

SEAFARER EXPLORATION CORP

FORM 10-Q (Quarterly Report)

Filed 08/14/24 for the Period Ending 06/30/24

Address	14497 N. DALE MABRY HIGHWAY SUITE 209N TAMPA, FL, 33618
Telephone	813-448-3577
CIK	0001106213
Symbol	SFRX
SIC Code	7900 - Services-Amusement and Recreation Services
Industry	Business Support Services
Sector	Industrials
Fiscal Year	12/31

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

or

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

For the transition period from _____ to _____.

Commission File Number 000-29461



SEAFARER EXPLORATION CORP.

(Exact name of registrant as specified in its charter)

Florida

90-0473054

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

14497 N. Dale Mabry Highway, Suite 209-N, Tampa, Florida 33618

(Address of principal executive offices) (Zip code)

(813) 448-3577

Registrant's telephone number

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, par value \$0.0001 per share

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the

definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

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

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

As of August 14, 2024, there were 8,623,074,737 shares of the registrant’s common stock, \$.0001 par value per share, outstanding.

SEAFARER EXPLORATION CORP.
Form 10-Q
For the Quarterly Period Ended June 30, 2024

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Part I: Financial Information

Statements in this Form 10-Q Quarterly Report may be “forward-looking statements.” Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These statements are based on our current expectations, estimates and projections about our business based, in part, on assumptions made by our management. These assumptions are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those risks discussed in this Form 10-Q Quarterly Report, under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in other documents which we file with the Securities and Exchange Commission.

In addition, such statements could be affected by risks and uncertainties related to our financial condition, factors that affect our industry, market and customer acceptance, changes in technology, fluctuations in our quarterly results, our ability to continue and manage our growth, liquidity and other capital resource issues, compliance with government regulations and permits, agreements with third parties to conduct operations, competition, fulfillment of contractual obligations by other parties and general economic conditions. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this Form 10-Q Quarterly Report, except as required by Federal Securities law.

Item I. Financial Statements

SEAFARER EXPLORATION CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>June 30, 2024</u> <u>(Unaudited)</u>	<u>December 31, 2023</u>
Assets		
Current assets		
Cash	\$ 473,676	\$ 606,267
Prepaid consulting expense	89,748	18,935
Deposits and other prepaids	25,749	15,791
Total current assets	<u>589,173</u>	<u>640,993</u>
Property, plant and equipment, net	223,902	248,922
Right of use asset	21,234	30,290
Total Assets	<u>\$ 834,309</u>	<u>\$ 920,205</u>
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable and accrued expenses	\$ 588,981	\$ 565,009
Deferred revenue	140,000	140,000
Convertible notes payable, net of discount of \$138,458 and \$0, respectively	116,372	-
Convertible notes payable, in default	235,300	355,300
Convertible notes payable, in default - related parties	689,500	789,500
Notes payable, net of discount of \$67,708 and \$0, respectively	959,798	404,786
Notes payable, in default	112,000	112,000
Notes payable, in default - related parties	18,500	18,500
Shareholder loan	5,000	5,000
Operating lease liability, current	19,856	18,483
Finance lease liability, current	25,149	22,263
Total current liabilities	<u>2,910,456</u>	<u>2,430,841</u>
Operating lease liability, long-term	1,753	11,974
Finance lease liability, long-term	85,189	99,917
Total Liabilities	<u>2,997,398</u>	<u>2,542,732</u>
Commitments and contingencies (Note 7)		
Stockholders' Deficit		
Preferred stock, \$0.0001 par values - 50,000,000 shares authorized; 67 shares issued Series A - 7 shares issued and outstanding	-	-
Series B - 60 shares issued and outstanding at June 30, 2024 and December 31, 2023	-	-
Common stock, \$0.0001 par value - 9,900,000,000 shares authorized; 8,621,591,403 and 8,314,141,446 shares issued and outstanding	862,160	831,415
Common stock to be issued, \$0.0001 par value, 39,039,877 and 31,039,877 shares outstanding at June 30, 2024 and December 31, 2023, respectively	3,904	3,104
Unearned compensation	-	-
Additional paid in capital	27,610,973	25,890,412
Accumulated deficit	(30,640,126)	(28,347,458)
Total Stockholders' Deficit	<u>(2,163,089)</u>	<u>(1,622,527)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 834,309</u>	<u>\$ 920,205</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

SEAFARER EXPLORATION CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue:				
Service income	\$ -	\$ 590	\$ 3,170	\$ 590
Operating Expenses				
Consulting and contractor expenses	453,521	355,452	1,019,678	874,938
Vessel maintenance and dockage	19,269	35,696	138,817	230,515
Research and development	157,055	73,834	288,983	105,934
Professional fees	21,000	38,146	111,478	66,202
General and administrative expense	106,671	24,812	222,060	178,191
Depreciation and amortization expense	12,510	12,221	25,020	23,809
Rent expense	17,643	10,418	27,031	24,187
Travel and entertainment expense	35,439	25,282	91,377	46,466
Total operating expenses	<u>823,108</u>	<u>575,861</u>	<u>1,924,444</u>	<u>1,550,242</u>
Net loss from operations	<u>(823,108)</u>	<u>(575,271)</u>	<u>(1,921,274)</u>	<u>(1,549,652)</u>
Other income (expense)				
Interest expense	(123,070)	(17,261)	(182,569)	(34,250)
Loss on extinguishment of debt	(34,420)	(21,599)	(188,825)	(21,599)
Total other income (expense)	<u>(157,490)</u>	<u>(38,860)</u>	<u>(371,394)</u>	<u>(55,849)</u>
Net loss	<u>\$ (980,598)</u>	<u>\$ (614,131)</u>	<u>\$ (2,292,668)</u>	<u>\$ (1,605,501)</u>
Basic and diluted loss per share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average shares outstanding	<u>8,536,199,408</u>	<u>7,526,460,781</u>	<u>8,487,703,587</u>	<u>7,456,023,988</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

SEAFARER EXPLORATION CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024
UNAUDITED

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Common Stock to be Issued		Additional Paid in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance December 31, 2023	7	\$ -	60	\$ -	8,314,141,446	\$ 831,415	31,039,877	\$ 3,104	\$ 25,890,412	\$ (28,347,458)	\$ (1,622,527)
Common stock issued for cash	-	-	-	-	52,833,334	5,283	10,666,667	1,067	312,150	-	318,500
Stock issued for loan origination fee	-	-	-	-	4,500,000	450	(2,000,000)	(200)	45,580	-	45,830
Stock issued for services	-	-	-	-	63,583,333	6,358	-	-	331,667	-	338,025
Stock issued to settle accounts payable	-	-	-	-	5,476,191	548	-	-	32,595	-	33,143
Stock issued in exchange for leasing a vessel	-	-	-	-	3,000,000	300	-	-	29,700	-	30,000
Conversion of notes payable and accrued interest	-	-	-	-	61,104,658	6,110	-	-	268,860	-	274,970
Cancellation of shares	-	-	-	-	(10,800,564)	(1,080)	-	-	1,080	-	-
Net Loss	-	-	-	-	-	-	-	-	-	(1,312,070)	(1,312,070)
Balance March 31, 2024	7	\$ -	60	\$ -	8,493,838,398	\$ 849,384	39,706,544	\$ 3,971	\$ 26,912,044	\$ (29,659,528)	\$ (1,894,129)
Common stock issued for cash	-	-	-	-	116,855,556	11,686	(666,667)	(67)	592,131	-	603,750
Equity kicker	-	-	-	-	5,066,667	507	-	-	47,627	-	48,134
Stock issued for services	-	-	-	-	500,000	50	-	-	10,300	-	10,350
Stock issued to settle accounts payable	-	-	-	-	239,380	24	-	-	3,496	-	3,520
Conversion of accrued interest	-	-	-	-	5,091,402	509	-	-	45,375	-	45,884
Net Loss	-	-	-	-	-	-	-	-	-	(980,598)	(980,598)
Balance June 30, 2024	7	\$ -	60	\$ -	8,621,591,403	\$ 862,160	39,039,877	\$ 3,904	\$ 27,610,973	\$ (30,640,126)	\$ (2,163,089)

See accompanying notes to the unaudited condensed consolidated financial statements.

SEAFARER EXPLORATION CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023
UNAUDITED

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Common Stock to be Issued		Additional Paid in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance December 31, 2022	7	\$ -	60	\$ -	7,172,668,896	\$ 717,268	71,969,820	\$ 7,197	\$ 22,947,138	\$ (25,166,812)	\$ (1,495,209)
Common stock issued for cash	-	-	-	-	228,859,347	22,885	(40,083,333)	(4,008)	507,123	-	526,000
Stock issued as charitable donation	-	-	-	-	1,000,000	100	-	-	7,100	-	7,200
Stock issued for services	-	-	-	-	97,201,415	9,720	(3,015,276)	(301)	645,352	-	654,771
Net Loss	-	-	-	-	-	-	-	-	-	(991,370)	(991,370)
Balance March 31, 2023	7	-	60	-	7,499,729,658	749,973	28,871,211	2,888	24,106,713	(26,158,182)	(1,298,608)
Common stock issued for cash	-	-	-	-	128,816,667	12,882	75,833,333	7,583	378,885	-	399,350
Stock issued for loan origination fee	-	-	-	-	1,000,000	100	-	-	3,700	-	3,800
Stock issued for services	-	-	-	-	4,166,700	417	3,342,954	334	27,499	-	28,250
Stock issued to settle accounts payable	-	-	-	-	6,776,250	677	-	-	22,902	-	23,579
Stock issued to accrued interest	-	-	-	-	12,010,537	1,202	-	-	39,635	-	40,837
Net Loss	-	-	-	-	-	-	-	-	-	(614,131)	(614,131)
Balance June 30, 2023	7	\$ -	60	\$ -	7,652,499,812	\$ 765,251	108,047,498	\$ 10,805	\$ 24,579,334	\$ (26,772,313)	\$ (1,416,923)

See accompanying notes to the unaudited condensed consolidated financial statements.

SEAFARER EXPLORATION CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

	For the Six Months Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (2,292,668)	\$ (1,605,501)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and Amortization	25,020	10,930
Amortization of right of use asset, facilities	9,055	12,879
Amortization of beneficial conversion feature and loan fees	67,214	-
Amortization of unearned compensation	-	124,348
Common stock issued for services	326,254	402,221
Common stock issued for a charitable contribution	-	7,200
Financing fees on debt	-	3,800
Common stock issued in payment of a vessel rental	30,000	-
Common stock issued as equity kicker	48,134	-
Loss on extinguishment of debt	188,825	-
Decrease (increase) in:		
Deposits and other prepaids	(9,958)	-
Increase (decrease) in:		
Accounts payable & accrued expenses	23,972	7,438
Operating lease liability	(8,848)	-
Finance lease liability	(11,842)	-
Net cash used by financing activities	<u>(1,604,842)</u>	<u>(1,036,685)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(2,000)
Net cash used in investing activities	<u>-</u>	<u>(2,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issuance of common stock	922,250	925,350
Proceeds from the issuance of convertible notes payable	150,000	-
Proceeds from the issuance of notes payable	500,000	-
Payments on notes payable, in default	(100,000)	-
Payments on notes payable	-	(5,000)
Payments to shareholders	-	(2,400)
Net cash used in financing activities	<u>1,472,250</u>	<u>917,950</u>
NET CHANGE IN CASH	(132,591)	(120,735)
CASH, BEGINNING OF PERIOD	606,267	177,409
CASH, END OF PERIOD	<u>\$ 473,676</u>	<u>\$ 56,674</u>
Supplemental disclosure of cash flow information		
Cash paid for interest expense	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash operating and financing activities:		
Principal and accrued interest converted to common stock	<u>\$ 319,774</u>	<u>\$ -</u>
Financing lease liabilities and right of use asset	<u>\$ -</u>	<u>\$ 141,451</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

SEAFARER EXPLORATION CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The accompanying condensed consolidated financial statements of Seafarer Exploration Corp. (“Seafarer” or the “Company”) are unaudited, but in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) necessary to fairly state the Company’s financial position, results of operations, and cash flows as of and for the dates and periods presented. The condensed consolidated financial statements of the Company are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and footnotes included in the Company’s Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission (the “Commission”) on March 26, 2024. The results of operations for the six month period ended June 30, 2024 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2024 or for any future period.

NOTE 1 – DESCRIPTION OF BUSINESS

Seafarer Exploration Corp. (“Seafarer” or the “Company”), was incorporated on May 28, 2003 in the State of Delaware.

The principal business of the Company is to engage in the archaeologically-sensitive exploration, documentation, recovery, and conservation of historic shipwrecks with the objective of exploring and discovering Colonial-era shipwrecks for future generations to be able to appreciate and understand.

In March of 2014, Seafarer entered into a partnership with Marine Archaeology Partners, LLC (“MAP”), with the formation of Seafarer’s Quest, LLC (“SQ”) for the purpose of exploring a shipwreck site off of Melbourne Beach, Florida. Under the partnership with MAP, Seafarer is the designated manager of SQ.

The Company’s wholly owned subsidiary Blockchain LogisTech, LLC (“Blockchain”), was formed on April 4, 2018 and began operations in 2019. The Company is evaluating Blockchain’s business opportunities and does not believe that Blockchain will generate any revenues for the foreseeable future.

The Company formed a wholly owned subsidiary, Exploration Studios, LLC, in May 2018 in order to explore media strategies and opportunities. Exploration Studios, LLC has not yet commenced operations.

Florida Division of Historical Resources Agreements/Permits

The Company successfully renewed its permits for both Areas 1 and 2 for the Melbourne Beach site. The Area 1 permit was renewed on March 1, 2019 for a period of three years. The Area 2 permit was renewed on January 14, 2019 for a period of three years. Per Florida Statutes, Seafarer made a timely request for renewal of the 2019 permit for Area 2 on July 29, 2022. In January of 2022, Seafarer received notification from the Florida Division of Historical Resources (“FDHR”) that its permit for Area 2, which was set to expire on January 19, 2022, has been continued indefinitely while the renewal request was being processed. The existing permits will continue until the renewal is finalized or rejected. Per Florida Statutes, Seafarer made a timely request for renewal of the 2019 permit for Area 1 on July 29, 2021. On March 2, 2022, Seafarer received notification that the permit would continue indefinitely with the same terms as Area 2.

Federal Admiralty Judgment

Seafarer was granted, through the United States District Court for the Southern District of Florida, a final judgment for its federal admiralty claim on the Juno Beach shipwreck site. The Company received an updated permit from the United State Army Corp of Engineers (“USACE”).

Blockchain Software Services Referral Agreements

Management is reviewing potential alternate plans for Blockchain and believes that it is highly unlikely that Blockchain will generate any revenues for the foreseeable future, if ever.

NOTE 2 – GOING CONCERN

These unaudited condensed consolidated financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred net losses since inception and has an accumulated deficit of \$30,640,126 as of June 30, 2024. During the six month period ended June 30, 2024, the Company’s net loss was \$2,292,668 and as of June 30, 2024, the Company had a working capital deficit of \$2,321,283. These factors raise substantial doubt about the Company’s ability to continue as a going concern. Based on its historical rate of expenditures, the Company expects to expend its available cash in less than three months from August 14, 2024. Management’s plans include raising capital through the issuance of common stock and debt to fund operations and, eventually, the generation of revenue through its business. The Company does not expect to generate any significant revenues for the foreseeable future. The Company is in immediate need of further working capital and is seeking options, with respect to financing, in the form of debt, equity or a combination thereof.

Failure to raise adequate capital and generate adequate revenues could result in the Company having to curtail or cease operations. The Company's ability to raise additional capital through the future issuances of the common stock is unknown. Additionally, even if the Company does raise sufficient capital to support its operating expenses and generate adequate revenues, there can be no assurances that the revenue will be sufficient to enable it to develop to a level where it will generate profits and cash flows from operations. These matters raise substantial doubt about the Company's ability to continue as a going concern; however, the accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. These unaudited condensed consolidated financial statements do not include any adjustments relating to the recovery of the recorded assets or the classifications of the liabilities that might be necessary should the Company be unable to continue as a going concern.

Reclassification

Certain minor reclassifications have been made to the comparative financial statements to conform to the classifications used in the current period.

Convertible Notes Payable and Notes Payable, in Default

The Company does not have additional sources of debt financing to refinance its convertible notes payable and notes payable that are currently in default. If the Company is unable to obtain additional capital, such lenders may file suit, including suit to foreclose on the assets held as collateral for the obligations arising under the secured notes. If any of the lenders file suit to foreclose on the assets held as collateral, then the Company may be forced to significantly scale back or cease its operations which would more than likely result in a complete loss of all capital that has been invested in or borrowed by the Company. The fact that the Company is in default regarding several loans held by various lenders makes investing in the Company or providing any loans to the Company extremely risky with a very high potential for a complete loss of capital.

The convertible notes that have been issued by the Company are convertible at the lender's option. These convertible notes represent significant potential dilution to the Company's current shareholders as the convertible price of these notes is generally lower than the current market price of the Company's shares. As such when these notes are converted into equity there is typically a highly dilutive effect on current shareholders and very high probability that such dilution may significantly negatively affect the trading price of the Company's common stock. Furthermore, management intends to have discussions with several of the promissory note holders who do not currently have convertible notes regarding converting their notes into equity. Any such amended agreements to convert promissory notes into equity would more than likely have a highly dilutive effect on current shareholders and there is a very high probability that such dilution may significantly negatively affect the trading price of the Company's common stock.

See Note 5 – Convertible notes payable – in default, Convertible notes payable – related parties, in default, Notes payable – in default, Notes payable – related parties, in default, for further information regarding the Company's convertible notes payable and notes payable that are currently in default due to non payment of principal and interest.

Current Economic Conditions

The Company and certain of its advisors are closely monitoring current domestic economic conditions. Of particular concern is the rate of inflation that has been reported as being near a forty year high and had recently increased nearly 7% on a year-over-year basis from 2021 to 2022 and the rising cost of fuel. The Federal Reserve (the "Fed") recently discussed that while inflation growth has moderated in 2024, inflation was still above the Fed's target of 2% per year. The increasing inflation in the overall economy may lead to higher interest rates which may make it more expensive or potentially more challenging for the Company to access financing. Additionally, the Company's vessels use large amounts of fuel when in operation and the recent rise in the per gallon cost of gasoline will cause an increase in the Company's operating expenses. The increase in the cost of fuel may hamper the Company's ability to conduct operations.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Seafarer Exploration Corp. is presented to assist in understanding the Company's unaudited condensed consolidated financial statements. The unaudited condensed consolidated financial statements and notes are representations of the Company's management, who are responsible for their integrity and objectivity. These accounting policies conform to GAAP and have been consistently applied in the preparation of the unaudited condensed consolidated financial statements.

Principles of Consolidation

The unaudited condensed consolidated financial statements of the Company include the accounts of the Company and Blockchain which is a wholly owned subsidiary. Intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications

Certain reclassifications were made to the prior consolidated financial statements to conform to the current period presentation. There was no change to the previously reported net loss.

Cash and Cash Equivalents

For purposes of the unaudited condensed consolidated statements of cash flows, the Company considers all highly liquid investments and short-term debt instruments with original maturities of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2024 and December 31, 2023. Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At June 30, 2024, the Company had deposits that were \$223,676 in excess of the FDIC insured limit.

Research and Development Expenses

Expenditures for research and development are expensed as incurred. The Company incurred research and development expenses of \$288,983 and \$105,934 for the six month periods ended June 30, 2024 and 2023, respectively and \$157,055 and \$73,834 for the three month periods ended June 30, 2024 and 2023, respectively, which is included in operating expenses in the accompanying unaudited condensed consolidated statements of operations.

Revenue Recognition

The Company recognizes revenue in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 606, "*Revenue from Contracts with Customers*" ("ASC 606") and all the related amendments.

The core principle of ASC 606 requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. ASC 606 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation.

The Company recognizes revenue from the referrals that Blockchain has made to providers of software services when payment for a referral is received from the provider of software services. Blockchain, at its sole discretion and with no specific sales quotas or targets, provides referrals of potential end users to the software service providers and is paid a referral fee only after the software services providers receive payment from the end user.

The Company also has a separate sales referral agreement, with no sales quotas or specific goals or targets, with a limited liability company that provides product/system engineering and development services. The Company's performance obligation is met when the payment from the customer is received by the provider of the development services, which is at a point in time. The Company receives referral fees when payment is received from the provider of the product/system development services which is when the Company recognizes revenue under the agreement.

The Company recognizes revenue when cash is received or when it has met its obligations per the terms of a contract or agreement for services. Payments received for services are recorded as deferred revenue and are recognized as revenue when the services have been provided.

During 2021 the Company entered into an agreement to provide scanning services using its SeaSearcher technology to a corporation involved in searching for historic shipwreck material. Under the terms of the agreement the Company received an upfront payment of \$140,000 which has been included in the accompanying unaudited condensed consolidated balance sheets at June 30, 2024 and December 31, 2023 as deferred revenue as the services have not yet been provided.

Earnings Per Share

The Company has adopted the FASB ASC 260-10, *Earnings per Share*, which provides for the calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income or loss available to common stockholders by the weighted average common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity.

The potentially dilutive common stock equivalents for the six month periods ended June 30, 2024 and 2023 were excluded from the dilutive loss per share calculation as they would be antidilutive due to the net loss. As of June 30, 2024 and 2023, there were approximately 606,961,668 and 673,692,795 shares of common stock underlying the outstanding convertible notes payable and warrants, respectively.

Fair Value of Financial Instruments

The carrying amounts of financial assets and liabilities, such as cash, accounts payable, accrued expenses, convertible notes payable and payables, approximate their fair values because of the short maturity of these instruments.

Property, Plant and Equipment

Property, plant and equipment are recorded at historical cost. Depreciation is computed on the straight-line method over the estimated useful lives of the respective assets.

Depreciation expense was \$10,930 for the six month periods ended June 30, 2024 and 2023, and \$5,465 for the three month periods ended June 30, 2024 and 2023, which is included in operating expenses in the accompanying unaudited condensed consolidated statements of operations.

Impairment of Long-Lived Assets

In accordance with ASC 360-10, *Impairment and Disposal of Long Lived Assets*, the Company, on a regular basis, reviews the carrying amount of long-lived assets for the existence of facts or circumstances, both internally and externally, that suggest impairment. The Company determines if the carrying amount of a long-lived asset is impaired based on anticipated undiscounted cash flows, before interest, from the use of the asset. In the event of impairment, a loss is recognized based on the amount by which the carrying amount exceeds the fair value of the asset. Fair value is determined based on appraised value of the assets or the anticipated cash flows from the use of the asset, discounted at a rate commensurate with the risk involved. There were no impairment charges recorded during the six month periods ended June 30, 2024 and 2023.

Use of Estimates

The process of preparing condensed consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Significant estimates for the six month periods ended June 30, 2024 and 2023 include useful life of property, plant and equipment, valuation allowances against deferred tax assets and the fair value of non cash equity transactions.

Segment Information

During 2019, Seafarer's wholly owned subsidiary, Blockchain, began operations, generated revenue and incurred expenses. The business of Blockchain has no relation to the Company's shipwreck exploration and recovery operations other than common ownership. As such, the Company concluded that the operations of Blockchain and Seafarer Exploration were separate reportable segments as of the six month periods ended June 30, 2024 and 2023 (see Note 9— Segment Information).

Convertible Debentures

The Company adheres to the guidance in Accounting Standards Updated ("ASU") 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. ASU 2020-06 simplifies an issuer's accounting for convertible instruments and its application of the derivatives scope exception for contracts in its own equity. Additionally, ASU 2020-06 removes the requirements for accounting for beneficial conversion features.

Fair Value Measurements and Fair Value of Financial Instruments

The Company adopted ASC Topic 820, *Fair Value Measurements*. ASC Topic 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2: Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3: Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The estimated fair value of certain financial instruments, including all current liabilities are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments.

The inputs to the valuation methodology of stock options and warrants were under level 3 fair value measurements.

ASC subtopic 825-10, *Financial Instruments* ("ASC 825-10") requires disclosure of the fair value of certain financial instruments. The carrying value of cash and cash equivalents, accounts payable and accrued liabilities as reflected in the condensed consolidated balance sheets, approximate fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the condensed consolidated financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

The Company follows ASC subtopic 820-10, *Fair Value Measurements and Disclosures* ("ASC 820-10") and ASC 825-10, which permits entities to choose to measure many financial instruments and certain other items at fair value.

Stock Based Compensation

The Company applies the fair value method of FASB ASC 718, *Share Based Payment*, in accounting for its stock-based compensation. The standard states that compensation cost is measured at the grant date based on the fair value of the award and is recognized over the service period. The Company values stock-based compensation at the market price for the Company's common stock and other pertinent factors at the grant date.

Fully vested and non-forfeitable shares issued prior to the services being performed are classified as prepaid expenses.

Leases

The Company accounts for leases under ASU 2016-02. At the inception of a contract the Company assesses whether the contract is, or contains, a lease. The Company's assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Company obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether it has the right to direct the use of the asset. The Company will allocate the consideration in the contract to each lease component based on its relative stand-alone price to determine the lease payments.

Operating lease right of use ("ROU") assets represents the right to use the leased asset for the lease term and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most leases do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at the adoption date in determining the present value of future payments. Lease expense for minimum lease payments is amortized on a straight-line basis over the lease term and is presented in operating expenses on the unaudited condensed consolidated statements of operations.

Finance leases are recorded as a finance lease liability and property, plant and equipment asset, based on the present value of lease payments. The asset is depreciated, and the liability is amortized with interest expense incurred over the life of the lease.

As permitted under the new guidance, the Company has made an accounting policy election not to apply the recognition provisions of the guidance to short term leases (leases with a lease term of twelve months or less that do not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise); instead, the Company will recognize the lease payments for short term leases on a straight-line basis over the lease term.

Income Taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided for the amount of deferred tax assets that, based on available evidence, are not expected to be realized.

Subsequent Events

It is the Company's policy to evaluate all events that occur after the balance sheet date through the date when the condensed consolidated financial statements were issued to determine if they must be reported.

Recent Accounting Pronouncements

All other recent accounting pronouncements issued by the FASB, including ASU 2023-07 and 2023-09, did not or are not believed by management to have a material impact on the Company's present or future condensed consolidated financial statements.

NOTE 4 – RIGHT-OF-USE ASSETS AND OPERATING AND FINANCE LEASE LIABILITIES

Operating Leases

Operating lease right-of-use assets and liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value is the incremental borrowing rate, estimated to be 10%, as the interest rate implicit in most of the Company's leases are not readily determinable. Operating lease expense is recognized on a straight-line basis over the lease term.

The Company leases 823 square feet of office space located at 14497 North Dale Mabry Highway, Suite 209-N, Tampa, Florida 33618. The Company entered into an amended lease agreement commencing on July 1, 2020 through July 31, 2023 with base month rents of \$1,475 from July 1, 2020 to June 30, 2021, \$1,519 from July 1, 2021 to June 30, 2022, \$1,564 from July 1, 2022 to June 30, 2023 and \$1,611 from July 1, 2023 to July 31, 2023. The Company entered into an amended lease agreement commencing on August 1, 2023 through July 31, 2025 with base month rents of \$1,612 from August 1, 2023 to June 31, 2024 and \$1,676 from August 1, 2024 to July 31, 2025. Under the terms of the lease there may be additional fees charged above the base monthly rental fee. During the six months ended June 30, 2024 and 2023, the Company recorded \$10,308 and \$9,202 as operating lease expense, respectively, which is included in rent expense on the unaudited condensed consolidated statements of operations. During the three months ended June 30, 2024 and 2023, the Company recorded \$5,154 and \$4,601 as operating lease expense, respectively, which is included in rent expense on the unaudited condensed consolidated statements of operations.

On August 1, 2023, upon renewal of the lease, the Company recorded a right-of-use asset and lease liability of \$37,502.

Right-of-use assets at June 30, 2024 and December 31, 2023 are summarized below:

	June 30, 2024	December 31, 2023
Office lease	\$ 37,502	\$ 37,502
Less accumulated amortization	(16,268)	(7,212)
Right of use assets, net	<u>\$ 21,234</u>	<u>\$ 30,290</u>

Amortization on the right -of -use asset is included in rent expense on the unaudited condensed consolidated statements of operations.

Operating Lease liabilities are summarized below:

	June 30, 2024	December 31, 2023
Office lease	\$ 21,609	\$ 30,457
Less: current portion	(19,856)	(18,483)
Long term portion	<u>\$ 1,753</u>	<u>\$ 11,974</u>

Maturity of lease liabilities are as follows:

Year ended December 31, 2024	\$ 10,442
Year ended December 31, 2025	12,262
Total future minimum lease payments	22,704
Less: Present value discount	(1,095)
Lease liability	<u>\$ 21,609</u>

Finance Leases

Commencing during the year ended December 31, 2023, the Company entered into the following leases:

- Vehicle lease - monthly lease payments of \$1,167 for 60 months amortized over 5 years at 12%
- Vessel lease - monthly lease payments of \$1,557 for 60 months amortized over 5 years at 12%
- Sonar lease - monthly lease payments of \$422 for 60 months amortized over 5 years at 12%

Finance right of use assets are summarized below:

	As of June 30, 2024	As of December 31, 2023
Vehicle lease	\$ 53,100	\$ 53,100
Vessel lease	70,849	70,849
Sonar lease	18,987	18,987
	<u>142,936</u>	<u>142,936</u>
Less accumulated amortization	(41,005)	(26,915)
Finance right of use asset	<u>\$ 101,931</u>	<u>\$ 116,021</u>

Finance lease liabilities are summarized below:

	As of June 30, 2024	As of December 31, 2023
Vehicle lease	\$ 40,625	\$ 45,034
Vessel lease	54,202	60,085
Sonar lease	15,511	17,061
	<u>110,338</u>	<u>122,180</u>
Less: current portion	(25,149)	(22,263)
Long term portion	<u>\$ 85,189</u>	<u>\$ 99,917</u>

Maturity of lease liabilities are as follows:

Year Ended December 31, 2024	\$ 18,879
Year Ended December 31, 2025	37,758
Year Ended December 31, 2026	37,758
Year Ended December 31, 2027	37,758
Thereafter	<u>4,413</u>
Total future minimum lease payments	136,566
Less imputed interest	<u>(26,228)</u>
PV of payments	<u>\$ 110,338</u>

Expenses incurred with respect to the Company's finance leases during the three and six months ended June 30, 2024 and 2023 which are included in rent expense on the unaudited condensed consolidated statements of operations are set forth below.

	Three Months Ended	
	June 30, 2024	June 30, 2023
Finance lease amortization	\$ 7,045	\$ 6,729
Finance lease interest	3,431	3,973
Total finance lease expense	<u>\$ 10,476</u>	<u>\$ 10,702</u>

	Six Months Ended	
	June 30, 2024	June 30, 2023
Finance lease amortization	\$ 14,091	\$ 11,559
Finance lease interest	7,038	7,589
Total finance lease expense	<u>\$ 21,129</u>	<u>\$ 19,148</u>

The weighted average remaining lease term and the weighted average discount rate on the finance leases at June 30, 2024 and December 31, 2023 are set forth below.

	June 30, 2024	December 31, 2023
Weighted average remaining lease term	3.67 years	4.17 years
Weighted average discount rate	12%	12%

NOTE 5 – CONVERTIBLE NOTES PAYABLE AND NOTES PAYABLE

Upon inception, the Company evaluates each financial instrument to determine whether it meets the definition of “conventional convertible” debt under ASC 470.

Convertible Notes Payable

The following tables reflect the convertible notes payable at June 30, 2024 and December 31, 2023:

	Issue Date	Maturity Date	June 30, 2024	December 31, 2023	Rate	Conversion Price
			Principal Balance	Principal Balance		
Convertible notes payable						
	03/18/24	03/18/25	\$ 50,000	\$ -	6.00%	Variable
	03/28/24	03/28/25	100,000	-	6.00%	Variable
Total			150,000	-		
Less unamortized discounts			33,628	-		
Balance convertible notes payable			<u>\$ 116,372</u>	<u>\$ -</u>		

	Issue Date	Maturity Date	June 30, 2024	December 31, 2023	Rate	Conversion Price
			Principal Balance	Principal Balance		
Convertible notes payable - in default						
	08/28/09	11/01/09	\$ 4,300	\$ 4,300	10.00%	0.0150
	11/20/12	05/20/13	50,000	50,000	6.00%	0.0050
	01/19/13	07/30/13	5,000	5,000	6.00%	0.0040
	02/11/13	08/11/13	9,000	9,000	6.00%	0.0060
	09/25/13	03/25/14	10,000	10,000	6.00%	0.0125
	10/04/13	04/04/14	50,000	50,000	6.00%	0.0125
	05/15/14	11/15/14	40,000	40,000	6.00%	0.0070
	09/18/15	03/18/16	25,000	25,000	6.00%	0.0020
	07/19/16	07/19/17	4,000	4,000	6.00%	0.0015
	02/06/18	11/07/18	6,000	6,000	6.00%	0.0006
	03/06/18	09/06/18	6,000	6,000	6.00%	0.0006
	01/03/19	07/03/19	1,000	1,000	6.00%	0.0010
	09/04/19	03/04/20	25,000	25,000	6.00%	0.0030
	09/18/23	10/18/23	-	120,000	6.00%	0.0020
Balance convertible notes payable - in default			<u>\$ 235,300</u>	<u>\$ 355,300</u>		

Issue Date	Maturity Date	June 30,	December 31,	Rate	Conversion Price
		2024	2023		
		Principal Balance	Principal Balance		
Convertible notes payable - related parties, in default					
01/09/09	01/09/10	\$ 10,000	\$ 10,000	10.00%	0.0150
01/25/10	01/25/11	6,000	6,000	6.00%	0.0050
01/18/12	07/18/12	50,000	50,000	8.00%	0.0040
01/19/13	07/30/13	15,000	15,000	6.00%	0.0040
07/26/13	01/26/14	10,000	10,000	6.00%	0.0100
01/17/14	07/17/14	31,500	31,500	6.00%	0.0060
05/27/14	11/27/14	7,000	7,000	6.00%	0.0070
07/21/14	01/25/15	17,000	17,000	6.00%	0.0080
10/16/14	04/16/15	21,000	21,000	6.00%	0.0045
07/14/15	01/14/16	9,000	9,000	6.00%	0.0030
01/12/16	07/12/16	5,000	5,000	6.00%	0.0020
05/10/16	11/10/16	5,000	5,000	6.00%	0.0005
05/10/16	11/10/16	5,000	5,000	6.00%	0.0005
05/20/16	11/20/16	5,000	5,000	6.00%	0.0005
07/12/16	01/12/17	2,400	2,400	6.00%	0.0006
01/26/17	03/12/17	5,000	5,000	6.00%	0.0005
02/14/17	08/14/17	25,000	25,000	6.00%	0.0008
08/16/17	09/16/17	3,000	3,000	6.00%	0.0008
01/09/18	01/09/19	12,000	12,000	6.00%	0.0006
03/14/18	05/14/18	25,000	25,000	6.00%	0.0007
04/04/18	06/04/18	3,000	3,000	6.00%	0.0007
04/11/18	06/11/18	25,000	25,000	6.00%	0.0007
05/08/18	07/08/18	25,000	25,000	6.00%	0.0007
05/30/18	08/30/18	25,000	25,000	6.00%	0.0007
06/12/18	09/12/18	3,000	3,000	6.00%	0.0007
06/20/18	09/12/18	500	500	6.00%	0.0007
08/27/18	02/27/19	2,000	2,000	6.00%	0.0007
10/02/18	04/02/19	1,000	1,000	6.00%	0.0008
10/23/18	04/23/19	4,200	4,200	6.00%	0.0007
11/07/18	05/07/19	2,000	2,000	6.00%	0.0008
11/14/18	05/14/19	8,000	8,000	6.00%	0.0008
01/08/19	07/08/19	7,000	7,000	6.00%	0.0008
04/25/19	12/23/19	20,000	20,000	6.00%	0.0040
06/07/19	12/07/19	5,100	5,100	6.00%	0.0030
09/17/19	04/17/20	12,000	12,000	6.00%	0.0030
11/12/19	05/12/20	25,000	25,000	6.00%	0.0025
11/26/19	05/26/20	25,200	25,200	6.00%	0.0030
12/03/19	06/03/20	15,000	15,000	6.00%	0.0030
01/07/20	06/20/20	51,000	51,000	6.00%	0.0030
08/06/20	02/06/21	25,200	25,200	6.00%	0.0035
08/06/20	02/06/21	35,000	35,000	6.00%	0.0035
08/14/20	02/14/21	50,400	50,400	6.00%	0.0035
10/31/21	04/13/22	3,000	3,000	2.00%	0.0020
11/10/21	05/10/22	3,000	3,000	2.00%	0.0020
07/06/22	01/06/23	20,000	20,000	6.00%	0.0015
07/29/22	01/28/23	10,000	10,000	6.00%	0.0020
08/04/22	02/04/23	10,000	10,000	6.00%	0.0020
07/24/23	09/24/23	5,000	5,000	1.00%	0.00175
08/02/23	10/01/23	-	100,000	6.00%	0.0020
Balance convertible notes payable - related parties, in default		<u>\$ 689,500</u>	<u>\$ 789,500</u>		
Balance all convertible notes payable		<u>\$ 1,041,172</u>	<u>\$ 1,144,800</u>		

Notes Payable

The following tables reflect the notes payable at June 30, 2024 and December 31, 2023:

	Issue Date	Maturity Date	June 30, 2024	December 31, 2023	Rate
			Principal Balance	Principal Balance	
Notes payable					
	11/10/23	11/10/24	\$ 500,000	\$ 500,000	6.00%
	02/28/24	02/28/25	350,000	-	6.00%
	04/01/24	04/01/25	150,000	-	6.00%
Total			<u>1,000,000</u>	<u>500,000</u>	
Less unamortized discounts			(40,202)	(95,214)	
Balance notes payable			<u>\$ 959,798</u>	<u>\$ 404,786</u>	

	Issue Date	Maturity Date	June 30, 2024	December 31, 2023	Rate
			Principal Balance	Principal Balance	
Notes payable - in default					
	04/27/11	04/27/12	\$ 5,000	\$ 5,000	6.00%
	12/14/17	12/14/18	2,000	2,000	6.00%
	11/29/17	11/29/19	105,000	105,000	2.06%
Balance notes payable – default			<u>\$ 112,000</u>	<u>\$ 112,000</u>	

	Issue Date	Maturity Date	June 30, 2024	December 31, 2023	Rate
			Principal Balance	Principal Balance	
Notes payable - related parties, in default					
	02/24/10	02/24/11	\$ 7,500	\$ 7,500	6.00%
	10/06/15	11/15/15	10,000	10,000	6.00%
	02/08/18	04/09/18	1,000	1,000	6.00%
Balance notes payable - related parties, in default			<u>\$ 18,500</u>	<u>\$ 18,500</u>	
Balance all notes payable			<u>\$ 1,090,298</u>	<u>\$ 535,286</u>	

Terms of Related Party Convertible Notes Payable and Related Party Notes Payable

The Company's related party convertible notes payable and related party notes payable may contain terms that are not indicative of the terms that would not normally be agreeable to non related third parties.

New Convertible Notes Payable Issued During the six Month Periods Ended June 30, 2024 and 2023

During the six month period ended June 30, 2024, the Company entered into the following Convertible Notes Payable and Notes Payable Agreements:

In February 2024, the Company drew down the second round of funding under a promissory note agreement dated November 10, 2023 in the amount of up to \$1,000,000. This note pays interest at a rate of 6% per annum. The lender advanced \$350,000 in February 2024. Per the note agreement, the \$350,000 received in February 2024 is due on February 27, 2025. The aggregate balance of the note payable at June 30, 2024 and December 31, 2023 is \$850,000 and \$500,000, respectively.

In March of 2024, the Company entered into a convertible promissory note agreement in the amount of \$50,000 with an individual. This note pays interest at a rate of 6% per annum and the principal and accrued interest is due on or before March 18, 2025. The lender received 1,000,000 shares of the Company's restricted common stock as a financing fee for providing the loan. The note is unsecured and is convertible at the lender's option into shares of the Company's common stock at a rate that is variable.

In March of 2024, the Company entered into a convertible promissory note agreement in the amount of \$100,000 with an individual. This note pays interest at a rate of 6% per annum and the principal and accrued interest is due on or before March 28, 2025. The lender received 1,500,000 shares of the Company's restricted common stock as a financing fee for providing the loan. The note is unsecured and is convertible at the lender's option into shares of the Company's common stock at a rate that is variable.

In April 2024, the Company drew down the second round of funding under a promissory note agreement dated November 10, 2023 in the amount of up to \$1,000,000. This note pays interest at a rate of 6% per annum. The lender advanced \$150,000 in April 2024. Per the note agreement, the \$150,000 received in April 2024 is due on April 1, 2025. The aggregate balance of the note payable at June 30, 2024 and December 31, 2023 is \$1,000,000 and \$500,000, respectively.

During the six month period ended June 30, 2023 the Company did not enter not enter into any convertible notes payable or notes payable agreements.

Repayments of Notes Payable

Period Ended June 30, 2024

During the six month period ended June 30, 2024, the Company repaid a related party shareholder a total of \$102,679 of the principal balance and accrued interest of a convertible note payable. The balance of the related party convertible note was \$0 at June 30, 2024.

Period Ended June 30, 2023

During the six month period ended June 30, 2023, the Company repaid a total of \$5,000 of the principal of a note payable with an original principal balance of \$75,000 that was due on December 14, 2018. The remaining principal balance of the note at June 30, 2024 and December 31, 2023 was \$3,000.

Note Conversions

Period Ended June 30, 2024

The Company issued 61,104,658 shares of restricted common stock with a total share value of \$274,970 to a limited liability company to settle \$122,209 of the principal and accrued interest owed on a convertible note payable that was due on October 18, 2023. The balance of the convertible note was \$0 at June 30, 2024.

The Company issued 5,091,424 shares of restricted common stock with a total share value of \$44,804 to a limited related party to settle \$12,405 of the accrued interest owed on sixteen convertible notes payable.

Period Ended June 30, 2023

There were no conversions of convertible promissory notes during the six month period ended June 30, 2023.

Shareholder Loan

At June 30, 2024 and December 31, 2023, the Company had the following loans outstanding to its CEO in the total amount of \$5,000 as follows:

- A loan with no due date with a \$1,500 remaining balance and an interest rate of 2% and a conversion rate of \$0.0005; and
- A loan due on September 9, 2022 with a remaining balance of \$3,500, and an interest rate of 1%.

Collateralized Promissory Notes

Two convertible notes outstanding with related parties, dated January 9, 2009 and January 18, 2012 are collateralized by Company assets.

Convertible Notes Payable and Notes Payable, in Default

The Company does not have additional sources of debt financing to refinance its convertible notes payable and notes payable that are currently in default. If the Company is unable to obtain additional capital, such lenders may file suit, including suit to foreclose on the assets held as collateral for the obligations arising under the secured notes. If any of the lenders file suit to foreclose on the assets held as collateral, then the Company may be forced to significantly scale back or cease its operations, which would more than likely result in a complete loss of all capital that has been invested in or borrowed by the Company. The fact that the Company is in default of several promissory notes held by various lenders makes investing in the Company or providing any loans to the Company extremely risky with a very high potential for a complete loss of capital. The Company's convertible notes payable and notes payable in default represent a very significant risk to the viability of the Company.

NOTE 6 – STOCKHOLDERS' DEFICIT

The Company's total authorized capital stock consists of 9,900,000,000 shares of common stock, \$0.0001 par value per share.

Preferred Stock

The Company is authorized to issue 50,000,000 shares of preferred stock.

Series A Preferred Stock

At June 30, 2024 and December 31, 2023, the Company had seven shares of Series A preferred stock issued and outstanding. Each share of Series A preferred stock has the right to convert into 214,289 shares of the Company's common stock. In the event of a liquidation, Series A have preference.

Series B Preferred Stock

On February 10, 2014, the Board of Directors of the Company under the authority granted under Article V of the Articles of Incorporation, defined and created a new preferred series of shares from the 50,000,000 authorized preferred shares. Pursuant to Article V, the Board of Directors has the power to designate such shares and all powers and matters concerning such shares. Such share class shall be designated Preferred Class B. The preferred class was created for 60 Preferred Class B shares. Such shares each have a voting power equal to one percent of the outstanding shares issued (totaling 60%) at the time of any vote action as necessary for share votes under Florida law, with or without a shareholder meeting. Such shares are non-convertible to common stock of the Company and are not considered as convertible under any accounting measure. Such shares shall only be held by the Board of Directors as a Corporate body, and shall not be placed into any individual name. Such shares were considered issued at the time of this resolution's adoption, and do not require a stock certificate to exist, unless selected to do so by the Board for representational purposes only. Such shares are considered for voting as a whole amount, and shall be voted for any matter by a majority vote of the Board of Directors. Such shares shall not be divisible among the Board members, and shall be voted as a whole either for or against such a vote upon the vote of the majority of the Board of Directors. In the event that there is any vote taken which results in a tie of a vote of the Board of Directors, the vote of the Chairman of the Board shall control the voting of such shares. Such shares are not transferable except in the case of a change of control of the Corporation when such shares shall continue to be held by the Board of Directors. Such shares have the authority to vote for all matters that require a share vote under Florida law and the Articles of Incorporation.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Agreement to Explore a Shipwreck Site Located off of Melbourne Beach, Florida

In March of 2014, Seafarer entered into a partnership and ownership with MAP with the formation of SQ. SQ was formed in the State of Florida for the purpose of permitting, exploration and recovery of artifacts from a designated area on the east coast of Florida. Such site area is from a defined, contracted area by a separate entity, which a portion of such site is designated from a previous contracted holding through the State of Florida. Under such agreement, Seafarer is responsible for costs of permitting, exploration and recovery, and is entitled to 80% of such artifact recovery after the state of Florida has taken their 20% under any future recovery permits. Seafarer has a 50% ownership, with designated management of the SQ coming from Seafarer. As of June 30, 2024, the partnership has had no operations. Seafarer is responsible for managing the site on behalf of SQ.

Vessel and Trailer Rental and Purchase Agreement

In January of 2023, the Company entered into a rental and purchase agreement for a vessel and trailer. Under the terms of the agreement, the Company has the right to exclusive use of the vessel, a thirty four foot King Cat manufactured by Baha Cruisers, and trailer to be able to haul the vessel. The Company agreed to make a one time payment of 15,000,000 shares of its restricted common stock, with an agreed upon value of \$30,000 for the purposes of the valuation of the vessel and trailer, and pay \$1,557 per month for sixty months. The Company and the owner of the vessel and trailer agreed that the price of the shares for the purposes of the share price calculation was \$0.002. Once the Company has paid the amount totaling the agreed upon purchase price of \$100,000, the owner of the vessel agreed to transfer the title and ownership of the vessel and trailer to the Company.

Vehicle Rental and Purchase Agreement

In January of 2023, the Company entered into a rental and purchase agreement for a vehicle for use in the Company's operations to tow vessels and other equipment. Under the terms of the agreement, the Company has the right to exclusive use of the vehicle, a 2021 Dodge RAM 3500. The Company agreed to make a one time payment of 11,242,350 shares of its restricted common stock, with an agreed upon value of \$22,485 for the purposes of the valuation of the truck, and pay \$1,167 per month for sixty two months. Once the Company has an amount totaling the payoff amount, \$52,464, to the seller, the seller agreed to transfer title and ownership of the vehicle to the Company.

Sonar Rental and Purchase Agreement

In May of 2023, the Company entered into a rental and purchase agreement for sonar for use in the Company's operations to scan, identify, and locate historic shipwreck sites. Under the terms of the agreement, the Company has the right to exclusive use of the sonar, a SSS-600K side scan sonar with total of 250 feet of cable, cable connector, laptop computer, software, GPS unit and hard carry case. The Company agreed to make a one time payment of 4,166,700 shares of its restricted common stock, with an agreed upon value of \$83,334 for the purposes of the valuation of the sonar, and pay \$422 per month for sixty two months. Once the Company has an amount totaling the payoff amount, \$26,186, to the seller, the seller agreed to transfer title and ownership of the sonar to the Company.

Legal Proceedings

On December 21, 2022, the Company filed a lawsuit in the Circuit Court in and for Hillsborough County, Florida against John Grimm ("Grimm"), for one count of Conversion. On February 8, 2023, the Company amended its Complaint to include Zachary Smith as co-plaintiff (the Company and Smith are collectively the "Plaintiffs") against Grimm for one count of Conversion, one count of Rescission, one count of Civil Theft, one count of Breach of Fiduciary Duty, and one count of Judicial Dissolution. The Plaintiff's jointly sought treble damages, attorney's fees, the return of all Seafarer equipment and other equitable relief. In December 2023, the Parties agreed to enter into negotiations towards a settlement. In February 2024, Defendant Grimm agreed to the following terms: i) Vessel – "Good Fortune" was sold and Plaintiffs received \$15,000 cash payment in recognition of Smith's fifty (50%) percent ownership of the haul; ii) Seakeeper Stabilizer, Garmin GPS, and certain other electronics were removed from the Good Fortune and returned to Seafarer; iii) Grimm relinquished 10,000,000 shares of Seafarer Common Stock, which was conveyed to Seafarer in recognition of Plaintiff's Attorney Fees. Seafarer does not anticipate that it will be able to collect any fees from Grimm.

Certain Other Agreements

See Note 4 Operating Lease Right-of-Use Assets and Operating Lease Liabilities.

NOTE 8 – RELATED PARTY TRANSACTIONS

During the six month periods ended June 30, 2024 and 2023, the Company has had extensive dealings with related parties including the following:

Six Month Period Ended June 30, 2024

During the six month period ended June 30, 2024, the Company repaid a related party shareholder a total of \$102,679 of the principal balance and accrued interest of a convertible note payable. The balance of the related party convertible note was \$0 at June 30, 2024.

In January of 2024, the Company extended the term of previous agreements with two individuals to continue serving as members of the Company's Board of Directors. Two of the individuals are related to the Company's CEO. Under the agreement, the Directors agreed to provide various services to the Company including making recommendations for both the short term and the long term business strategies to be employed by the Company, monitoring and assessing the Company's business and to advise the Company's Board of Directors with respect to an appropriate business strategy on an ongoing basis, commenting on proposed corporate decisions and identifying and evaluating alternative courses of action, making suggestions to strengthen the Company's operations, identifying and evaluating external threats and opportunities to the Company, evaluating and making ongoing recommendations to the Board with respect for one year and may be terminated by either the Company or the Director by providing written notice to the other party. The previous agreement also terminates automatically upon the death, resignation or removal of the Directors. Under the terms of the agreement, the Company agreed to compensate the related party Board members via payment of 7,000,000 restricted shares of its common stock each, an aggregate total of 14,000,000 shares or \$95,200, and to negotiate future compensation on a year-by-year basis. The Company also agreed to reimburse the individuals for preapproved expenses.

Six Month Period Ended June 30, 2023

In January of 2023, the Company extended the term of previous agreements with four individuals to continue serving as members of the Company's Board of Directors. Two of the individuals are related to the Company's CEO. Under the agreement, the Directors agreed to provide various services to the Company including making recommendations for both the short term and the long term business strategies to be employed by the Company, monitoring and assessing the Company's business and to advise the Company's Board of Directors with respect to an appropriate business strategy on an ongoing basis, commenting on proposed corporate decisions and identifying and evaluating alternative courses of action, making suggestions to strengthen the Company's operations, identifying and evaluating external threats and opportunities to the Company, evaluating and making ongoing recommendations to the Board with respect for one year and may be terminated by either the Company or the Director by providing written notice to the other party. The previous agreement also terminates automatically upon the death, resignation or removal of the Directors. Under the terms of the agreement, the Company agreed to compensate the Board members via payment of 10,000,000 restricted shares of its common stock each, an aggregate total of 30,000,000 shares or \$216,000, and to negotiate future compensation on a year-by-year basis. The Company also agreed to reimburse the individuals for preapproved expenses.

Additional Related Party Transactions

The Company has an informal consulting agreement with a limited liability company that is owned and controlled by a person who is related to its CEO to provide general business consulting services including periodically assessing the Company's business and advising management with respect to business strategy on an ongoing basis, commenting on proposed corporate decisions, perform period background research including background checks and provide investigative information on individuals and companies and to assist, when needed, as an administrative specialist to perform various administrative duties and clerical services including reviewing the Company's agreements. The consultant provides the services under the direction and supervision of the Company's CEO. During the six month periods ended June 30, 2024 and 2023, the Company paid the related party limited liability company consulting fees of \$15,000 and \$19,000, respectively, for services rendered. During the three month periods ended June 30, 2024 and 2023, the Company paid the related party limited liability company consulting fees of \$6,000 and \$8,000, respectively, for services rendered. These fees are recorded as an expense in consulting and contractor expenses in the accompanying unaudited condensed consolidated statements of operations. At June 30, 2024 and December 31, 2023, the Company owed the related party limited liability company \$0.

The Company has an ongoing agreement with a limited liability company that is owned and controlled by a person who is related to the Company's CEO to provide stock transfer agency services. During the six month periods ended June 30, 2024 and 2023, the Company paid the related party limited liability company fees of \$3,920 and \$11,153, respectively, for services rendered. During the three month periods ended June 30, 2024 and 2023, the Company paid the related party limited liability company consulting fees of \$1,845 and \$0, respectively, for services rendered. These fees are recorded as an expense in general and administrative expenses in the accompanying unaudited condensed consolidated statements of operations. At June 30, 2024 and December 31, 2023, the Company owed the related party limited liability company \$0 respectively.

During the six month periods ended June 30, 2024 and 2023, the Company paid a related party consultant fees of \$0 and \$15,000, respectively, for consulting services. During the three month periods ended June 30, 2024 and 2023, the Company paid a related party consultant fees of \$0 and \$12,000, respectively for consulting services. All of the fees paid to the related party consultant are recorded as an expense in consulting and contractor expenses in the accompanying unaudited condensed consolidated statements of operations. At June 30, 2024 and December 31, 2023, the Company owed the related party limited liability company \$0, respectively.

Related Party Transactions

The Company's related party transactions are not necessarily indicative of the terms that would not normally be agreeable to non related third parties.

Shareholder Loan

See Note 5 convertible notes payable – related parties, convertible notes payable – related parties, in default, and notes payable - related parties, in default.

At June 30, 2024, the following promissory notes and shareholder loans were outstanding to related parties:

See Note 5 convertible notes payable – related parties, convertible notes payable – related parties, in default, and notes payable - related parties, in default.

NOTE 9 – SEGMENT INFORMATION

Seafarer’s wholly owned subsidiary Blockchain began operations in 2019 by providing referrals in exchange for referral fees for closed business.

Due to Blockchain starting operations which have no relation to the Company’s shipwreck and exploration recovery business, the Company evaluated this business and its impact upon the existing corporate structure. The Company has determined that Blockchain and Seafarer Exploration Corp. operate as separate segments of the business. As such, the Company has presented the income (loss) from operations during the six month periods ended June 30, 2024 and 2023 incurred by the two separate segments below.

During the six month periods ended June 30, 2024 and 2023, Blockchain revenues were \$0 and were 0% of the consolidated revenues of the Company.

Segment information relating to the Company’s two operating segments for the six month period ended June 30, 2024 is as follows:

	June 30, 2024		June 30, 2024		June 30, 2024
	Blockchain LogisTech, LLC		Seafarer Exploration Corp.		Consolidated
Service revenues	\$ -		\$ 3,170		\$ 3,170
Total operating expenses	-		1,924,444		1,924,444
Net loss from operations	\$ -		\$ (1,921,274)		\$ (1,921,274)

Segment information relating to the Company’s two operating segments for the six month period ended June 30, 2023 is as follows:

	June 30, 2023		June 30, 2023		June 30, 2023
	Blockchain LogisTech, LLC		Seafarer Exploration Corp.		Consolidated
Service revenues	\$ -		\$ 590		\$ 590
Total operating expenses	-		1,550,242		1,550,242
Net loss from operations	\$ -		\$ (1,549,652)		\$ (1,549,652)

NOTE 10– SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the Company issued or has agreed to issue shares of its common stock as follows:

- (i) Issuance of 1,483,334 shares of restricted common stock to various service providers.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

FORWARD LOOKING STATEMENTS

The following discussion contains certain forward-looking statements that are subject to business and economic risks and uncertainties, and which speak only as of the date of this annual report. No one should place strong or undue reliance on any forward-looking statements. The use in this Form 10-Q of such words as “believes”, “plans”, “anticipates”, “expects”, “intends”, and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. The Company’s actual results or actions may differ materially from these forward-looking statements due to many factors and the success of the Company is dependent on our efforts and many other factors including, primarily, our ability to raise additional capital. Such factors include, among others, the following: our ability to continue as a going concern, general economic and business conditions; competition; success of operating initiatives; our ability to raise capital and the terms thereof; changes in business strategy or development plans; future revenues; the continuity, experience and quality of our management; changes in or failure to comply with government regulations or the lack of government authorization to continue our projects; and other factors referenced in the Form 10-Q. This Item should be read in conjunction with the condensed consolidated financial statements, the related notes and with the understanding that the Company’s actual future results may be materially different from what is currently expected or projected by the Company.

We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Such forward-looking statements are based on the beliefs and estimates of our management, as well as on assumptions made by and information currently available to us at the time such statements were made. Forward looking statements are subject to a variety of risks and uncertainties, which could cause actual events or results to differ from those reflected in the forward looking statements, including, without limitation, the failure to successfully locate cargo and artifacts from shipwreck sites and a number of other risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements, either as a result of the matters set forth or incorporated in this Report generally and certain economic and business factors, some of which may be beyond our control.

We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Overview

General

The Company’s principal business plan is to develop the infrastructure and technology to engage in the rescue archaeology and archaeologically-sensitive exploration, recovery and conservation of historic shipwrecks and to eventually monetize the recovery of the shipwrecks without selling the treasure by creating revenue through media and technology alternatives for different industry sectors. Once artifacts have been properly conserved, they may be made available for scientific research and allowed to be displayed for the public. The Company’s secondary business is to attempt to develop revenue streams to support its historic shipwreck exploration and recovery operations. Such revenue streams will complement the technology developed by Seafarer or potentially be media related although no such revenue has materialized.

The Company has received from the Florida Department of State a notice of lack of authority to permit or deny recovery activities on the unidentified shipwreck on Juno Beach. The Florida Bureau of Archaeological Research (the “Bureau”), Division of Historical Resources, Florida Department of State stated to Seafarer “The shipwreck is non-permittable pursuant to Rule 1A-31.0045(2), F.A.C.” The Bureau cited an order dated November 14, 2017 where the United States District Court entered a Final Order of Court Default and Final Judgement Granting Award for Admiralty in Rem. The District Court’s order ruled “Seafarer is hereby the true, sole, and exclusive owner of the Defendant Shipwrecked Vessel and having exclusive right to conduct recovery operation on the Defendant Shipwrecked Vessel and any items recovered therefrom.” Additional permitting was received from the Florida Department of Environmental Protection and the U.S. Army Corps of Engineers.

In order to potentially find more efficient methods to explore and document historical shipwrecks, the Company has investigated various technologies and non-scientific methodologies. To the present date, none of these technologies have been proven to work with the exception of the SeaSearcher, which has been developed to scan historic shipwreck sites for both ferrous and nonferrous artifacts. Although the Company believes that the SeaSearcher has shown some efficacy, the technology has been hampered by a number of technical issues that have limited its use on the field and that have caused significant down time. The ongoing developmental work and improvements to the SeaSearcher have been expensive and Management anticipates that the expenses for these development costs will continue to be incurred for the foreseeable future. Advances in algorithms and artificial intelligence (AI) will continue indefinitely while the present model can be currently used in the field with some limitations due to periodic technical issues. The Company will continue to experiment with unproven technologies and will actively work with third parties, consultants and scientists to develop its own proprietary technology which has and will result in considerable expenses.

The Company continues to review revenue producing opportunities including joint ventures and partnerships with other companies and potentially governmental agencies.

There is a possibility that the Company will be forced to cease its operations if it is not successful in eventually locating and recovering valuable artifacts and treasure or can’t build a revenue stream to offset its expenses. If the Company were to cease its operations, and not find or engage another business entity, then it is likely that there would be complete loss of all capital invested in or borrowed by the Company. As such, an investment in Seafarer is highly speculative and very risky.

This type of business venture is highly speculative in nature and carries an excessive amount of risk. An investment in the Company's securities is very risky and should only be considered by those investors or lenders who do not require liquidity and who can afford to suffer a complete and total loss of their investment.

There is currently a limited trading market for the Company's securities. It is impossible for the Company to assure that when and if an active-trading market in its shares will be established, or whether any such market will be sustained or sufficiently liquid to enable holders of shares of the Company's common stock to liquidate their investment in our company.

The sale of restricted securities by current shareholders, including shares issued to consultants, independent contractors, Board members, as well as shares issued to settle convertible promissory notes or to settle other loans and debt, are highly dilutive and may cause a significant decline in the market price of the Company's securities. Furthermore, in recent years regulatory agencies have made it very difficult for broker dealers to accept stock certificates from issuers of low priced stocks and the Company believes that it may become even more challenging to deposit stock certificates and this trend may continue for the foreseeable future.

Moreover, in the past few years several major brokerage firms have indicated that they will not allow their clients to deposit stock certificates of low priced stocks. Some securities clearing firms who used to clear low priced securities for multiple brokerage firms have shut down or been acquired, resulting in fewer brokerage firms that are willing or able to accept lower priced securities for deposit. Unless an investor has a large and well-established relationship with a brokerage firm, it may be extremely difficult and potentially expensive to deposit lower priced securities. An investor should consider consulting with professional financial advisers before making an investment in our securities. The Company is a current and fully reporting company.

Plan of Operation

The Company has taken the following steps to implement its business plan:

- To date, the Company has devoted its time towards establishing its business to develop the infrastructure capable of researching, exploring, recovering and conserving historic shipwrecks. The Company has performed some research, exploration and recovery activities.
- Spent considerable time and capital researching potential shipwrecks, including obtaining information from foreign archives.
- The Company has worked in combination with its technology development partner, Wild Manta Labs, to build a research and conservation lab with full x-ray equipment and detailed metal identification analysis.
- The Company has generated very limited revenues to date. Management does not believe that the Company will generate any significant revenues for the foreseeable future.
- The Company continues to review revenue producing opportunities including joint ventures with other companies. The Company is actively looking to work with revenue producing companies. These opportunities have been slow to develop, but the Company will continue to pursue those endeavors that it believes have the potential to increase the value of the Company's shares.
- The Company has investigated various types of equipment and technology to expedite the process of finding artifacts other than iron or ferrous metals. Most have been of no help, but the Company continues to explore new technologies. The Company has developed its own proprietary technology, the SeaSearcher, and will attempt to continue to develop additional proprietary technologies or work with third parties to develop technologies to aid in its exploration and recovery operations. Development of technologies will require additional time and financing. The cost of developing the new technology has, to date, been very expensive for a small company.
- The Company has investigated media opportunities to develop content centered on its specific historic shipwreck exploration and recovery activities as well as the historic shipwreck and related historical period genre in general and will continue to evaluate various media strategies.

Other Information

There are very strict international, federal and state laws that govern the exploration and recovery of historic shipwrecks. While the Company has been able to obtain some permits, there is no guarantee that the Company will be able to secure future permits or enter into agreements with government agencies in order to explore and salvage historic shipwrecks. Seafarer believes they are the only company to be issued a full recovery permit by FBAR since 1986, other than one entity with an Admiralty Claim. This demonstrates the difficulty of obtaining a recovery permit from FBAR. There is a risk that government entities may enact legislation that is so strict that any recovery of artifacts and cargo from historic shipwrecks will be nearly impossible. Additionally, permits and agreements with governmental agencies to conduct historic shipwreck exploration and recovery operations are expensive, in terms of both direct costs and ongoing compliance costs. It is also possible that the Company will not be successful in obtaining title or permission to excavate certain wrecks, even if the law allows it. It is possible that permits that are sought for potential future international projects may never be issued, and if issued, may not be legal or honored by the entities that issued them. For the above reasons, the Company has extended its research into shipwrecks outside of State waters.

It is possible that permits that are sought for potential future international projects may never be issued, and if issued, may not be legal or honored by the entities that issued them. Governmental agencies may require various types of permits to explore shipwreck sites, and the permitting process is often lengthy and complex. Obtaining permits and entering into agreements with governmental and quasi-governmental agencies to conduct historic shipwreck exploration and recovery operations is generally a very complex, time consuming, and expensive process. Furthermore, the process of entering into agreements and/or obtaining permits may be subject to lengthy delays, possibly in excess of a year. Some governmental agencies may refuse to issue permits to the Company for recovery of artifacts or intentionally delay the permitting process, or go beyond their authority and request halting of ground disturbance.

The reasons for a lengthy permitting process may be due to a number of potential factors including but not limited to requests by permitting agencies for additional information, submitted applications that need to be revised or updated, newly discovered information that needs to be added to an application or agreement, changes to either the agreement or permit terms or revisions to other information contained in the permit, excessive administrative time lags at permitting agencies, work halts based on biased predispositions with no authority given by rule 1A-31, etc. Existing permits and agreements may be put on hold or suspended without notice for lengthy periods of time due to administrative issues and disagreements over the terms and conditions. The length of time it takes to obtain permits, enter into agreements, or rectify any conditions that are causing a permit to be suspended or on hold may cause the Company to expend significant resources while gearing up to do work with little or no visibility as to timing.

The Company regularly reviews opportunities to perform exploration and recovery operations at purported historic shipwreck sites. The Company currently does have some specific plans to perform exploration and recovery operations at other shipwreck sites in the future, however these plans are subject to change based on a number of factors. The Company is actively reviewing other potential historic shipwreck sites, including sites located internationally, for possible exploration and recovery. Should the Company decide that it will pursue exploration and recovery activities at other potential shipwreck sites, it may be necessary to obtain various permits as well as environmental permits.

The Company continually monitors media rights for potential revenue opportunities. The Company has had discussions with media entities to further understand the potential advantages offered. Management believes various forms of media can represent a potential future revenue opportunity for the Company, if the right circumstances arise.

This type of business venture is extremely speculative in nature and carries a tremendous amount of risk. An investment in the Company's securities is highly speculative and very risky and should only be considered by those investors or lenders who do not require near-term liquidity and who can afford to suffer a complete and total loss of their investment.

Results of Operations

Since inception, we have generated only minimal revenue from operations and do not expect to report any significant revenue from operations for the foreseeable future. We have incurred recurring losses to date. Our unaudited condensed consolidated financial statements have been prepared assuming that we will continue as a going concern and, accordingly, do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation.

The Company expects to continue to incur significant operating losses and to generate negative cash flow from operating activities, while building out its infrastructure in order to explore and salvage historic shipwreck sites and establishing itself in the marketplace. Based on our historical rate of expenditures, the Company expects to expend its available cash in less than three months from August 14, 2024.

At June 30, 2024 and December 31, 2023, the Company had working capital deficits of \$2,321,283 and \$1,789,848, respectively. The Company's working capital deficit, along with its lack of meaningful cash flows from operations with which to service the debt, indicates that there is substantial risk to the continued viability of the Company. The Company is in immediate need of further working capital and is seeking options, with respect to financing, in the form of debt, equity or a combination thereof.

Since inception, the Company has funded its operations through common stock issuances and loans in order to meet its strategic objectives; however, there can be no assurance that the Company will be able to obtain further funds to continue with its efforts to establish a new business. There is a very significant risk that the Company will be unable to obtain financing to fund its operations and as such the Company may be forced to cease operations at any time which would likely result in a complete loss of all capital that has been invested in and/or borrowed by the Company to date.

The Company's ability to eliminate operating losses and to generate positive cash flow from operations in the future will depend upon a variety of factors, many of which it is unable to control. If the Company is unable to implement its business plan successfully, it may not be able to eliminate operating losses, generate positive cash flow or achieve or sustain profitability, which may have a material adverse effect on the Company's business, operations, and financial results, as well as its ability to make payments on its debt obligations, and the Company may be forced to cease operations.

If the Company is unable to secure additional financing, our business may fail and our stock price will likely be materially adversely affected. The Company's lack of operating cash flow and reliance on the sale of its common stock and loans to fund operations is extremely risky. If the Company is unable to continue to raise capital or obtain loans or other financing on terms that are acceptable to the Company, or at all, then it is highly likely that the Company will be forced to cease operations. If the Company ceases its operations, then it is highly likely that all capital invested in and/or borrowed by the Company will be lost.

Liquidity and Capital Resources

At June 30, 2024, the Company had \$473,676 cash in the bank. During the six month periods ended June 30, 2024 and 2023 the Company incurred net losses of \$2,292,668 and \$1,605,501 respectively. At June 30, 2024, the Company had \$589,173 in current assets and \$2,910,456 in current liabilities, leaving the Company a working capital deficit of \$2,321,283.

Summary of the Six Month Period Ended June 30, 2024 Results of Operations Compared to the Six Month Period Ended June 30, 2023 Results of Operations

Revenue

The Company's core business involving the exploration and recovery of historic shipwrecks has not generated any revenues to date and is not expected to generate any significant revenues for the foreseeable future. During the six month periods ended June 30, 2024 and 2023, the Company generated \$3,170 and \$590 of revenue respectively, which is shown as service income on the accompanying unaudited condensed consolidated statements of operations.

Operating Expenses

Operating expenses were \$1,924,444 for the six month period ended June 30, 2024 versus \$1,550,242 for the same period in 2023, an increase of 24%. The overall increase in operating expenses in 2024 was primarily due to an increase in consulting and contracting expenses and research and development expenses. Although the growth in the rate of inflation has moderated somewhat in 2024, the inflationary environment has continued to pressure costs relating to many of the Company's expenses. Consulting and contractor expense was \$1,019,678 for the six month period ended June 30, 2024 versus \$874,938 for the same period in 2023, an increase of 17%. Research and development expenses were \$288,983 in 2024 versus \$105,934 in 2023, an increase of 173%. The increase in the Company's research and development expenses were related to the ongoing development of its SeaSearcher autonomous underwater device and development of related technology including a handheld metal discriminator. The Company believes that it will continue to expend significant resources to further develop the SeaSearcher and to begin developing next generation versions of the technology. Research and development expenses are expected to fluctuate based on the adoption of technological advances and upgrades into the existing SeaSearcher platform and the availability of financing. The Company incurred vessel related expenses of \$138,817 during the six month period ended June 30, 2024 versus \$230,515 during the six month period ended June 30, 2023, a decrease of approximately 40%. During the six month period ended June 30, 2024, professional fees were \$111,478 as compared to \$66,202 during the six month period ended June 30, 2023, an increase of approximately 68%. Professional fees fluctuate based on the use of professional service providers, in particular in relation to various legal matters. During the six month period ended June 30, 2024, general and administrative expenses were \$222,060 as compared to \$178,191 during the six month period ended June 30, 2023, an increase of 25%. Depreciation and amortization expense was \$25,020 and \$23,809 during the six month periods ended June 30, 2024 and June 30, 2023, respectively. Rent expense was \$27,031 during the six month period ended June 30, 2024 versus \$24,187 for the same period in 2023, a increase of approximately 12%. The Company incurred travel and entertainment expenses of \$91,377 during the six month period ended June 30, 2024 as compared to \$46,466 during the six month period ended June 30, 2023, an approximate 97% increase on a quarter-over-quarter basis. Entertainment and travel expenses may fluctuate due to inflationary increase in costs and general corporate activity, including travel to and from the Juno Beach historic shipwreck location.

Other Income (Expenses)

Other income (expense) was \$371,394 during the six month period ended June 30, 2024 versus \$55,849 during the six month period ended June 30, 2023. The 56% increase in other income (expense) in 2024 was due to an increase loss on extinguishment of debt and interest expenses. During the six month period ended June 30, 2024 the Company took a loss on extinguishment of debt of \$188,825 versus \$21,599 during the six month period ended June 30, 2023. The increase in the loss on extinguishment of debt in 2024 was due to the conversion of the principal balance and accrued interest on convertible notes payable. Interest expense for the six month period ended June 30, 2024 was \$182,569 versus \$34,250 for the same period in 2023, an increase of approximately 433%. Interest expense increased in 2024 due to the amortization of debt discounts and increase in convertible notes payable and notes payable.

Net Loss

The Company's net loss for the six months ended June 30, 2024 and 2023 was \$2,292,668 and \$1,605,501 respectively, a year-over-year increase of approximately 43%.

Summary of the Three Month Period Ended June 30, 2024 Results of Operations Compared to the Three Month Period Ended June 30, 2023 Results of Operations

Revenue

The Company's core business involving the exploration and recovery of historic shipwrecks has not generated any revenues to date and is not expected to generate any significant revenues for the foreseeable future. During the three month periods ended June 30, 2024 and 2023, the Company generated \$0 and \$590 of revenue respectively, which is shown as service income on the accompanying unaudited condensed consolidated statements of operations.

Operating Expenses

Operating expenses were \$823,108 for the three month period ended June 30, 2024 versus \$575,861 for the same period in 2023, an increase of approximately 43%. Consulting and contractor expense was \$453,521 for the three month period ended June 30, 2024 versus \$355,452 for the same period in 2023, an increase of 28%. The Company incurred vessel related expenses of \$19,269 during the three month period ended June 30, 2024 versus \$35,696 during the three month period ended June 30, 2023, an decrease of approximately 46%. The Company's vessels needed less repairs and maintenance during the three month period ended June 30, 2023. Research and development expenses were \$157,055 in 2024 versus \$73,834 in 2023, a decrease of 113% in 2024. The increase in the Company's research and development expenses were related to the ongoing development of its SeaSearcher autonomous underwater device and development of related technology including a handheld metal discriminator. The Company believes that it will continue to expend significant resources to further develop the SeaSearcher and to begin developing next generation versions of the technology. Research and development expenses are expected to fluctuate based on the adoption of technological advances and upgrades into the existing SeaSearcher platform and the availability of financing. During the three month period ended June 30, 2024, professional fees were \$21,000 as compared to \$38,146 during the three month period ended June 30, 2023, a decrease of approximately 45%. Professional fees fluctuate based on the use of professional service providers. During the three month period ended June 30, 2024, general and administrative expenses were \$106,671 as compared to \$24,812 during the three month period ended June 30, 2023, a increase of 330 %. Depreciation and amortization expense was \$12,510 during the three month period ended June 30, 2024 and \$12,221 for the three month period ended June 30, 2023. Rent expense was \$17,643 during the three month period ended June 30, 2024 versus \$10,418 for the same period in 2023, an increase of approximately 69%. The Company incurred travel and entertainment expenses of \$35,439 during the three month period ended June 30, 2024 as compared to \$25,282 during the three month period ended June 30, 2023. Entertainment and travel expenses may fluctuate due to inflationary increase in costs and. Entertainment and travel expenses may fluctuate due to inflationary increase in costs and general corporate activity, including travel to and from the Juno Beach historic shipwreck location and increased travel by Company personnel and advisors

Other Income (Expenses)

Other income (expense) was \$157,490 during the three month period ended June 30, 2024 versus \$38,860 during the three month period ended June 30, 2023. The 305% increase in other income (expense) in 2024 was primarily due to an increase loss on interest expense. During the six month period ended June 30, 2024 the Company took a loss on extinguishment of debt of \$34,420 versus \$21,599 during the six month period ended June 30, 2023. Interest expense for the three month period ended June 30, 2024 was \$123,070 versus \$17,261 for the same period in 2023, an increase of approximately 613%.

Net Loss

The Company's net loss for the three months ended June 30, 2024 and 2023 was \$980,598 and \$614,131, respectively, a year-over-year decrease of approximately 60%. Net losses increased due to an increase in expenses for professional fees and vessel maintenance, repairs and dockage.

Cash Flows from Operating Activities

For the six month period ended June 30, 2024 net cash flows used in operating activities was \$1,604,842.

For the six month period ended June 30, 2023 net cash flows used in operating activities was \$1,036,685.

Cash flows used in operating activities increased in 2024 due to an increase in the Company's net losses.

Cash Flows from Investing Activities

For the six month period ended June 30, 2024 net cash flows used in investing activities was \$0.

For the six month period ended June 30, 2023 net cash flows used in investing activities was \$2,000.

Cash flows used in investing activities were nominal in 2024 and 2023.

Cash Flows from Financing Activities

For the six month period ended June 30, 2024 net cash provided by financing activities was \$1,472,250.

For the six month period ended June 30, 2023 net cash provided by financing activities was \$917,950.

Cash flows provided by financing activities primarily increased in 2024 due to increases in the proceeds from notes payable and convertible notes payable.

Lack of Liquidity

A major financial challenge and significant risk facing the Company is a lack of positive cash flow and liquidity. The Company continued to operate with significant debt and a working capital deficit during the six month period ended June 30, 2024. This working capital deficit indicates that the Company is unable to meet its short-term liabilities with its current assets. This working capital deficit is extremely risky for the Company as it may be forced to cease its operations due to its inability to meet its current obligations. If the Company is forced to cease its operations, then it is highly likely that all capital invested in and/or borrowed by the Company will be lost.

The expenses associated with being a small publicly traded company attempting to develop the infrastructure to explore and salvage historic shipwrecks recovery are extremely prohibitive, especially given that the Company does not currently generate any significant revenues and does not expect to generate any significant revenues in the near future. There are ongoing expenses associated with operations that are incurred whether the Company is conducting shipwreck recovery operations or not. Vessel maintenance, upkeep expenses and docking fees are continuous and unavoidable regardless of the Company's operational status. Management anticipates that the vessels utilized by the Company in its operations will need continuous and unavoidable repairs and maintenance, particularly if the Company ramps up its operational footprint and is working on more than one site simultaneously as anticipated. These repairs and maintenance are expensive and have a negative impact on the Company's cash position.

In addition to the operation expenses, a publicly traded company also incurs the significant recurring corporate expenses related to maintaining publicly traded status, which include, but are not limited to accounting, legal, audit, executive, administrative, corporate communications, rent, telephones, etc. The recurring expenses associated with being a publicly traded company are very burdensome for smaller public companies such as Seafarer. This lack of liquidity creates a very risky situation for the Company in terms of its ability to continue operating, which in turn makes owning shares of the Company's common stock extremely risky and highly speculative. The Company's lack of liquidity may cause the Company to be forced to cease operations at any time which would likely result in a complete loss of all capital invested in or borrowed by the Company to date.

Due to the fact that the Company does not generate any revenues and does not expect to generate revenues for the foreseeable future it must rely on outside equity and debt funding. The combination of the ongoing operating expenses that must be met even during times when there is little or no exploration or recovery activities taking place, and corporate expenses, creates a very risky situation for the Company and its shareholders in terms of the need to access external financing to fund operations. This working capital shortfall and lack of access to cash to fund corporate activities is extremely risky and may force the Company to cease its operations which would more than likely result in a complete loss of all capital invested in or loaned to the Company to date.

Lack of Revenues and Cash Flow/Significant Losses from Operations

The exploration and recovery of historic shipwrecks requires a multi-year, multi-stage process and it may be many years before any significant revenue is generated from exploration and recovery activities, if ever. The Company does not believe that it will generate any significant revenues in the near future. The Company believes that it may be several years before it is able to generate any cash flow from its operations, if any are ever generated at all. Without revenues and cash flow the Company does not have reliable cash flow to pay its expenses. The Company relies on outside financing in the form of equity and debt and it is possible that the Company may not be able to obtain outside financing in the future. If the Company is not able to obtain financing it would more than likely be forced to cease operations and all of the capital that has been invested in or borrowed by the Company would be lost.

If the Company is unable to secure additional financing, our business may fail or our operating results and our stock price may be materially adversely affected. The raising of additional financing would in all likelihood result in dilution or reduction in the value of the Company's securities.

The Company may not be able to continue as a going concern. If the Company is not able to continue as a going concern, it is highly likely that all capital invested in the Company or borrowed by the Company will be lost. The report of our independent auditors for the years ended December 31, 2023 and 2022 raises substantial doubt as to our ability to continue as a going concern. As discussed in Note 2 to our unaudited condensed consolidated financial statements for the six month period ended June 30, 2024, we have experienced operating losses in every year since our inception resulting in an accumulated deficit. If the Company is not able to continue as a going concern, it is highly likely that all capital invested in the Company or borrowed by the Company will be lost.

The Company has experienced a net loss in every fiscal year since inception. The Company's losses from operations were \$1,921,274 for the six month period ended June 30, 2024 and \$1,549,652 for the six month period ended June 30, 2023. The Company believes that it will continue to generate losses from its operations for the foreseeable future and the Company may not be able to generate a profit in the long-term, or ever.

Convertible Notes Payable and Notes Payable, in Default

The Company does not have additional sources of debt financing to refinance its convertible notes payable and notes payable that are currently in default. If the Company is unable to obtain additional capital, such lenders may file suit, including suit to foreclose on the assets held as collateral for the obligations arising under the secured notes. If any of the lenders file suit to foreclose on the assets held as collateral, then the Company may be forced to significantly scale back or cease its operations which would more than likely result in a complete loss of all capital that has been invested in or borrowed by the Company. The fact that the Company is in default regarding several loans held by various lenders makes investing in the Company or providing any loans to the Company extremely risky with a very high potential for a complete loss of capital.

The convertible notes that have been issued by the Company are convertible at the lender's option. These convertible notes represent significant potential dilution to the Company's current shareholders as the convertible price of these notes is generally lower than the current market price of the Company's shares. As such when these notes are converted into equity there is typically a highly dilutive effect on current shareholders and very high probability that such dilution may significantly negatively affect the trading price of the Company's common stock. Furthermore, management intends to have discussions or has already had discussions with several of the promissory note holders who do not currently have convertible notes regarding converting their notes into equity. Any such amended agreements to convert promissory notes into equity would more than likely have a highly dilutive effect on current shareholders and there is a very high probability that such dilution may significantly negatively affect the trading price of the Company's common stock. Some of these note holders have already amended their notes and converted the notes into equity. Based on conversations with other note holders, the Company believes that additional note holders will amend their notes to contain a convertibility clause and eventually convert the notes into equity.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our unaudited condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments which affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities (see Note 3, Significant Accounting Policies, contained in the notes to the Company's unaudited condensed consolidated financial statements for the six month periods ended June 30, 2024 and 2023 contained in this filing). On an ongoing basis, we evaluate our estimates. We base our estimates on historical experience and on various other assumptions which we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates based upon different assumptions or conditions; however, we believe that our estimates are reasonable.

Management is aware that certain changes in accounting estimates employed in generating financial statements can have the effect of making the Company look more or less profitable than it actually is. Management does not believe that the Company has made any such changes in accounting estimates.

Off-balance Sheet Arrangements

None.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for smaller reporting companies.

Item 4. Controls and Procedures

Management's Responsibility for Controls and Procedures

The Company's management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The Company's controls over financial reporting are designed under the supervision of the Company's Principal Executive Officer and Principal Financial Officer to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is accumulated and communicated to the Company's management, including the Company's principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our principal executive officer, the Company conducted an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act, as of June 30, 2024. Based on this evaluation, management concluded that our financial disclosure controls and procedures were not effective so as to timely record, process, summarize and report financial information required to be included on our Securities and Exchange Commission ("SEC") reports due to the Company's limited internal resources and lack of ability to have multiple levels of transaction review. However, as a result of our evaluation and review process, management believes that the financial statements and other information presented herewith are materially correct.

Internal Control Over Financial Reporting

As of June 30, 2024, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our internal control over financial reporting, as defined in Rules 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 and based on the criteria for effective internal control described in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (as revised). Based on our evaluation, management concluded that our internal control over financial reporting was not effective so as to timely record, process, summarize and report financial information required to be included on our Securities and Exchange Commission (“SEC”) reports due to the Company’s limited internal resources and lack of ability to have multiple levels of transaction review. However, as a result of our evaluation and review process, management believes that the financial statements and other information presented herewith are materially correct.

Management, including its Principal Executive Officer/Principal Financial Officer, does not expect that its disclosure controls and procedures, or its internal controls over financial reporting will prevent all error and all 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 the control system must reflect the fact that there are resource constraints, and the benefit of controls must be considered relative to their costs.

Because of 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, within the Company have been detected.

The Company has limited resources and as a result, a material weakness in financial reporting currently exists, because of our limited resources and personnel, including those described below.

- * The Company has an insufficient quantity of dedicated resources and experienced personnel involved in reviewing and designing internal controls. As a result, a material misstatement of the interim and annual financial statements could occur and not be prevented or detected on a timely basis.
- * We have not achieved the optimal level of segregation of duties relative to key financial reporting functions.
- * We do not have an audit committee or an independent audit committee financial expert. While not being legally obligated to have an audit committee or independent audit committee financial expert, it is Management’s view that to have an audit committee, comprised of independent board members, and an independent audit committee financial expert is an important entity-level control over the Company’s financial statements.

A material weakness is a deficiency (within the meaning of the Public Company Accounting Oversight Board (PCAOB) auditing standard 5) or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis. Management has determined that a material weakness exists due to a lack of segregation of duties, resulting from the Company’s limited resources and personnel.

Remediation Efforts to Address Deficiencies in Internal Control Over Financial Reporting

As a result of these findings, management, upon obtaining sufficient capital and operations, intends to take practical, cost-effective steps in implementing internal controls, including the possible remedial measures set forth below. As of June 30, 2024 we did not have sufficient capital and/or operations to implement any of the remedial measures described below:

- * Assessing the current duties of existing personnel and consultants, assigning additional duties to existing personnel and consultants, and, in a cost effective manner, potentially hiring additional personnel to assist with the preparation of the Company’s financial statements to allow for proper segregation of duties, as well as additional resources for control documentation.
- * Assessing the duties of the existing officers of the Company and, in a cost effective manner, possibly promote or hire additional personnel to diversify duties and responsibilities of such executive officers.
- * Board to review and make recommendations to shareholders concerning the composition of the Board of Directors, with particular focus on issues of independence. The Board of Directors will consider nominating an audit committee and audit committee financial expert, which may or may not consist of independent members.
- * Interviewing and potentially hiring outside consultants that are experts in designing internal controls over financial reporting based on criteria established in *Internal Control Integrated Framework* issued by Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) (as revised).

This report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this annual report.

(b) Change in Internal Control Over Financial Reporting

The Company has not made any change in our internal control over financial reporting during the six month period ended June 30, 2024.

Part II. Other Information

Item 1. Legal Proceedings

On December 21, 2022, the Company filed a lawsuit in the Circuit Court in and for Hillsborough County, Florida against John Grimm ("Grimm"), for one count of Conversion. On February 8, 2023, the Company amended its Complaint to include Zachary Smith as co-plaintiff (the Company and Smith are collectively the "Plaintiffs") against Grimm for one count of Conversion, one count of Rescission, one count of Civil Theft, one count of Breach of Fiduciary Duty, and one count of Judicial Dissolution. The Plaintiff's jointly sought treble damages, attorney's fees, the return of all Seafarer equipment and other equitable relief. In December 2023, the Parties agreed to enter into negotiations towards a settlement. In February 2024, Defendant Grimm agreed to the following terms: i) Vessel – "Good Fortune" was sold and Plaintiffs received \$15,000 cash payment in recognition of Smith's fifty (50%) percent ownership of the haul; ii) Seakeeper Stabilizer, Garmin GPS, and certain other electronics were removed from the Good Fortune and returned to Seafarer; iii) Grimm relinquished 10,000,000 shares of Seafarer Common Stock, which was conveyed to Seafarer in recognition of Plaintiff's Attorney Fees. Seafarer does not anticipate that it will be able to collect any fees from Grimm.

Item 1A. Risk Factors

Not required for smaller reporting companies.

Item 2. Recent Sales and Other Issuances of Unregistered Securities

During the six month period ended June 30, 2024, the Company issued 64,083,333 shares for various services. The Company believes that the issuance of the securities was exempt from registration under the Securities Act of 1933, as amended, in reliance on Section 4(2) of the Securities Act as a transaction by an issuer not involving any public offering and based on the fact that such securities were issued for services to sophisticated or accredited investors and persons who are thoroughly familiar with the Company's proposed business by virtue of their affiliation with the Company.

On various dates during the six month period ended June 30, 2024, the Company entered into subscription agreements to sell 180,355,557 shares of its restricted common stock in exchange for proceeds of \$922,250. The proceeds received were used for general corporate purposes, working capital and repayment of some debt.

Issuance of Securities Due to Conversion of Notes, Loan Origination Fees and to Settle Debt

During the three month ended June 30, 2024, the Company issued 66,196,060 shares of restricted common stock to settle the principal balance and accrued interest of a convertible notes payable. The Company issued 9,566,667 shares of restricted common stock as loan origination and equity financing fees. The Company issued 5,715,571 shares of restricted common stock to settle accounts payable. The Company issued 3,000,000 shares of restricted common stock to lease a vessel. The Company believes that the offer and sale of these securities were exempt from the registration requirements of the Securities Act pursuant to Sections 3(a)(9) under the Securities Act of 1933, as amended.

Exemptions from Registration for Sales of Restricted Securities.

The issuance of securities referenced above were issued to persons who the Company believes were either “accredited investors,” or “sophisticated investors” who, by reason of education, business acumen, experience or other factors, were fully capable of evaluating the risks and merits of an investment in us; and each had prior access to all material information about us. None of these transactions involved a public offering. An appropriate restrictive legend was placed on each certificate that has been issued, prohibiting public resale of the shares, except subject to an effective registration statement under the Securities Act of 1933, as amended (the “Act”) or in compliance with Rule 144. The Company believes that the offer and sale of these securities was exempt from the registration requirements of the Securities Act pursuant to Section 4(2) under the Securities Act of 1933 (the “Act”) thereof, and/or Regulation D. There may be additional exemptions available to the Company.

Repurchase of Securities

During the six month period ended June 30, 2024, the Company did not purchase any shares of its common stock and the Company is not likely to purchase any shares in the foreseeable future.

Stock Option Grants

The Company does not have any compensatory stock option grants outstanding at this time.

Warrants

The Company did not issue any warrants during the six month period ended June 30, 2024. There were no warrants outstanding at June 30, 2024.

Item 3. Defaults Upon Senior Securities

The Company has several promissory notes and loans that are currently in default to non-payment of principle and interest. See Note 5 – Convertible Notes Payable and Notes Payable for a listing of the debt obligations of the Company that are in default.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None

Item 6. Exhibits

Set forth below is a list of the exhibits to this quarterly report on Form 10-Q.

Exhibit Number	Description
<u>*31.1</u>	<u>Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
<u>*32.1</u>	<u>Certification of the Chief Executive Officer pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities and Exchange Act of 1934, as amended, and 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
<u>*99.1</u>	<u>Temporary Hardship Exemption</u>
**101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
**101.SCH	Inline XBRL Taxonomy Extension Schema Document
**101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
**101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
**101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
**101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
**104	Cover Page Interactive Data File (embedded within the Inline XBRL document).
* Filed herewith.	
** To be furnished by amendment per Temporary Hardship Exemption under Regulation S-T.	

SIGNATURES

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

SEAFARER EXPLORATION CORP.

Date: August 14, 2024

By: /s/ Kyle Kennedy
Kyle Kennedy
President, Chief Executive Officer, and Chairman of the Board
(Principal Executive Officer and Principal Accounting Officer)

Date: August 14, 2024

By: /s/ Charles Branscum
Charles Branscum, Director

Date: August 14, 2024

By: /s/ Robert L. Kennedy
Robert L. Kennedy, Director

Date: August 14, 2024

By: /s/ Thomas Soeder
Thomas Soeder, Director

Date: August 14, 2024

By: /s/ Bradford Clark
Bradford Clark, Director

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Kyle Kennedy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seafarer Exploration Corp., for the three months ended June 30, 2024;
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 controls 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 condensed subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control 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;
 - 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: August 14, 2024

By: /s/ Kyle Kennedy

Kyle Kennedy
President, Chief Executive Officer, and Chairman of the Board
(Principal Executive Officer, Principal Financial Officer and
acting Principal Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Seafarer Exploration Corp. (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kyle Kennedy, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 14, 2024

By: */s/ Kyle Kennedy*

Kyle Kennedy
President, Chief Executive Officer and Chairman of the Board
(Principal Executive Officer, Principal Financial Officer and
acting Principal Accounting Officer)

IN ACCORDANCE WITH THE TEMPORARY HARDSHIP EXEMPTION PROVIDED BY RULE 201 OF REGULATION S-T, THE DATE BY WHICH THE INTERACTIVE DATA FILE IS REQUIRED TO BE SUBMITTED HAS BEEN EXTENDED BY SIX BUSINESS DAYS.
