

SEAFARER EXPLORATION CORP

FORM 10-Q (Quarterly Report)

Filed 05/12/26 for the Period Ending 03/31/26

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 March 31, 2026

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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

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

As of May 12, 2026, there were 10,833,743,694 shares of the registrant's common stock, \$.0001 par value per share, outstanding.

SEAFARER EXPLORATION CORP.
Form 10-Q
For the Quarterly Period Ended March 31, 2026

TABLE OF CONTENTS

<u>PART I: FINANCIAL INFORMATION</u>	4
<u>Item 1. Financial Statements</u>	5
<u>Condensed Consolidated Balance Sheets: March 31, 2026 (unaudited) and December 31, 2025</u>	5
<u>Unaudited Condensed Consolidated Statements of Operations: Three months ended March 31, 2026 and 2025</u>	6
<u>Unaudited Condensed Consolidated Statements of Changes in Stockholders' Deficit: Three months ended March 31, 2026 and 2025</u>	7-8
<u>Unaudited Condensed Consolidated Statements of Cash Flows: Three months ended March 31, 2026 and 2025</u>	9
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	10
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	23
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	26
<u>Item 4. Controls and Procedures</u>	27
<u>PART II: OTHER INFORMATION</u>	29
<u>Item 1. Legal Proceedings</u>	29
<u>Item 1A. Risk Factors</u>	29
<u>Item 2. Recent Sales and Other Issuances of Unregistered Securities</u>	29
<u>Item 3. Defaults Upon Senior Securities</u>	30
<u>Item 4. Mine Safety Disclosures</u>	30
<u>Item 5. Other Information</u>	30
<u>Item 6. Exhibits</u>	31
<u>SIGNATURES</u>	32

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>March 31, 2026</u> <u>(Unaudited)</u>	<u>December 31, 2025</u>
Cash	\$ 30,216	\$ 50,469
Prepaid consulting expense	6,359	6,907
Deposits and other prepaids	749	749
Total current assets	<u>37,324</u>	<u>58,125</u>
Property and equipment, net	125,380	170,743
Right of use asset	42,841	46,872
Total Assets	<u>\$ 205,545</u>	<u>\$ 275,740</u>
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable and accrued expenses	\$ 981,807	\$ 1,044,970
Deferred revenue	140,000	140,000
Convertible notes payable, in default	325,300	475,300
Convertible notes payable, in default - related parties	699,500	704,500
Notes payable, net of discount of \$0 and \$4,783, respectively	-	45,217
Notes payable, in default	1,162,000	1,112,000
Notes payable, in default - related parties	18,500	18,500
Line of credit	-	40,304
Shareholder loan	5,000	5,000
Operating lease liability, current	16,848	16,238
Finance lease liability, current	16,068	29,640
Total current liabilities	<u>3,365,023</u>	<u>3,631,669</u>
Operating lease liability, long-term	26,527	30,968
Finance lease liability, long-term	16,178	40,623
Total Liabilities	<u>3,407,728</u>	<u>3,703,260</u>
Commitments and contingencies (Note 8)		
Preferred stock, \$0.0001 par values - 50,000,000 shares authorized;		
Series A - 7 shares issued and outstanding	-	-
Series B - 60 shares issued and outstanding	-	-
Common stock, \$0.0001 par value - 17,000,000,000 shares authorized; 10,807,243,691 and 10,133,211,197		
shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively	1,080,725	1,013,322
Common stock to be issued, \$0.0001 par value, 32,373,211 shares outstanding	3,238	3,238
Additional paid in capital	31,594,700	30,542,596
Accumulated deficit	(35,880,846)	(34,986,676)
Total Stockholders' Deficit	<u>(3,202,183)</u>	<u>(3,427,520)</u>
	<u>\$ 205,545</u>	<u>\$ 275,740</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 March 31,	
	2026	2025
Service income	\$ -	\$ -
Operating Expenses		
Consulting and contractor expenses	325,420	261,702
Vessel maintenance and dockage	8,335	19,092
Research and development	82,852	153,800
Professional fees	55,769	73,034
General and administrative expense	101,355	86,660
Depreciation and amortization expense	16,327	19,811
Rent expense	8,253	8,825
Travel and entertainment expense	26,841	32,767
Total operating expenses	<u>625,152</u>	<u>655,691</u>
Net loss from operations	<u>(625,152)</u>	<u>(655,691)</u>
Other income (expenses)		
Interest expense	(40,029)	(43,373)
Gain on settlement of lease liability	5,256	-
Loss on extinguishment of debt	(234,245)	(32,337)
Total other expenses, net	<u>(269,018)</u>	<u>(75,710)</u>
Loss before income tax	<u>(894,170)</u>	<u>(731,401)</u>
Provision for income tax	<u>-</u>	<u>-</u>
Net loss	<u><u>\$ (894,170)</u></u>	<u><u>\$ (731,401)</u></u>
Basic and diluted loss per share	<u><u>\$ (0.00)</u></u>	<u><u>\$ (0.00)</u></u>
Weighted average shares outstanding	<u>10,447,970,020</u>	<u>9,041,645,055</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 MONTHS ENDED MARCH 31, 2025
(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, 2024	7	\$ -	60	\$ -	8,944,932,833	\$ 894,494	33,039,877	\$ 3,304	\$ 28,534,184	\$ (32,244,177)	\$ (2,812,195)
Common stock issued for cash	-	-	-	-	257,500,000	25,750	37,357,500	3,736	570,229	-	599,715
Stock issued for services	-	-	-	-	100,000	10	-	-	415	-	425
Stock issued to settle accounts payable	-	-	-	-	14,000,000	1,400	-	-	59,500	-	60,900
Net loss	-	-	-	-	-	-	-	-	-	(731,401)	(731,401)
Balance March 31, 2025	7	\$ -	60	\$ -	9,216,532,833	\$ 921,654	70,397,377	\$ 7,040	\$ 29,164,328	\$ (32,975,578)	\$ (2,882,556)

See accompanying notes to the unaudited condensed consolidated financial statements.

SEAFARER EXPLORATION CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(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, 2025	7	-	60	-	10,133,211,197	1,013,322	32,373,211	3,238	\$ 30,542,596	\$ (34,986,676)	\$ (3,427,520)
Common stock issued for cash	-	-	-	-	487,033,339	48,703	-	-	637,847	-	686,550
Conversion of notes payable and accrued interest	-	-	-	-	180,999,155	18,100	-	-	397,457	-	415,557
Stock issued for services	-	-	-	-	6,000,000	600	-	-	16,800	-	17,400
Net loss	-	-	-	-	-	-	-	-	-	(894,170)	(894,170)
Balance March 31, 2026	7	\$ -	60	\$ -	10,807,243,691	\$ 1,080,725	32,373,211	\$ 3,238	\$ 31,594,700	\$ (35,880,846)	\$ (3,202,183)

See accompanying notes to the unaudited condensed consolidated financial statements.

SEAFARER EXPLORATION CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Three Months Ended March 31,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (894,170)	\$ (731,401)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	12,766	12,767
Amortization of right of use asset, finance	3,561	7,045
Amortization of right of use asset, facilities	4,031	4,939
Amortization of debt discount	4,783	10,525
Amortization of stock based compensation issued for services	17,948	425
Loss on extinguishment of debt	234,245	32,337
Gain on settlement of lease liability	(5,256)	-
Decrease (increase) in:		
Prepaid consulting expense	-	2,876
Increase (decrease) in:		
Accounts payable & accrued expenses	(36,851)	72,593
Operating lease liability	(3,831)	(5,268)
Net cash used by operating activities	<u>(662,774)</u>	<u>(593,162)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issuance of common stock	686,550	599,715
Proceeds from line of credit	20,000	-
Payments on finance lease liability	(3,725)	(6,572)
Payments on line of credit	(60,304)	-
Net cash provided by financing activities	<u>642,521</u>	<u>593,143</u>
NET DECREASE IN CASH	(20,253)	(19)
CASH, BEGINNING OF PERIOD	50,469	23,696
CASH, END OF PERIOD	<u>\$ 30,216</u>	<u>\$ 23,677</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>\$ 415,557</u>	<u>\$ -</u>
Stock issued to settle accounts payable	<u>\$ -</u>	<u>\$ 60,900</u>
Common stock issued for services	<u>\$ 17,400</u>	<u>\$ -</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

SEAFARER EXPLORATION CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED MARCH 31, 2026 and 2025
(Unaudited)

The accompanying unaudited 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 unaudited 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, 2025, filed with the Securities and Exchange Commission (the “Commission”) on March 26, 2026. The results of operations for the three month period ended March 31, 2026 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2026 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 with the Florida Division of Historical Resources for its Melbourne Beach historical shipwreck site, for both Areas 1 and 2, on March 22, 2024. The permits are valid until March 21, 2027.

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 is conducting limited exploration operations at the Juno Beach shipwreck site while it awaits updated permitting from the Army Corps of Engineers.

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 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 \$35,880,846 as of March 31, 2026. During the three month period ended March 31, 2026, the Company’s net loss was \$894,170. The Company also had a substantial working capital deficit of \$3,327,699 at March 31, 2026. It is management’s opinion that these factors raise substantial doubt about the Company’s ability to continue as a going concern for a period of twelve months from the date of the issuance of these consolidated financial statements. Based on its historical rate of expenditures, the Company expects to expend its available cash in less than one month from the filing date of this report. 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.

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 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.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding its consolidated financial statements. The 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 Generally Accepted Accounting Principles ("GAAP") and have been consistently applied in the preparation of the consolidated financial statements.

Cash and Cash Equivalents

For purposes of the 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 March 31, 2026 and 2025. 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 March 31, 2026, the Company had deposits that were \$0 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 \$82,852 and \$153,800 for the three month periods ended March 31, 2026 and 2025, respectively.

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 which requires the following:

1. Identify the contract with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price of the contract.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when the performance obligations are met or delivered.

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 not yet provided are recorded as deferred revenue and are recognized as revenue when the services have been provided.

During the year ended December 31, 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 consolidated balance sheets at March 31, 2026 and 2025 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 three month periods ended March 31, 2026 and 2025 were excluded from the dilutive loss per share calculation as they would be antidilutive due to the net loss. As of March 31, 2026 and 2025, there were approximately 775,351,090 and 618,418,569 shares of common stock underlying our 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. During the year ended December 31, 2019, the Company purchased a vessel with an estimated useful life of ten years. During the year ended December 31, 2020 the Company purchased a vehicle with an estimated useful life of seven years. As of March 31, 2026, these are the only capital assets owned by the Company.

Depreciation expense was \$12,766 and \$12,767 for the three month periods ended March 31, 2026 and 2025, respectively, 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 three month periods ended March 31, 2026 and 2025.

Use of Estimates

The process of preparing unaudited 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 three month periods ended March 31, 2026 and 2025 include the useful life of property, plant and equipment, valuation allowances against deferred tax assets, the fair value of non cash equity transactions, and impairment of long-lived assets.

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 historic shipwreck exploration and recovery operations other than common ownership. The single segment was identified based on how the Chief Operating Decision Maker ("CODM"), who the Company has determined to be its Chief Executive Officer, manages and evaluates performance and allocates resources. As such, the Company concluded that the operations of Blockchain and Seafarer Exploration were separate reportable segments (see Note 10 – 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 unaudited 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 unearned compensation.

Leases

The Company accounts for leases under ASU 2016-02, *Leases*. 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.

Finance leases are included in property and equipment, net, current portion of long-term debt, net and long-term debt, less current portion and debt issuance costs in the Company's condensed consolidated balance sheets.

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 condensed consolidated statements of operations.

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 unaudited condensed consolidated financial statements were issued to determine if they must be reported.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-04, *Debt with Conversion and Other Options: Induced Conversion of Convertible Debt Instruments (Subtopic 470-20)*, which clarifies accounting for induced conversions of convertible debt, specifically when issuers offer “sweeteners” to prompt early conversion. It requires that for induced conversion accounting to apply, the instrument must have a substantive conversion feature and the offer must preserve the form and amount of consideration, even if settled in cash or hybrid forms. This standard is effective for annual periods beginning after December 15, 2025, and early adoption permitted. The Company adopted the standard as of January 1, 2026 and it does not expect the adoption of this new guidance to have a material impact, if any, on the 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 15, 2025 through July 31, 2028 with base month rents of \$1,646 from August 1, 2025 to July 31, 2026, \$1,712 from August 1, 2026 to July 31, 2027, and \$1,780 from August 1, 2027 to July 31, 2028. Under the terms of the amended lease there may be additional fees charged above the base monthly rental fee. During the three months ended March 31, 2026 and 2025, the Company recorded \$5,138 and \$5,268 as operating lease expense, respectively, which is included in rent expense on the unaudited condensed statements of operations.

Right-of-use assets at March 31, 2026 and December 31, 2025 are summarized below:

	March 31, 2026	December 31, 2025
Office lease	\$ 53,382	\$ 53,382
Less accumulated amortization	(10,541)	(6,510)
Right of use assets, net	<u>\$ 42,841</u>	<u>\$ 46,872</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:

	March 31, 2026	December 31, 2025
Office lease	\$ 43,375	\$ 47,206
Less: current portion	(16,848)	(16,238)
Long term portion	<u>\$ 26,527</u>	<u>\$ 30,968</u>

Maturity of operating lease liabilities are as follows:

Year Ended December 31, 2026	\$	15,145
Year Ended December 31, 2027		20,884
Year Ended December 31, 2028		12,462
Total future minimum lease payments		48,491
Less imputed interest		(5,116)
PV of payments	\$	<u>43,375</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:

	March 31, 2026	December 31, 2025
Vehicle lease	\$ 53,100	\$ 53,100
Vessel lease	-	70,849
Sonar lease	18,987	18,987
	72,087	142,936
Less accumulated amortization	(45,025)	(83,277)
Finance right of use asset	<u>\$ 27,062</u>	<u>\$ 59,659</u>

Finance lease liabilities are summarized below:

	March 31, 2025	December 31, 2025
Vehicle lease	\$ 22,944	\$ 25,702
Vessel lease	-	34,291
Sonar lease	9,302	10,270
	32,246	70,263
Less: current portion	(16,068)	(29,640)
Long term portion	<u>\$ 16,178</u>	<u>\$ 40,623</u>

The vessel was damaged and the lessee agreed to end the lease as of December 31, 2025 with no further payments owed by the Company based on the insurance settlement terms.

Maturity of lease liabilities are as follows:

Year Ended December 31, 2026	14,305
Year Ended December 31, 2027	19,073
Year Ended December 31, 2028	2,856
Total future minimum lease payments	36,234
Less imputed interest	(3,988)
PV of payments	<u>\$ 32,246</u>

Expenses incurred with respect to the Company's finance leases during the three months ended March 31, 2026 and 2025 which are included in general and administrative expenses on the unaudited condensed consolidated statements of operations are set forth below.

	March 31, 2026	March 31, 2025
Finance lease amortization	\$ 3,560	\$ 7,045
Finance lease interest	1,042	2,868
Total finance lease expense	<u>\$ 4,602</u>	<u>\$ 9,913</u>

The weighted average remaining lease term and the weighted average discount rate on the finance leases at March 31, 2026 and December 31, 2025 are set forth below.

	March 31, 2026	December 31, 2025
Weighted average remaining lease term	1.87 years	2.11 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 March 31, 2026 and December 31, 2025:

	Issue Date	Maturity Date	March 31, 2026 Principal Balance	December 31, 2025 Principal Balance	Rate	Conversion Price
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
	03/18/24	03/18/25	-	50,000	6.00%	0.0020
	03/28/24	03/28/25	-	100,000	6.00%	0.0020
	06/24/25	07/24/25	15,000	15,000	6.00%	0.0020
	07/02/25	10/02/25	75,000	75,000	6.00%	0.0016
Balance convertible notes payable - in default			<u>\$ 325,300</u>	<u>\$ 475,300</u>		

	Issue Date	Maturity Date	March 31, 2026	December 31, 2025	Rate	Conversion Price
			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	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	10/23/19	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
	10/13/21	04/13/22	3,000	3,000	2.00%	0.0020
	11/10/21	05/10/22	3,000	3,000	6.00%	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
	12/11/24	06/11/25	15,000	15,000	6.00%	0.0020
Balance convertible notes payable - related parties, in default			<u>\$ 699,500</u>	<u>\$ 704,500</u>		
Balance all convertible notes payable			<u>\$ 1,024,800</u>	<u>\$ 1,179,800</u>		

Notes Payable

The following tables reflect the notes payable at March 31, 2026 and December 31, 2025:

	Issue Date	Maturity Date	March 31, 2026 Principal Balance	December 31, 2025 Principal Balance	Rate
Notes payable					
	12/02/25	02/23/26	\$ -	50,000	12.00%
Total			-	50,000	
Less unamortized discounts			-	(4,783)	
Balance notes payable			<u>\$ -</u>	<u>\$ 45,217</u>	

	Issue Date	Maturity Date	March 31, 2026 Principal Balance	December 31, 2025 Principal Balance	Rate
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%
	11/10/23	05/10/25	500,000	500,000	6.00%
	02/28/24	05/10/25	350,000	350,000	6.00%
	04/01/24	04/01/25	150,000	150,000	6.00%
	12/02/25	02/23/26	50,000	-	12.00%
Balance notes payable – default			<u>\$ 1,162,000</u>	<u>\$ 1,112,000</u>	

	Issue Date	Maturity Date	March 31, 2025 Principal Balance	December 31, 2025 Principal Balance	Rate
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>\$ 1,180,500</u>	<u>\$ 1,175,717</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 normally be agreeable to non related third parties.

New Convertible Notes Payable Issued During the Three Month Periods Ended March 31, 2026 and 2025

During the three month periods ended March 31, 2026 and 2025 the Company did not enter into any convertible notes payable or notes payable agreements.

Repayments of Notes Payable

The Company did not repay any of its notes payable during the three month periods ended March 31, 2026 and 2025.

Note Conversions

Period Ended March 31, 2026

The Company issued 13,681,348 shares of restricted common stock to a related party to settle \$5,000 of the principal balance of a convertible promissory note dated January 6, 2017 and \$8,994 of the accrued interest owed on seventeen convertible notes payable. The balance of the convertible note was \$0 at March 31, 2026.

The Company issued 111,490,411 shares of restricted common stock to settle \$111,490 of the principal and accrued interest owed on a convertible note payable dated March 28, 2024. The Company recorded a loss on extinguishment of debt of \$234,245 on the conversion. The balance of the convertible note was \$0 at March 31, 2026.

The Company issued 55,827,397 shares of restricted common stock to settle \$55,827 of the principal and accrued interest owed on a convertible note payable dated March 18, 2024. The balance of the convertible note was \$0 at March 31, 2026.

There were no note conversions during the three month period ended March 31, 2025.

Shareholder Loan

At March 31, 2026 and December 31, 2025, 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 totalling \$60,000 are collateralized by Company assets.

NOTE 6 – LINE OF CREDIT

The Company has a revolving line of credit (“LoC”) that has a maximum draw amount of \$50,000. Advances on the LoC bear interest, on the outstanding principal balance at a rate equal to 5.99% per annum. The Company entered into the LoC on April 15, 2025 and the LoC has no maturity date. As of March 31, 2026 the Company’s LoC balance is \$0. The LoC is not collateralized.

NOTE 7 – STOCKHOLDERS’ DEFICIT

On June 16, 2025, the Board of Directors, pursuant to Section 607.0704, Florida Statutes, the Board of Directors, acting as shareholders of the Preferred Shares and pursuant to their own resolution, voted to increase the authorized shares of the Corporation from 9,900,000,000 common shares to 17,000,000,000 common shares. Such filing was processed to be effective with the State of Florida on June 16, 2025.

The Company’s total authorized capital stock consists of 17,000,000,000 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. 49,999,940 Series A and 60 Series B preferred shares are authorized.

Series A Preferred Stock

At March 31, 2026 and 2025, the Company had 49,999,940 Series A preferred shares authorized and 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

At March 31, 2026 and 2025, the Company had 60 Series B preferred shares authorized and 60 shares of Series B preferred stock issued and outstanding. In 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 8 – COMMITMENTS AND CONTINGENCIES

In March of 2014, Seafarer entered into a partnership and ownership with Marine Archaeology Partners, LLC (“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 December 31, 2025, 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. The lease is recorded under property, plant and equipment in the Company’s accompanying consolidated balance sheets. The vessel was damaged and the lessee agreed to end the lease as of December 31, 2025 with no further payments owed by the Company based on the insurance settlement terms.

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. The lease is recorded under property, plant and equipment in the Company’s accompanying consolidated balance sheets. The lessee agreed to end the lease as of December 31, 2025 with no further payments owed by 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. The lease is recorded under property, plant and equipment in the Company’s accompanying consolidated balance sheets.

Legal Proceedings

On September 6, 2024, the Plaintiff, Diane McConnell filed suit against Seafarer Exploration Corporation and Kyle Kennedy in the County Court of Brevard County, Florida. The suit alleges breach of contract and negligence regarding the maintenance and upkeep of a residential property. Seafarer leased the property from Plaintiff, as lodging for boat captains and crew. The lease was without incident for nearly ten years. Due to the Plaintiff’s vexatious litigation strategy, the costs of litigating this matter would have exceeded \$100,000. On October 30, 2025, the Parties attended mediation and Seafarer successfully negotiated the dismissal of the lawsuit with prejudice (Meaning the claims cannot be filed again at a future date). Seafarer agreed to pay Plaintiff \$22,500, and each party is responsible for their respective attorney fees. Plaintiff is bound by a confidentiality agreement and no disparagement agreement barring the Plaintiff from making slanderous public comments about Seafarer. The case is closed with no further payment or performance obligations due or outstanding as of March 31, 2026 and December 31, 2025.

Certain Other Agreements

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

NOTE 9 – RELATED PARTY TRANSACTIONS

Three Month Period Ended March 31, 2026:

See Note 5 convertible notes payable.

Three Month Period Ended March 31, 2025:

None.

Other Related Party Transactions

The Company has an informal consulting agreement with 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 three month periods ended March 31, 2026 and 2025, the Company paid the related party consulting fees \$0 and \$12,000 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 March 31, 2026 and December 31, 2025, the Company owed the related party limited liability company \$2,500.

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 three month periods ended March 31, 2026 and 2025, the Company paid the related party limited liability company fees of \$6,200 and \$3,386, 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 March 31, 2026 and December 31, 2025, the Company owed the related party limited liability company \$13,868 and \$7,668, respectively.

Related Party Transactions

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

Shareholder Loans

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

At March 31, 2026, 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 10 – 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 three month periods ended March 31, 2026 and 2025 incurred by the two separate segments below.

During the three month periods ended March 31, 2026 and 2025, 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 three month period ended March 31, 2026 is as follows:

	March 31, 2026	March 31, 2026	March 31, 2026
	Blockchain LogisTech, LLC	Seafarer Exploration Corp.	Consolidated
Service revenues	\$ -	\$ -	\$ -
Total operating expenses	-	625,152	625,152
Net loss from operations	\$ -	\$ (625,152)	\$ (625,152)

Segment information relating to the Company's two operating segments for the three month period ended March 31, 2025 is as follows:

	March 31, 2025	March 31, 2025	March 31, 2025
	Blockchain LogisTech, LLC	Seafarer Exploration Corp.	Consolidated
Service revenues	\$ -	\$ -	\$ -
Total operating expenses	-	655,691	655,691
Net loss from operations	\$ -	\$ (655,691)	\$ (655,691)

The following information shows information for the total assets relating to the Company's two operating segments at March 31, 2026 and December 31, 2025 are as follows:

	March 31, 2026	March 31, 2026	March 31, 2026
	Blockchain LogisTech, LLC	Seafarer Exploration Corp.	Consolidated
Total assets	\$ -	\$ 205,545	\$ 205,545

	December 31, 2025	December 31, 2025	December 31, 2025
	Blockchain LogisTech, LLC	Seafarer Exploration Corp.	Consolidated
Total assets	\$ -	\$ 275,740	\$ 275,740

NOTE 11 – SUBSEQUENT EVENTS

Subsequent to March 31, 2026, the Company sold or issued additional shares of its restricted common stock as follows:

- 24,000,003 shares were issued under subscription agreements for proceeds of \$36,000: and
- 2,500,000 shares with a total value of \$6,250 were issued for services.

A lender agreed to cancel the principal balance of \$105,000 for a convertible promissory note dated November 19, 2017 in exchange for receiving a portion of future treasure with a minimum value of \$3,200,000 that is recovered by the Company.

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

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. Seafarer's actual results or actions may differ materially from these forward-looking statements and is dependent on many other factors including, primarily, the Company's ability to raise additional capital. Such factors include, among others, the following: the Company's ability to continue as a going concern, general economic and business conditions; competition; success of operating initiatives; ability to raise capital and the terms thereof; changes in business strategy or development plans; future revenues; the continuity, experience and quality of management; changes in or failure to comply with government regulations or the lack of government authorization to continue working on projects; and other factors referenced in the Form 10-K. This Item should be read in conjunction with the financial statements, the related notes and with the understanding that Seafarer's actual future results may be materially different from what is currently expected or projected by the Company.

Seafarer cautions 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 the Company's management, as well as on assumptions made by and information currently available 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 the Juno Beach shipwreck site 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 or due to certain economic and business factors, some of which may be beyond Seafarer's control.

Seafarer disclaims 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.

General Information

Seafarer has generated only minimal revenue in the past and does not expect to report any significant revenue from operations for the foreseeable future. The Company has incurred recurring losses to date. These factors and others raise significant doubt about the Company's ability to continue as a going concern. The Company's consolidated financial statements have been prepared assuming that it 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 the Company 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 one month from the filing date of this report.

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 operation 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 very likely that all capital invested in and/or borrowed by the Company will be lost.

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.

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 total loss of their investment.

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 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.
- Griding a three hundred by three hundred foot area at the Juno Beach shipwreck location in the ballast pile and scanning with the SeaSearcher.
- 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. To date there have been numerous technical delays in the development of the SeaSearcher. 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.

Results of Operations

At March 31, 2026 and 2025, the Company had working capital deficits of \$3,327,699 and \$3,055,436, respectively. Such working capital deficit may indicate that there is substantial risk to the continued viability of the Company and that there is a high degree of risk that the Company could become insolvent due to this significant working capital deficit and the lack of cash flow from its operations. The Company does not currently generate the cash flow required to service this debt. Unless the Company is able to generate cash flows from operations then some, or all, of the debt that is not already in default will likely become in default. 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.

Summary of the Three Month Period Ended March 31, 2026 Results of Operations Compared to the Three Month Period Ended March 31, 2025 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 March 31, 2026 and 2025, the Company did not generate any revenue.

Operating Expenses

Operating expenses were \$625,152 for the period ended March 31, 2026 versus \$655,691 for the period ended March 31, 2025, a decrease of \$30,539 or approximately 5%. The decrease in operating expenses in 2026 was primarily due to a \$70,948 decrease in research and development, a \$17,265 decrease in professional fees, and a \$10,757 decrease in vessel maintenance and dockage expense. These decreases offset a \$63,718 increase in consulting and contractor expenses.

Other Expenses

Other expense, net were \$269,018 during the three month period ended March 31, 2026 versus \$75,710 during the three month period ended March 31, 2025, an increase of \$193,308 or 255%. The increase in other expense in 2026 was primarily due to a \$201,908 increase in loss on extinguishment of debt.

Net Losses

The Company's net loss for the three months ended March 31, 2026 and 2025 was \$894,170, and \$731,401, respectively, a year-over-year increase of approximately 22%. Net losses increased in 2026 due to an increase in other expenses.

Cash Flows from Operating Activities

For the three month period ended March 31, 2026 net cash flows used in operating activities was \$662,774.

For the three month period ended March 31, 2025 net cash flows used in operating activities was \$593,162.

Cash flows used in operating activities increased in 2026 due to an increase in the Company's net losses.

Cash Flows from Investing Activities

For the three month period ended March 31, 2026 net cash flows used in investing activities was \$0.

For the three month period ended March 31, 2025 net cash flows used in investing activities was \$0.

Cash Flows from Financing Activities

For the three month period ended March 31, 2026 net cash provided by financing activities was \$642,521.

For the three month period ended March 31, 2025 net cash provided by financing activities was \$593,143.

Cash flows provided by financing activities increased in 2026 primarily due to an increase in the proceeds from the issuance of common stock.

Liquidity and Capital Resources

At March 31, 2026, the Company had \$30,216 cash in the bank. During the three month periods ended March 31, 2026 and 2025, the Company incurred net losses of \$894,170 and \$731,401 respectively. At March 31, 2026, the Company had \$37,324 in current assets and \$3,365,023 in current liabilities, leaving the Company a working capital deficit of \$3,327,699.

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 three month period ended March 31, 2026, and the year ended December 31, 2025. 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, 2025 and 2024 raises substantial doubt as to our ability to continue as a going concern. As discussed in Note 2 to our consolidated financial statements for the years ended December 31, 2025 and 2024, we have experienced operating losses in every year since our inception resulting in an accumulated deficit. Our independent auditors believe, based on our financial results as of March 31, 2026, that such results raised substantial doubts about the Company's ability 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.

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.

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, Summary of Significant Accounting Policies, contained in the notes to the Company's unaudited condensed consolidated financial statements for the three month periods ended March 31, 2026 and 2025 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 March 31, 2026. 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 March 31, 2026, 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 March 31, 2026 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 three month period ended March 31, 2026.

Part II. Other Information

Item 1. Legal Proceedings

On September 6, 2024, the Plaintiff, Diane McConnell filed suit against Seafarer Exploration Corporation and Kyle Kennedy in the County Court of Brevard County, Florida. The suit alleges breach of contract and negligence regarding the maintenance and upkeep of a residential property. Seafarer leased the property from Plaintiff, as lodging for boat captains and crew. The lease was without incident for nearly ten years. Due to the Plaintiff's vexatious litigation strategy, the costs of litigating this matter would have exceeded \$100,000. On October 30, 2025, the Parties attended mediation and Seafarer successfully negotiated the dismissal of the lawsuit with prejudice (Meaning the claims cannot be filed again at a future date). Seafarer agreed to pay Plaintiff \$22,500, and each party is responsible for their respective attorney fees. Plaintiff is bound by a confidentiality agreement and no disparagement agreement barring the Plaintiff from making slanderous public comments about Seafarer. The case is closed with no further payment or performance obligations due or outstanding.

Item 1A. Risk Factors

Not required for smaller reporting companies.

Item 2. Recent Sales and Other Issuances of Unregistered Securities

During the three month period ended March 31, 2026, the Company issued 6,000,000 shares of its restricted common stock for 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 three month period ended March 31, 2026, the Company entered into subscription agreements to sell 487,033,339 shares of its restricted common stock in exchange for proceeds of \$686,550. The proceeds received were used for general corporate purposes, working capital and repayment of some debt.

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.

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

During the three month period ended March 31, 2026, the Company issued 180,999,155 shares to settle the principal balances and accrued interest of convertible notes. 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.

Repurchase of Securities

During the three month period ended March 31, 2026, 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 three month period ended March 31, 2026.

Item 3. Defaults Upon Senior Securities

The Company has several promissory notes and loans that are currently in default to non-payment of principal 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: May 12, 2026

By: /s/ Kyle Kennedy

Kyle Kennedy

President, Chief Executive Officer, and Chairman of the Board
(Principal Executive Officer and Principal Accounting Officer)

Date: May 12, 2026

By: /s/ Charles Branscum

Charles Branscum, Director

Date: May 12, 2026

By: /s/ Robert L. Kennedy

Robert L. Kennedy, Director

Date: May 12, 2026

By: /s/ Thomas Soeder

Thomas Soeder, Director

Date: May 12, 2026

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 March 31, 2026;
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: May 12, 2026

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 March 31, 2026 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: May 12, 2026

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.
