mining Corp, Colombia (AMCC), exercised its option pursuant to the Hunza Agreement and acquired a 50% interest in Hunza. As such, and in accordance with the Hunza Agreement, the Corporation made or had previously made the following payments:

- $5,000,000 to Black Stone Investment S.A. as an arrangement fee;
- issuance of a convertible debenture in the principal amount of $1,200,000 to Black Stone Investment S.A as an agreement fee, convertible into Common Shares at the conversion price of US$0.30 per share; and
- $2,015,559 to Hunza to be used for exploration and development of the Hunza Project.

The Hunza Agreement provides for the payment of $3,000,000 to Hunza upon the earlier of: (i) May 1, 2013; and (ii) 90 calendar days after the delivery of an updated technical report in respect of the work program recommended by the Technical Report to be carried out on the Hunza Project. Failure to pay this amount will immediately result in the reduction of AMCC's interest in Hunza from 50% to 25%.

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.

The Coal Industry

Coal is a combustible, sedimentary, organic mineral composition, which is composed mainly of carbon, hydrogen and oxygen. Coal goes through the process of coalification as it matures, affecting its chemical and physical properties. There are various grades of coal, ranging from low rank coals (lignite and sub-bituminous) to hard coals (bituminous and anthracite). Bituminous coal is used as either thermal coal or coking coal, depending on its properties. The properties of the coal determine its value in the market, and include but are not limited to calorific value, sulfur, moisture and ash content.

Coal has many important uses worldwide. The most significant uses are in electricity generation, steel production, cement manufacturing and as a liquid fuel. Around 6.1 billion tons of hard coal were used worldwide last year and 1 billion tons of brown coal. Since 2000, global coal consumption has grown faster than any other fuel. The five largest coal users - China, USA, India, Russia and Japan - account for 77% of total global coal use. Different types of coal have different uses. Steam coal - also known as thermal coal - is mainly used in power generation. Coking coal - also known as metallurgical coal - is mainly used in steel production.

The biggest market for coal is Asia, which currently accounts for over 65% of global coal consumption; although China is responsible for a significant proportion of this. Many countries do not have natural energy resources sufficient to cover their energy needs, and therefore need to import energy to help meet their requirements. Japan, Chinese Taipei and Korea, for example, import significant quantities of steam coal for electricity generation and coking coal for steel production.

Other important users of coal include alumina refineries, paper manufacturers, and the chemical and pharmaceutical industries. Several chemical products can be produced from the by-products of coal. Refined coal tar is used in the manufacture of chemicals, such as creosote oil, naphthalene, phenol, and benzene. Ammonia gas recovered from coke ovens is used to manufacture ammonia salts, nitric acid and agricultural fertilizers. Thousands of different products have coal or coal by-products as components: soap, aspirins, solvents, dyes, plastics and fibers, such as rayon and nylon. Coal is also an essential ingredient in the production of specialist products such as: activated carbon used in filters for water and air purification and kidney dialysis machines; carbon fiber for its light weight strength; and in silicones and saline used to make lubricants, water repellants, resins, cosmetics, hair shampoos and toothpaste.

Global Coal Supply and Demand. Global economic growth, the primary driver of energy demand, is conservatively forecasted to increase by an average of 3.2% per annum between 2002 and 2030, according to the World Coal Association (“WCA”). The world’s population is expected to increase from its current level of 6.4 billion to 8 billion by 2030, according to the United Nations’ 2004 world population prospects report. International Energy Agency (“IEA”) projections indicate that if governments continue with current energy policies, global demand for energy will increase by almost 60% by 2030, with more than two-thirds of this increase coming from developing countries.

Fossil fuels will continue to dominate energy consumption – accounting for around 85% of the increase in world primary energy demand over the next 30 years, according to the IEA. Although nuclear energy provides a significant proportion of energy in some economies, it can face very long permitting and construction cycles and private financing is difficult to find. Renewable energies are growing fast, but from a small base and, by 2030, they are still only expected to meet 14% of total energy demand, according to the IEA.

Because of its availability, stability and affordability, coal is a major contributor to the global energy supply, providing approximately 41% of the world’s electricity and 68% of the world’s steel output.according to the BP Statistical Review of World Energy 2011.

Coal consumption grew by 5.4% in 2011, the only fossil fuel to record above- average growth and the fastest-growing form of energy outside of renewable. Coal now accounts for 30.3% of global energy consumption, the highest share since 1969. Consumption outside the OECD rose by an above-average 8.4%, led by Chinese consumption growth of 9.7%. OECD consumption declined by 1.1% with losses in the US and Japan offsetting growth in Europe. Global coal production grew by 6.1%, with non-OECD countries accounting for virtually all of the growth and China (+8.8%) accounting for 69% of global growth according to B.P Statistical Review of World Energy June 2012.

The steel industry is a major market for coal. Coal is essential for iron and steel production. According to the WCI, approximately 64% of all steel is produced from iron made in blast furnaces that use coal. The steel industry uses metallurgical coal, which is distinguishable from other types of coal because of its high carbon content, low expansion pressure, low sulfur content and various other chemical attributes. As such, the price offered by steel makers for metallurgical coal is significantly higher than the price offered by power plants and industrial users for steam coal. Rapid economic expansion in China, India and other parts of Southeast Asia has significantly increased the demand for steel in recent years.

We believe that rapid economic expansion in developing nations, particularly China and India, has increased global demand for coal. Coal is traded worldwide and can be transported to demand centers by ship and by rail. Worldwide coal production approximated 5.9 billion tons in 2006 and 5.4 billion tons in 2005, according to the WCA. China produces more coal than any other country in the world. Historically, Australia has been the world's largest coal exporter, exporting more than 200 million tons in each of the last three years, according to the WCA. China, Indonesia and South Africa have also historically been significant exporters in the global coal markets. However, growing demand in China has resulted in declining coal exports and increasing coal imports. These trends have caused China to become a less significant seaborne coal supply source.

Colombian Coal Overview

Colombia has 9 identified coal basins. Coal quality ranges from Bituminous to Anthracite. Measured reserves are close to 7.8 billion tons (with additional potential of 11 billion). Most of the coal industry has focused on the easy access, high quality thermal coal in the northern part of the country. This represents the largest portion of reserves and infrastructure. Major mining houses have concentrated on the Guajira and Cesar coal basins for large-scale operations since 1980´s. In 2009 Colombia exported 67 million tons of thermal coal, and according to EIA, Colombia was the fourth largest net coal exporter in the world in 2010.- representing about 25% of the country's total export earnings. By 2014 Colombia projects 104 million tons of coal export. By 2025 Colombia is projected to reach 134 million tons of coal exports.

For metallurgical coal, Colombia presents a rare combination in that its known reserves of metallurgical coal are both relatively high quality and readily available. While Colombia has an estimated 2 billion tons of met coal reserves, the country's total annual production is currently only about 3 million tons.

Colombian coking coal and coke producing regions are mainly located in the departments of Cundinamarca, Boyacá, Santander and Norte de Santander. Its coals have high, mid and low volatile characteristics as well as a high free swelling index categorization that makes them suitable for coke production. The deposits thicknesses, as well as dip ratios, make the seams suitable for mechanized production. All current production is underground and is characterized by small mines using intensive labor, rather than mechanization.

Colombia's metallurgical coal exports began in the eighties, with 32,000t of coking coal shipped in 1983, climbing to last year's 1.71mt of coke and 0.87mt of coking coal exports. Exports this year are expected to be 1.4mt of coke and 1.8mt of coking coal, depending on the degree to which the global economy recovers, along with met-coal demand.

Metallurgical coal and coke exports are less than 3% of steam coal exports in volume, but this is a growing sector. Steam coal is Colombia's second largest official export, in terms of revenues, after oil, and is expected to become the first in the next couple of years.

Colombian planners expect steam coal exports to double by 2019, to 145mt, as long as planned infrastructure development takes place, according to the Ministry of Mines and Energy. Combined metcoal and coke exports could reach between 5mt and 8mt in addition to the 145mt. This depends on market-based investment decisions made by coal and coke producers, especially in the development of the coal loading terminals and rail links that are needed to accomplish this growth

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, or at all. See "Risk Factors".

Employees

As of July 23, 2012, we had 3 full time employees. Our employees are not represented by a labor organization. We maintain various employee benefit plans.

Item 1A: Risk Factors

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

Item 1B: Unresolved Staff Comments

None

Item 2: Properties

Our executive offices are located in Dallas, Texas at 2626 Cole Avenue, Suite 714. We lease 929 square feet of space in a facility as a tenant. The term of the lease is through June 30, 2014 and the rent is presently $1,935 per month.

Item 3: Legal Proceedings

None

Item 4: Mining Safety Disclosures

N/A

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Common Stock is listed on the OTC Electronic Bulletin Board under the symbol "MMEX". The following table indicates the quarterly high and low bid price for the Common Stock on the OTC Electronic Bulletin Board for the fiscal years ending April 30, 2012 and April 30, 2011. Such inter-dealer quotations do not necessarily represent actual transactions and do not reflect retail mark-ups, mark-downs or commissions.

OTC ELECTRONIC BULLETIN BOARD BID PRICE

	Fiscal 2012			Fiscal 2011	
	HIGH	LOW		HIGH	LOW
1st Quarter	$1.01	$0.40	1st Quarter	$4.20	$2.80
2nd Quarter	$0.50	$0.11	2nd Quarter	$3.90	$0.60
3rd Quarter	$.030	$0.06	3rd Quarter	$3.40	$0.50
4th Quarter	$0.50	$0.15	4th Quarter	$0.90	$0.30

On July 20, 2012, the closing bid price of the Common Stock as reported on the OTC Electronic Bulletin Board was $.10.

The number of holders of record of the Company's common stock as of July 24, 2014 was 176 as reported by our transfer agent. This number does not include an undetermined number of stockholders whose stock is held in "street" or "nominee" name.

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

We did not repurchase any of our equity securities during the fourth quarter of fiscal 2012.

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

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. No gain or loss was recognized as the shares were issued in accordance with the conversion agreement.

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. 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 $0.30 per Common Share for a period of three years.

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On March 8, 2012, $538,200 of a $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 as the shares were issued in accordance with the conversion 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. At April 30, 2012, only 4,874 of these shares had been issued, the remaining 245,126 shares were recorded as common stock payable at par value of $2,451.

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. At April 30, 2012, only 225,475 of these shares had been issued, the remaining 24,525 shares were recorded as common stock payable at par value of $246.

On May 1, the Company issued the balance of The Maple Gas Corporation's 245,126 shares, and AAM Investments, LLC's 24,525 shares mentioned in the April 26, 2012 above. The total 269,651 shares were issued at The Maple Gas Corporation and AMM Investments, LLC's request to DelaVega Trading Ltd, an entity controlled by Nabil Katabi.

On May 1, 2012, 131,250 shares of MMEX Mining Corporation common stock were issued as a result of a conversion, as agreed to on April 25, 2012, of $43,750 of debt and interest. As the consideration of the shares fair value was higher than the debt relieved the company, a loss on conversion of $5,250 was recorded as of April 30, 2012.

On May 1, 2012, the $661,800 balance of the $1,200,000 Hunza amendment convertible note was converted into 2,206,000 shares of the Company's common stock at a price of $.30 per share.

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, as agreed to on April 25, 2012, of $125,000 convertible debenture. The investment was made under the terms provided in the March 2, 2012 private placement. As the consideration given to the investor was less than what was provided for in the convertible debenture, a gain was recognized by the Company as of April 30, 2012 of $250,000; partially offset by warrants issued as consideration of the conversion valued at $148,215, resulting in a net gain to the Company of $101,785 during the year ended April 30, 2012.

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.

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 $348,000 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.

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.

On May 16, 2012, the Corporation issued 985,800 shares of the Company's common stock at $0.33 per share to an unrelated party, in exchange for conversion, as agreed to on April 25, 2012, of a total of $325,000 notes and interest. As the consideration given to the investor was more than what was provided for in the convertible debenture, a loss on conversion of $41,592 was recorded as of 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.

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.

Item 6. Selected Financial Data

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

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

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

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

Overview

MMEX Mining Corporation has interests in coal prospects in Colombia, 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 concessions in the Boyacá Province of east-central Colombia. The Hunza Agreement was amended by the parties thereto on each of February 2, 2012 and February 29, 2012. On Mach 9, 2012, our subsidiary Armadillo Mining Corp, Colombia (AMCC), exercised its option pursuant to the Hunza Agreement and acquired a 50% interest in Hunza. As such, and in accordance with the Hunza Agreement, the Corporation made or had previously made the following payments:

$5,000,000 to Black Stone Investment S.A. as an arrangement fee;

issuance of a convertible debenture in the principal amount of $1,200,000 to Black Stone Investment S.A as an agreement fee, convertible into Common Shares at the conversion price of US$0.30 per share; and

$2,015,559 to Hunza to be used for exploration and development of the Hunza Project.

The Hunza Agreement provides for the payment of $3,000,000 to Hunza upon the earlier of: (i) May 1, 2013; and (ii) 90 calendar days after the delivery of an updated technical report in respect of the work program recommended by the Technical Report to be carried out on the Hunza Project. Failure to pay this amount will immediately result in the reduction of AMCC’s interest in Hunza from 50% to 25%.

Mineral Reserve Estimates

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

Our current strategy is to focus on the acquisition of metallurgical coal assets in Colombia and iron ore assets in Peru.

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

Results of Operations

We recorded a net loss of $6,164,266, or $.35 per share, for the fiscal year ended April 30, 2012, compared to a net loss of $3,466,111, or $.42 per share for the fiscal year ended April 30, 2011.

Revenues:

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

Exploration and development:

Exploration and development costs were $1,894 for the fiscal year ended April 30, 2012 compared to $1,108,831 for the fiscal year ended April 30, 2011, a decrease of $1,106,937. The decrease was due to decreased exploration of properties which contain proven resources during the fiscal year ended April 30, 2012 as compared to the prior year.

General and administrative:

General and administrative expenses were $662,466 for the fiscal year ended April 30, 2012 compared to $762,372 for the fiscal year ended April 30, 2011, a decrease of $99,906. The decrease was due to reduced activities required in the current year to acquire the Hunza prospect including reduced international travel.

Payroll and taxes:

Payroll and taxes expense was $509,347 for the fiscal year ended April 30, 2012 compared to $532,504for the fiscal year ended April 30, 2011, a decrease of $23,157. The slight decrease was due to changes in administrative personnel.

Professional fees:

Professional fees expense was $1,090,174 for the fiscal year ended April 30, 2012 compared to $1,170,959 for the fiscal year ended April 30, 2011, a decrease of $80,785. The decrease was due to reduced need for legal, accounting, financial, and engineering services.

Depreciation and amortization:

Depreciation and amortization expense was $4,832 for the fiscal year ended April 30, 2012 compared to $6,741 for the fiscal year ended April 30, 2011, a decrease of $1,909. The decrease was due to the disposition of office equipment.

Net operating loss:

Net operating loss for the fiscal year ended April 30, 2012 was $2,268,713 or $0.13 per share compared to a net operating loss of $3,581,407 for the fiscal year ended April 30, 2011, or $0.39 per share, a decrease of $1,312,694. The net operating loss decreased primarily due to decreased exploration costs of proven properties during the fiscal year ended April 30, 2012 as compared to the prior year.

Other income (expense):

Other income consisted of gain on the disposal of our two U.S. properties, Snider Ranch and Carpenter Creek. Total gain recognized was $0 for the fiscal year end April 30, 2012 compared to $2,592,023 for the fiscal year ended April 30, 2011. Loss on the disposal of fixed assets was $3,652 and $11,351 for the fiscal years ended April 30, 2012 and 2011, respectively. We reported impairment expense of $2,132,454 for the fiscal year ended April 30, 2012 and $1,830,000 for the fiscal year ended April 30, 2011. These were incurred on the Hunza property based on the uncertainty of recouping our investment and represents expense through the January 31, 2012 quarter. Interest expense was $1,905,088 for the fiscal year ended April 30, 2012 and $810,188for the fiscal year ended April 30, 2011. The increase of $1,094,900 was due to debt issuance costs incurred. We reported a loss on debt conversion of $20,385 for the fiscal year ended April 30, 2012 and $0 for the fiscal year ended April 30, 2011. We also reported loss of $12,295 on investment of property for April 30, 2012 and $0 for the fiscal year ended April 30, 2011. This reflects the Company's 50% interest in Hunza's loss from the date the option was exercised to April 30, 2012.

Non-controlling interests in loss of consolidated subsidiaries:

Non-controlling interests in loss of consolidated subsidiaries represented approximately $178,321 and $174,812 of the total losses for the fiscal year ended, 2012 and 2011, respectively.

Net loss:

We recorded a net loss of $6,164,266, or $.35 per share, for the fiscal year ended April 30, 2012, compared to a net loss of $3,466,111, or $.42 per share for the fiscal year ended April 30, 2011, an increased net loss of $2,698,155. Net losses increased primarily as a result of our increased impairment and interest expenses as we expanded our operations to Latin America during the fiscal year ended April 30, 2012, partially offset by decreased development costs related to the two disposed U.S. properties.

Liquidity and Capital Resources

Our principal source of operating capital has been provided from private sales of our common stock, preferred stock, partnership capital contributions, and debt financing. At April 30, 2012, we had a negative working capital position of $5,591,410.

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 principal amount of the notes 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 shares of common stock.

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 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, 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 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 shares 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, and 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 shares 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 shares 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 shares of the Company's common stock.

On March 2, 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 $5,509,288 at an issue price of $0.20 per unit. Each warrant entitles the holder to acquire an additional common share at a price of $0.30 per share for a period of three years.

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.

Critical Accounting Policies

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

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

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

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Item 8. Financial Statements and Supplementary Data

MMEX Mining Corporation
FINANCIAL STATEMENTS
APRIL 30, 2012 and 2011

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

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

Item 9A(T). Controls and Procedures

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

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

Management's Annual Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act, as amended. Our management assessed the effectiveness of our internal control over financial reporting as of April 30, 2012. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. We have identified the following material weaknesses:

1. As of April 30, 2012, we did not maintain effective controls over the control environment. Specifically, the Board of Directors does not currently have any independent members and no director qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-B. Since these entity level programs have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness.

2. As of April 30, 2012, we did not maintain effective controls over financial statement disclosure. Specifically, controls were not designed and in place to ensure that all disclosures required were originally addressed in our financial statements. Accordingly, management has determined that this control deficiency constitutes a material weakness.

Because of these material weaknesses, management has concluded that the Company did not maintain effective internal control over financial reporting as of April 30, 2012, based on the criteria established in "Internal Control-Integrated Framework" issued by the COSO.

Changes in Internal Control Over Financial Reporting. There have been no changes in the Company's internal control over financial reporting through the date of this report or during the quarter ended July 31, 2011, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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

Corrective Action. Management plans to address the structure of the Board of Directors and discuss adding an audit committee during 2012.

Item 9B. Other Information

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors and Executive Officers

The Board of Directors currently consists of three (3) people. Directors serve until the next annual meeting and until their successors are elected and qualified. The following table sets forth information about all of our Directors and executive officers and all persons nominated or chosen to become such:

Name	Age	Office	Year First Elected Director
Jack W. Hanks	66	Director, Chief Executive Officer, President and Chief Financial Officer	2010
Bruce N. Lemons	58	Director	2010
Nabil Katabi	42	Director	2012

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

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

Mr. Katabi joined Maple Resources Corp. (Dallas) in 1996. He was appointed Manager Project Development in 1998 for the Maple Companies in Peru. His primary responsibility has been the development of new projects, such as the Ethanol Project for Maple in Peru, now Maple Energy. Prior to joining Maple, Mr. Nabil Katabi worked for Banque Indosuez in Copenhagen, Denmark, as a financial analyst in charge of the placement of international securities. Mr. Nabil Katabi graduated with a Masters in Business Administration from Columbia University (1995) and holds a DEA (Dipome d'Etudes Avanc'ees) in political science from the Sorbonne University in Paris (1997) . He also has a Diplome de Commerce in International Business & Finance from Ecole Superieure de Commerce de Paris (1991). Mr. Katabi is a Director of MMEX and has a consulting agreement with MMEX which, inter alia, contains non-disclosure and non-competition provisions.

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

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

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

Compliance with Section 16(a) of the Exchange Act

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

Code of Ethics

The Board of Directors adopted a code of business ethics on July 3, 2012, that applies to its directors, officers and management employees generally. A copy of this code of business ethics may be obtained, at no cost, by writing or telephoning the Company at, 2626 Cole Avenue, Suite 714, Dallas, Texas 75204, 214-880-0400 Attn: Secretary.

Audit, Nominating and Compensation Committees

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

Compensation of Directors

We do not currently pay any cash fees to our directors, but we pay directors’ expenses in attending board meetings. During the fiscal year ended April 30, 2012, no director expenses were incurred.

Item 11. Executive Compensation

The following table sets forth the compensation paid or earned by our executive officers during the fiscal years ended April 30, 2012 and 2011.

Annual Compensation

Name & Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Non-qualified Deferred Compensation Earnings	All Other Compensation ($)	Total
Jack W. Hanks Chief Executive Officer,	2012	$ 323,342(2)	-	-	-	-	-	-	$ 323,342
President, and Chief Financial Officer (1)	2011	$ 195,617(2)	-	-	-	-	-	-	$ 195,617

(1) Mr. Hanks has served as Chief Executive Officer since September 21, 2010.
(2) The 2012 amount has been accrued but not paid. Of the 2011 amount, $100,000 was paid during the year.

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

Outstanding Equity Awards at Fiscal Year-End

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

Equity Compensation Plans Not Approved by Security Holders	1,000,000	0	1,000,000
Total	1,000,000	$ 0.35	1,000,000

We have not granted any stock awards other than as stock options. The following table reflects all option awards outstanding at April 30, 2012 to our executive officers:

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

Compensation of Directors

We do not currently pay any cash fees to our directors, but we pay directors' expenses in attending board meetings. During the year ended April 30, 2012, no director expenses were reimbursed. The following table reflects all option awards outstanding at April 30, 2012 to our non-executive directors: