

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

NORTHERN MINERALS & EXPLORATION LTD.

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

Form 10-K

(Mark One)

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

For the fiscal year ended **July 31, 2020**

Commission File Number **333-146934**

NORTHERN MINERALS & EXPLORATION LTD.
(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

98-0557171

(IRS Employer Identification No.)

10 West Broadway, Suite 700, Salt Lake City Utah

(Address of principal executive offices)

84101

(Zip Code)

(801) 885-9260

(Registrant's telephone number, including area code)

1889 FM 2088, Quitman, Texas 75783

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. "

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act

YES NO

State the aggregate market value of the voting and non-voting common equity held by non-affiliates: \$821,412 based on 22,753,812 non affiliate shares outstanding at \$0.0361 per share, which is the average closing price of the common shares as of the last business day of the registrant's most recently completed second fiscal quarter.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of October 26, 2020, the issuer had 64,078,679 common shares issued and outstanding.

NORTHERN MINERALS & EXPLORATION LTD.

FORM 10-K

For the Year ended July 31, 2020

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

Forward-Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements.” These forward-looking statements generally are identified by the words “believes,” “project,” “expects,” “anticipates,” “estimates,” “intends,” “strategy,” “plan,” “may,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.

Our Corporate History and Background

We were incorporated on December 11, 2006 under the laws of the State of Nevada.

We were originally a company involved in the placing of strength testing amusement gaming machines called Boxers in venues such as bars, pubs and nightclubs in the Seattle area, in the State of Washington. We acquired one Boxer that had been placed in Lynnwood, Washington. However, the machine was de-commissioned as it needed material repairs. We were not able to secure sufficient capital for these repairs and our management decided to change our business focus to on oil and gas and mineral exploration. On July 12, 2013, the stockholders approved an amendment to change the name of the Company from Punchline Resources Ltd. to Northern Mineral & Exploration Ltd. FINRA approved the name change on August 13, 2013.

Northern Minerals & Exploration Ltd. (the “Company”) is an emerging natural resource company operating in oil and gas production in central Texas and exploration for gold and silver in northern Nevada.

On November 22, 2017, the Company created a wholly owned subsidiary, Kathis Energy LLC (“Kathis”), a duly formed Limited Liability Company formed in the State of Texas, for the purpose of conducting oil and gas drilling programs in Texas.

On December 14, 2017, Kathis Energy, LLC and other Limited Partners, created Kathis Energy Fund 1, LP, a duly formed Limited Partnership formed in the State of Texas, created for the purpose of raising funds from investors for its drilling projects. There was no activity with Kathis Energy, LLC during 2020 fiscal year.

On May 7, 2018, the Company created a wholly owned subsidiary, ENMEX Operations LLC (“ENMEX”), a duly formed Limited Liability Company in the State of Quintana Roo, Mexico for the purpose of conducting business in Mexico in prospective real estate development projects. There has been no activity from inception to date.

Current Business

Active Projects:

The Company currently has one active lease. We hold a 24% working interest in one producing well (“Concho Richey #1”) on the lease and a 100% working interest in the remainder of the 206-acre J. E Richey Lease. The Concho Richey #1 well is currently producing 2.8 barrels of oil and 16 MCF of gas per day.

The Richey #1 well was plugged on January 3, 2018. As of July 31, 2019, management determined that the \$50,000 asset carried on the balance sheet was impaired resulting in a loss on impairment of \$21,200 lowering the value of the investment in the Richey lease to \$28,800.

On September 22, 2017 the Company entered into a Letter of Intent with Pemeer Bacalar SAPI DE CV to examine the opportunity of acquiring ownership in approximately 80 acres ("Property") on a freshwater lagoon near the community of Bacalar, Mexico in the state of Quintana Roo for the purpose of entering into a joint venture for the potential development of the Property into a resort. This was followed up with a Memorandum of Understanding ("MOU") on November 16, 2017 in order to further conduct due diligence toward this potential project. An amended MOU was entered into on April 13, 2018 setting forth the conditions for entering into a definitive agreement with Pemeer Bacalar to acquire 51% of the Property. These conditions included obtaining an independent appraisal of the Property and develop a business plan in conjunction with a Joint Venture Operating Agreement. On June 11, 2019 a new agreement was entered into regarding this property to incorporate certain requirements including, but not limited to, finalizing the acquisition of additional acreage and obtaining permits as well as formalize a plan to conduct feasibility studies, etc. On March 13, 2018 a payment of \$20,266 was paid toward the architectural drawings prepared by Callikson. No additional funds have been provided to this project since the signing of the MOU on June 11, 2019.

Winnemucca Mountain Property

As previously announced, on September 14, 2012, we entered into an option agreement with AHL Holdings Ltd., and Golden Sands Exploration Inc. ("Optionors"), wherein we acquired an option to purchase an 80% interest in and to certain mining claims, which claims form the Winnemucca Mountain Property in Humboldt County, Nevada ("Property"). This property currently is comprised of 138 unpatented mining claims covering approximately 2,700 acres.

On July 23, 2018, the Company entered into a New Option Agreement with the Optioners. This agreement provided for the payment of \$25,000 and the issuance of 3,000,000 shares of the Company's common stock and work commitments. The Company issued the shares and made the initial payment of \$25,000 per the terms of the July 31, 2018 agreement. The second payment of \$25,000 per the terms of the agreement was not paid when it became due on August 31, 2018 causing the Company to default on the terms of the July 23, 2018 agreement.

On March 25, 2019 the Company entered into a New Option Agreement with the Optionors. As stated in the New Option Agreement the Company has agreed to certain terms and conditions to have the right to earn an 80% interest in the Property, these terms include cash payments, issuance of common shares of the Company and work commitments.

Oil & Gas Sector

Competition

The petroleum industry is highly competitive. Many of the oil and gas exploration companies with whom we compete have greater financial and technical resources than we do. Accordingly, these competitors may be able to spend greater amounts on acquisitions of properties of merit and on exploration. In addition, they may be able to afford greater geological expertise in the targeting and exploration of resource properties. This competition could result in our competitors having resource properties of greater quality and interest to prospective investors who may finance additional exploration, and to senior exploration companies that may purchase resource properties or enter into joint venture agreements with junior exploration companies. This competition could adversely impact our ability to finance property acquisitions and further exploration.

We compete with other exploration and early stage operating companies for financing from a limited number of investors prepared to make investments in junior companies exploring for conventional and unconventional oil and gas resources. The presence of competing oil and gas exploration companies, both major and independent, may impact our ability to raise additional capital in order to fund our exploration programs if investors are of the view that investments in competitors are more attractive based on the merit of the properties under investigation, and the price of the investment offered to investors.

Governmental Regulation

Our business is affected by numerous laws and regulations, including energy, environmental, conservation, tax and other laws and regulations relating to the oil and natural gas industry. We have developed internal procedures and policies to ensure that our operations are conducted in full and substantial environmental regulatory compliance.

Failure to comply with any laws and regulations may result in the assessment of administrative, civil and/or criminal penalties, the imposition of injunctive relief or both. Moreover, changes in any of these laws and regulations could have a material adverse effect on business. In view of the many uncertainties with respect to current and future laws and regulations, including their applicability to us, we cannot predict the overall effect of such laws and regulations on our future operations.

We believe that our operations comply in all material respects with applicable laws and regulations and that the existence and enforcement of such laws and regulations have no more restrictive effect on our operations than on other similar companies in the oil and natural gas industry.

Pricing and Marketing of Natural Gas

In the US, historically, the sale of natural gas in interstate commerce has been regulated pursuant to the Natural Gas Act of 1938, or the NGA, the Natural Gas Policy Act of 1978, or the NGPA, and regulations promulgated thereunder by the Federal Energy Regulatory Commission, or the FERC. In 1989, Congress enacted the Natural Gas Wellhead Decontrol Act, or the Decontrol Act. The Decontrol Act removed all NGA and NGPA price and non-price controls affecting wellhead sales of natural gas effective January 1, 1993 and sales by producers of natural gas are uncontrolled and can be made at market prices. The natural gas industry historically has been heavily regulated and from time to time proposals are introduced by Congress and the FERC and judicial decisions are rendered that impact the conduct of business in the natural gas industry. We cannot assure you that the less stringent regulatory approach recently pursued by the FERC and Congress will continue.

Pricing and Marketing of Oil

In the US, sales of crude oil, condensate and natural gas liquids are not regulated and are made at negotiated prices. Effective January 1, 1995, the FERC implemented regulations establishing an indexing system for transportation rates for oil that allowed for an increase in the cost of transporting oil to the purchaser.

Environmental

Like the oil and natural gas industry in general, our properties are subject to extensive and changing federal, state and local laws and regulations designed to protect and preserve natural resources and the environment. The recent trend in environmental legislation and regulation in the oil and natural gas industry is generally toward stricter standards, and this trend is likely to continue. These laws and regulations often require a permit or other authorization before construction or drilling commences and for certain other activities; limit or prohibit access, especially in wilderness areas with endangered or threatened plant or animal species; impose restrictions on construction, drilling and other exploration and production activities; regulate air emissions, wastewater and other production and waste streams from our operations; impose substantial liabilities for pollution that may result from our operations; and require the reclamation of certain lands.

The permits required for many of our operations are subject to revocation, modification and renewal by issuing authorities. Governmental authorities have the power to enforce compliance with their regulations, and violations are subject to fines, compliance orders, and other enforcement actions. We are not aware of any material noncompliance with current applicable environmental laws and regulations, and we have no material commitments for capital expenditures to comply with existing environmental requirements, however, given the complex regulatory requirements applicable to our operations, and the rapidly changing nature of environmental laws in our industry, we cannot predict our future exposure concerning such matters, and our future costs to achieve compliance, or remedy potential violations, could be significant. Our operations require permits and are regulated under environmental laws, and current or future noncompliance with such laws, as well as changes to existing laws or interpretations thereof, could have a significant impact on us, as well as the oil and natural gas industry in general.

Waste Disposal and Contamination Issues

The federal Comprehensive Environmental Response, Compensation and Liability Act and comparable state laws may impose strict and joint and several liability on owners and operators of contaminated sites and on persons who disposed of or arranged for the disposal of hazardous substances found at such sites. Under these and other laws, the government, neighboring landowners and other third parties may recover the costs of responding to soil and groundwater contamination and threatened releases of hazardous substances, and seek recovery for related natural resources damages, personal injury and property damage. Some of our properties have been used for exploration and production activities for a number of years by third parties, and such properties could result in unknown cleanup liabilities for us.

The federal Resource Conservation and Recovery Act (the "RCRA") and comparable state statutes govern the management, storage, treatment and disposal of solid waste and hazardous waste and authorize imposition of substantial fines and penalties for noncompliance. Although RCRA classifies certain oil field wastes as "non-hazardous" (for example, the waters produced from hydraulic fracturing operations), such wastes could be reclassified as hazardous wastes in the future, thereby making them subject to more stringent handling and disposal requirements which could have a material impact on us.

Water Regulation

The federal Clean Water Act (the "CWA"), the federal Safe Drinking Water Act (the "SWDA") and analogous state laws restrict the discharge of wastewater and other pollutants into surface waters or underground wells and the construction of facilities in wetland areas without a permit. Federal regulations also require certain owners or operators of facilities that store or otherwise handle oil, such as us, to prepare and implement spill prevention, control countermeasure and response plans relating to the possible discharge of oil into surface waters. In addition, the Oil Pollution Act (the "OPA") contains numerous requirements relating to the prevention of and response to oil spills into waters of the United States. For onshore and offshore facilities that may affect waters of the United States, the OPA requires an operator to demonstrate financial responsibility. Regulations are currently being developed or considered under federal and state laws concerning oil pollution prevention and other matters that may impose additional regulatory burdens on us.

These and similar state laws also govern the management and disposal of produced waters from the extraction process. Currently, wastewater associated with oil and natural gas production is prohibited from being directly discharged to waterways and other waters of the U.S. While some of the wastewater is reused or re-injected, a significant amount still requires proper disposal. As a result, some wastewater is transported to third-party treatment plants. In October 2011, citing concerns that third-party treatment plants may not be properly equipped to handle wastewater from shale gas operations, the United States Environmental Protection Agency (the "EPA") announced that it will consider federal pre-treatment standards for these wastewaters. We cannot predict the EPA's future actions in this regard, but future regulation of our produced waters or other waste streams could have a material impact on us.

Air Emissions and Climate Change

The federal Clean Air Act ("CAA") imposes permit requirements and operational restrictions on certain sources of emissions used in our operations. In July 2011, the EPA published proposed New Source Performance Standards ("NSPS") and National Emissions Standards for Hazardous Air Pollutants ("NESHAPs") that would, if adopted, amend existing NSPS and NESHAP standards for oil and natural gas facilities and create new NSPS standards for oil and natural gas production, transmission and distribution facilities. Importantly, these standards would include standards for hydraulically fractured wells. The standards would apply to newly drilled and fractured wells as well as existing wells that are refractured. A court has directed the EPA to issue final rules by April 1, 2012. In a report issued in late 2011, the Shale Gas Production Subcommittee of the Department of Energy (the "DOE Shale Gas Subcommittee") called on the EPA to complete the rulemaking quickly and recommended expanding the shale gas emission sources to be covered by the new rules. The DOE Shale Gas Subcommittee also encouraged states to take similar action, and included several other recommendations for studying and reducing air emissions from shale gas production activities. Because the EPA's regulations have not yet been finalized, we cannot at this time predict the impact they may have on our financial condition or results of operation.

The issue of climate change has received increasing regulatory attention in recent years. The EPA has issued regulations governing carbon dioxide, methane and other greenhouse gas ("GHG") emissions citing its authority under the CAA. Several of these regulations have been challenged in litigation that is currently pending before the federal D.C. Circuit Court of Appeals. In December 2011, the EPA issued amendments to a final rule issued in 2010 requiring reporting of GHG emissions from the oil and natural gas industry. Under this rule, we are obligated to report to the EPA certain GHG emissions from our operations. We do not expect that the costs of this new reporting will be material to us. In a late 2011 report, the DOE Shale Gas Subcommittee recommended that the EPA expand reporting requirements for GHG emissions from shale gas emission sources and include methane in reporting requirements. More generally, several proposals to regulate GHG emissions have been proposed in the U.S. Congress, and various states have taken steps to regulate GHG emissions. The adoption and implementation of regulations or legislation imposing restrictions or other regulatory obligations on emissions of GHGs from oil and natural gas operations could require us to obtain permits or allowances for our GHG emissions, install new pollution controls, increase our operational costs, limit our operations or adversely affect demand for the oil and natural gas produced from our lands.

Research and Development Expenditures

We have not incurred any research and development expenditures over the past two fiscal years.

Employees

As of July 31, 2020, we do not have any employees. Our three officers, Ivan Webb, Noel Schaefer and Rachel Boulds act as consultants.

We engage contractors from time to time to consult with us on specific corporate affairs or to perform specific tasks in connection with our exploration programs.

ITEM 1A. RISK FACTORS

Risks Related To Our Overall Business Operations

We have a limited operating history with significant losses and expect losses to continue for the foreseeable future.

We have yet to establish any history of profitable operations. As at July 31, 2020, we have an accumulated deficit of \$ 2,099,090 and total stockholders' deficit of \$751,793. We expect that our revenues will not be sufficient to sustain our operations for the foreseeable future. Our profitability will require our investments in oil and gas properties to become cash flow positive and/or the successful commercialization of our mining properties. We may not be able to successfully obtain a positive cash flow from our oil and gas investments or through commercializing our mining properties or ever become profitable.

There is doubt about our ability to continue as a going concern due to recurring losses from operations, accumulated deficit and insufficient cash resources to meet our business objectives, all of which means that we may not be able to continue operations.

Our independent auditors have added an explanatory paragraph to their audit opinion issued in connection with the financial statements for the years ended July 31, 2020 and 2019, respectively, with respect to their doubt about our ability to continue as a going concern. As discussed in Note 3 to our financial statements for the year ended July 31, 2020, we have generated operating losses since inception, and our cash resources are insufficient to meet our planned business objectives, which together raises doubt about our ability to continue as a going concern.

We may not be able to conduct successful operations in the future.

The results of our operations will depend, among other things, upon our ability to develop and market our properties. Furthermore, our proposed operations may not generate income sufficient to meet operating expenses or will generate income and capital appreciation, if any, at rates lower than those anticipated or necessary to sustain ourselves. Our operations may be affected by many factors, some known by us, some unknown, and some which are beyond our control. Any of these problems, or a combination thereof, could have a materially adverse effect on our viability as an entity and might cause the investment of our shareholders to be impaired or lost.

To fully develop our business plan, we will need additional financing.

For the foreseeable future, we expect to rely principally upon external financing, although we have raised limited private placement and debt instrument funds during the past fiscal year and will be required to do so in the future. We cannot guarantee the success of this plan. We believe that from time to time, we may have to obtain additional financing in order to conduct our business in a manner consistent with our proposed operations. There can be no guaranty that additional funds will be available when, and if, needed. If we are unable to obtain financing, or if its terms are too costly, we may be forced to curtail proposed expansion of operations until such time as alternative financing may be arranged, which could have a materially adverse impact on our operations and our shareholders' investment.

We lack working capital.

We currently lack the capital necessary to independently sustain our operations. Management is actively negotiating financing through accredited investors and other sources to meet its short term working capital needs and is negotiating long term capital options. There can be no guaranty that additional funds will be available. If we are unable to obtain financing, or if its terms are too costly, we may be forced to curtail proposed expansion of operations until such time as alternative financing may be arranged, which could have a materially adverse impact on our operations and our shareholders' investment.

We have limited human resources necessary to expand operations.

We have a small staff of skilled developers and supplement our human resource needs through sub-contracting. We are planning to acquire additional resources internally thereby reducing the use of sub-contractors and increasing direct control over our operations. If we are unable to acquire additional resources internally we will be forced to use sub-contractors that may or may not be available to work when and where we need them thereby limiting our ability to expand operations as we intend.

Our ultimate success will be dependent upon management.

Our success is dependent upon the decision making of certain key directors and executive officers. These individuals intend to commit as much time as necessary to our business. The loss of any or all of these individuals could have an adverse impact on our operations. We currently do not have not key man life insurance on the lives of any of these officers and directors.

We may not be able to secure additional financing to meet our future capital needs due to changes in general economic conditions.

We anticipate needing significant capital to conduct further exploration and development needed to bring our existing oil and gas and mining properties into production and/or to continue to seek out appropriate joint venture partners or buyers for certain mining properties. We may use capital more rapidly than currently anticipated and incur higher operating expenses than currently expected, and we may be required to depend on external financing to satisfy our operating and capital needs. We may need new or additional financing in the future to conduct our operations or expand our business. Any sustained weakness in the general economic conditions and/or financial markets in the United States or globally could adversely affect our ability to raise capital on favorable terms or at all. From time to time we have relied, and may also rely in the future, on access to financial markets as a source of liquidity to satisfy working capital requirements and for general corporate purposes. We may be unable to secure debt or equity financing on terms acceptable to us, or at all, at the time when we need such funding. If we do raise funds by issuing additional equity or convertible debt securities, the ownership percentages of existing stockholders would be reduced, and the securities that we issue may have rights, preferences or privileges senior to those of the holders of our common stock or may be issued at a discount to the market price of our common stock which would result in dilution to our existing stockholders. If we raise additional funds by issuing debt, we may be subject to debt covenants, which could place limitations on our operations including our ability to declare and pay dividends. Our inability to raise additional funds on a timely basis would make it difficult for us to achieve our business objectives and would have a negative impact on our business, financial condition and results of operations.

Risks Associated With Our Oil & Gas Industry

A substantial or extended decline in oil and natural gas prices or demand for oil and gas products may adversely affect our business, financial condition, cash flow, liquidity or results of operations and our ability to meet our capital expenditure obligations and financial commitments and to implement our business strategy.

The price we receive for our oil and natural gas production will heavily influence our revenue, profitability, access to capital, and future rate of growth. Recent extremely high prices have affected the demand for oil and gas products, and that demand has declined on a worldwide basis. If the decline in demand continues, the ability to command higher prices for oil and gas products will be endangered. Oil and natural gas are commodities, and, therefore, their prices are subject to wide fluctuations in response to relatively minor changes in supply and demand. Historically, the markets for oil and natural gas have been volatile. These markets will likely continue to be volatile in the future. The prices we receive for our production, and the levels of our production, and the revenue we will receive, depend on numerous factors beyond our control. These factors include the following:

- changes in global supply and demand for oil and natural gas;
- the actions of the Organization of Petroleum Exporting Countries ("OPEC") and other organizations and government entities;
- the price and quantity of imports of foreign oil and natural gas;

- political conditions and events worldwide, including rules concerning production and environmental protection, and political instability in countries with significant oil production such as the Congo and Venezuela, all affecting oil-producing activity;
- the level of global oil and natural gas exploration and production activity;
- the short and long term levels of global oil and natural gas inventories;
- weather conditions;
- technological advances affecting the exploitation for oil and gas, and related advances for energy consumption; and
- the price and availability of alternative fuels.

Lower oil and natural gas prices may not only decrease our revenues but may also reduce the amount of oil and natural gas that we can produce economically. A substantial or extended decline in oil or natural gas prices is likely to materially and adversely affect our future business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures.

We plan to conduct exploration, exploitation and production operations, which present additional unique operating risks.

There are additional risks associated with oil and gas investment which involve production and well operations and drilling. These risks include, among others, substantial cost overruns and/or unanticipated outcomes that may result in uneconomic projects or wells. Cost overruns could materially reduce the funds available to the Company, and cost overruns are common in the oil and gas industry. Moreover, drilling expense and the risk of mechanical failure can be significantly increased in wells drilled to greater depths and where one is more likely to encounter adverse conditions such as high temperature and pressure.

We may not be able to control operations of the wells we acquire.

We may not be able to acquire the operations for properties that we invest in. As a result, we may have limited ability to exercise influence over the operations for these properties or their associated costs. Our dependence on another operator and other working interest owners for these projects and our limited ability to influence operations and associated costs could prevent the realization of our targeted returns on capital in drilling or acquisition activities. The success and timing of development and exploitation activities on properties operated by others depend upon a number of factors that will be largely outside of our control, including:

- the timing and amount of capital expenditures;
- the availability of suitable drilling rigs, drilling equipment, production and transportation infrastructure and qualified operating personnel;
- the operator's expertise and financial resources;
- approval of other participants in drilling wells; and
- selection of technology.

We may not be successful in identifying or developing recoverable reserves.

Our future success depends upon our ability to acquire and develop oil and gas reserves that are economically recoverable. Proved reserves will generally decline as reserves are depleted, except to the extent that we can replace those reserves by exploration and development activities or acquisition of properties contain exploration, drilling and recompletion programs or other replacement activities. Our current strategy includes increasing our reserve base through development, exploitation, exploration and acquisition. There can be no assurance that our planned development and exploration projects or acquisition activities will result in significant additional reserves or that we will have continuing success drilling productive wells at economical values in terms of their finding and development costs. Furthermore, while our revenues may increase if oil and gas prices increase significantly, finding costs for additional reserves have increased during the last few years. It is possible that product prices will decline while the Company is in the middle of executing its plans, while costs of drilling remain high. There can be no assurance that we will replace reserves or replace our reserves economically.

Our future oil & gas activities may not be successful.

Oil and gas activities are subject to many risks, including the risk that no commercially productive reservoirs will be encountered. There can be no assurance that new wells drilled by us will be productive or that we will recover all or any portion of our investment. Drilling for oil and gas may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. The cost of drilling, completing and operating wells is often uncertain, and the cost associated with these activities has risen significantly during the past year. Our drilling operations may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond our control, including economic conditions, mechanical problems, title problems, weather conditions, governmental requirements and shortages or delays in the delivery of equipment and services. Our future oil and gas activities may not be successful and, if unsuccessful, such failure may have a material adverse effect on our future results of operations and financial condition.

Our operations are subject to risks associated with drilling or producing and transporting oil and gas.

Our operations are subject to hazards and risks inherent in drilling or producing and transporting oil and gas, such as fires, natural disasters, explosions, encountering formations with abnormal pressures, blowouts, cratering, pipeline ruptures and spills, any of which can result in the loss of hydrocarbons, environmental pollution, personal injury claims and other damage to our properties.

The lack of availability or high cost of drilling rigs, fracture stimulation crews, equipment, supplies, insurance, personnel and oil field services could adversely affect our ability to execute our exploration and development plans on a timely basis and within our budget.

Our industry is cyclical and, from time to time, there is a shortage of drilling rigs, fracture stimulation crews, equipment, supplies, key infrastructure, insurance or qualified personnel. During these periods, the costs and delivery times of rigs, equipment and supplies are substantially greater. In addition, the demand for, and wage rates of, qualified crews rise as the number of active rigs and completion fleets in service increases. If increasing levels of exploration and production result in response to strong prices of oil and natural gas, the demand for oilfield services will likely rise, and the costs of these services will likely increase, while the quality of these services may suffer. If the lack of availability or high cost of drilling rigs, equipment, supplies, insurance or qualified personnel were particularly severe in Texas, we could be materially and adversely affected because our operations and properties are concentrated in Texas at the present time.

Compliance with government regulations may require significant expenditures.

Our business is subject to federal, state and local laws and regulations relating to the exploration for, and the development, production and transportation of oil and gas, as well as safety matters. Although we will attempt to conduct due diligence concerning standard compliance issues, there is a heightened risk that our target properties are not in compliance because of lack of funding. We may be required to make significant expenditures to comply with governmental laws and regulations that may have a material adverse effect on our financial condition and results of operations. Even if the properties are in substantial compliance with all applicable laws and regulations, the requirements imposed by such laws and regulations are frequently changed and are subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations.

Environmental regulations and costs of remediation could have a material adverse effect on our operations.

Our operations are subject to complex and constantly changing environmental laws and regulations adopted by federal, state and local government authorities. The implementation of new, or the modification of existing, laws or regulations could have a material adverse effect on our operations. The discharge of oil, gas or other pollutants into the air, soil, or water may give rise to significant liabilities on our part to the government and third parties, and may require us to incur substantial costs of remediation. We will be required to consider and negotiate the responsibility of the Company for prior and ongoing environmental liabilities. We may be required to post or assume bonds or other financial guarantees with the parties from whom we purchase properties or with governments to provide financial assurance that we can meet potential remediation costs. There can be no assurance that existing environmental laws or regulations, as currently interpreted or reinterpreted in the future, or future laws or regulations will not materially adversely affect our results of operation and financial condition or that material indemnity claims will not arise against us with respect to properties acquired by us.

Certain United States federal income tax deductions currently available with respect to oil and natural gas exploration and production may be eliminated as a result of future legislation.

Recently, there has been significant discussion among members of Congress regarding potential legislation that, if enacted into law, would eliminate certain key United States federal income tax incentives currently available to oil and natural gas exploration and production companies. These changes include, among other proposals:

- the repeal of the limited percentage depletion allowance for oil and natural gas production in the United States;
- the replacement of expensing intangible drilling and development costs in the year incurred with an amortization of those costs over several years;
- the elimination of the deduction for certain domestic production activities; and
- an extension of the amortization period for certain geological and geophysical expenditures.

It is unclear whether these or similar changes will be enacted. The passage of this legislation or any similar changes in federal income tax laws could eliminate or postpone certain tax deductions that are currently available with respect to U.S. oil and natural gas exploration and development. Any such changes could have an adverse effect on our financial position, results of operations and cash flows.

We operate in a highly competitive environment.

We operate in the highly competitive areas of oil and gas exploration, development, acquisition and production with other companies. In seeking to acquire desirable producing properties or new leases for future exploration, and in marketing our oil and gas production, we face intense competition from both major and independent oil and gas companies. If any of these competitors have financial and other resources substantially in excess of those available to us. Our inability to effectively compete in this environment could materially and adversely affect our financial condition and results of operations.

The producing life of oil and gas wells is uncertain, and production will decline.

It is not possible to predict the life and production of any oil and gas wells with accuracy. The actual life could differ significantly from that anticipated. Sufficient oil or natural gas may not be produced for investors to receive a profit or even to recover their initial investments. In addition, production from the Company's oil and natural gas wells, if any, will decline over time, and current production does not necessarily indicate any consistent level of future production. A production decline may be rapid and irregular when compared to a well's initial production.

Our lack of diversification will increase the risk of an investment in us, as our financial condition may deteriorate if we fail to diversify.

Larger companies have the ability to manage their risk by diversification. However, we lack diversification, in terms of both the nature and geographic scope of our business. As a result, we will likely be impacted more acutely by factors affecting our industry or the regions in which we operate than we would if our business were more diversified, enhancing our risk profile. If we cannot diversify our operations, our financial condition and results of operations could deteriorate. The Company has a limited number of potential revenue generating properties. These properties historically had revenue derived from the sale of natural gas and oil. Therefore, the price we receive for our oil and natural gas production heavily influences our revenue, profitability, access to capital and future rate of growth.

We may not be able to establish substantial oil operations or manage our growth effectively, which may harm our profitability.

Our strategy envisions establishing and expanding our oil business. If we fail to effectively establish sufficient oil operations and thereafter manage our growth, our financial results could be adversely affected. Growth may place a strain on our management systems and resources. We must continue to refine and expand our business development capabilities, our systems and processes, and our access to financing sources. As we grow, we must continue to hire, train, supervise and manage new employees. We cannot assure you that we will be able to:

- meet our capital needs;
- expand our systems effectively or efficiently or in a timely manner;
- allocate our human resources optimally
- identify and hire qualified employees or retain valued employees; or
- incorporate effectively the components of any business that we may acquire in our effort to achieve growth.

If we are unable to manage our growth, our operations and our financial results could be adversely affected by inefficiency, which could diminish our profitability.

Relationships upon which we may rely are subject to change, which may diminish our ability to conduct our operations.

To develop our business, it will be necessary for us to establish business relationships, which may take the form of joint ventures with private parties and contractual arrangements with other unconventional oil companies, including those that supply equipment and other resources that we expect to use in our business. We may not be able to establish these relationships, or if established, we may not be able to maintain them. In addition, the dynamics of our relationships with strategic partners may require us to incur expenses or undertake activities we would not otherwise be inclined to in order to fulfill our obligations to these partners or maintain our relationships. If our strategic relationships are not established or maintained, our business prospects may be limited, which could diminish our ability to conduct our operations.

Exploration for petroleum and gas products is inherently speculative. There can be no assurance that we will ever establish commercial discoveries.

Exploration for economic reserves of oil and gas is subject to a number of risk factors. Few properties that are explored are ultimately developed into producing oil or gas wells. Some of our properties are in the exploration stage only and are without proven reserves of oil and gas. We may not establish commercial discoveries on any of our properties.

There are numerous uncertainties inherent in estimating quantities of conventional and unconventional oil and gas resources, including many factors beyond our control and no assurance can be given that expected levels of resources or recovery of oil and gas will be realized. In general, estimates of recoverable oil and gas resources are based upon a number of factors and assumptions made as of the date on which resource estimates are determined, such as geological and engineering estimates which have inherent uncertainties and the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results. All such estimates are, to some degree, uncertain, and classifications of resources are only attempts to define the degree of uncertainty involved. For these reasons, estimates of the recoverable unconventional oil, the classification of such resources based on risk of recovery, prepared by different engineers or by the same engineers at different times, may vary substantially.

Prices and markets for oil and gas are unpredictable and tend to fluctuate significantly, which could reduce profitability, growth and the value of our proposed business.

Our revenues and earnings, if any, will be highly sensitive to the price of oil and gas. Prices for oil and gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty, and a variety of additional factors beyond our control. These factors include, without limitation, weather conditions, the condition of the Canadian, US. and global economies, the actions of the Organization of Petroleum Exporting Countries, governmental regulations, political stability in the Middle East and elsewhere, war, or the threat of war, in oil producing regions, the foreign supply of oil, the price of foreign imports, and the availability of alternate fuel sources. Significant changes in long-term price outlooks for crude oil and natural gas could have a material adverse effect on us. For example, market fluctuations of oil prices may render uneconomic the extraction of oil and gas.

All of these factors are beyond our control and can result in a high degree of price volatility not only in crude oil and natural gas prices, but also fluctuating price differentials between heavy and light grades of crude oil, which can impact prices for our crude oil. Oil and natural gas prices have fluctuated widely in recent years, and we expect continued volatility and uncertainty in crude oil and natural gas prices. A prolonged period of low crude oil and natural gas prices could affect the value of our crude oil and gas properties and the level of spending on growth projects, and could result in curtailment of production on some properties. Accordingly, low crude oil prices in particular could have an adverse impact on our financial condition and liquidity and results of operations.

Existing environmental regulations impose substantial operating costs which could adversely affect our business.

Environmental regulation affects nearly all aspects of our operations. These regulatory regimes are laws of general application that apply to us in the same manner as they apply to other companies and enterprises in the energy industry. Conventional and unconventional oil extraction operations present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, state and county laws and regulations.

Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil operations. The legislation also requires that facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material.

We expect future changes to environmental legislation, including anticipated legislation for air pollution and greenhouse gases that will impose further requirements on companies operating in the energy industry. Changes in environmental regulation could have an adverse effect on us from the standpoint of product demand, product reformulation and quality, methods of production and distribution and costs, and financial results. For example, requirements for cleaner-burning fuels could cause additional costs to be incurred, which may or may not be recoverable in the marketplace. The complexity and breadth of these issues make it extremely difficult to predict their future impact on us. Management anticipates capital expenditures and operating expenses could increase in the future as a result of the implementation of new and increasingly stringent environmental regulations.

Abandonment and reclamation costs are unknown and may be substantial.

Certain environmental regulations govern the abandonment of project properties and reclamation of lands at the end of their economic life, the costs of which may be substantial. A breach of such regulations may result in the issuance of remedial orders, the suspension of approvals, or the imposition of fines and penalties, including an order for cessation of operations at the site until satisfactory remedies are made. It is not possible to estimate with certainty abandonment and reclamation costs since they will be a function of regulatory requirements at the time.

Changes in the granting of governmental approvals could raise our costs and adversely affect our business.

Permits, leases, licenses, and approvals are required from a variety of regulatory authorities at various stages of exploration and development. There can be no assurance that the various government permits, leases, licenses and approvals sought will be granted in respect of our activities or, if granted, will not be cancelled or will be renewed upon expiration. There is no assurance that such permits, leases, licenses, and approvals will not contain terms and provisions which may adversely affect our exploration and development activities.

Amendments to current laws and regulations governing our proposed operations could have a material adverse impact on our proposed business.

Our business will be subject to substantial regulation under state and federal laws relating to the exploration for, and the development, upgrading, marketing, pricing, taxation, and transportation of unconventional oil and related products and other matters. Amendments to current laws and regulations governing operations and activities of conventional and unconventional oil extraction operations could have a material adverse impact on our proposed business. In addition, there can be no assurance that income tax laws, royalty regulations and government incentive programs related to the unconventional oil industry generally will not be changed in a manner which may adversely affect us and cause delays, inability to complete or abandonment of properties.

Risks Related To The Market For Our Stock

Trading of our stock may be restricted by the SEC's "Penny Stock" regulations, which may limit a stockholder's ability to buy and sell our stock.

The U.S. Securities and Exchange Commission has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors." The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC, which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of, our common stock.

The Financial Industry Regulatory Authority, or FINRA, has adopted sales practice requirements which may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit our ability to buy and sell our stock and have an adverse effect on the market for our shares.

Trading in our common shares on the OTC is limited and sporadic making it difficult for our shareholders to sell their shares or liquidate their investments.

Our common shares are currently listed for public trading on the OTC under the stock symbol "NMEX". The trading price of our common shares has been subject to wide fluctuations. Trading prices of our common shares may fluctuate in response to a number of factors, many of which will be beyond our control. The stock market has generally experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies with no current business operation. There can be no assurance that trading prices and price earnings ratios previously experienced by our common shares will be matched or maintained. These broad market and industry factors may adversely affect the market price of our common shares, regardless of our operating performance.

In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation has often been instituted. Such litigation, if instituted, could result in substantial costs for us and a diversion of management's attention and resources.

We are not likely to pay cash dividends in the foreseeable future.

We intend to retain any future earnings for use in the operation and expansion of our business. We do not expect to pay any cash dividends in the foreseeable future but will review this policy as circumstances dictate. Should we decide in the future to do so, as a holding company, our ability to pay dividends and meet other obligations depends upon the receipt of dividends or other payments from our operating subsidiaries. In addition, our operating subsidiaries, from time to time, may be subject to restrictions on their ability to make distributions to us, including restrictions on the conversion of local currency into U.S. dollars or other hard currency and other regulatory restrictions.

Our stock price may be volatile, and you may not be able to resell your shares at or above your initial purchase price.

There has been, and continues to be, a limited public market for our common stock. Although our common stock trades on the NASD Bulletin Board, an active trading market for our shares has not developed and may never develop or be sustained. If you purchase shares of common stock, you may not be able to resell those shares at or above the initial price you paid. The market price of our common stock may fluctuate significantly in response to numerous factors, some of which are beyond our control.

Most of our common stock is currently restricted. As restrictions on resale end, the market price of our stock could drop significantly if the holders of restricted shares sell them or are perceived by the market as intending to sell them. This could cause the market price of our common stock to drop significantly, even if our business is doing well.

Our common stock has a limited public trading market.

While our common stock currently trades in the Over-the-Counter Bulletin Board market, our market is limited and sporadic. We cannot assure that such a market will improve in the future. We cannot assure that an investor will be able to liquidate the investor's investment without considerable delay, if at all. If a more active market does develop, the price may be highly volatile. The factors which we have discussed in this document may have a significant impact on the market price of the common stock. The relatively low price of our common stock may keep many brokerage firms from engaging in transactions in our common stock.

The Over-The-Counter Market for our stock has had extreme price and volume fluctuations.

The securities of companies such as ours have historically experienced extreme price and volume fluctuations during certain periods. These broad market fluctuations and other factors, such as new product developments and trends in the industry and in the investment markets generally, as well as economic conditions and annual variations in our operational results, may have a negative effect on the market price of our common stock.

Item 1B. UNRESOLVED STAFF COMMENTS

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 2. PROPERTIES

Our principal executive offices are located at 10 West Broadway, Suite 700, Salt Lake City 84101.

ITEM 3. LEGAL PROCEEDINGS

We know of no material, existing or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our company.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is quoted under the symbol "NMEX" on the OTC PINK operated by the Financial Industry Regulatory Authority, Inc. ("FINRA") and the OTCQB operated by OTC Markets Group, Inc. Few market makers continue to participate in the OTCBB system because of high fees charged by FINRA. The criteria for listing on either the OTCBB or OTCQB are similar and include that we remain current in our SEC reporting.

Our shares are subject to Section 15(g) and Rule 15c-2 of the Securities and Exchange Act, commonly referred to as the "penny stock" rule. The rule defines penny stock to be any equity security that has a market price less than \$5.00 per share, subject to certain exceptions. These rules may restrict the ability of broker-dealers to trade or maintain a market in our common stock and may affect the ability of shareholders to sell their shares. Broker-dealers who sell penny stocks to persons other than established customers and accredited investors must make a special suitability determination for the purchase of the security. Accredited investors, in general, include individuals with assets in excess of \$1,000,000 (not including their personal residence) or annual income exceeding \$200,000 or \$300,000 together with their spouse, and certain institutional investors. The rules require the broker-dealer to receive the purchaser's written consent to the transaction prior to the purchase and require the broker-dealer to deliver a risk disclosure document relating to the penny stock prior to the first transaction. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, and current quotations for the security. Finally, monthly statements must be sent to customers disclosing recent price information for the penny stocks.

On October 26, 2020 there were approximately 74 holders of record of our common stock, although there may be other persons who are beneficial owners of our common stock held in street name. The transfer agent and registrar for our common stock is Issuer Direct Corporation, 1981 Murray Holiday Road, #100, Salt Lake City, UT 84117.

Dividend Policy

We have never paid any cash dividends and intend, for the foreseeable future, to retain any future earnings for the development of our business. Our Board of Directors will determine our future dividend policy on the basis of various factors, including our results of operations, financial condition, capital requirements and investment opportunities.

RECENT ISSUANCES OF UNREGISTERED SECURITIES

During the year ended July 31, 2020, the Company sold 666,660 shares of common stock at \$0.03 per share for total cash proceeds of \$20,000.

During the year ended July 31, 2020, the Company sold 2,500,000 shares of common stock at \$0.02 per share for total cash proceeds of \$50,000.

During the year ended July 31, 2020, the Company sold 3,000,000 shares of common stock at \$0.01 per share for total cash proceeds of \$30,000.

During the year ended July 31, 2020, the Company issued 1,075,000 shares of common stock that had been shown in equity as a common stock payable as of July 31, 2019.

Other than as disclosed above, we did not sell any equity securities which were not registered under the Securities Act during the year ended July 31, 2020 that were not otherwise disclosed on our quarterly reports on Form 10-Q or our current reports on Form 8-K filed during the year ended July 31, 2020.

ISSUER REPURCHASES OF EQUITY SECURITIES

None

ITEM 6. SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations for the Years Ended July 31, 2020 and 2019

Revenue

Revenues of oil and gas for the years ended July 31, 2020 and 2019 were \$2,949 and \$14,273, respectively, a decrease of \$11,324 or 79.3%. Revenues are earned primarily from the J.E. Richey Lease from the sale of oil and gas and are recorded net of any distributions paid. The decrease in revenue is due to lower production as well as lower oil and gas prices.

Officer compensation

Officer compensation was \$6,600 and \$16,000 for the years ended July 31, 2020 and 2019, respectively, a decrease of \$9,400, or 58.8%. We began to incur monthly compensation expense for our new CFO in April 2020 and no compensation has been accrued or paid to the CEO in the current period.

Consulting – related party

Consulting – related party services were \$60,000 and \$57,500 for the years ended July 31, 2020 and 2019, respectively, an increase of \$2,500, or 4.3%. Fees are paid to Noel Schaefer, Director, but are billed as consulting fees.

Consulting expense

Consulting fees were \$12,700 and \$11,325 for the years ended July 31, 2020 and 2019, respectively, an increase of \$1,375, or 12.1%. When needed the Company hires experts in the mining, oil and gas industries to assist with its current projects.

Professional fees

Professional fees were \$53,523 and \$37,984 for the years ended July 31, 2020 and 2019, respectively, an increase of \$15,539, or 40.9%. Professional fees generally consist of legal, audit and accounting expense. The increase can be attributed to an increase in audit fees.

Advertising and promotion

Advertising and promotion expense were \$0 and \$38,485 for the years ended July 31, 2020 and 2019, respectively, a decrease of \$38,485. We have temporarily decreased our spending in this area to conserve our available cash.

Mineral property expenditures

Mineral property expenditures were \$35,669 and \$355,442 for the years ended July 31, 2020 and 2019, respectively, a decrease of \$319,773, or 90%. Expenditures include lease payments for the working interest in the mineral properties and rework expense. The decrease in the current period can be attributed to a decrease in expenditures while the Company pursues additional funding.

General and administrative

General and administrative expense was \$22,384 and \$50,102 for the years ended July 31, 2020 and 2019, respectively, a decrease of \$27,718, or 55.3%. The decrease can be attributed to a decrease in travel and office expense.

Other expense

During the year ended July 31, 2020 we had total other income of \$152,910 compared to an expense of \$19,012 in the prior year. During the current year we incurred interest expense of \$14,795, which was offset with a gain on forgiveness of debt of \$167,705. During the year ended July 31, 2019 we incurred interest expense of \$17,980, a loss on disposal of mineral rights of \$100,772, offset with a gain on forgiveness of debt of \$99,740.

Net Loss

For the year ended July 31, 2020, we had a net loss of \$35,017 as compared to a net loss of \$571,577 for year ended July 31, 2019. Our net loss was lower in the current period primarily due to our other income and a decrease in in our mineral property expenditures.

Liquidity and Financial Condition

Operating Activities

Cash used by operating activities was \$204,007 for the year ended July 31, 2020. Cash used for operating activities was \$244,035 for the year ended July 31, 2019.

Investing Activities

We used \$0 for investing activities for the year ended July 31, 2020 compared to \$20,000 used in year ended July 31, 2019.

Financing Activities

Net cash provided by financing activities was \$189,000 for year ended July 31, 2020 compared to \$233,210 for the year ended July 31, 2019. During the year ended July 31, 2020, we received \$100,000 from the sale of common stock and \$89,000 from loan proceeds. During the year ended July 31, 2019, we received \$220,000 from the sale of common stock, \$69,180 from related party loans, \$55,970 of which was repaid and received \$9,000 from loans payable, of which we repaid \$9,000.

We had the following loans outstanding as of July 31, 2020:

On August 22, 2013 the Company entered into a \$50,000 Convertible Loan Agreement with an un-related party. The Loan and interest are convertible into Units at \$0.08 per Unit with each Unit consisting of one common share of the Company and ½ warrant with each full warrant exercisable for one year to purchase one common share at \$0.30 per share. On July 10, 2014, a further \$35,000 was received from the same unrelated party under the same terms. On July 31, 2018, this Note was amended whereby the principal and interest are now convertible into Units at \$0.04 per Unit with each Unit consisting of one common share of the Company and ½ warrant with each full warrant exercisable for one year to purchase one common share at \$0.08 per share. The Loan shall bear interest at the rate of Eight Percent (8%) per annum and matures on March 26, 2020. As of July 31, 2020, there is \$85,000 and \$58,038 of principal and accrued interest, respectively, due on this loan. As of July 31, 2019, there was \$85,000 and \$43,182 of principal and accrued interest, respectively, due on this loan. This note is currently in default.

On October 20, 2017, the Company executed a convertible promissory note for \$25,000 with a third party. The note accrues interest at 6%, matures in two years and is convertible into shares of common stock at maturity, at a minimum of \$0.10 per share, at the option of the holder. As of July 31, 2020 and 2019, there is \$4,527 and \$2,367, respectively, of accrued interest due on this loan.

On April 16, 2017, the Company executed a promissory note for \$15,000 with a third party. The note matures in two years and interest is set at \$3,000 for the full two years. As of July 31, 2020, there is \$15,000 and \$3,375 of principal and accrued interest, respectively, due on this loan. As of July 31, 2019, there is \$15,000 and \$1,875 of principal and accrued interest, respectively, due on this loan. This loan is currently in default.

On June 11, 2020, a third party loaned the Company \$14,000. The loan is unsecured, non-interest bearing and due on demand.

As of July 31, 2020, the Company owed \$5,000 to a third party. The loan is unsecured, non-interest bearing and due on demand.

During the year ended July 31, 2020, a third party loaned the Company \$15,000. The loan is unsecured, bears interest at 8% per annum and matures on September 1, 2021. As of July 31, 2020, there is \$1,022 of interest accrued on this note.

During the year ended July 31, 2020, a third party loaned the Company \$60,000. The loan is unsecured, bears interest at 8% per annum and matures on September 1, 2021. As of July 31, 2020, there is \$3,906 of interest accrued on this note.

On September 25, 2018, the Company executed a loan agreement with the wife of the CEO for \$6,800. The loan was to be repaid by December 15, 2018, with an additional \$680 to cover interest and fees. On October 10, 2018, the Company executed another loan agreement for \$15,000. The loan was to be repaid by December 15, 2018, with an additional \$1,500 to cover interest and fees. As of July 31, 2020, the Company owes \$23,110 on this loan. This loan is in default.

We will require additional funds to fund our budgeted expenses over the next twelve months. These funds may be raised through equity financing, debt financing, or other sources, which may result in further dilution in the equity ownership of our shares. There is still no assurance that we will be able to maintain operations at a level sufficient for an investor to obtain a return on his investment in our common stock. Further, we may continue to be unprofitable. We need to raise additional funds in the immediate future in order to proceed with our budgeted expenses.

Off-Balance Sheet Arrangements

We have no 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 is material to stockholders.

Critical Accounting Policies

Refer to Note 2 of our financial statements contained elsewhere in this Form 10-K for a summary of our critical accounting policies and recently adopting and issued accounting standards.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Smaller reporting companies are not required to provide the information required by this Item.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

NORTHERN MINERALS & EXPLORATION LTD.

CONSOLIDATED FINANCIAL STATEMENTS

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To the Board of Directors and
Stockholders of Northern Minerals & Exploration, Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Northern Minerals & Exploration, Ltd. (the Company) as of July 31, 2020 and 2019, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended July 31, 2020, and the related notes (collectively referred to as the financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of July 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the two-year period ended July 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Consideration of the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying consolidated financial statements, the Company has significant net losses, cash flow deficiencies, negative working capital and an accumulated deficit. Those conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding those matters are described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Haynie & Company
Salt Lake City, Utah
October 29, 2020

We have served as the company's auditor since 2020

**NORTHERN MINERALS & EXPLORATION LTD.
CONSOLIDATED BALANCE SHEETS**

ASSETS	July 31, 2020	July 31, 2019
Current Assets:		
Cash	\$ 6,840	\$ 21,847
Prepaid expenses	-	5,000
Accounts receivable	1,146	-
Other receivable	10,000	10,000
Total Current Assets	17,986	36,847
Other Assets:		
Oil and gas properties	28,800	28,800
Total Other Assets	28,800	28,800
TOTAL ASSETS	\$ 46,786	\$ 65,647
LIABILITIES & STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	\$ 89,037	\$ 63,959
Accounts payable – related party	29,700	50,000
Accrued liabilities	437,632	637,754
Convertible debt	110,000	110,000
Loans payable	109,000	20,000
Loans payable – related party	23,210	23,210
Total Current Liabilities	798,579	904,923
TOTAL LIABILITIES	798,579	904,923
Commitments and Contingencies	-	-
Stockholders' Deficit:		
Preferred stock, \$0.001 par value, 50,000,000 shares authorized; no shares issued	-	-
Common stock, \$0.001 par value, 250,000,000 shares authorized; 63,078,479 and 55,836,819 shares issued and outstanding, respectively	63,079	55,837
Common stock to be issued	-	44,925
Additional paid-in-capital	2,184,218	2,024,035
Accumulated deficit	(2,999,090)	(2,964,073)
Total Stockholders' Deficit	(751,793)	(839,276)
TOTAL LIABILITIES & STOCKHOLDERS' DEFICIT	\$ 46,786	\$ 65,647

The accompanying notes are an integral part of these consolidated financial statements.

**NORTHERN MINERALS & EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the Years Ended July 31,	
	2020	2019
Revenue	\$ 2,949	\$ 14,273
Operating expenses:		
Officer compensation	6,600	16,000
Consulting – related party	60,000	57,500
Consulting	12,700	11,325
Professional fees	53,523	37,984
Advertising and promotion	-	38,485
Mineral property expenditures	35,669	355,442
General and administrative expenses	22,384	50,102
Total operating expenses	<u>190,876</u>	<u>566,838</u>
Loss from operations	<u>(187,927)</u>	<u>(552,565)</u>
Other income (expense):		
Interest expense	(14,795)	(17,980)
Loss on disposal of mineral rights	-	(100,772)
Gain on the assignment of property interests	167,705	-
Gain on forgiveness of debt	-	99,740
Total other income (expense)	<u>152,910</u>	<u>(19,012)</u>
Loss before provision for income taxes	(35,017)	(571,577)
Provision for income taxes	-	-
Net Loss	<u>\$ (35,017)</u>	<u>\$ (571,577)</u>
Net loss per share from operations, basic and diluted	<u>\$ (0.00)</u>	<u>(0.01)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>58,125,466</u>	<u>51,155,037</u>

The accompanying notes are an integral part of these consolidated financial statements.

NORTHERN MINERALS & EXPLORATION LTD.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (Deficit)
FOR THE YEARS ENDED JULY 31, 2020 AND 2019

	Common Stock	Common Stock Amount	Additional Paid-in Capital	Common Stock To be Issued	Accumulated Deficit	Total
Balance, July 31, 2018	48,286,818	\$ 48,287	\$ 1,736,835	\$ 50,000	\$ (2,392,496)	\$ (557,374)
Common stock issued for services	150,000	150	9,600	3,825	-	13,575
Common stock issued for cash	7,400,001	7,400	262,600	(50,000)	-	220,000
Common stock issued for accrued liabilities	-	-	-	41,100	-	41,100
Contributed capital	-	-	15,000	-	-	15,000
Net loss for the year ended July 31, 2019	-	-	-	-	(571,577)	(571,577)
Balance, July 31, 2019	55,836,819	55,837	2,024,035	44,925	(2,964,073)	(839,276)
Common stock issued	1,075,000	1,075	43,850	(44,925)	-	-
Common stock issued for cash – related party	5,500,000	5,500	74,500	-	-	80,000
Common stock issued for cash	666,660	667	19,333	-	-	20,000
Forgiveness of related party debt	-	-	22,500	-	-	22,500
Net loss for the year ended July 31, 2020	-	-	-	-	(35,017)	(35,017)
Balance, July 31, 2020	<u>63,078,479</u>	<u>\$ 63,079</u>	<u>\$ 2,184,218</u>	<u>\$ -</u>	<u>\$ (2,999,090)</u>	<u>\$ (751,793)</u>

The accompanying notes are an integral part of these consolidated financial statements.

NORTHERN MINERALS & EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended July 31,	
	2020	2019
Cash Flows from Operating Activities:		
Net loss	\$ (35,017)	\$ (571,577)
Adjustments to reconcile net loss to net cash used in Operating activities:		
Gain on the assignment of property interests	(167,705)	-
Gain on forgiveness of debt	-	(99,740)
Loss on disposal of mineral rights	-	100,772
Amortization of capitalized costs	-	10,000
Stock compensation expense	-	13,575
Changes in Operating Assets and Liabilities:		
Prepaid expenses	5,000	(1,500)
Accounts receivable	(1,146)	3,229
Other receivable	-	48,318
Accounts payables and accrued liabilities	(22,135)	231,269
Accounts payable – related party	2,200	6,626
Accrued interest	14,796	9,800
Advances for well work	-	5,193
Net cash used in operating activities	<u>(204,007)</u>	<u>(244,035)</u>
Cash Flows used in Investing Activities:		
Cash paid for oil and gas properties	-	(20,000)
Net cash used in investing activities	<u>-</u>	<u>(20,000)</u>
Cash Flows from Financing Activities:		
Proceeds from loan payable	89,000	9,000
Repayment of loan payable	-	(9,000)
Proceeds from loans payable – related party	-	69,180
Payments on loans payable – related party	-	(55,970)
Proceeds from the sale of common stock	100,000	220,000
Net cash provided by financing activities	<u>189,000</u>	<u>233,210</u>
Net decrease in cash	(15,007)	(30,825)
Cash at beginning of the year	21,847	52,672
Cash at end of the year	<u>\$ 6,840</u>	<u>\$ 21,847</u>
Cash paid during the period for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -
Supplemental disclosure of non-cash activity:		
Forgiveness of related party debt	\$ 22,500	\$ -
Common stock issued for accrued liabilities	\$ -	\$ 41,100

The accompanying notes are an integral part of these consolidated financial statements.

Northern Minerals & Exploration Ltd.
Notes to Consolidated Financial Statements
July 31, 2020

NOTE 1 - ORGANIZATION AND BUSINESS OPERATIONS

Northern Minerals & Exploration Ltd. (the "Company") is an emerging natural resource company operating in oil and gas production in central Texas and exploration for gold and silver in northern Nevada.

The Company was incorporated in Nevada on December 11, 2006 under the name Punchline Entertainment, Inc. On August 22, 2012, the Company's board of directors approved an agreement and plan of merger to effect a name change of the Company from Punchline Entertainment, Inc. to Punchline Resources Ltd. On July 12, 2013, the stockholders approved an amendment to change the name of the Company from Punchline Resources Ltd. to Northern Mineral & Exploration Ltd. FINRA approved the name change on August 13, 2013.

On November 22, 2017, the Company created a wholly owned subsidiary, Kathis Energy LLC ("Kathis") for the purpose of conducting oil and gas drilling programs in Texas.

On December 14, 2017, Kathis Energy, LLC and other Limited Partners, created Kathis Energy Fund 1, LP, a limited partnership created for raising investor funds.

On May 7, 2018, the Company created ENMEX LLC, a wholly owned subsidiary in Mexico, for the purposes of managing and operating its investments in Mexico including but not limited to the Joint Venture opportunity being negotiated with Pemex Bacalar on the 61 acres on the Bacalar Lagoon on the Yucatan Peninsula. There was no activity from inception to date.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accounting and reporting policies of the Company conform to U.S. generally accepted accounting principles (US GAAP).

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 may differ from those estimates.

Cash and Cash Equivalents

The Company considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents. The carrying amount of financial instruments included in cash and cash equivalents approximates fair value because of the short maturities for the instruments held. The Company had no cash equivalents as of July 31, 2020 and 2019.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Kathis Energy LLC, Kathis Energy Fund 1, LLP and Enmex Operations LLC. All financial information has been prepared in conformity with accounting principles generally accepted in the United States of America. All significant intercompany transactions and balances have been eliminated.

Revenue Recognition

Revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration that an entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods. The Company applies the following five-step model in order to determine this amount: (i) identification of the promised goods in the contract; (ii) determination of whether the promised goods are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. Once a contract is determined to be within the scope of ASC 606 at contract inception, the Company reviews the contract to determine which performance obligations the Company must deliver and which of these performance obligations are distinct. The Company recognizes as revenues the amount of the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied or as it is satisfied. Generally, the Company's performance obligations are transferred to customers at a point in time, typically upon delivery.

The Company receives a majority of its revenue from oil and gas sales from the J. E Richey lease located in Coleman County, Texas. Revenue is recognized when received.

For the year ended July 31, 2020 and 2019, we recognized 100% and 62.4% of revenue, respectively, from crude oil sales on our Richey Lease.

Accounts Receivable

Revenues that have been recognized but not yet received are recorded as accounts receivable. Losses on receivables will be recognized when it is more likely than not that a receivable will not be collected. An allowance for estimated uncollectible amounts will be recognized to reduce the amount of receivables to its net realizable value. The allowance for uncollectible amounts is evaluated quarterly.

Long Lived Assets

Property consists of mineral rights purchases as stipulated by underlying agreements and payments made for oil and gas exploration rights. Our company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. When we determine that the carrying value of long-lived assets may not be recoverable based upon the existence of one or more indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, we record an impairment charge. Our company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent in the current business model. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows.

Mineral Property Acquisition and Exploration Costs

Mineral property acquisition and exploration costs are expensed as incurred until such time as economic reserves are quantified. Cost of lease, exploration, carrying and retaining unproven mineral lease properties are expensed as incurred. We have chosen to expense all mineral exploration costs as incurred given that it is still in the exploration stage. Once our company has identified proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capitalized costs will be amortized over the estimated life of the probable-proven reserves. When our company has capitalized mineral properties, these properties will be periodically assessed for impairment of value and any diminution in value.

Oil and Gas Properties

The Company follows the successful efforts method of accounting for its oil and gas properties. Under this method of accounting, all property acquisition costs and costs of exploratory and development wells are capitalized when incurred, pending determination of whether the well found proved reserves. If an exploratory well does not find proved reserves, the costs of drilling the well are charged to expense. The costs of development wells are capitalized whether those wells are successful or unsuccessful. Other exploration costs, including certain geological and geophysical expenses and delay rentals for oil and gas leases, are charged to expense as incurred. Maintenance and repairs are charged to expense, and renewals and betterments are capitalized to the appropriate property and equipment accounts. Depletion and amortization of oil and gas properties are computed on a well-by-well basis using the units-of-production method. Although the Company has recognized minimal levels of production and revenue, none of its property have proved reserves. Therefore, the Company's properties are designated as unproved properties.

Unproved property costs are not subject to amortization and consist primarily of leasehold costs related to unproved areas. Unproved property costs are transferred to proved properties if the properties are subsequently determined to be productive and are assigned proved reserves. Proceeds from sales of partial interest in unproved leases are accounted for as a recovery of cost without recognizing any gain until all cost is recovered. Unproved properties are assessed periodically for impairment based on remaining lease terms, drilling results, reservoir performance, commodity price outlooks or future plans to develop acreage.

Asset Retirement Obligation

Accounting Standards Codification ("ASC") Topic 410, Asset Retirement and Environmental Obligations ("ASC 410") requires an entity to recognize the fair value of a liability for an asset retirement obligation in the period in which it is incurred. The net estimated costs are discounted to present values using credit-adjusted, risk-free rate over the estimated economic life of the oil and gas properties. Such costs are capitalized as part of the related asset. The asset is depleted on the equivalent unit-of-production method based upon estimates of proved oil and natural gas reserves. The liability is periodically adjusted to reflect (1) new liabilities incurred, (2) liabilities settled during the period, (3) accretion expense and (4) revisions to estimated future cash flow requirements. To date, the Company has very few operating wells. Currently, the Company has one working well. Because there is only one active well on the Ritchie Lease with a 24% working interest, the Company estimates the asset retirement obligation to be trivial and has not recorded an ARO liability.

Basic and Diluted Earnings Per Share

Net income (loss) per common share is computed pursuant to ASC 260-10-45, *Earnings per Share—Overall—Other Presentation Matters*. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period.

For the year ended July 31, 2020, the Company had 3,031,958 of potentially dilutive shares. The shares consisted of common shares and warrants from convertible debt of 1,687,972 and 843,986, respectively, and an additional 5000,000 warrants. For the year ended July 31, 2019, the Company had 4,768,408 of potentially dilutive shares. The shares consisted of common shares and warrants from convertible debt of 1,602,272 and 801,136, respectively, and an additional 2,365,000 warrants. The diluted loss per share is the same as the basic loss per share for the years ended July 31, 2020 and 2019, as the inclusion of any potential shares would have had an antidilutive effect due to our loss from operations.

Recently issued accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses*, and also issued subsequent amendments to the initial guidance, ASU 2018-19, ASU 2019-04, ASU 2019-05, and ASU 2019-11 (collectively, Topic 326), to introduce a new impairment model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses (CECL). Under Topic 326, an entity is required to estimate CECL on available-for-sale (AFS) debt securities only when the fair value is below the amortized cost of the asset and is no longer based on an impairment being "other-than-temporary". Topic 326 also requires the impairment calculation on an individual security level and requires an entity use present value of cash flows when estimating the CECL. The credit-related losses are required to be recognized through earnings and non-credit related losses are reported in other comprehensive income. In April 2019, the FASB further clarified the scope of Topic 326 and addressed issues related to accrued interest receivable balances, recoveries, variable interest rates and prepayment. The new guidance will require modified retrospective application to all outstanding instruments, with a cumulative effect adjustment recorded to opening retained earnings as of the beginning of the first period in which the guidance becomes effective. The amendments in this Update for the Company are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted in any interim period after the issuance of this of this Update. The Company is evaluating the impact of the adoption of the new standard on its financial statement and disclosures.

In August 2018, the FASB issued ASU 2018-13 to improve the effectiveness of disclosures about fair value measurements required under ASC 820. The ASU modifies the disclosure objective paragraphs of ASC 820 to eliminate (1) "at a minimum" from the phrase "an entity shall disclose at a minimum" and (2) other similar "open ended" disclosure requirements to promote the appropriate exercise of discretion by entities. The disclosure objective added in ASC 820-10-50-1C states: The objective of the disclosure requirements in this Subtopic is to provide users of financial statements with information about assets and liabilities measured at fair value in the statement of financial position or disclosed in the notes to financial statements: a) the valuation techniques and inputs that a reporting entity uses to arrive at its measures of fair value, including judgments and assumptions that the entity makes, b) the uncertainty in the fair value measurements as of the reporting date, and c) how changes in fair value measurements affect an entity's performance and cash flows. The new ASU is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted.

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 3 - GOING CONCERN

The accompanying financial statements are prepared and presented on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, they do not include any adjustments relating to the realization of the carrying value of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Since inception to July 31, 2020, the Company has an accumulated deficit of \$2,999,090. The Company intends to fund operations through equity financing arrangements, which may be insufficient to fund its capital expenditures, working capital and other cash requirements for the next twelve months. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company plan to operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the company, to date, the Company has experienced a decline in revenue due to the decreasing price of oil.

NOTE 4 - OIL AND GAS PROPERTIES

Active Projects:

The Company currently has one active lease. We hold a 24% working interest in one producing well ("Concho Richey #1") on the lease and a 100% working interest in the remainder of the 206-acre J. E Richey Lease. The Concho Richey #1 well is currently producing 2.8 barrels of oil and 16 MCF of gas per day.

The Richey #1 well was plugged on January 3, 2018. As of July 31, 2019, management determined that the \$50,000 asset carried on the balance sheet was impaired resulting in a loss on impairment of \$21,200 lowering the value of the investment in the Richey lease to \$28,800. No additional impairment was recognized in the fiscal year 2020.

NOTE 5 – MINERAL RIGHTS AND PROPERTIES

ENMEX Operations LLC – Wholly owned Subsidiary - Pemex Bacalar – Resort Development Project

On September 22, 2017 the Company entered into a Letter of Intent with Pemex Bacalar SAPI DE CV to examine the opportunity of acquiring ownership in approximately 80 acres ("Property") on a freshwater lagoon near the community of Bacalar, Mexico in the state of Quintana Roo for the purpose of entering into a joint venture for the potential development of the Property into a resort. This was followed up with a Memorandum of Understanding ("MOU") on November 16, 2017 in order to further conduct due diligence toward this potential project. An amended MOU was entered into on April 13, 2018 setting forth the conditions for entering into a definitive agreement with Pemex Bacalar to acquire 51% of the Property. These conditions included obtaining an independent appraisal of the Property and develop a business plan in conjunction with a Joint Venture Operating Agreement. On June 11, 2019 a new agreement was entered into regarding this property to incorporate certain requirements including, but not limited to, finalizing the acquisition of additional acreage and obtaining permits as well as formalize a plan to conduct feasibility studies, etc. On March 13, 2018 a payment of \$20,266 was paid toward the architectural drawings prepared by Callikson. No additional funds have been provided to this project since the signing of the MOU on June 11, 2019.

NOTE 6 – WINNEMUCCA MOUNTAIN PROPERTY

As previously announced, on September 14, 2012, we entered into an option agreement with AHL Holdings Ltd., and Golden Sands Exploration Inc. ("Optionors"), wherein we acquired an option to purchase an 80% interest in and to certain mining claims, which claims form the Winnemucca Mountain Property in Humboldt County, Nevada ("Property"). This property currently is comprised of 138 unpatented mining claims covering approximately 2,700 acres.

On July 23, 2018, the Company entered into a New Option Agreement with the Optionors. This agreement provided for the payment of \$25,000 and the issuance of 3,000,000 shares of the Company's common stock and work commitments. The Company issued the shares and made the initial payment of \$25,000 per the terms of the July 31, 2018 agreement. The second payment of \$25,000 per the terms of the agreement was not paid when it became due on August 31, 2018 causing the Company to default on the terms of the July 23, 2018 agreement.

On March 25, 2019 the Company entered into a New Option Agreement with the Optionors. As stated in the New Option Agreement the Company has agreed to certain terms and conditions to have the right to earn an 80% interest in the Property, these terms include cash payments, issuance of common shares of the Company and work commitments.

The Company's firm commitments per the March 25, 2019 option agreement total \$381,770 of which cash payments total \$181,770 and a firm work commitment of \$200,000. These cash payments include payments for rentals payable to BLM and also for the staking of new claims adjoining the existing claims. The work commitment is to be conducted prior to December 31, 2020. As of July 31, 2020 and July 31, 2019, the Company has accounted for \$334,000 and \$381,770, respectively, in its accrued liabilities (Note 7).

NOTE 7 - ACCRUED LIABILITIES

The Company has partnered with others whereby they provide all or a portion of the working capital for either well work to be completed on existing properties or towards the acquisition of new properties. As of July 31, 2020 and 2019, the Company has unused funds it has received of \$23,175 and \$65,879, respectively.

During the year ended July 31, 2020, various third parties, either forgave monies due from advances for well work or assumed other liabilities totaling \$167,705. The \$167,705 was from advances comprised of \$125,000 received by Kathis Energy and \$42,705 received by the Company, from investors, for the drilling of the Richey 2A well. During the year ended July 31, 2020, the Company entered into an agreement with an unrelated third party in which they assumed the obligations of these advances totaling \$167,705 and to drill the Richey 2A well. The well was drilled prior to July 31, 2020 releasing the Company and Kathis Energy of any further obligations to the investors for the funds they had advanced.

Accrued liabilities as of July 31:

	July 31, 2020	July 31, 2019
General accrual	\$ 2,444	\$ 1,887
Interest	\$ 62,597	\$ 47,802
Distributions and royalty	\$ 15,416	\$ 15,416
Advances for well work	\$ 23,175	\$ 65,879
Winnemucca Property	\$ 334,000	\$ 381,770
Investment funds to be used for the development of future properties	\$ -	\$ 125,000
	<u>\$ 437,632</u>	<u>\$ 637,754</u>

NOTE 8 - CONVERTIBLE DEBT

On August 22, 2013 the Company entered into a \$50,000 Convertible Loan Agreement with an un-related party. The Loan and interest are convertible into Units at \$0.08 per Unit with each Unit consisting of one common share of the Company and ½ warrant with each full warrant exercisable for one year to purchase one common share at \$0.30 per share. On July 10, 2014, a further \$35,000 was received from the same unrelated party under the same terms. On July 31, 2018, this Note was amended whereby the principal and interest are now convertible into Units at \$0.04 per Unit with each Unit consisting of one common share of the Company and ½ warrant with each full warrant exercisable for one year to purchase one common share at \$0.08 per share. The Loan shall bear interest at the rate of Eight Percent (8%) per annum and matures on March 26, 2020. As of July 31, 2020, there is \$85,000 and \$58,038 of principal and accrued interest, respectively, due on this loan. As of July 31, 2019, there was \$85,000 and \$43,182 of principal and accrued interest, respectively, due on this loan. This note is currently in default.

On October 20, 2017, the Company executed a convertible promissory note for \$25,000 with a third party. The note accrues interest at 6%, matures in two years and is convertible into shares of common stock at maturity, at a minimum of \$0.10 per share, at the option of the holder. As of July 31, 2020 and 2019, there is \$4,527 and \$2,367, respectively, of accrued interest due on this loan. This note is currently in default.

NOTE 9 – LOANS PAYABLE

On April 16, 2017, the Company executed a promissory note for \$15,000 with a third party. The note matures in two years and interest is set at \$3,000 for the full two years. As of July 31, 2020, there is \$15,000 and \$3,375 of principal and accrued interest, respectively, due on this loan. As of July 31, 2019, there is \$15,000 and \$1,875 of principal and accrued interest, respectively, due on this loan. This loan is currently in default.

On June 11, 2020, a third party loaned the Company \$14,000. The loan is unsecured, non-interest bearing and due on demand.

As of July 31, 2020, the Company owed \$5,000 to a third party. The loan is unsecured, non-interest bearing and due on demand.

During the year ended July 31, 2020, a third party loaned the Company \$15,000. The loan is unsecured, bears interest at 8% per annum and matures on September 1, 2021. As of July 31, 2020, there is \$1,022 of interest accrued on this note.

During the year ended July 31, 2020, a third party loaned the Company \$60,000. The loan is unsecured, bears interest at 8% per annum and matures on September 1, 2021. As of July 31, 2020, there is \$3,906 of interest accrued on this note.

NOTE 10 - COMMON STOCK

During the year ended July 31, 2019, the Company issued 150,000 shares of common stock to two individuals as consideration for their support with the Richey #2A project. The shares were valued at \$0.065 per share, the closing price on the date of grant, for total non-cash expense of \$9,750.

During the year ended July 31, 2019, the Company sold 1,000,000 Units of its common stock for total cash proceeds of \$50,000. Each Unit consists of one common share and one-half share purchase warrant exercisable for 2 years. Each whole share purchase warrant has an exercise price of \$0.15 per common share. The Company determined the fair value of the warrants to be \$25,205 using the Black Scholes pricing model.

During the year ended July 31, 2019, the Company issued 7,400,000 shares of common stock and received total cash proceeds of \$220,000, \$50,000 of was a receivable at July 31, 2019

During the year ended July 31, 2019, the Company issued 75,000 shares of common stock for services. The shares were valued at \$0.051 for total non-cash expense of \$3,825.

On July 31, 2019, the Company entered into an agreement with J.V. Rhyne whereby advance for work to be conducted on several wells in the net amount of \$61,850 were transferred to J.V. Rhyne for consideration of 1,000,000 shares of common stock. The shares were valued at \$0.041, the closing stock price on the date of the agreement, for total value of \$41,100. The transaction resulted in a gain on the write off of debt of \$20,750.

On June 4, 2020, the Company filed a Certificate of Amendment to its Articles of Incorporation in which it increased its authorized capital stock to 250,000,000 shares of common stock, par value \$0.001 and 50,000,000 shares of preferred stock, par value \$0.001.

During the year ended July 31, 2020, the Company sold 666,660 shares of common stock at \$0.03 per share for total cash proceeds of \$20,000.

During the year ended July 31, 2020, the Company sold 2,500,000 shares of common stock at \$0.02 per share for total cash proceeds of \$50,000.

During the year ended July 31, 2020, the Company sold 3,000,000 shares of common stock at \$0.01 per share for total cash proceeds of \$30,000.

During the year ended July 31, 2020, the Company issued 1,075,000 shares of common stock that had been shown in equity as a common stock payable as of July 31, 2019.

NOTE 11 - WARRANTS

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contract Term
Exercisable at July 31, 2018	2,015,000	\$ 0.15	1.47
Granted	500,000	0.15	1.28
Expired	(150,000)	0.15	-
Exercised	-	-	-
Exercisable at July 31, 2019	2,365,000	0.15	.65
Granted	-	-	-
Expired	(1,865,000)	0.15	-
Exercised	-	-	-
Exercisable at July 31, 2020	<u>500,000</u>	\$ 0.15	.27

NOTE 12 - RELATED PARTY TRANSACTIONS

For the years ended July 31, 2020 and 2019, total payments of \$0 and \$8,500, respectively, were made to Ivan Webb, CEO for consulting services. As of July 31, 2019, there was a \$22,500 credited to accounts payable. During the year ended July 31, 2020, Mr. Webb agreed to forgive the full amount due to him. The \$22,500 was credited to additional paid in capital.

For the years ended July 31, 2019 and 2018, total payments of \$60,000 and \$52,500, respectively, were made to Noel Schaefer, a Director of the Company, for consulting services. As of July 31, 2020 and 2019, there is \$27,500 and \$27,500 credited to accounts payable.

As of July 31, 2020, there is \$2,200 credited to accounts payable for amounts due to Rachel Boulds, CFO, for consulting services.

During the year ended July 31, 2020, the Company sold 2,500,000 shares of common stock to a director for total cash proceeds of \$80,000.

On July 31, 2019, Ivan Webb, CEO, agreed to assume a \$15,000 liability due to Renaissance Oil & Gas Inc. that had been paid for the reworking of the S O Curry #1 well. The assumption of the liability was credited to additional paid in capital.

On September 25, 2018, the Company executed a loan agreement with the wife of the CEO for \$6,800. The loan was to be repaid by December 15, 2018, with an additional \$680 to cover interest and fees. On October 10, 2018, the Company executed another loan agreement for \$15,000. The loan was to be repaid by December 15, 2018, with an additional \$1,500 to cover interest and fees. As of July 31, 2020, the Company owes \$23,210 on this loan. This loan is in default.

Victor Miranda, a Director of the Company is also President and owner of Labrador Capital SAPI DE CV ("Labrador"), a major shareholder of the Company owning 8.8% of its issued and outstanding shares. The Company has entered into a Memorandum of Understanding with Labrador to jointly pursue developing real estate projects in Mexico. As of the date of this report no projects have been identified to jointly pursue. In the event of a decision to go forward with Labrador, Victor Miranda will abstain from voting to avoid any conflict of interest.

NOTE 12 - INCOME TAX

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The U.S. federal income tax rate of 21% is being used for 2017 due to the new tax law recently enacted.

The provision for Federal income tax consists of the following July 31:

	<u>2020</u>	<u>2019</u>
Federal income tax benefit attributable to:		
Current Operations	\$ 9,100	\$ 261,400
Less: valuation allowance	<u>(9,100)</u>	<u>(261,400)</u>
Net provision for Federal income taxes	\$ -	\$ -

The cumulative tax effect at the expected rate of 21% of significant items comprising our net deferred tax amount is as follows:

	<u>2020</u>	<u>2019</u>
Deferred tax asset attributable to:		
Net operating loss carryover	\$ 964,100	\$ 955,000
Less: valuation allowance	(964,100)	(955,000)
Net deferred tax asset	\$ -	\$ -

At July 31, 2020, the Company had net operating loss carry forwards of approximately \$1,145,000 that maybe offset against future taxable income. No tax benefit has been reported in the July 31, 2020 or 2019 financial statements since the potential tax benefit is offset by a valuation allowance of the same amount. The change in the valuation allowance for the year ended July 31, 2020 was an increase of \$9,100.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cut and Jobs Act (the "Tax Act"). The Tax Act establishes new tax laws that affects 2018 and future years, including a reduction in the U.S. federal corporate income tax rate to 21% effective January 1, 2018. For certain deferred tax assets and deferred tax liabilities.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years.

ASC Topic 740 provides guidance on the accounting for uncertainty in income taxes recognized in a company's financial statements. Topic 740 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements.

The Company includes interest and penalties arising from the underpayment of income taxes in the statements of operations in the provision for income taxes. As of July 31, 2020, the Company had no accrued interest or penalties related to uncertain tax positions. The Company is subject to examination by the various taxing authorities beginning with the tax year ended December 31, 2016 (or the tax year ended December 31, 2002 if the Company were to utilize its NOLs)

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events pursuant to the requirements of ASC Topic 855, from the balance sheet date through the date the financial statements were available to be issued, and has determined that no material subsequent events exist other than the following.

Subsequent to July 31, 2020, the Company sold 1,000,200 shares of common stock for total proceeds of \$30,000.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None

ITEM 9A. CONTROLS AND PROCEDURES

Management's Report 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 ineffective to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the required time periods specified in the Commission's rules and forms 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 principal executive officer and principal financial officer, do 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. During the fourth quarter of the fiscal year ended July 31, 2020, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation and due to the identified material weaknesses discussed below, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were ineffective as of the end of the period covered by this report.

To address the material weaknesses, we performed additional analysis and other post-closing procedures in an effort to ensure our 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 Report on Internal Control over Financial Reporting

Internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) is a process designed by, or under the supervision of, our principal executive and principal financial officers, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The management is responsible for establishing and maintaining adequate internal control over our financial reporting. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting using the *Internal Control – Integrated Framework (2013)* developed by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our internal control over financial reporting was not effective as of July 31, 2020.

We are aware of the following material weaknesses in internal control that could adversely affect the Company's ability to record, process, summarize and report financial data:

- Due to our size and limited resources, we currently do not employ the appropriate accounting personnel to ensure (a) we maintain proper segregation of duties, (b) that all transactions are entered timely and accurately, and (c) we properly account for complex or unusual transactions
- Due to our size and limited resources, we have not properly documented a complete assessment of the effectiveness of the design and operation of our internal control over financial reporting.

Inherent limitations on effectiveness of controls

Internal control over financial reporting has inherent limitations, which include but is not limited to the use of independent professionals for advice and guidance, interpretation of existing and/or changing rules and principles, segregation of management duties, scale of organization, and personnel factors. Internal control over financial reporting is a process, which involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis, however these inherent limitations are known features of the financial reporting process and it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting that occurred during the fourth quarter of the fiscal year ended July 31, 2020, that have materially or are reasonably likely to materially affect, our internal controls over financial reporting.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

All directors of our company hold office until the next annual meeting of the security holders or until their successors have been elected and qualified. The officers of our company are appointed by our board of directors and hold office until their death, resignation or removal from office. Our directors and executive officers, their ages, positions held, and duration as such, are as follows:

Name	Age	Position with the Company	Date Appointed
Noel Schaefer	65	Chief Operating Officer, Secretary & Director	July 6, 2018
Victor Miranda	37	Director	July 6, 2018
Ivan Webb	69	President & Chief Executive Officer	July 6, 2018
Rachel Boulds	50	Chief Financial Officer	February 7, 2020

BUSINESS EXPERIENCE

The following is a brief account of the education and business experience during at least the past five years of each director, executive officer and key employee of our company, indicating the person's principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Noel Schaefer, Director, Secretary & Chief Operations Officer, ("COO") has served in a variety of executive and director positions in his 30 plus year career with both domestic and international companies. His emphasis has been with startups by setting up market profiles, developing strategic market placement and refining corporate objectives. Mr. Schaefer has successfully helped to raise funds from both the public and private sectors. He has worked extensively in Far East and Latin America with a particular focus on Mexico. He holds a Bachelor of Science degree from Brigham Young University with an emphasis in Marketing and Finance.

Victor Miranda, Director, is the CEO of an insurance broker firm, passionate about ventures developing USA/MEXICO cross border opportunities. He has 15 years of hands on experience in the sales management for the financial sector, with particular focus on developing a savers culture through employee benefits, and 7 years developing successful real estate development projects in Quintana Roo. Quintana Roo is the State in Mexico where the Pecer Bacalar property is located.

Ivan Webb, Chief Executive Officer, is a seasoned and successful entrepreneur, with over 35 years of experience in the oil and gas industry internationally and in the United States. He is experienced with acquiring oil and gas concessions and leases, drilling of new wells and reworking/ re-completing existing wells, production management, working with service companies and regulatory compliance. Internationally, he has successfully leased more than 18,000,000 acres. Domestically he has been involved with the acquisition and or management of more than 250 wells in Kansas, Oklahoma and Texas.

Mr. Webb has also over 30 years of experience in managing or assisting public companies in both the US and Canada with regulatory compliance. His public company experience includes assisting companies with initial public offerings, reverse mergers, obtaining listings, and assisting with ongoing regulatory compliance.

Rachel Boulds, Chief Financial Officer of the Company. Ms. Boulds currently works for the Company on a part-time basis while also operating her sole accounting practice which she has led since 2009 and which provides all aspects of consulting and accounting services to clients, including the preparation of full disclosure financial statements for public companies to comply with GAAP and SEC requirements. Ms. Boulds also currently provides outsourced chief financial officer services for two other companies. From August 2004 through July 2009, she was employed as a Senior Auditor for HJ & Associates, LLC, where she performed audits and reviews of public and private companies, including the preparation of financial statements to comply with GAAP and SEC requirements. From 2003 through 2004, Ms. Boulds was employed as a Senior Auditor at Mohler, Nixon and Williams. From September 2001 through July 2003, Ms. Boulds worked as an ABAS Associate for PriceWaterhouseCoopers. From April 2000 through February 2001, Ms. Boulds was employed as an e-commerce Accountant for the Walt Disney Group's GO.com. Ms. Boulds earned a B.S. in Accounting from San Jose University in 2001 and is licensed as a CPA in the state of Utah.

Family Relationships

There are no family relationships among any of our officers or directors.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

1. been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
2. had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
3. been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
4. been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
5. been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
6. been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26)), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29)), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Code of Ethics

The Company has not yet adopted a Code of Ethics.

ITEM 11. EXECUTIVE COMPENSATION

The particulars of the compensation paid to the following persons:

- our principal executive officer;
- each of our two most highly compensated executive officers who were serving as executive officers at the end of the years ended July 31, 2020 and 2019; and
- up to two additional individuals for whom disclosure would have been provided under (b) but for the fact that the individual was not serving as our executive officer at the end of the years ended July 31, 2020 and 2019

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and		Total (\$)
							Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	
<i>Howard Siegel⁽¹⁾</i>	2020	\$0	N/A	N/A	N/A	N/A	N/A	N/A	\$0
<i>President & Director</i>	2019	\$0	N/A	N/A	N/A	N/A	N/A	N/A	\$0
<i>Noel Schaefer⁽²⁾</i>	2020	\$60,000	N/A	N/A	N/A	N/A	N/A	N/A	\$60,000
<i>Chief Operating Officer & Director</i>	2019	\$57,500	N/A	N/A	N/A	N/A	N/A	N/A	\$57,500
<i>Victor Miranda⁽³⁾</i>	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NA
<i>Director</i>	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NA
<i>Ivan Webb⁽⁴⁾</i>	2020	\$0	N/A	N/A	N/A	N/A	N/A	N/A	\$0
<i>Chief Executive Officer & Director</i>	2019	\$16,000	N/A	N/A	N/A	N/A	N/A	N/A	\$16,000
<i>Rachel Boulds⁽⁵⁾</i>	2020	\$8,800	N/A	N/A	N/A	N/A	N/A	N/A	\$8,800
<i>Chief Financial Officer</i>	2019	\$0	N/A	N/A	N/A	N/A	N/A	N/A	\$0

(1) Howard Siegel was appointed as a director on April 23, 2014 and appointed as president, chief financial officer, chief executive officer and treasurer on April 24, 2014. On July 6, 2018 he resigned as chief financial officer and chief executive officer and treasurer. Mr. Siegel died in August 2020.

(2) Noel Schaefer was appointed Chief Operating Officer on July 6, 2018.

(3) Victor Miranda was Chief Financial Officer from July 6, 2018 until February 7, 2020.

(4) Ivan Webb was appointed Vice President on March 16, 2015 and on July 6, 2018 was appointed Chief Executive Officer

(5) Rachel Boulds was appointed Chief Financial Officer on February 7, 2020.

Other than as set out below, there are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. Our directors and executive officers may receive share options at the discretion of our board of directors in the future. We do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that share options may be granted at the discretion of our board of directors.

Stock Option Grants

We have not granted any stock options to the executive officers since our inception.

Outstanding Equity Awards at Fiscal Year End

For the year ended July 31, 2020, no director or executive officer has received compensation from us pursuant to any compensatory or benefit plan. There is no plan or understanding, express or implied, to pay any compensation to any director or executive officer pursuant to any compensatory or benefit plan.

Compensation of Directors

No member of our Board of Directors received any compensation for his services as a director during the year ended July 31, 2020.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of October 26, 2020, certain information with respect to the beneficial ownership of our common shares by each shareholder known by us to be the beneficial owner of more than 5% of our common shares, as well as by each of our current directors and executive officers as a group. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class ⁽²⁾
Ivan Webb, Chief Executive Officer	Common stock	900,000	1.4%
Noel Schaefer, Chief Operating Officer, Secretary & Director	Common stock	2,000,000	3.1%
Victor Miranda, Director	Common stock	-	-
Rachel Boulds, CFO	Common stock	-	-
All officers and director as a group (4 persons)	Common stock	2,900,000	4.5%
<hr/>			
Labrador Capital SAPI CV ⁽³⁾		5,000,000	7.8%
Golden Sands Explorations		3,000,000	4.7%
Grasshoppers Unlimited Inc. ⁽⁴⁾	Common stock	3,778,000	5.9%
Starcom SA DE CV	Common stock	5,000,000	7.8%
All others as a group (4 persons)		16,778,000	26.2%

(1) Beneficial Ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Each of the beneficial owners listed above has direct ownership of and sole voting power and investment power with respect to the shares of our common stock.

(2) A total of 64,078,679 shares of our common stock are considered to be outstanding pursuant to SEC Rule 13d-3(d)(1) as of October 26, 2020. For each beneficial owner above, any options exercisable within 60 days have been included in the denominator.

(3) Victor Miranda is the president of Labrador Capital SAPI CV which is the holder of 5,000,000 shares of the Company's common stock.

(4) Winona Webb is the owner of Grasshoppers Unlimited Inc. and is the ex-wife of Ivan Webb, CEO of Northern Minerals & Exploration Ltd.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Except as disclosed herein, no director, executive officer, shareholder holding at least 5% of shares of our common stock, or any family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction since the year ended July 31, 2020, in which the amount involved in the transaction exceeded or exceeds the lesser of \$120,000 or one percent of the average of our total assets at the year-end for the last three completed fiscal years.

For the years ended July 31, 2020 and 2019, total payments of \$0 and \$8,500, respectively, were made to Ivan Webb, CEO for consulting services. As of July 31, 2019, there was a \$22,500 credited to accounts payable. During the year ended July 31, 2020, Mr. Webb agreed to forgive the full amount due to him. The \$22,500 was credited to additional paid in capital.

For the years ended July 31, 2020 and 2019, total payments of \$60,000 and \$52,500, respectively, were made to Noel Schaefer, a Director of the Company, for consulting services. As of July 31, 2020 and 2019, there is \$27,500 and \$27,500 credited to accounts payable.

As of July 31, 2020, there is \$2,200 credited to accounts payable for amounts due to Rachel Boulds, CFO, for consulting services.

During the year ended July 31, 2020, the Company sold 2,500,000 shares of common stock to a director for total cash proceeds of \$80,000.

On July 31, 2019, Ivan Webb, CEO, agreed to assume a \$15,000 liability due to Renaissance Oil & Gas Inc. that had been paid for the reworking of the S O Curry #1 well. The assumption of the liability was credited to additional paid in capital.

On September 25, 2018, the Company executed a loan agreement with the wife of the CEO for \$6,800. The loan was to be repaid by December 15, 2018, with an additional \$680 to cover interest and fees. On October 10, 2018, the Company executed another loan agreement for \$15,000. The loan was to be repaid by December 15, 2018, with an additional \$1,500 to cover interest and fees. As of July 31, 2020, the Company owes \$23,110 on this loan. This loan is in default.

Victor Miranda, a Director of the Company is also President and owner of Labrador Capital SAPI DE CV ("Labrador"), a major shareholder of the Company owning 8.8% of its issued and outstanding shares. The Company has entered into a Memorandum of Understanding with Labrador to jointly pursue developing real estate projects in Mexico. As of the date of this report no projects have been identified to jointly pursue. In the event of a decision to go forward with Labrador, Victor Miranda will abstain from voting to avoid any conflict of interest.

Director Independence

We currently act with two directors, Noel Schaefer and Victor Miranda. We have determined that we do not have an "independent director" as defined in NASDAQ Marketplace Rule 4200(a)(15).

We do not have a standing audit, compensation or nominating committee, but our directors and officer act in such capacities. We believe that our sole director is capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. Our sole director does not believe that it is necessary to have an audit committee because we believe that the functions of an audit committee can be adequately performed by the sole director. In addition, we believe that retaining an independent director who would qualify as an "audit committee financial expert" would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The aggregate fees billed for the most recently completed fiscal year ended July 31, 2020 and for the fiscal year ended July 31, 2019 for professional services rendered by the principal accountant for the audit of our annual financial statements and review of the financial statements included in our quarterly reports on Form 10-Q and services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows:

	Year Ended	
	July 31, 2020	July 31, 2019
Audit Fees	\$ 25,000	\$ 21,500
Audit Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	\$ 25,000	\$ 21,500

Our board of directors pre-approves all services provided by our independent auditors. All of the above services and fees were reviewed and approved by the board of directors either before or after the respective services were rendered.

Our board of directors has considered the nature and amount of fees billed by our independent auditors and believes that the provision of services for activities unrelated to the audit is compatible with maintaining our independent auditors' independence.

PART IV

ITEM 15. EXHIBITS

Exhibit Number	Exhibit Description
31.1	Section 302 Certification under Sarbanes-Oxley Act of 2002.
31.2	Section 302 Certification under Sarbanes-Oxley Act of 2002.
32.1	Section 906 Certification under Sarbanes-Oxley Act of 2002.
(101)	Interactive Data File (Form 10-K for the Year Ended July 31, 2020)
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.

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.

NORTHERN MINERALS & EXPLORATION LTD.

(Registrant)

Dated: October 29, 2020

/s/ Ivan Webb

Ivan Webb

Chief Executive Officer

/s/ Noel Schaefer

Noel Schaefer

Chief Operating Officer & Director

/s/ Victor Miranda

Victor Miranda

Director

/s/ Rachel Boulds

Rachel Boulds

Chief Financial Officer

Certification of Chief Financial Officer Pursuant to**Section 302 of the Sarbanes-Oxley Act of 2002-Rule 13a-14(a)/15d-14(a)**

I, Rachel Boulds, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended July 31, 2020 for Northern Minerals & Exploration Ltd. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Rachel Boulds

Rachel Boulds
Chief Financial Officer

Date: October 29, 2020

Certification of Chief Executive Officer Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002-Rule 13a-14(a)/15d-14(a)

I, Ivan Webb, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended July 31, 2020 for Northern Minerals & Exploration Ltd. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Ivan Webb

Ivan Webb
Chief Executive Officer

Date: October 29, 2020

Certification of Periodic Financial Reports
Pursuant to 18 U.S.C. Section 1350
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned hereby certify that they are the duly appointed and acting Chief Executive Officer and Chief Financial Officer of Northern Minerals & Exploration Ltd., and hereby further certify as follows:

1. The annual report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934.
2. The information contained in the annual report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

In witness whereof, the undersigned have executed and delivered this certificate as of the date set forth opposite their signatures below.

Date: October 29, 2020

/s/ Ivan Webb

Ivan Webb
Chief Executive Officer

Date: October 29, 2020

/s/ Rachel Boulds

Rachel Boulds
Chief Financial Officer
