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

FORM 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2019

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 001-31895

ODYSSEY MARINE EXPLORATION, INC.
(Exact name of registrant as specified in its charter)

Nevada	**84-1018684**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

5215 W. Laurel Street, Tampa, Florida 33607
(Address of principal executive offices) (Zip code)

(813) 876-1776
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value	**OMEX**	**NASDAQ Capital Market**

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for 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 definition 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:	☐

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

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

Yes ☐ No ☒

The number of outstanding shares of the registrant's Common Stock, $.0001 par value, as of July 31, 2019 was 9,228,419.

PART I: FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	Unaudited June 30, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 372,486	$ 2,786,832
Restricted cash	10,135	10,135
Accounts receivable and other, net	586,352	789,421
Other current assets	285,312	1,016,136
Total current assets	1,254,285	4,602,524
PROPERTY AND EQUIPMENT		
Equipment and office fixtures	10,872,402	11,033,536
Accumulated depreciation	(10,849,211)	(10,915,557)
Total property and equipment	23,191	117,979
NON-CURRENT ASSETS		
Investment in unconsolidated entity	1,193,691	752,667
Other non-current assets	25,059	—
Total non-current assets	1,218,750	752,667
Total assets	$ 2,496,226	$ 5,473,170
LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 4,083,249	$ 2,772,423
Accrued expenses and other	11,736,482	9,804,546
Loans payable	29,374,367	29,448,988
Total current liabilities	45,194,098	42,025,957
LONG-TERM LIABILITIES		
Deferred income and revenue participation rights	3,818,750	4,643,750
Loans payable	718,648	—
Total long-term liabilities	4,537,398	4,643,750
Total liabilities	49,731,496	46,669,707
Commitments and contingencies (NOTE G)		
STOCKHOLDERS' EQUITY/(DEFICIT)		
Preferred stock – $.0001 par value; 24,984,166 shares authorized; none outstanding	—	—
Common stock – $.0001 par value; 75,000,000 shares authorized; 9,228,419 and 9,222,199 issued and outstanding	923	922
Additional paid-in capital	218,066,351	217,993,953
Accumulated (deficit)	(243,824,513)	(239,882,346)
Total stockholders' equity/(deficit) before non-controlling interest	(25,757,239)	(21,887,471)
Non-controlling interest	(21,478,031)	(19,309,066)
Total stockholders' equity/(deficit)	(47,235,270)	(41,196,537)
Total liabilities and stockholders' equity/(deficit)	$ 2,496,226	$ 5,473,170

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

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS - Unaudited

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
REVENUE				
Recovered cargo sales and other	$ 269,896	$ 292,582	$ 552,074	$ 308,320
Expedition	504,540	780,915	1,017,289	1,276,913
Total revenue	774,436	1,073,497	1,569,363	1,585,233
OPERATING EXPENSES				
Marketing, general and administrative	1,559,903	1,489,196	2,869,253	2,937,403
Operations and research	1,669,630	452,875	3,390,972	1,473,643
Total operating expenses	3,229,533	1,942,071	6,260,225	4,411,046
INCOME (LOSS) FROM OPERATIONS	(2,455,097)	(868,574)	(4,690,862)	(2,825,813)
OTHER INCOME (EXPENSE)				
Interest expense	(1,298,826)	(730,928)	(2,258,111)	(1,441,418)
Other	9,197	(10,480)	837,840	15,866
Total other income (expense)	(1,289,629)	(741,408)	(1,420,271)	(1,425,552)
(LOSS) BEFORE INCOME TAXES	(3,744,726)	(1,609,982)	(6,111,133)	(4,251,365)
Income tax benefit (provision)	—	—	—	—
NET (LOSS) BEFORE NON-CONTROLLING INTEREST	(3,744,726)	(1,609,982)	(6,111,133)	(4,251,365)
Non-controlling interest	970,444	968,425	2,168,965	1,865,047
NET (LOSS)	$(2,774,282)	$ (641,557)	$(3,942,168)	$(2,386,318)
NET (LOSS) PER SHARE				
Basic and diluted (See NOTE B)	$ (0.30)	$ (0.08)	$ (0.43)	$ (0.28)
Weighted average number of common shares outstanding				
Basic	9,224,318	8,466,909	9,223,264	8,466,909
Diluted	9,224,318	8,466,909	9,223,264	8,466,909

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

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY / (DEFICIT) - Unaudited

	Three-month Period Ended June 30, 2019				
	Common Stock	Paid-in Capital	Accumulated Deficit	Non-controlling Interest	Total
March 31, 2019	$ 922	$218,016,953	$(241,050,231)	$ (20,507,587)	$(43,539,943)
Share-based compensation	1	49,398			49,399
Net (loss)			(2,774,282)	(970,444)	(3,744,726)
June 30, 2019	$ 923	$218,066,351	$(243,824,513)	$ (21,478,031)	$(47,235,270)

	Three-month Period Ended June 30, 2018				
	Common Stock	Paid-in Capital	Accumulated Deficit	Non-controlling Interest	Total
March 31, 2018	$ 847	$212,207,248	$(236,454,672)	$ (16,273,839)	$(40,520,416)
Share-based compensation		103,903			103,903
Net (loss)			(641,556)	(968,425)	(1,609,981)
June 30, 2018	$ 847	$212,311,151	$(237,096,228)	$ (17,242,264)	$(42,026,494)

	Six-month Period Ended June 30, 2019				
	Common Stock	Paid-in Capital	Accumulated Deficit	Non-controlling Interest	Total
December 31, 2018	$ 922	$217,993,953	$(239,882,345)	$ (19,309,066)	$(41,196,536)
Share-based compensation	1	72,398			72,399
Net (loss)			(3,942,168)	(2,168,965)	(6,111,133)
June 30, 2019	$ 923	$218,066,351	$(243,824,513)	$ (21,478,031)	$(47,235,270)

	Six-month Period Ended June 30, 2018				
	Common Stock	Paid-in Capital	Accumulated Deficit	Non-controlling Interest	Total
December 31, 2017	$ 847	$212,103,344	$(234,709,910)	$ (15,377,217)	$(37,982,936)
Share-based compensation		207,807			207,807
Net (loss)			(2,386,318)	(1,865,047)	(4,251,365)
June 30, 2018	$ 847	$212,311,151	$(237,096,228)	$ (17,242,264)	$(42,026,494)

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

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS - Unaudited

	Six-Months Ended	
	June 30 2019	June 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss before non-controlling interest	$(6,111,133)	$ (4,251,365)
Adjustments to reconcile net loss to net cash (used) by operating activities:		
Investment in unconsolidated entity	(441,024)	—
Director fees paid with equity instruments	26,396	—
Depreciation and amortization	110,283	277,665
Gain on sale of equipment		(899,524)
Note payable interest accretion	644,027	36,559
Share-based compensation	46,000	207,808
Deferred income	(825,000)	—
(Increase) decrease in:		
Accounts receivable	203,069	(836,253)
Other assets	705,765	212,152
Increase (decrease) in:		
Accounts payable	1,310,827	401,587
Accrued expenses and other	2,139,293	1,642,754
NET CASH (USED) BY OPERATING ACTIVITIES	(2,191,497)	(3,208,617)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Deposit related to the future sale of marine assets	—	1,003,662
Purchase of property and equipment	(15,492)	(9,624)
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	(15,492)	994,038
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of notes payable	—	875,000
Settlement receipts from contractual obligation	—	15,000,000
Payment of contractual obligation	—	(14,000,000)
Repayment of debt obligations	(207,357)	(202,772)
NET CASH (USED) BY FINANCING ACTIVITIES	(207,357)	1,672,228
NET INCREASE (DECREASE) IN CASH	(2,414,346)	(542,351)
CASH AT BEGINNING OF PERIOD	2,786,832	1,108,193
CASH AT END OF PERIOD	$ 372,486	$ 565,842
SUPPLEMENTARY INFORMATION:		
Interest paid	$ 728,798	$ 520,891
Income taxes paid	$ —	$ —
NON-CASH TRANSACTIONS:		
Acquisition of equipment with debt	$ —	$ 74,004

Non-Cash Disclosure:

During the three months ended March 31, 2018, we converted $1.0 million of amounts advanced related to the contractual obligation settlement to a loan with Monaco Financial, LLC. During April 2018 the parties agreed to treat $99,366 of back rent owed by us to Monaco as part of this loan. See NOTE H

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

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of Odyssey Marine Exploration, Inc. and subsidiaries (the "Company," "Odyssey," "us," "we" or "our") have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission and the instructions to Form 10-Q and, therefore, do not include all information and footnotes normally included in financial statements prepared in accordance with generally accepted accounting principles. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

In the opinion of management, these financial statements reflect all adjustments, including normal recurring adjustments, necessary for a fair presentation of the financial position as of June 30, 2019 and the results of operations and cash flows for the interim periods presented. Operating results for the six-month period ended June 30, 2019 are not necessarily indicative of the results that may be expected for the full year.

Recent accounting pronouncements

Accounting standards to be implemented in 2019

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*, which establishes a comprehensive lease standard under GAAP for virtually all industries. The standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase of the leased asset by the lessee. This classification will determine whether the lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right of use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. The standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales type leases, direct financing leases and operating leases. We had no leases at the time of adoption of this lease standard. Subsequent to quarter end, we entered into a lease which will follow the new accounting standard (see NOTE G).

Accounting standards not yet adopted

In July 2017, the FASB issued Accounting Standards Update No. 2017-11, *Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815).* The amendments in Part I of this Update change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. The amendments also clarify existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share (EPS) in accordance with Topic 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS. Convertible instruments with embedded conversion options that have down round features are now subject to the specialized guidance for contingent beneficial conversion features (in Subtopic 470-20, Debt—Debt with Conversion and Other Options), including related EPS guidance (in Topic 260). The amendments in Part II of this Update recharacterize the indefinite deferral of certain provisions of Topic 480 that now are presented as pending content in the Codification, to a scope exception. Those amendments do not have an accounting effect. For public business entities, the amendments in Part I of this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. For all other entities, the amendments in Part I of this Update are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted for all entities, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. Based on management's review of this new standard along with the underlying substance of our operations, it did not have a material impact on our financial statements.

In March 2018, the FASB issued ASU No. 2018-05, *Income Taxes* (Topic 740), Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118. The amendments in this update add various SEC paragraphs pursuant to the issuance of SEC Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act ("Act") ("SAB 118"). The SEC issued SAB 118 to address concerns about reporting entities' ability to timely comply with the accounting requirements to recognize all of the effects of the Act in the period of enactment. SAB 118 allows a reporting entity to disclose that timely determination of some or all of the income tax effects from the Act are incomplete by the due date of the financial statements and, if possible, to provide a reasonable estimate. The use of reasonable estimates, when needed, have been disclosed in NOTE F of the consolidated financial statements.

Other recent accounting pronouncements issued by the FASB, the AICPA and the SEC did not or are not believed by management to have a material effect, if any, on the Company's financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding our consolidated financial statements. The financial statements and notes are representations of the Company's management who are responsible for their integrity and objectivity and have prepared them in accordance with our customary accounting practices.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its direct and indirect wholly owned subsidiaries, both domestic and international. Equity investments in which we exercise significant influence but do not control and of which we are not the primary beneficiary are accounted for using the equity method. All significant inter-company and intra-company transactions and balances have been eliminated. The results of operations attributable to the non-controlling interest are presented within equity and net income and are shown separately from the Company's equity and net income attributable to the Company. Some of the existing inter-company balances, which are eliminated upon consolidation, include features allowing the liability to be converted into equity of a subsidiary, which if exercised, could increase the direct or indirect interest of the Company in the non-wholly owned subsidiaries.

Use of Estimates

Management used estimates and assumptions in preparing these consolidated financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Revenue Recognition and Accounts Receivable

In accordance with Topic A.1. in SAB 13 as well as ASU 2019-09, Revenue from Contracts: Revenue Recognition, marine services and expedition charter revenue is recognized ratably when realized and earned as time passes throughout the contract period as defined by the terms of the agreement. Expenses related to the marine services expedition charter revenue (also referred to as "marine services" revenue) are recorded as incurred and presented under the caption "Operations and research" on our Consolidated Statements of Operations.

Account receivables are based on amounts billed to customers. Generally accepted accounting principles state an estimate is to be made for an allowance for doubtful accounts. We have determined no allowance is currently necessary. If we were to have a recorded allowance, the accounts receivable would be stated net of the recorded allowance.

Cash and Cash Equivalents

Cash, cash equivalents and restricted cash include cash on hand and cash in banks. We also consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. We have $10,135 of restricted cash for collateral related to a corporate credit card program.

Long-Lived Assets

Our policy is to recognize impairment losses relating to long-lived assets in accordance with the Accounting Standards Codification ("ASC") topic for Property, Plant and Equipment. Decisions are based on several factors, including, but not limited to, management's plans for future operations, recent operating results and projected cash flows. Impairment losses are included in depreciation at the time of impairment.

Property and Equipment and Depreciation

Property and equipment is stated at historical cost. Depreciation is calculated using the straight-line method at rates based on the assets' estimated useful lives which are normally between three and thirty years. Leasehold improvements are amortized over their estimated useful lives or lease term, if shorter. Items that may require major overhauls (such as engines or generators) that enhance or extend the useful life of vessel related assets qualify to be capitalized and depreciated over the useful life or remaining life of that asset, whichever was shorter. Certain major repair items required by industry standards to ensure a vessel's seaworthiness also qualified to be capitalized and depreciated over the period of time until the next scheduled planned major maintenance for that item. All other repairs and maintenance were accounted for under the direct-expensing method and are expensed when incurred.

Earnings Per Share

Basic earnings per share ("EPS") is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. In periods when the Company has income, the Company would calculate basic earnings per share using the two-class method, if required, pursuant to ASC 260 *Earnings Per Share.* The two-class method was required effective with the issuance of certain senior convertible notes in the past because these notes qualified as a participating security, giving the holder the right to receive dividends should dividends be declared on common stock. Under the two-class method, earnings for a period are allocated on a pro rata basis to the common stockholders and to the holders of convertible notes based on the weighted average number of common shares outstanding and number of shares that could be issued upon conversion. The Company does not use the two-class method in periods when it generates a loss because the holder of the convertible notes does not participate in losses. Currently, we do not have any outstanding convertible notes that qualify as a participating security.

Diluted EPS reflects the potential dilution that would occur if dilutive securities and other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in our earnings. We use the treasury stock method to compute potential common shares from stock options and warrants and the if-converted method to compute potential common shares from preferred stock, convertible notes or other convertible securities. For diluted earnings per share, the Company uses the more dilutive of the if-converted method or two-class method. When a net loss occurs, potential common shares have an anti-dilutive effect on earnings per share and such shares are excluded from the diluted EPS calculation.

For the six-months ended June 30, 2019 and 2018, the weighted average common shares outstanding year-to-date were 9,223,264 and 8,466,909, respectively. For the periods in which net losses occurred, all potential common shares were excluded from diluted EPS because the effect of including such shares would be anti-dilutive.

The potential common shares in the following tables represent potential common shares calculated using the treasury stock method from outstanding options, stock awards and warrants that were excluded from the calculation of diluted EPS:

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Average market price during the period	$ 5.24	$ 8.66	$ 5.68	$ 6.62
In the money potential common shares from options excluded	10,743	15,384	11,652	13,193
In the money potential common shares from warrants excluded	39,390	71,223	45,633	56,193

Potential common shares from out of the money options and warrants were also excluded from the computation of diluted EPS because calculation of the associated potential common shares has an anti-dilutive effect on EPS. The following table lists options and warrants that were excluded from diluted EPS:

	Three Months Ended		Six-Months Ended	
Per share exercise price	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Out of the money options excluded:				
$12.48	136,833	136,833	136,833	136,833
$12.84	4,167	4,167	4,167	4,167
$26.40	75,158	75,158	75,158	75,158
$39.00	—	8,333	—	8,333
Out-of-the-money warrants excluded:				
$7.16	700,000	—	700,000	—
$12.00	65,625	—	65,625	—
Total excluded	981,783	224,491	981,783	224,491

The weighted average equivalent common shares relating to our unvested restricted stock awards that were excluded from potential common shares in the earning per share calculation due to having an anti-dilutive effect are:

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Potential common shares from unvested restricted stock awards excluded from EPS	41,667	132,826	41,667	132,826

The following is a reconciliation of the numerators and denominators used in computing basic and diluted net income per share:

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Net income (loss)	$(2,774,282)	$(641,557)	$(3,942,168)	$(2,386,318)
Numerator, basic and diluted net income (loss) available to stockholders	$(2,774,282)	$(641,557)	$(3,942,168)	$(2,386,318)
Denominator:				
Shares used in computation – basic:				
Weighted average common shares outstanding	9,224,318	8,466,909	9,223,264	8,466,909
Common shares outstanding for basic	9,224,318	8,466,909	9,223,264	8,466,909
Shares used in computation – diluted:				
Common shares outstanding for basic	9,224,318	8,466,909	9,223,264	8,466,909
Shares used in computing diluted net income per share	9,224,318	8,466,909	9,223,264	8,466,909
Net (loss) per share – basic	$(0.30)	$(0.08)	$(0.43)	$(0.28)
Net (loss) per share – diluted	$(0.30)	$(0.08)	$(0.43)	$(0.28)

Income Taxes

Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is provided when it is more likely than not that some portion or the entire deferred tax asset will not be realized.

Stock-based Compensation

Our stock-based compensation is recorded in accordance with the guidance in the ASC topic for *Stock-Based Compensation* (See NOTE I).

Fair Value of Financial Instruments

Financial instruments consist of cash, evidence of ownership in an entity, and contracts that both (i) impose on one entity a contractual obligation to deliver cash or another financial instrument to a second entity, or to exchange other financial instruments on potentially unfavorable terms with the second entity, and (ii) conveys to that second entity a contractual right (a) to receive cash or another financial instrument from the first entity, or (b) to exchange other financial instruments on potentially favorable terms with the first entity. Accordingly, our financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, derivative financial instruments and mortgage and loans payable. We carry cash and cash equivalents, accounts payable and accrued liabilities, and mortgage and loans payable at the approximate fair market value, and, accordingly, these estimates are not necessarily indicative of the amounts that we could realize in a current market exchange. We carry derivative financial instruments at fair value as is required under current accounting standards. Redeemable preferred stock has been carried at historical cost and accreted carrying values to estimated redemption values over the term of the financial instrument.

Derivative financial instruments consist of financial instruments or other contracts that contain a notional amount and one or more underlying variables (e.g., interest rate, security price or other variable), require no initial net investment and permit net settlement. Derivative financial instruments may be free-standing or embedded in other financial instruments. Further, derivative financial instruments are initially, and subsequently, measured at fair value and recorded as liabilities or, in rare instances, assets. We generally do not use derivative financial instruments to hedge exposures to cash-flow, market or foreign-

currency risks. However, we have entered into certain other financial instruments and contracts with features that are either (i) not afforded equity classification, (ii) embody risks not clearly and closely related to host contracts, or (iii) may be net-cash settled by the counterparty. As required by ASC 815 – *Derivatives and Hedging*, these instruments are required to be carried as derivative liabilities, at fair value, in our financial statements with changes in fair value reflected in our income.

Fair Value Hierarchy

The three levels of inputs that may be used to measure fair value are as follows:

Level 1. Quoted prices in active markets for identical assets or liabilities.

Level 2. Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities. Level 2 inputs also include non-binding market consensus prices that can be corroborated with observable market data, as well as quoted prices that were adjusted for security-specific restrictions.

Level 3. Unobservable inputs to the valuation methodology are significant to the measurement of the fair value of assets or liabilities. Level 3 inputs also include non-binding market consensus prices or non-binding broker quotes that we were unable to corroborate with observable market data.

Redeemable Preferred Stock

If we issue redeemable preferred stock instruments (or any other redeemable financial instrument), they are initially evaluated for possible classification as a liability in instances where redemption is certain to occur pursuant to ASC 480 – *Distinguishing Liabilities from Equity*. Redeemable preferred stock classified as a liability is recorded and carried at fair value. Redeemable preferred stock that does not, in its entirety, require liability classification is evaluated for embedded features that may require bifurcation and separate classification as derivative liabilities. In all instances, the classification of the redeemable preferred stock host contract that does not require liability classification is evaluated for equity classification or mezzanine classification based upon the nature of the redemption features. Generally, mandatory redemption requirements or any feature that could require cash redemption for matters not within our control, irrespective of probability of the event occurring, requires classification outside of stockholders' equity. Redeemable preferred stock that is recorded in the mezzanine section is accreted to its redemption value through charges to stockholders' equity when redemption is probable using the effective interest method. We have no redeemable preferred stock outstanding for the periods presented.

Subsequent Events

We have evaluated subsequent events for recognition or disclosure through the date this Form 10-Q is filed with the Securities and Exchange Commission.

NOTE C – ACCOUNTS RECEIVABLE AND OTHER

Our accounts receivable consist of the following:

	June 30, 2019	December 31, 2018
Trade	$ 44,093	$ 9,466
Related party	499,928	664,596
Other	42,331	115,359
Total accounts receivable and other	$586,352	$ 789,421

Monaco and its affiliates owe us $434,411 and $612,498 for the periods ended June 30, 2019 and December 31, 2018, respectively, for support services and marine services rendered on their behalf. See NOTE D for further information regarding Monaco. During the quarter ended September 30, 2018, we began providing services for a deep-sea mineral exploration company in which our past Chairman of the Board, Greg Stemm, has a controlling ownership interest. See NOTE D for further information. At June 30, 2019 and December 31, 2018, respectively, the company owed us $63,847 and $52,098, respectively. Monaco and CIC comprise the majority of the June 30, 2019 Related party balance.

NOTE D – RELATED PARTY TRANSACTIONS

Based on the economic substance of our business transactions with Monaco Financial, LLC, we consider Monaco to be an affiliated company, thus a related party. We do not own any financial interest in Monaco. We had accounts receivable from Monaco and affiliates at June 30, 2019 of $434,411 and at December 31, 2018 of $612,498. We had general operating payables owed to Monaco at June 30, 2019 of $213,776 and at December 31, 2018 of $233,855. See NOTE H for further debt arrangements between the entities. We are currently performing marine shipwreck search and recovery services for this related party and recognized 2019 year to date revenue of approximately $1.0 million.

During 2018 we entered into a services agreement with and continue to provide services to a deep-sea mineral exploration company, CIC LLC, which was organized and is majority owned and controlled by Greg Stemm, the past Chairman of the Board for Odyssey. Mr. Stemm's involvement with this company was disclosed to, and approved by, the Odyssey Board of Directors and legal counsel pursuant to the terms of his consulting agreement. We are providing these services pursuant to a Master Services Agreement that provides for back office services in exchange for a recurring monthly fee as well as other mineral related services on a cost-plus profit basis and will be compensated for these services with a combination of cash and equity in the company. For the 2019 year to date, we invoiced the company a total of $452,774, which was for back office technical and support services. Included in this amount is $441,024 which shall be deemed as consideration for equity units in the company. Billings related to cash amounted to $11,750 for the same period. We have the option to accept equity in lieu of the amount expected to be paid in cash. See NOTE C for related accounts receivable at June 30, 2019 and NOTE E for our investment in an unconsolidated entity.

During June 2019, we entered into an arrangement with a company controlled by one of our independent directors relating to its possible participation in a pending financing arrangement. Upon entering the arrangement, we received an earnest deposit of $300,000. If the company's participation was not required, the arrangement called for the return of the $300,000 deposit as well as a $30,000 break-up-fee. The company's participation was not required. The deposit and break-up will be paid subsequent the end of the second quarter of 2019. The deposit and break-up are included in accrued expenses and other in our statement of consolidated balance sheets.

NOTE E – INVESTMENTS IN UNCONSOLIDATED ENTITIES

Neptune Minerals, Inc. (NMI)

Our current investment in NMI consists of 3,092,488 Class B Common non-voting shares and 2,612 Series A Preferred non-voting shares. These preferred shares are convertible into an aggregate of 261,200 shares of Class B non-voting common stock. Our holdings now constitute an approximate 14% ownership in NMI. At December 31, 2018, our estimated share of unrecognized NMI equity-method losses is approximately $21.3 million. We have not recognized the accumulated $21.3 million in our income statement because these losses exceeded our investment in NMI. Our investment has a carrying value of zero as a result of the recognition of our share of prior losses incurred by NMI under the equity method of accounting. We believe it is appropriate to allocate this loss carryforward of $21.3 million to any incremental NMI investment that may be recognized on our balance sheet in excess of zero because the losses occurred when they were an equity-method investment. The aforementioned loss carryforward is based on NMI's last unaudited financial statements as of December 31, 2016. We do not believe losses NMI may have incurred from the calendar year of 2017 to current day to be material. We do not have any financial obligations to NMI, and we are not committed to provide financial support to NMI.

Although we are a shareholder of NMI, we have no representation on the board of directors or in management of NMI and do not hold any Class A voting shares. We are not involved in the management of NMI nor do we participate in their policy-making. Accordingly, we are not the primary beneficiary of NMI. As of June 30, 2019, the net carrying value of our investment in NMI was zero in our consolidated financial statements.

Chatham Rock Phosphate, Limited.

During 2012, we performed deep-sea mining exploratory services for Chatham Rock Phosphate, Ltd. ("CRP") valued at $1,680,000. As payment for these services, CRP issued 9,320,348 ordinary shares to us. During March 2017, Antipodes Gold Limited completed the acquisition of CRP. The surviving entity is now named Chatham Rock Phosphate Limited ("CRPL"). In exchange for our 9,320,348 shares of CRP we received 141,884 shares of CPRL, which represents equity ownership of approximately 1% of the surviving entity. Since CRP was a thinly traded stock and pursuant to guidance per ASC 320: *Debt and Equity Securities* regarding readily determinable fair value, we believe it was appropriate to not recognize this amount as an asset nor as revenue during that period. We continue to carry the value of our investment in CPRL at zero in our consolidated financial statements.

CIC LLC

In 2018, began providing services to CIC LLC, a company controlled by Greg Stemm, the past Chairman of the Board for Odyssey (See NOTE D for related parties). This company is pursuing deep water mining permits in foreign waters. Due to the initial structure of the company, we determined this venture to be a VIE consistent with ASU 2015-2. We have determined that we are not the primary beneficiary of the VIE and, therefore, we have not consolidated this entity. Additionally, we

also will record the investment under the cost method as we have determined we do not exercise significant influence over the entity. We will assess our investment for impairment annually and, if a loss in value is deemed other than temporary, an impairment charge will be recorded. At June 30, 2019, the accumulated expected investment in the entity is $1,193,691, which is classified as an investment in unconsolidated entity in our consolidated balance sheets. The agreements relating to the equity investment were executed in January 2019.

We account for the investments we make in certain legal entities in which equity investors do not have (1) sufficient equity at risk for the legal entity to finance its activities without additional subordinated financial support, or (2) as a group, the holders of the equity investment at risk do not have either the power, through voting or similar rights, to direct the activities of the legal entity that most significantly impact the entity's economic performance, or (3) the obligation to absorb the expected losses of the legal entity or the right to receive expected residual returns of the legal entity. These legal entities are referred to as "variable interest entities" or "VIEs."

We would consolidate the results of any such entity in which we determined we had a controlling financial interest. We would have a "controlling financial interest" in such an entity if we had both the power to direct the activities that most significantly affect the VIE's economic performance and the obligation to absorb the losses of, or right to receive benefits from, the VIE that could be potentially significant to the VIE. On a quarterly basis, we reassess whether we have a controlling financial interest in any investments we have in these legal entities.

We determine whether any of the entities in which we have made investments is a VIE at the start of each new venture and if a reconsideration event has occurred. At such times, we also consider whether we must consolidate a VIE and/or disclose information about our involvement in a VIE. A reporting entity must consolidate a VIE if that reporting entity has a variable interest (or combination of variable interests) that will absorb a majority of the VIE's expected losses, receive a majority of the VIE's expected residual returns, or both. A reporting entity must consider the rights and obligations conveyed by its variable interests and the relationship of its variable interests with variable interests held by other parties to determine whether its variable interests will absorb a majority of a VIE's expected losses, receive a majority of the VIE's expected residual returns, or both. The reporting entity that consolidates a VIE is called the primary beneficiary of that VIE.

NOTE F - INCOME TAXES

During the six-month period ended June 30, 2019, we generated a federal net operating loss ("NOL") carryforward of $2.7 million and generated $1.2 million of foreign NOL carryforwards. As of June 30, 2019, we had consolidated income tax NOL carryforwards for federal tax purposes of approximately $170.1 million and net operating loss carryforwards for foreign income tax purposes of approximately $43.8 million. The federal NOL carryforwards from 2005 forward will expire in various years beginning in 2025 and ending through the year 2037.

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to be recovered or settled. We have recorded a net deferred tax asset of $0 at June 30, 2019. As required by the Accounting for Income Taxes topic in the ASC, we have concluded it is more likely than not that those assets would not be realizable without the recovery and rights of ownership or salvage rights of high value shipwrecks or substantial profits from our mining operations and thus a valuation allowance has been recorded as of June 30, 2019. There was no U.S. income tax expense for the three months ended June 30, 2019 due to the generation of net operating losses.

The increase in the valuation allowance as of June 30, 2019 is due to the generation of approximately $3.9 million in net operating loss year-to-date.

The change in the valuation allowance is as follows:

June 30, 2019	$54,493,077
December 31, 2018	52,684,059
Change in valuation allowance	$ 1,809,018

Our estimated annual effective tax rate as of June 30, 2019 is 45.889% while our June 30, 2019 effective tax rate is 0.0% because of the full valuation allowance.

We have not recognized a material adjustment in the liability for unrecognized tax benefits and have not recorded any provisions for accrued interest and penalties related to uncertain tax positions. The earliest tax year still subject to examination by a major taxing jurisdiction is 2015.

NOTE G – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company may be subject to a variety of claims and suits that arise from time to time in the ordinary course of business. We are not a party to any litigation as a defendant where a loss contingency is required to be reflected in our consolidated financial statements.

Contingency

During March 2016, our Board of Directors approved the grant and potential future issuance of 3.0 million new equity shares of Oceanica Resources, S.R.L. to two attorneys for their future services. This equity is only issuable upon the Mexican government's issuance of the Environmental Impact Assessment ("EIA") for our Mexican subsidiary. This grant of new shares was also approved by the Administrators of Oceanica Resources, S.R.L. We also owe consultants contingent success fees of up to $425,000 upon the approval and issuance of the EIA. The EIA has not been issued as of the date of this report.

See NOTE L regarding a contingent liability surrounding a sale of marine equipment to Magellan along with Magellan assuming a certain trade payable debt connected with the sale of this marine equipment.

Going Concern Consideration

We have experienced several years of net losses and may continue to do so. Our ability to generate net income or positive cash flows for the following twelve months is dependent upon our success in developing and monetizing our interests in mineral exploration entities, generating income from exploration charters, collecting on amounts owed to us, and completing the MINOSA/Penelope equity financing transaction approved by our stockholders on June 9, 2015.

Our 2019 business plan requires us to generate new cash inflows to effectively allow us to perform our planned projects. We plan to generate new cash inflows through the monetization of our receivables and equity stakes in seabed mineral companies, financings, syndications or other partnership opportunities. If cash inflow is not sufficient to meet our desired projected business plan requirements, we will be required to follow a contingency business plan which is based on curtailed expenses and fewer cash requirements. On March 11, 2015, we entered into a Stock Purchase Agreement with Minera del Norte S.A. de c.v. ("MINOSA") and Penelope Mining LLC ("Penelope"), an affiliate of MINOSA, pursuant to which (a) MINOSA agreed to extend short-term, debt financing to Odyssey of up to $14.75 million, and (b) Penelope agreed to invest up to $101 million over three years in convertible preferred stock of Odyssey. The equity financing is subject to the satisfaction of certain conditions, including the approval of our stockholders which occurred on June 9, 2015, and MINOSA and Penelope are currently under no obligation to make the preferred share equity investments.

Our consolidated non-restricted cash balance at June 30, 2019 was $0.4 million which is insufficient to support operations for the following 12 months. We have a working capital deficit at June 30, 2019 of $44.0 million. Our largest loan of $14.75 million from MINOSA had a due date of December 31, 2017 which is now linked to other stipulations, see NOTE H for further detail. The majority of our remaining assets have been pledged to MINOSA, and its affiliates, and to Monaco Financial LLC, leaving us with few opportunities to raise additional funds from our balance sheet. The total consolidated book value of our assets was approximately $2.5 million at June 30, 2019 and the fair market value of these assets may differ from their net carrying book value. Even though we executed the above noted financing arrangement with Penelope, Penelope must purchase the shares for us to be able to complete the equity component of the transaction. The Penelope equity transaction is heavily dependent on the outcome of our subsidiary's application approval process for an environmental permit to commercially develop a mineralized phosphate deposit off the coast of Mexico. The factors noted above raise doubt about our ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should we be unable to continue as a going concern.

Lease commitment

During the second quarter of 2019, we entered into a new five-year lease at a new location for our corporate office space in Tampa, Fl. The lease is effective August 1, 2019 and has monthly lease payments ranging from $11,789 to $13,269, not including sales tax, over the five-year term. The total five-year cash lease obligation is $751,099. We will account for this lease per ASC 842 which will result in our recording of a right of use asset and lease obligation of $590,612. The discount used in determining the right of use asset was 10%. The five year lease payment obligations are as follows:

Year ending December 31,	Annual payment obligation
2019	$ 58,947
2020	143,241
2021	147,539
2022	151,964
2023	156,524
2024	92,884
	$ 751,099

NOTE H –LOANS PAYABLE

The Company's consolidated debt consisted of the following carrying values at:

	June 30, 2019	December 31, 2018
Note 1 – Monaco 2014	$ 2,800,000	$ 2,800,000
Note 2 – Monaco 2016	1,175,000	1,175,000
Note 3 – MINOSA 1	14,750,001	14,750,001
Note 4 – Epsilon	1,000,000	1,000,000
Note 5 – SMOM	3,500,000	3,500,000
Note 6 – MINOSA 2	5,050,000	5,050,000
Note 7 – Monaco 2018	1,099,366	1,099,366
Note 8 – Promissory note	718,648	74,621
Note 9 – Litigation financing	—	—
	$30,093,015	$29,448,988

Note 1 – Monaco 2014

On August 14, 2014, we entered into a Loan Agreement with Monaco Financial, LLC ("Monaco"), a strategic marketing partner, pursuant to which Monaco agreed to lend us up to $10.0 million. The loan was issued in three tranches: (i) $5.0 million (the "First Tranche") was advanced upon execution of the Loan Agreement; (ii) $2.5 million (the "Second Tranche") was advanced on October 1, 2014; and (iii) $2.5 million (the "Third Tranche") was advanced on December 1, 2014. The Notes bear interest at a rate equal to 11% per annum. The Notes also contain an option whereby Monaco can purchase shares of Oceanica held by Odyssey (the "Share Purchase Option") at a purchase price that is the lower of (a) $3.15 per share or (b) the price per share of a contemplated equity offering of Oceanica which totals $1.0 million or more in the aggregate. The share purchase option was not clearly and closely related to the host debt agreement and required bifurcation.

On December 10, 2015, these promissory notes were amended as part of the asset acquisition agreement with Monaco (See NOTE R in our Form 10-K filed with the Securities and Exchange Commission for the period ended December 31, 2017 for further information). The amendment included the following material changes: (i) $2.2 million of the indebtedness represented by the Notes was extinguished, (ii) $5.0 million of the indebtedness represented by the Notes ceased to bear interest and is only repayable under certain circumstances from certain sources of cash, and (iii) the maturity date on the Notes was extended to December 31, 2017. During March 2016, the maturity date was further extended to April 1, 2018 and the exercise price of the Share Purchase Option was re-priced to $1.00 per share. This indebtedness has matured, but Monaco has not demanded payment because we are in negotiations with Monaco to set a new maturity date. As of the maturity date, the interest rate was adjusted to the default rate of 18% per annum. See "Loan Modification (March 2016)" below. For the three months ended June 30, 2019 and 2018 interest expense in the amount of $142,885 and $142,885, respectively, was recorded. The outstanding interest-bearing balance of these Notes is $2.8 million at June 30, 2019 and December 31, 2018, respectively.

Note 2 – Monaco 2016

In March 2016, Monaco agreed to lend us an additional $1,825,000. These loan proceeds were received in full during the first quarter of 2016. The indebtedness bears interest at 10.0% percent per year. All principal and any unpaid interest were due on April 15, 2018. This indebtedness has matured, but Monaco has not demanded payment because we are in negotiations with Monaco to set a new maturity date. As of the maturity date, the interest rate was adjusted to the default rate of 18% per annum. The current outstanding balance as of June 30, 2019 and December 31, 2018 was $1,175,000. The indebtedness is convertible at any time until the maturity date into shares of Oceanica held by us at a conversion price of $1.00 per share.

Pursuant to this loan and as security for the indebtedness, Monaco was granted a second priority security interest in (a) one-half of the indebtedness evidenced by the Amended and Restated Consolidated Note and Guaranty, dated September 25, 2015 (the "ExO Note"), in the original principal amount of $18.0 million, issued by Exploraciones Oceanicas S. de R.L. de C.V. to Oceanica Marine Operations, S.R.L. ("OMO"), and all rights associated therewith (the "OMO Collateral"); and (b) all technology and assets in our possession or control used for offshore exploration, including an ROV system, deep-tow search systems, winches, multi-beam sonar, and other equipment. The carrying net book value of this equipment is less than $0.1 million. We unconditionally and irrevocably guaranteed all obligations of ours and our subsidiaries to Monaco under this loan agreement. As further consideration for the loan, Monaco was granted an option (the "Option") to purchase the OMO Collateral. The Option is exercisable at any time before the earlier of (a) the date that is 30 days after the loan is paid in full or (b) the maturity date of the ExO Note, for aggregate consideration of $9.3 million, $1.8 million of which would be paid at the closing of the exercise of the Option, with the balance paid in ten monthly installments of $750,000. During 2017, we sold a marine vessel to a related party of Monaco for $650,000. The consideration for this vessel was applied against our loan balance to Monaco in the amount of $650,000.

Accounting considerations

ASC 815 generally requires the analysis of embedded terms and features that have characteristics of derivatives to be evaluated for bifurcation and separate accounting in instances where their economic risks and characteristics are not clearly and closely related to the risks of the host contract. The option to purchase the OMO Collateral is an embedded feature that is not clearly and closely related to the host debt agreement and thus requires bifurcation. Because the option is out of the money, it has no material fair value as of the inception date or currently. The debt agreement did not contain any additional embedded terms or features that have characteristics of derivatives. However, we were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The calculation of the effective conversion amount did result in a BCF because the effective conversion price was less than the market price on the date of issuance, therefore a BCF of $456,250 was recorded. This BCF has been fully amortized as of March 31, 2018. For the three months ended June 30, 2019 and 2018, interest expense in the amount of $66,721 and $60,966, respectively, was recorded.

Loan modification (December 2015)

In connection with the Acquisition Agreement entered into with Monaco on December 10, 2015, Monaco agreed to modify certain terms of the loans as partial consideration for the purchase of assets. For the First Tranche ($5,000,000 advanced on August 14, 2014), Monaco agreed to cease interest as of December 10, 2015 and reduce the loan balance by (i) the cash or other value received from the SS *Central America* shipwreck project ("SSCA") or (ii) if the proceeds received from the SSCA project were insufficient to pay off the loan balance by December 31, 2017, then Monaco could seek repayment of the remaining outstanding balance on the loan by withholding Odyssey's 21.25% "additional consideration" in new shipwreck projects performed for Monaco in the future. For the Second Tranche ($2,500,000 advanced on October 1, 2014), Monaco agreed to reduce the principal amount by $2,200,000 leaving a new principal balance of $300,000 and extension of maturity to December 31, 2017. For the Third Tranche ($2,500,000 advanced on December 1, 2014), Monaco agreed to the extension of maturity to December 31, 2017.

On December 10, 2015, the Monaco call option related to the Oceanica shares held by us was extended until December 31, 2017.

Loan modification (March 2016)

In connection with the $1.825 million loan agreement with Monaco in March 2016, the existing $2.8 million notes were modified. Of the combined total indebtedness of Monaco's Note 1 and Note 2, Monaco can convert this debt into 3,174,603 shares of Oceanica at a fixed conversion price of $1.00 per share, or $3,174,603. Any remaining debt in excess of $3,174,603 is not convertible. Additionally, the modification eliminated Monaco's option ("share purchase option") to purchase 3,174,603 shares of Oceanica stock at a price of $3.15 per share. The modification was analyzed under ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480") to determine if extinguishment accounting was applicable. Under ASC 470-50-40-10 a modification or an exchange that adds or eliminates a substantive conversion option as of the conversion date is always considered substantial and requires extinguishment accounting. Since this modification added a substantive conversion option, extinguishment accounting is applicable. In accordance with the extinguishment accounting guidance (a) the share purchase option was first marked to its pre-modification fair value, (b) the new debt was recorded at fair value and (c) the old debt and share purchased option was removed. The difference between the fair value of the new debt and the sum of the pre-modification carrying amount of the old debt and the share purchase option's fair value represented a gain on extinguishment. ASC 470-50-40-2 indicates that debt restructuring with a related party may be in essence a capital transaction and as a result the gain of $1.2 million was recognized in additional paid in capital upon extinguishment.

Note 3 – MINOSA

On March 11, 2015, in connection with a Stock Purchase Agreement, Minera del Norte, S.A. de C.V. ("MINOSA") agreed to lend us up to $14.75 million. The entire $14.75 million was loaned in five advances from March 11 through June 30, 2015. The outstanding indebtedness bears interest at 8.0% percent per annum. The Promissory Note was amended on April 10, 2015 and on October 1, 2015 so that, unless otherwise converted as provided in the Note, the adjusted principal balance shall be due and payable in full upon written demand by MINOSA; provided that MINOSA agreed that it shall not demand payment of the adjusted principal balance earlier than the first to occur of: (i) 30 days after the date on which (x) SEMARNAT makes a determination with respect to the current application for the Manifestacion de Impacto Ambiental relating to phosphate deposit project, which determination is other than an approval or (y) Odyssey Marine Enterprises or any of its affiliates withdraws such application without MINOSA's prior written consent; (ii) termination by Odyssey of the Stock Purchase Agreement, dated March 11, 2015 (the "Purchase Agreement"), among Odyssey, MINOSA, and Penelope Mining, LLC (the "Investor"); (iii) the occurrence of an event of default under the Promissory Note; (iv) December 31, 2015; or (v) if and only if the Investor shall have terminated the Purchase Agreement pursuant to Section 8.1(d)(iii) thereof, March 30, 2016. This indebtedness is classified as short-term debt. In connection with the loans, we granted MINOSA an option to purchase our 54% interest in Oceanica for $40.0 million (the "Oceanica Call Option"). On March 11, 2016, the Oceanica Call has expired. Completion of the transaction requires amending the Company's articles of incorporation to (a) effect a reverse stock split, which was implemented on February 19, 2016, (b) adjusting the Company's authorized capitalization, which was also implemented on February 19, 2016, and (c) establishing a classified board of directors (collectively, the "Amendments"). The Amendments have been or will be set forth in certificates of amendment to the Company's articles of incorporation filed or to be filed with the Nevada Secretary of State. As collateral for the loan, we granted MINOSA a security interest in the Company's 54% interest in Oceanica. The outstanding principal balance of this debt was $14.75 million at June 30, 2019 and December 31, 2018. The maturity date of this indebtedness has been amended and matured on March 18, 2017. Per Note 6 MINOSA 2 below, the Minosa Purchase Agreement amended the due date of this note to a due date which may be no earlier than December 31, 2017, that is at least 60 days subsequent to written notice that Minosa intends to demand payment. See Note 6 – MINOSA 2 for further qualifications. During December 2017, MINOSA transferred this debt to its parent company. For the three months ended June 30, 2019 and 2018, interest expense in the amount of $294,191 and $$294,191, respectively, was recorded.

Accounting considerations

We have accounted for this transaction as a financing transaction, wherein the net proceeds received were allocated to the financial instruments issued. Prior to making the accounting allocation, we evaluated for proper classification under ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480"), ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 320 *Property, Plant and Equipment* ("ASC 320").

This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. The Oceanica Call Option is considered a freestanding financial instrument because it is both (i) legally detachable and (ii) separately exercisable. The Oceanica Call Option did not fall under the guidance of ASC 480. Additionally, it did not meet the definition of a derivative under ASC 815 because the option has a fixed value of $40.0 million and does not contain an underlying variable which is indicative of a derivative. This instrument is considered an option contract for a sale of an asset. The guidance applied in this case is ASC 360-20, which provides that in situations when a party lends funds to a seller and is given an option to buy the property at a certain date in the future, the loan shall be recorded at its present value using market interest rates and any excess of the proceeds over that amount credited to an option deposit account. If the option is exercised, the deposit shall be included as part of the sales proceeds; if not exercised, it shall be credited to income in the period in which the option lapses.

Based on the previous conclusions, we allocated the cash proceeds first to the debt at its present value using a market rate of 15%, which is management's estimate of a market rate loan for the Company, with the residual allocated to the Oceanica Call Option, as follows:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Total
Promissory Note	$1,932,759	$5,826,341	$2,924,172	$1,960,089	$ 1,723,492	$14,366,853
Deferred Income (Oceanica Call Option)	67,241	173,659	75,828	39,911	26,509	383,148
Proceeds	$2,000,000	$6,000,000	$3,000,000	$2,000,000	$1,750,0001	$14,750,001

The call option amount of $383,148 represented a debt discount. This discount has been fully accreted up to face value using the effective interest method.

Note 4 – Epsilon

On March 18, 2016 we entered into a Note Purchase Agreement ("Purchase Agreement") with Epsilon Acquisitions LLC ("Epsilon"). Pursuant to the Purchase Agreement, Epsilon loaned us $3.0 million in two installments of $1.5 million on March 31, 2016 and April 30, 2016. The indebtedness bears interest at a rate of 10% per annum and was due on March 18, 2017. We were also responsible for $50,000 of the lender's out of pocket costs. This amount is included in the loan balance. In pledge agreements related to the loans, we granted security interests to Epsilon in (a) the 54 million cuotas (a unit of ownership under Panamanian law) of Oceanica Resources S. de R.L. ("Oceanica") held by our wholly owned subsidiary, Odyssey Marine

Enterprises, Ltd. ("OME"), (b) all notes and other receivables from Oceanica and its subsidiary owed to the Odyssey Pledgors, and (c) all of the outstanding equity in OME. Epsilon has the right to convert the outstanding indebtedness into shares of our common stock upon 75 days' notice to us or upon a merger, consolidation, third party tender offer, or similar transaction relating to us at the conversion price of $5.00 per share, which represents the five-day volume-weighted average price of Odyssey's common stock for the five trading day period ending on March 17, 2016. On January 25, 2017, Epsilon provided notice to us that it would convert the initial $3.0 million plus accrued interest per the Restated Note Purchase Agreement at $5.00 per share in accordance with the terms of the agreement. The conversion and issuance of new shares was effective April 10, 2017 and included accrued interest of $302,274 for a total 670,455 shares. Upon the occurrence and during the continuance of an event of default, the conversion price was to be reduced to $2.50 per share. Following any conversion of the indebtedness, Penelope Mining LLC (an affiliate of Epsilon) ("Penelope"), may elect to reduce its commitment to purchase preferred stock of Odyssey under the Stock Purchase Agreement, dated as of March 11, 2015 (as amended, the "Stock Purchase Agreement"), among Odyssey, Penelope, and Minera del Norte, S.A. de C.V. ("MINOSA") by the amount of indebtedness converted.

Pursuant to the Purchase Agreement (a) we agreed to waive our rights to terminate the Stock Purchase Agreement in accordance with the terms thereof until December 31, 2016, and (b) MINOSA agreed to extend, until March 18, 2017, the maturity date of the $14.75 million loan extended by MINOSA to OME pursuant to the Stock Purchase Agreement. The indebtedness may be accelerated upon the occurrence of specified events of default including (a) OME's failure to pay any amount payable on the date due and payable; (b) OME or we fail to perform or observe any term, covenant, or agreement in the Purchase Agreement or the related documents, subject to a five-day cure period; (c) an event of default or material breach by OME, us or any of our affiliates under any of the other loan documents shall have occurred and all grace periods, if any, applicable thereto shall have expired; (d) the Stock Purchase Agreement shall have been terminated; (e) specified dissolution, liquidation, insolvency, bankruptcy, reorganization, or similar cases or actions are commenced by or against OME or any of its subsidiaries, in specified circumstances unless dismissed or stayed within 60 days; (f) the entry of judgment or award against OME or any of its subsidiaries in excess or $100,000; and (g) a change in control (as defined in the Purchase Agreement) occurs.

In connection with the execution and delivery of the Purchase Agreement, we and Epsilon entered into a registration rights agreement pursuant to which we agreed to register new shares of our common stock with a formal registration statement with the Securities and Exchange Commission upon the conversion of the indebtedness.

Accounting considerations

We have accounted for this transaction as a financing transaction, wherein the net proceeds received were allocated to the financial instruments issued. Prior to making the accounting allocation, we evaluated the transaction for proper classification under ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480"), ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 320 *Property, Plant and Equipment* ("ASC 320").

This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. However, we were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The calculation of the effective conversion amount did result in a BCF because the effective conversion price was less than the Company's stock price on the date of issuance, therefore a BCF of $96,000 was recorded. The BCF represents a debt discount which was amortized over the life of the loan.

Loan modification (October 1, 2016)

On October 1, 2016 Odyssey Marine Enterprises, Ltd. ("OME"), entered into an Amended and Restated Note Purchase Agreement (the "Restated Note Purchase Agreement") with Epsilon Acquisitions LLC ("Epsilon"). In connection with the existing $3.0 million loan agreement, Epsilon agreed to lend an additional $3.0 million evidenced by secured convertible promissory notes. The convertible promissory notes bear an interest rate of 10.0% per annum and are due and payable on March 18, 2017. Epsilon has the right to convert all amounts outstanding under the Restated Note into shares of our common stock upon 75 days' notice to OME or upon a merger, consolidation, third party tender offer, or similar transaction relating to us at the applicable conversion price, which is (a) $5.00 per share with respect to the $3.0 million already advanced under the Restated Note and (b) with respect to additional advances under the Restated Note, the five-day volume-weighted average price of our common stock for the five trading day period ending on the trading day immediately prior to the date on which OME submits a borrowing notice for such advance. Notwithstanding anything herein to the contrary, we shall not issue any of our common stock upon conversion of any outstanding tranche (other than the first $3.0 million already advanced) under this Restated Note in excess of 1,388,769 shares of common stock. The additional tranches were issued as follows: (a) $1,000,000 ("Tranche 3") was issued on October 16, 2016 with a conversion price of $3.52 per share; (b) $1,000,000 ("Tranche 4") was issued on November 15, 2016 with a conversion price of $4.19 per share; and (c) $1,000,000 ("Tranche 5") was issued on December 15, 2016 with a conversion price of $4.13 per share. During 2017, Epsilon assigned Tranche 4 and 5 totaling $2,000,000 of this debt to MINOSA under the same terms as the original debt. See Note – MINOSA 2 below for further detail.

As an inducement for the issuance of the additional $3.0 million of promissory notes, we also delivered to Epsilon a common stock purchase warrant (the "Warrant") pursuant to which Epsilon has the right to purchase up to 120,000 shares of our common stock at an exercise price of $3.52 per share, which exercise price represents the five-day volume-weighted average price of our common stock for the five trading day period ending on the trading day immediately prior to the day on which the Warrant was issued. Epsilon may exercise the Warrant in whole or in part at any time during the period ending October 1, 2021. The Warrant includes a cashless exercise feature and provides that, if Epsilon is in default of its obligations to fund any advance pursuant to and in accordance with the Restated Note Purchase Agreement, then, thereafter, the maximum aggregate number of shares of common stock that may be purchased under the Warrant shall be the number determined by multiplying 120,000 by a fraction, (a) the numerator of which is the aggregate principal amount of advances that have been extended to the OME by Epsilon pursuant to the Restated Note Purchase Agreement on or after the date of the Warrant and prior to the date of such failure and (b) the denominator of which is $3.0 million.

Accounting considerations for additional tranches

We evaluated for proper classification under ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480"), ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 320 *Property, Plant and Equipment* ("ASC 320"). This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. Additionally, the warrant agreement did not contain any terms or features that would preclude equity classification. We were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The allocations of the three additional tranches were as follows.

	Tranche 3	Tranche 4	Tranche 5
Promissory Note	$ 981,796	$ 939,935	$1,000,000
Beneficial Conversion Feature ("BCF")*	18,204	60,065	—
Proceeds	$1,000,000	$1,000,000	$1,000,000

A beneficial conversion feature arises when the calculation of the effective conversion price is less than the Company's stock price on the date of issuance. Tranche 5 did not result in a BCF because the effective conversion price was greater than the company's stock price on the date of issuance.

The Warrant's fair value was calculated using Black-Scholes Merton ("BSM"). The aggregate fair value of the Warrant totaled $303,712. Since the Warrant was issued as an inducement to Epsilon to issue additional debt, we recorded an inducement expense of $303,712. For the three months ended June 30, 2019 and 2018, interest expense in the amount of $24,931 and $24,931, respectively, was recorded.

Term Extension (March 21, 2017)

On March 21, 2017 we entered into an amendment to the Restated Note Purchase Agreement with Epsilon. In connection with the existing $6.0 million of indebtedness, the adjusted principal balance is due and payable in full upon the earlier of (i) written demand by Epsilon or (ii) such time as Odyssey or the guarantor pays any other indebtedness for borrowed money prior to its stated maturity date. As such the Company amortized the notes up to their face value of $6,050,000 and they are classified as short-term. However, since Epsilon converted the first $3.0 million into 670,455 of our common shares and assigned $2.0 million to MINOSA, the current principal indebtedness at June 30, 2019 and December 31, 2018 is $1.0 million.

Note 5 – SMOM

On May 3, 2017, we entered into a Loan and Security Agreement ("Loan Agreement") with SMOM. Pursuant to the Loan Agreement, SMOM agreed to loan us up to $3.0 million as evidenced by a convertible promissory note. As a commitment fee, we assigned the remaining 50% of our Neptune Minerals, LLC receivable to SMOM. This receivable had zero carrying value on our balance sheet and due to the age and collectability was deemed to have no fair value. The indebtedness bears interest at a rate of 10% per annum and matures on the second anniversary of this Loan Agreement which is May 3, 2019. On April 20, 2018, the loan was amended, and the principal amount of the Loan was increased to $3.5 million. The loan balance at June 30, 2019 and December 31, 2018 was $3.5 million. The holder has the option to convert up to $2.0 million of any unpaid principal and interest into up to 50% of the equity interest held by Odyssey in Aldama Mining Company, S.de R.L. de C.V. which is a wholly owned subsidiary of ours. The conversion value of $1.0 million equates to 10% of the equity interest in Aldama. If the holder elects to acquire the entire 50% of the equity interest, the Holder has to pay the deficiency in cash. As additional consideration for the loan, the holder has the right to purchase from Odyssey all or a portion of the equity collateral (up to the 50% of the equity interest of Aldama) for the option consideration ($1.0 million for each 10% of equity interests) during the period that is the later of (i) one year after the maturity date and (ii) one year after the loan is repaid in full, the expiration date. The lender may also choose to extend the expiration date annually by paying $500,000 for each year extended. For the three months ended June 30, 2019 and 2018, accrued interest in the amount of $87,260 and $80,411, respectively, was recorded.

Accounting considerations

We have accounted for this transaction as a financing transaction, wherein the net proceeds received were allocated to the financial instruments issued. Prior to making the accounting allocation, we evaluated for proper classification under ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480"), ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 320 *Property, Plant and Equipment* ("ASC 320").

This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. However, we were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The calculation of the effective conversion amount did not result in a BCF because the effective conversion price was equal to the Company's stock price on the date of issuance.

Note 6 – MINOSA 2

On August 10, 2017, we entered into a Note Purchase Agreement (the "Minosa Purchase Agreement") with MINOSA. Pursuant to the Minosa Purchase Agreement, MINOSA agreed to loan Enterprises up to $3.0 million. During 2017, we borrowed $2.7 million against this facility and Epsilon assigned $2.0 million of its debt to MINOSA. At June 30, 2019 and December 31, 2018, the outstanding principal balance, including the Epsilon assignment, was $5.05 million. The indebtedness is evidenced by a secured convertible promissory note (the "Minosa Note") and bears interest at a rate equal to 10.0% per annum. Unless otherwise converted as described below, the entire outstanding principal balance under this Minosa Note and all accrued interest and fees are due and payable upon written demand by MINOSA; provided, that MINOSA agreed not make a demand for payment prior to the earlier of (a) an event of default (as defined in the Minosa Note) or (b) a date, which may be no earlier than December 31, 2017, that is at least 60 days subsequent to written notice that MINOSA intends to demand payment. MINOSA has not provided any notice they intend to issue a payment demand notice. We unconditionally and irrevocably guaranteed all of the obligations under the Minosa Purchase Agreement and the Minosa Note. MINOSA has the right to convert all amounts outstanding under the Minosa Note into shares of our common stock upon 75 days' notice to us or upon a merger, consolidation, third party tender offer, or similar transaction relating to us at the conversion price of $4.41 per share. During December 2017, MINOSA transferred this debt to its parent company.

This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. However, we were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The calculation of the effective conversion amount did result in a BCF because the effective conversion price was less than the Company's stock price on the date of issuance, therefore a BCF of $62,925 was recorded. As of December 31, 2017, all of the BCF has been accreted to the income statement. The BCF represented a debt discount that was amortized over the life of the loan. For the three months ended June 30, 2019 and 2018, interest expense in the amount of $125,904 and $110,596, respectively, was recorded.

As previously reported, Epsilon loaned us an aggregate of $6.0 million pursuant to an amended and restated convertible promissory Minosa Note, dated as of March 18, 2016, as further amended and restated on October 1, 2016 (the "Epsilon Note"). Since then, Epsilon has assigned $2.0 million of the indebtedness under the Epsilon Note to MINOSA. Along with Epsilon, we entered into a second amended and restated convertible promissory note (the "Second AR Epsilon Note"), which further amends and restates the Epsilon Note. The stated principal amount of the Second AR Epsilon Note is $1.0 million (which reflects the outstanding principal balance remaining after giving effect to Epsilon's (x) previous assignment of $2.0 million of the indebtedness under the Epsilon Note to MINOSA and (y) conversion of $3.0 million of the indebtedness under the Epsilon Note into shares of our common stock). The Second AR Epsilon Note further provides that the outstanding principal balance under the Second AR Epsilon Note and all accrued interest and fees are due and payable upon written demand by Epsilon; provided, that Epsilon agreed not make a demand for payment prior to the earlier of (a) an event of default (as defined in the Second AR Epsilon Note) or (b) a date, which may be no earlier than December 31, 2017, that is at least 60 days subsequent to written notice that MINOSA intends to demand payment.

Upon the closing of the Minosa Purchase Agreement, along with MINOSA, and Penelope Mining LLC, an affiliate of Minosa ("Penelope"), executed and delivered a Second Amended and Restated Waiver and Consent and Amendment No. 5 to Promissory Note and Amendment No. 2 to Stock Purchase Agreement (the "Second AR Waiver"). Pursuant to the Second AR Waiver, Minosa and Penelope consented to the transactions contemplated by the Minosa Purchase Agreement and waived any breach of any representation or warranty and violation of any covenant in the Stock Purchase Agreement, dated as of March 11, 2015, as amended April 10, 2015 (the "SPA"), by and among us, Minosa, and Penelope, arising out of the Company's execution and delivery of the Minosa Purchase Agreement and the consummation of the transactions contemplated thereby. Pursuant to the Second AR Waiver, we also waived, and agreed not to exercise our right to terminate the SPA pursuant to Section 8.1(c)(ii) thereto, both (a) until after the earlier of (i) July 1, 2018, (ii) the date that MINOSA fails, refuses, or declines to fund (or otherwise does not fund) any subsequent loan under the Minosa Purchase Agreement and (iii) demand is made for repayment of all or any part of the indebtedness outstanding under the Minosa Note, the Second AR Epsilon Note, or the Promissory Note, dated as of March 11, 2015, as amended (the "SPA Note"), in the principal amount of $14.75 million that was issued by us to MINOSA under the SPA, and (b) unless on or prior to such termination, the Notes are paid in full.

The Second AR Waiver (x) further provides that following any conversion of the indebtedness evidenced by the Minosa Note, Penelope may elect to reduce its commitment to purchase our preferred stock under the SPA by the amount of indebtedness converted by MINOSA and (y) amends the SPA Note to provide that the outstanding principal balance under the SPA Note and all accrued interest and fees are due and payable upon written demand by MINOSA; provided, that Minosa agreed not make a demand for payment prior to the earlier of (a) an event of default (as defined in the Minosa Note) or (b) a date, which may be no earlier than December 31, 2017, that is at least 60 days subsequent to written notice that Minosa intends to demand payment.

The obligations under the Minosa Note may be accelerated upon the occurrence of specified events of default including (a) our failure to pay any amount payable under the Minosa Note on the date due and payable; (b) our failure to perform or observe any term, covenant, or agreement in the Minosa Note or the related documents, subject to a five-day cure period; (c) the occurrence and expiration of all applicable grace periods, if any, of an event of default or material breach by us under any of the other loan documents; (d) the termination of the SPA; (e) commencement of certain specified dissolution, liquidation, insolvency, bankruptcy, reorganization, or similar cases or actions by or against us, in specified circumstances unless dismissed or stayed within 60 days; (f) the entry of a judgment or award against us in excess of $100,000; and (g) the occurrence of a change in control (as defined in the Minosa Note).

Pursuant to second amended and restated pledge agreements (the "Second AR Pledge Agreements") entered into by us in favor of MINOSA, we pledged and granted security interests to MINOSA in (a) the 54 million cuotas (a unit of ownership under Panamanian law) of Oceanica held by us, (b) all notes and other receivables from Oceanica and its subsidiary owed to us, and (c) all of the outstanding equity in our wholly owned subsidiary, Odyssey Marine Enterprises, Ltd.

In connection with the execution and delivery of the Minosa Purchase Agreement, Odyssey and MINOSA entered into a second amended and restated registration rights agreement (the "Second AR Registration Rights Agreement") pursuant to which Odyssey agreed to register the offer and sale of the shares (the "Conversion Shares") of our common stock issuable upon the conversion of the indebtedness evidenced by the Minosa Note. Subject to specified limitations set forth in the Second AR Registration Rights Agreement, including that we are eligible to use Form S-3, the holder of the Minosa Note can require us to register the offer and sale of the Conversion Shares if the aggregate offering price thereof (before any underwriting discounts and commissions) is not less than $3.0 million. In addition, we agreed to file a registration statement relating to the offer and sale of the Conversion Shares on a continuous basis promptly (but in no event later than 60 days after) after the conversion of the Minosa Note into the Conversion Shares and to thereafter use its reasonable best efforts to have such registration statement declared effective by the Securities and Exchange Commission.

Note 7 – Monaco 2018

During the period ended March 31, 2018, Monaco advanced us $1.0 million that was included in a loan agreement that was executed on April 20, 2018. Monaco also agreed to treat $99,366 of back rent owed by us to Monaco as part of this loan resulting in an aggregate principal amount of $1,099,366 at June 30, 2019 and December 31, 2018. The indebtedness bears interest at 10.0% percent per year. All principal and any unpaid interest are payable on the first anniversary of this agreement, April 20, 2019. This debt is secured by cash proceeds, if any, from our future shipwreck projects we have contracted with Magellan. As additional consideration, their share purchase option expiration date, as discussed in Note 1 – Monaco 2014 and Note 2 – Monaco 2016 above, has been extended from 30 days to seven months after the note becomes paid in full. For the three months ended June 30, 2019 and 2018, interest expense in the amount of $30,392 and $21,818, respectively, was recorded.

Note 8 – Promissory note

On July 12, 2018, we entered into a Note and Warrant Purchase Agreement (the "Purchase Agreement") with two individuals (the "Lenders"), one of whom holds in excess of 5.0% of our outstanding common stock. Pursuant to the Purchase Agreement, the Lenders agreed to lend an aggregate of $1,050,000 to us, which was advanced in three tranches on July 12, 2018, $500,000, August 17, 2018, $300,000 and October 4, 2018, $250,000. The indebtedness is evidenced by secured convertible promissory notes (the "Notes") and bears interest at a rate equal to 8.0% per annum. Unless otherwise converted as described below, the entire outstanding principal balance under the Notes and all accrued interest and fees are due and payable on July 12, 2019.

At any time after to the first to occur of (a) a sale by us of additional Notes or (b) September 12, 2018, the Lenders have the right to convert all amounts outstanding under the Notes into either (x) shares of our common stock at the conversion rate of $8.00 per share, (y) $500,000 of the indebtedness owed by Exploraciones Oceanicas S. de R. L. de C.V. ("ExO") to Oceanica Marine Operations, S.R.L. ("OMO"), or (z) a 7.5% interest in Aldama Mining Company, S. de R. L. de C.V. ("Aldama"). We indirectly hold a controlling interest in ExO; OMO and Aldama are indirect, wholly owned subsidiaries of ours.

In connection with the issuance and sale of the Notes, we issued warrants to purchase common stock (the "Warrants") to the Lenders. The Lenders may exercise the Warrants to purchase an aggregate of 65,625 shares of our common stock at an exercise price of $12.00 per share. The Warrants are exercisable during the period commencing on the date on which the Notes are converted into shares of our common stock and ending on July 12, 2021.

Pursuant to a Pledge Agreement, dated as of July 12, 2018 (the "Pledge Agreement"), our obligations under the Notes are secured by a pledge of a portion of Odyssey's ownership interest in Aldama and another entity.

Pursuant to a Registration Rights Agreement (the "Rights Agreement") among us and the Lenders, we granted the Lenders "piggy-back" registration rights with respect to the shares of our common stock issuable upon conversion of the Notes and the exercise of the Warrants.

The Purchase Agreement, the Notes, the Warrants, the Pledge Agreement, and the Rights Agreement include representations and warranties and other covenants, conditions, and other provisions customary for comparable transactions.

We have accounted for this transaction as a financing transaction, wherein the net proceeds received were allocated to the financial instruments issued. Prior to making the accounting allocation, we evaluated the transaction for proper classification under ASC 480 Distinguishing Liabilities from Equity ("ASC 480"), ASC 815 Derivatives and Hedging ("ASC 815").

We determined that the debt achieved conventional convertible status and that the equity conversion option was in the money at inception which required the calculation of a beneficial conversion feature ("BCF"). The fair value of the warrants and BCF component exceeded the amount of proceeds, therefore, they were limited to the cash proceeds of $1,050,000 at December 31, 2018. As a result, there was no value allocated to the debt at inception. The debt is being accreted to face value over its term using the effective interest method. The carrying book value of the notes at June 30, 2019 was $718,648. Therefore, the book balance of this debt at June 30, 2019 is $718,648 and the actual face value was $1.05 million at June 30, 2019 and December 31, 2018. For the three months ended June 30, 2019 and 2018, interest expense in the amount of $22,182 and $0, respectively, was recorded.

Term Extension (July 8, 2019) subsequent event

Subsequent to the end of the second quarter, on July 8, 2019, we entered into a Second Amendment to Note and Warrant Purchase Agreement and Note and Warrant Modification Agreement with certain lenders pursuant to which certain terms and provisions of the notes and warrants held by the lenders were amended or otherwise modified. The material terms and provisions that were amended or otherwise modified are: the maturity date of the notes was extended by one year; the conversion rate of the notes and the exercise price of the warrants were adjusted to $5.756 per share; the notes are no longer secured; the securities into which the notes may be converted was modified; and the exercise period of the warrants was extended. As amended, the outstanding balance of principal and interest under the notes are convertible into shares of our common stock at $5.76 per share, and the warrants are exercisable to purchase an aggregate of 196,135 shares of our common stock. Management is currently reviewing the transaction details to determine the appropriate accounting treatment for the modification.

Note 9 – Litigation Financing

On June 14, 2019, Odyssey and Exploraciones Oceánicas S. de R.L. de C.V., our Mexican subsidiary ("ExO" and, together with Odyssey, the "Claimholder"), and Poplar Falls LLC (the "Funder") entered into an International Claims Enforcement Agreement (the "Agreement"), pursuant to which the Funder agreed to provide financial assistance to the Claimholder to facilitate the prosecution and recovery of the claim by the Claimholder against the United Mexican States under Chapter Eleven of the North American Free Trade Agreement ("NAFTA") for violations of the Claimholder's rights under NAFTA related to the development of an undersea phosphate deposit off the coast of Baja Sur, Mexico (the "Project"), on our own behalf and on behalf of ExO and United Mexican States (the "Subject Claim"). Pursuant to the Agreement, the Funder agreed to specified fees and expenses regarding the Subject Claim (the "Claims Payments") incrementally and at the Funder's sole discretion. As of June 30, 2019, we have not received any funding under the Agreement. Management is currently reviewing the details of this transaction to determine the appropriate accounting treatment.

Under the terms of the Agreement, the Funder agreed to make Claims Payments in an aggregate amount not to exceed $6,500,000 (the "Maximum Investment Amount"). The Maximum Investment Amount will be made available to the Claimholder in two phases, as set forth below:

(a) a first phase, in which the Funder shall make Claims Payments in an aggregate amount no greater than $1,500,000 for the payment of antecedent and ongoing costs ("Phase I Investment Amount"); and

(b) a second phase, in which the Funder shall make Claims Payments in an aggregate amount no greater than $5,000,000 for the purposes of pursuing the Subject Claim to a final award ("Phase II Investment Amount").

Upon exhaustion of the Phase I Investment Amount, the Claimholder will have the option to request Tranche A of the Phase II Investment Amount, consisting of funding up to $3.5 million ("Tranche A Committed Amount"). Upon exhaustion of the Tranche A Committed Amount, the Claimholder will have the option to request Tranche B of the Phase II Investment Amount, consisting of funding of up to $1.5 million ("Tranche B Committed Amount"). The Claimholder must exercise its option to

receive the Tranche A Committed Amount in writing, no less than thirty days before submitting a Funding Request to the Funder under Tranche A. The Claimholder must exercise its option to receive the Tranche B Committed Amount in writing within forty-five days after the exhaustion of the Tranche A Committed Amount. Pursuant to the Agreement, the Claimholder agreed that, upon exercising the Claimholder's option to receive funds under Phase I, Tranche A of Phase II, or Tranche B of Phase II, the Funder will be the sole source of third-party funding for the specified fees and expenses of the Subject Claim under each respective phase and tranche covered by the option exercised, and the Claimholder will obtain funding for such fees and expenses only as set forth in the Agreement. The Funder will retain a closing fee of $80,000 for the Phase I Investment Amount, and $80,000 for the Phase II Investment Amount to pay third parties in connection with due diligence and other administrative and transaction costs incurred by the Funder prior to and in furtherance of execution of the Agreement.

Upon the Funder making Claims Payments to the Claimholder or its designees in an aggregate amount equal to the Maximum Investment Amount, the Funder has the option to continue funding the specified fees and expenses in relation to the Subject Claim on the same terms and conditions provided in the Agreement. The Funder must exercise its option to continue funding in writing, within thirty days after the Funder has made Claims Payments in an aggregate amount equal to the Maximum Investment Amount. If the Funder exercises its option to continue funding, the parties agreed to attempt in good faith to amend the Agreement to provide the Funder with the right to provide at the Funder's discretion funding in excess of the Maximum Investment Amount, in an amount up to the greatest amount that may then be reasonably expected to be committed for investment in Subject Claim. If the Funder declines to exercise its option, the Claimholder may negotiate and enter into agreements with one or more third parties to provide funding, which shall be subordinate to the Funder's rights under the Agreement.

The Agreement provides that the Claimholder may at any time without the consent of the Funder either settle or refuse to settle the Subject Claim for any amount; provided, however, that if the Claimholder settles the Subject Claim without the Funder's consent, which consent shall not be unreasonably withheld, conditioned, or delayed, the value of the Recovery Percentage (as defined below) will be deemed to be the greater of (a) the Recovery Percentage (under Phase I or Phase II, as applicable), or (b) the total amount of all Claims Payments made in connection with such Subject Claim multiplied by three (3).

If the Claimholder ceases the Subject Claim for any reason other than (a) a full and final arbitral award against the Claimholder or (b) a full and final monetary settlement of the claims, including in particular, for a grant of an environmental permit to the Claimholder allowing it to proceed with the Project (with or without a monetary component), all Claims Payments under Phase I and, if Claimholder has exercised the corresponding option, the Tranche A Committed Amount and Tranche B Committed Amount, shall immediately convert to a senior secured liability of the Claimholder. This sum shall incur an annualized internal rate of return (IRR) of 50.0% retroactive to the date each Funding Request was paid by the Funder (under Phase I), or, to the conversion date for the Tranche A Committed Amount and Tranche B Committed Amount of Phase II if the Claimholder has exercised the respective option (collectively, the "Conversion Amount"). Such Conversion Amount and any and all accrued IRR shall be payable in-full by the Claimholder within 24 months of the date of such conversion, after which time any outstanding Conversion Amounts, shall accrue an (IRR) of 100.0%, retroactive to the conversion date (the "Penalty Interest Amount"). The Claimholder will execute such documents and take other actions as necessary to grant the Funder a senior security interest on and over all sums due and owing by the Claimholder in order to secure its obligation to pay the Conversion Amount to the Funder.

If, at any time after exercising its option to receive funds under either Tranche A or Tranche B of Phase II, the Claimholder wishes to fund the Subject Claim with its own capital ("Self-Funding") (which excludes any Claims Payments made, either directly or indirectly, by any other third party), the Claimholder shall immediately pay to the Funder the Conversion Amount, provided that this requirement shall not apply if, after the Funder has made Claims Payments in an aggregate amount equal to the Maximum Investment Amount, the Funder does not exercise its option to provide Follow-On Funding.

In the event of any receipt of proceeds resulting from the Subject Claim ("Proceeds"), the Funder shall be entitled to any additional sums above the Conversion Amount to which the Funder is entitled as described below. Should the Claimholder cease the Subject Claim as described above after Self-Funding the Claim, accrued IRR and Penalty Interest shall be calculated and paid to the Funder as set forth above. The Funder's rights to the Recovery Percentage as defined below shall survive any decision by Claimholder to utilize Self-Funding.

On each Distribution Date, distributions of the Proceeds shall be made to the Claimholder and the Funder in accordance with subparagraph (a) or (b) below (the "Recovery Percentage"), as applicable:

(a) If the Claimholder receives only the Phase I Investment Amount from the Funder, the first Proceeds shall be distributed as follows:

(i) first, 100.0% to the Funder, until the cumulative amount distributed to the Funder equals the total Claims Payments paid by the Funder under Phase I;

(ii) second, 100.0% to the Funder until the cumulative amount distributed to the Funder equals an IRR of 20% of Claims Payments paid by the Funder under Phase I ("Phase I Compensation"), per annum; and

(iii) thereafter, 100.0% to the Claimholder.

(b) If the Claimholder exercises its options to receive Tranche A or both Tranche A and Tranche B of the Phase II Investment Amount, the first Proceeds shall be distributed as follows:

(i) first, 100.0% to the Funder until the cumulative amount distributed to the Funder equals the total Claims Payments paid by the Funder under Phases I and II;

(ii) second, 100.0% to the Funder until the cumulative amount distributed to the Funder equals an additional 300.0% of Phase I Investment Amount; plus an additional 300% of the Tranche A Committed Amount (i.e. 300.0% of $3.5 million), less any amounts remaining of the Tranche A Committed Amount that the Funder did not pay as Claims Payments; plus an additional 300.0% of the Tranche B Committed Amount (i.e. 300.0% of $1.5 million), if the Claimholder exercises the Tranche B funding option, less any amounts remaining of the Tranche B Committed Amount that the Funder did not pay as Claims Payments;

(iii) third, for each $10,000 in specified fees and expenses paid by the Funder under Phase I and Phase II and any amounts over each $10,000 of the Tranche A Committed Amount and the Tranche B Committed Amount (if the Claimholder exercises the Tranche B funding option), 0.01% of the total Proceeds from any recoveries after repayment of (i) and (ii) above, to the Funder; and

(iv) thereafter, 100% to the Claimholder.

The Agreement provides that if no Proceeds are ever paid to or received by the Claimholder or its representatives, the Funder shall have no right of recourse or right of action against the Claimholder or its representatives, or any of their respective property, assets, or undertakings, except as otherwise specifically contemplated by the Agreement. If (a) Proceeds are paid to or received by the Claimholder or its representatives; (b) such Proceeds are promptly applied and/or distributed by the Claimholder or on behalf of the Claimholder in accordance with the terms of the Agreement; and (c) the amount received by the Funder as a result thereof is not sufficient to pay all of the Recovery Percentage and all of the amounts due to the Funder under the Agreement, then (provided that all of the Proceeds which the Funder will ever be entitled to have been paid to or received by the Funder), the Funder shall have no right of recourse or action against the Claimholder or its Representatives, or any of their property, assets, or undertakings, except as otherwise specifically contemplated by the Agreement. Pursuant to the Agreement, the Claimholder acknowledged the Funder's priority right, title, and interest in any Proceeds, including against any available collateral to secure its obligations under the Agreement, which security interest shall be first in priority as against all other security interests in the Proceeds. The Claimholder also acknowledged and agreed to execute and authorize the filing of a financing statement or similar and to take such other actions in such jurisdictions as the Funder, in its sole discretion, deems necessary and appropriate to perfect such security interest. The Agreement also includes representations and warranties, covenants, conditions, termination and indemnification provisions, and other provisions customary for comparable arrangements.

NOTE I – STOCKHOLDERS' EQUITY (DEFICIT)

Common Stock

On October 31, 2018, we sold in the aggregate 700,000 shares of our common stock and warrants to purchase up to 700,000 shares of our common stock. The common stock and warrants were sold in units, with each unit consisting of one share of common stock and a warrant to purchase one share of common stock. The purchase price for each unit is $7.155. The warrants have an exercise price of $7.155 per share of common stock and are exercisable in accordance with their terms at any time on or before the close of business on November 2, 2023.

Convertible Preferred Stock

On March 11, 2015, we entered into a Stock Purchase Agreement (the "Purchase Agreement") with Penelope Mining LLC (the "Investor"), and, solely with respect to certain provisions of the Purchase Agreement, Minera del Norte, S.A. de C.V. (the "Lender"). The Purchase Agreement provides for the Company to issue and sell to the Investor shares of the Company's preferred stock in the amounts set forth in the following table (numbers have been adjusted for the February 2016 reverse stock split):

Convertible Preferred Stock	Shares	Price Per Share	Total Investment
Series AA-1	8,427,004	$ 12.00	$ 101,124,048
Series AA-2	7,223,145	$ 6.00	43,338,870
	15,650,149		$ 144,462,918

The Investor's option to purchase the Series AA-2 shares is subject to the closing price of the Common Stock on the NASDAQ market having been greater than or equal to $15.12 per share for a period of twenty (20) consecutive business days on which the NASDAQ market is open.

The closing of the sale and issuance of shares of the Company's preferred stock to the Investor is subject to certain conditions, including the Company's receipt of required approvals from the Company's stockholders, the receipt of regulatory approval, performance by the Company of its obligations under the Stock Purchase Agreement, the listing of the underlying common stock on the NASDAQ Stock Market and the Investor's satisfaction, in its sole discretion, with the viability of certain undersea mining projects of the Company. This transaction received stockholders' approval on June 9, 2015. Completion of the transaction requires amending the Company's articles of incorporation to (a) effect a reverse stock split, which was done on February 19, 2016, (b) adjusting the Company's authorized capitalization, which was also done on February 19, 2016, and (c) establishing a classified board of directors (collectively, the "Amendments"). The Amendments have been or will be set forth in certificates of amendment to the Company's articles of incorporation filed or to be filed with the Nevada Secretary of State.

Series AA Convertible Preferred Stock Designation

The Purchase Agreement provides for the issuance of up to 8,427,004 shares of Series AA-1 Convertible Preferred Stock, par value $0.0001 per share (the "Series AA-1 Preferred") and 7,223,145 shares of Series AA-2 Convertible Preferred Stock, par value $0.0001 per share (the "Series AA-2 Preferred"), subject to stockholder approval which was received on June 9, 2015 and satisfaction of other conditions. Significant terms and conditions of the Series AA Preferred are as follows:

Dividends. If and when the Company declares a dividend and any other distribution (including, without limitation, in cash, in capital stock (which shall include, without limitation, any options, warrants or other rights to acquire capital stock) of the Company, then the holders of each share of Series AA Preferred Stock are entitled to receive, a dividend or distribution in an amount equal to the amount of dividend or distribution received by the holders of common stock for which such share of Series AA Preferred Stock is convertible.

Liquidation Preference. The Liquidation Preference on each share of Series AA Preferred Stock is its Stated Value plus accretion at the rate of 8% per annum compounded on each December 31 from the date of issue of such share until the date such share is converted. For any accretion period which is less than a full year, the Liquidation Preference shall accrete in an amount to be computed on the basis of a 360-day year of twelve 30-day months and the actual number of days elapsed.

Voting Rights. The holders of Series AA Preferred will be entitled to one vote for each share of common stock into which the Series AA Preferred is convertible and will be entitled to notice of meetings of stockholders.

Conversion Rights. At any time after the Preferred Shares have been issued, any holder of shares of Series AA Preferred may convert any or all of the shares of preferred stock into one fully paid and non-assessable share of Common Stock.

Adjustments to Conversion Rights. If Odyssey pays a dividend or makes a distribution on its common stock in shares of common stock, subdivides its outstanding common stock into a greater number of shares, or combines its outstanding common stock into a smaller number of shares, or if there is a reorganization, or a merger or consolidation of Odyssey with or into any other entity which results in a conversion, exchange, or cancellation of the common stock, or a sale of all or substantially all of Odyssey's assets, then the conversion rights described above will be adjusted appropriately so that each holder of Series AA Preferred will receive the securities or other consideration the holder would have received if the holder's Series AA Preferred had been converted before the happening of the event. The conversion price in effect from time to time is also subject to downward adjustment if we issue or sell shares of common stock for a purchase price less than the conversion price or if we issue or sell shares convertible into or exercisable for shares of common stock with a conversion price or exercise price less than the conversion price for the Series AA Preferred.

Accounting considerations

As stated above, the issuance of the Series AA Convertible Preferred Stock is subject to certain contingencies. No accounting treatment determination is required until these contingencies are met and the Series AA Convertible Preferred Stock has been issued. However, we have analyzed the instrument to determine the proper accounting treatment that will be necessary once the instruments have been issued.

ASC 480 generally requires liability classification for financial instruments that are certain to be redeemed, represent obligations to purchase shares of stock or represent obligations to issue a variable number of common shares. We concluded that the Series AA Preferred was not within the scope of ASC 480 because none of the three conditions for liability classification was present.

ASC 815 generally requires the analysis of embedded terms and features that have characteristics of derivatives to be evaluated for bifurcation and separate accounting in instances where their economic risks and characteristics are not clearly and closely related to the risks of the host contract. However, in order to perform this analysis, we were first required to evaluate the economic risks and characteristics of the Series AA Convertible Preferred Stock in its entirety as being either akin to equity or akin to debt. Our evaluation concluded that the Series AA Convertible Preferred Stock was more akin to an equity-like contract largely due to the fact that most of its features were participatory in nature. As a result, we concluded that the embedded conversion feature is clearly and closely related to the host equity contract and will not require bifurcation and liability classification.

The option to purchase the Series AA-2 Convertible Preferred Stock was analyzed as a freestanding financial instruments and has terms and features of derivative financial instruments. However, in analyzing this instrument under applicable guidance it was determined that it is both (i) indexed to the Company's stock and (ii) meet the conditions for equity classification.

Warrants

In conjunction with our October 31, 2018 equity offering, we issued warrants to purchase up to 700,000 shares of our common stock. The related common stock and warrants were sold in units, with each unit consisting of one share of common stock and a warrant to purchase one share of common stock. The warrants have an exercise price of $7.155 per share of common stock and are exercisable in accordance with their terms at any time on or before the close of business on November 2, 2023.

In conjunction with the Restated Note Purchase Agreement related to Note 4 – Epsilon in NOTE H, we issued warrants tied to each of the three tranches of debt issued. A total of 120,000 warrants were granted. These warrants have an expiration date of October 1, 2021. All of these 120,000 warrants have an exercise price of $3.52. Each single warrant is exercisable to purchase one share of our common stock.

In conjunction with the Note and Warrant Purchase Agreement related to Note 8 – Operating loan 2018 in NOTE H, we originally issued warrants to purchase an aggregate of 65,625 shares of common stock in connection with the notes that were issued. These warrants had an expiration date of July 21, 2021. These warrants had an exercise price of $12.00 and were exercisable to purchase 65,625 shares of our common stock. On July 8, 2019 we entered into a Second Amendment to Note and Warrant Purchase Agreement and Warrant Modification Agreement. As a result, the lenders now hold warrants to purchase 196,135 shares of our common stock at an exercise price of $5.756 per share. These warrants are exercisable at any time until July 12, 2024.

Stock-Based Compensation

We have two stock incentive plans approved by stockholders. The first is the 2005 Stock Incentive Plan that expired in August 2015. After the expiration of this plan, equity instruments cannot be granted but this plan shall continue in effect until all outstanding awards have been exercised in full or are no longer exercisable and all equity instruments have vested or been forfeited.

On June 9, 2015, our stockholders approved our 2015 Stock Incentive Plan (the "Plan") that was adopted by our Board of Directors (the "Board") on January 2, 2015, which is the effective date. The plan expires on the tenth anniversary of the effective date. The Plan provides for the grant of incentive stock options, non-qualified stock options, restricted stock awards, restricted stock units and stock appreciation rights. This plan was initially capitalized with 450,000 shares that may be granted. The Plan is intended to comply with Section 162(m) of the Internal Revenue Code, which stipulates that the maximum aggregate number of Shares with respect to one or more Awards that may be granted to any one person during any calendar year shall be 83,333, and the maximum aggregate amount of cash that may be paid in cash to any person during any calendar year with respect to one or more Awards payable in cash shall be $2,000,000. The original maximum number of shares that were to be used for Incentive Stock Options ("ISO") under the Plan was 450,000. During our June 2016 stockholders meeting, the stockholders approved the addition of 200,000 incremental shares to the Plan. With respect to each grant of an ISO to a participant who is not a ten percent stockholder, the exercise price shall not be less than the fair market value of a share on the date the ISO is granted. With respect to each grant of an ISO to a participant who is a ten percent stockholder, the exercise price shall not be less than one hundred ten percent (110%) of the fair market value of a share on the date the ISO is granted. If an award is a non-qualified stock option ("NQSO"), the exercise price for each share shall be no less than (1) the minimum price required by applicable state law, or (2) the fair market value of a share on the date the NQSO is granted, whichever price is greatest. Any award intended to meet the performance based exception must be granted with an exercise price not less than the fair market value of a share determined as of the date of such grant.

Share-based compensation expense recognized during the period is based on the value of the portion of share-based payment awards that is ultimately expected to vest. As share-based compensation expense recognized in the statement of operations is based on awards ultimately expected to vest, it can be reduced for estimated forfeitures. The ASC topic Stock Compensation requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The share-based compensation charged against income for the three-month period ended June 30, 2019 and 2018 was $23,000 and $103,904, respectively. The share-based compensation charged against income for the six-month period ended June 30, 2019 and 2018 was $46,000 and $207,808, respectively.

On March 26, 2019, our Board of Directors adopted and approved the 2019 Stock Incentive Plan, which was approved by our stockholders on June 3, 2019. The plan expires on June 3, 2029. The Plan provides for the grant of incentive stock options, non-qualified stock options, restricted stock awards, restricted stock units and stock appreciation rights. The Plan is capitalized with 800,000 shares that may be granted. No awards were made from the Plan prior to the effective date. The Plan includes the following features: no "evergreen" share reserve, prohibits liberal sharing recycling, no repricing permitted without stockholder approval, no stock option reload features, no transfers of awards for value and dividends and dividends equivalent shall accrue and be paid only if and to the extent the common stock underlying the award become vested or payable.

We did not grant employee stock options in the three-month periods ended June 30, 2019 and 2018. When granted, the weighted average fair value of stock options granted will be determined using the Black-Scholes option-pricing model, which values options based on the stock price at the grant date, the expected life of the option, the estimated volatility of the stock, the expected dividend payments, and the risk-free interest rate over the life of the option. The Black-Scholes option valuation model was developed for estimating the fair value of traded options that have no vesting restrictions and are fully transferable. Because option valuation models require the use of subjective assumptions, changes in or variations from these assumptions can materially affect the fair value of the options.

NOTE J – CONCENTRATION OF CREDIT RISK

We maintain the majority of our cash at one financial institution. At June 30, 2019, our uninsured cash balance was $138,034.

We do not currently have any debt obligations with variable interest rates.

NOTE K – REVENUE PARTICIPATION RIGHTS

The Company's participating revenue rights consisted of the following at:

	June 30, 2019	December 31, 2018
"*Cambridge*" project	$ —	$ 825,000
"*Seattle*" project	62,500	62,500
Galt Resources, LLC (HMS *Victory* project)	3,756,250	3,756,250
Total revenue participation rights	$3,818,750	$ 4,643,750

"*Cambridge*" project

We previously sold Revenue Participation Certificates ("RPCs") that represent the right to share in our future revenues derived from the "*Cambridge*" project, which is also referred to as the HMS Sussex shipwreck project. The "Cambridge" RPC units constitute restricted securities. Due to external factors beyond the control of either party, the "Cambridge" project was unilaterally cancelled by the British Government during the quarter ended March 31, 2019. The corresponding amount was recorded to Other income in our consolidated statements of operations in the same period.

Each $50,000 convertible "*Cambridge"* RPC entitled the holder to receive a percentage of the gross revenue received by us from the "*Cambridge*" project, which is defined as all cash proceeds payable to us as a result of the "*Cambridge*" project, less any amounts paid to the British Government or their designee(s); provided, however, that all funds received by us to finance the project are excluded from gross revenue. The "*Cambridge*" project holders were entitled to 100% of the first $825,000 of gross revenue, 24.75% of gross revenue from $4 - 35 million, and 12.375% of gross revenue above $35 million generated by the project.

"*Seattle*" project

In a private placement that closed in September 2000, we sold "units" consisting of "*Republic"* Revenue Participation Certificates and Common Stock. Each $50,000 "unit" entitled the holder to 1% of the gross revenue generated by the now named "*Seattle*" project (formerly referred to as the "*Republic*" project), and 100,000 shares of Common Stock. Gross revenue is defined as all cash proceeds payable to us as a result of the "*Seattle*" project, excluding funds received by us to finance the project.

The participating rights balance will be amortized under the units of revenue method once management can reasonably estimate potential revenue for each of these projects. The RPCs for the "*Cambridge*" and "*Seattle"* projects do not have a termination date; therefore, these liabilities will be carried on the books until revenue is recognized from these projects or we permanently abandon either project.

Galt Resources, LLC

In February 2011, we entered into a project syndication deal with Galt Resources LLC ("Galt") for which they invested $7,512,500 representing rights to future revenues of any one project Galt selected prior to December 31, 2011. If the project is successful and generates sufficient proceeds, Galt will recoup their investment plus three times the investment. Galt's investment return will be paid out of project proceeds. Galt will receive 50% of project proceeds until this amount is recouped. Thereafter, they will share in additional net proceeds of the project at the rate of 1% for every million invested. Subsequent to the original syndication deal, we reached an agreement permitting Galt to bifurcate their selection between two projects, the SS *Gairsoppa* and HMS *Victory* with the residual 1% on additional net proceeds assigned to the HMS *Victory* project only. The bifurcation resulted in $3,756,250 being allocated to each of the two projects. Therefore, Galt will receive 7.5125% of net proceeds from the HMS *Victory* project after they recoup their investment of $3,756,250 plus three times the investment. Galt has been paid in full for their share of the *Gairsoppa* project investment. There are no future payments remaining due to Galt for the *Gairsoppa* project. Based on the timing of the proceeds earmarked for Galt, the relative corresponding amount of Galt's revenue participation right of $3,756,250 was amortized into revenue in 2012 based upon the percent of Galt-related proceeds from the sale of silver as a percentage of total proceeds that Galt earned under the revenue participation agreement ($15.0 million). There is no expiration date on the Galt deal for the HMS *Victory* project. If the archaeological excavation of the shipwreck is performed and insufficient proceeds are obtained, then the deferred income balance will be recognized as other income. If the archaeological excavation of the shipwreck is performed and sufficient proceeds are obtained, then the deferred income balance will be recognized as revenue.

NOTE L – OTHER DEBT

We currently owe a vendor approximately $0.6 million as a trade payable. This trade payable bears a simple annual interest rate of 12%. As collateral, the vendor was granted a primary lien on certain of our equipment. The carrying value of this equipment is zero. This agreement matured in August of 2018. During the three-months ended June 30, 2018, we sold various marine equipment to Magellan for $1.0 million and the assumption of this vendor's trade payable and accrued interest, however, we remain as guarantor on this trade payable. Included in this equipment is the equipment noted above the vendor has a primary lien on. The vendor has consented to Magellan's assumption of this debt but did not release us from our obligations. If Magellan defaults and the vendor forecloses on this equipment currently in possession of Magellan we then have a contingent liability to Magellan in the amount of $0.5 million for two of the key assets.

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

The following discussion will assist in the understanding of our financial condition and results of operations. The information below should be read in conjunction with the financial statements, the related notes to the financial statements and our Annual Report on Form 10-K for the year ended December 31, 2018.

In addition to historical information, this discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 regarding the Company's expectations concerning its future operations, earnings and prospects. On the date the forward-looking statements are made, the statements represent the Company's expectations, but the expectations concerning its future operations, earnings and prospects may change. The Company's expectations involve risks and uncertainties and are based on many assumptions that the Company believes to be reasonable, but such assumptions may ultimately prove to be inaccurate or incomplete, in whole or in part. Accordingly, there can be no assurances that the Company's expectations and the forward-looking statements will be correct. Please refer to the Company's most recent Annual Report on Form 10-K for a description of risk factors that could cause actual results to differ from the expectations stated in this discussion. Odyssey disclaims any obligation to update any of these forward-looking statements except as required by law.

Operational Update

Additional information regarding our announced projects can be found in our Annual Report on Form 10-K for the year ended December 31, 2018. Only projects material in nature or with material status updates are discussed below. We may have other projects in various stages of planning or execution that may not be disclosed for security or legal reasons until considered appropriate by management or required by law.

We have numerous marine projects in various stages of development around the world for ourselves and on behalf of clients. In order to protect the targets of our planned survey, search or recovery operations, we may defer disclosing specific information relating to our projects until we have located shipwrecks, mineral deposits or other potentially valuable sources of interest and determined a course of action to protect our property rights and those of our clients. With respect to mineral deposits, SEC Industry Guide 7 outlines the Commission's basic mining disclosure policy and what information may be disclosed in public filings. With respect to shipwrecks, the identity of the ship may be indeterminable, and the nature and amount of cargo may be uncertain, thus before completing any recovery, specific information about the project may be unavailable. If work is conducted on behalf of a client, release of information may be limited by the client.

Subsea Mineral Mining Exploration Projects

Oceanica Resources, S. de R.L.

In February 2013, we disclosed Odyssey's ownership interest, through Odyssey Marine Enterprises, Ltd., a wholly owned Bahamian company ("Enterprises"), in Oceanica Resources, S. de R.L., a Panamanian company ("Oceanica"), and Exploraciones Oceanicas, S. De R.L. De C.V. ("ExO"), a subsidiary of Oceanica. ExO is in the business of mineral exploration and controls exclusive permits in an area in Mexican waters that contains a large amount of phosphate mineralized material. Phosphate is a key ingredient of fertilizers. In March 2014, Odyssey completed a first NI 43-101 compliant report on the deposit and periodically updates this report. This deposit is currently our main mineral project, and success of this project is important to Odyssey's future. Odyssey believes that this deposit contains a large amount of high-grade phosphate rock that can be extracted on a financially attractive basis (essentially a dredging operation) and that the product will be attractive to Mexican and other world producers of fertilizers.

ExO has conducted extensive scientific testing of the mineralized phosphate material and of the environmental impact of recovering the mineralized material from the seafloor. ExO has been working with leading environmental experts on the impact assessment and permitting process, with Royal Boskalis Westminster N.V on the extraction and processing program, and with financial companies and strategic partners on growth alternatives for the project.

ExO applied for and was granted additional mining concession areas by the Mexican government. These additional areas are adjacent to the zones with the highest concentration of mineralization in the original mining concession area. ExO also relinquished certain parts of the granted concession areas where the mineral concentration levels were less attractive for mining purposes.

In September 2014, ExO reported that the EIA for proposed dredging and recovery of phosphate sands from the deposit had been filed with the Mexican Secretary of Environment and Natural Resources (SEMARNAT). Approval of this EIA application is needed in order to obtain an environmental permit to begin the commercial extraction of phosphate from the tenement area. In November 2014, SEMARNAT held a public hearing on the EIA in Mexico and asked supplemental questions

to ExO on its EIA application. In full compliance with the SEMARNAT process, a response to the questions was filed in March 2015. In addition to providing supplemental scientific information and studies, the response included additional mitigation and economic considerations to reinforce ExO's commitment to being good corporate citizens and stewards of the environment. In June 2015, ExO withdrew its EIA application to allow additional time for review and regional briefings. The EIA was re-submitted in June 2015, and additional information was filed in August 2015. A public hearing on this application was conducted by SEMARNAT on October 8, 2015, additional questions were received from SEMARNAT in November 2015, and ExO's responses to the questions were filed with SEMARNAT on December 3, 2015. On April 8, 2016, SEMARNAT denied the application for this environmental license as presented.

On March 21, 2018, the Superior Court of the Federal Court of Administrative Justice in Mexico ruled unanimously in favor of our subsidiary, ExO, nullifying the April 2016 denial of the environmental license application for the extraction of phosphate sand from ExO's deposit. In May 2018, after the statutory period for appeal of the ruling had passed with no appeals filed, the Mexican court published the full ruling on their website.

On October 18, 2018 we were notified that SEMARNAT repeated their refusal to issue the environmental approval for the phosphate deposit controlled by ExO in opposition to the unanimous ruling and Court Order issued by Mexico's Federal Court of Administrative Justice. On October 22, 2018, legal counsel for ExO filed an action before the Court requesting sanctions be imposed upon SEMARNAT and a requirement for SEMARNAT to promptly issue the permit as directed in the Court Order.

At a hearing on April 24, 2019, the Tribunal Federal de Justicia Administrativa (TFJA) advised ExO that in light of a procedural issue arising under Mexican law, its current application would have to be resubmitted to the court in a different form. The TFJA issued a formal order on June 17, 2019 which allows ExO to file an alternative administrative action. ExO plans to utilize that option to seek annulment of SEMARNAT's decision of October 12, 2018.

According to ExO's Mexican legal counsel, the TFJA's recent determination is neither a reversal of their unanimous decision of March 21, 2018, which nullified SEMARNAT's original denial of the MIA on April 7, 2016, nor is it a validation of the legality of SEMARNAT's denial of the MIA October 12, 2018.

To move to the next phase of development of the deposit, Odyssey and its subsidiaries need the issuance of this environmental permit. Odyssey and its subsidiary ExO continue to work with our Mexican partners to obtain the necessary environmental permission as noted in the Court's ruling of March 21, 2018.

We have full confidence in the environmental and economic merits of our venture in Mexico. We are taking all necessary steps to protect our interests. The past administration in Mexico has treated our environmental permit request in a manifestly arbitrary and discriminatory manner, in bad faith and in clear disregard of their own applicable legal regime. In these circumstances, to protect our rights and to defend shareholder value, on January 4, 2019, we formally filed notice of our intention (NOI) to file a claim against Mexico under provisions of the North American Free Trade Agreement (NAFTA) assuring fair treatment of foreign investments. Filing a NOI initiates a consultation period during which we and the Mexican Government are to seek amicably to resolve this dispute. The first consultation was conducted on April 2, 2019 and a Notice of Arbitration was filed on April 5, 2019 to protect our rights under NAFTA.. We intend to continue to work diligently and in good faith with Mexico's current administration to achieve an equitable resolution of this dispute, but we are prepared to proceed with the full NAFTA arbitration process if necessary. On June 14, 2019, Odyssey executed an agreement that will provide up to $6.5 million in funding for prior, current and future projected costs of the NAFTA action. The lender will not have any right of recourse if the result is other than the environmental permit is awarded or if proceeds are received.

Additional Mineral Projects

We have two additional strategic mineral projects currently under development.

One project is being conducted under contract with CIC LLC, a mineral development company, working in the South Pacific where we are receiving cash and equity for services rendered to the venture. This model is in line with the company's strategic plan. CIC, LLC is majority owned and controlled by Greg Stemm, the past Chairman of the Board for our Company. See NOTES C, D and E.

Additionally, on July 9, 2019, Odyssey acquired a 79.9% equity interest in Bismarck Mining Corporation (PNG) LTD (Bismarck) in exchange for 249,584 shares of Odyssey's common stock.

Bismarck's primary asset is an exclusive exploration license covering approximately 320 square kilometers of subsea area containing at least five prospective exploration targets in two different mineralization types: seamount-related epithermal and modern placer gold. In connection with the acquisition by Odyssey, Bismarck and the seller entered into a royalty agreement that provides for Bismarck to pay the seller a 2.496% net smelter royalty on minerals mined from the license area.

The license area is adjacent to Lihir Island in Papua New Guinea where one of the world's largest known terrestrial gold deposits is currently being mined and processed by a major international mining company.

The deposit has significant strategic value to Odyssey and adds valuable diversification to the company's mineral property portfolio. Previous exploration expeditions in the license area, including a survey conducted by Odyssey, indicate a polymetallic resource with commercially viable grade gold content may exist. Additionally, the two subaqueous debris fields within the area and adjacent to the terrestrial Ladolam Gold Mine are believed to have originated from the same volcanogenic source that is currently being mined on Lihir.

Shipwreck Exploration Projects

Odyssey began conducting offshore services for our shipwreck business partner, Magellan Limited, in 2016. In 2017 the search and inspection phase of a major shipwreck project covering multiple valuable targets was successfully completed. This project is ongoing and we currently are providing a range of marine-related services to Magellan in support of this.

Other Projects

Odyssey offers its marine exploration services to third-party companies. This may be for mineral exploration, environmental studies, shipwreck search and recovery, subsea surveys, and other off-shore work requiring specialized equipment, personnel, project planning and management as well as research and scientific services.

Critical Accounting Policies and Changes to Accounting Policies

There have been no material changes in our critical accounting estimates since December 31, 2018, nor have we adopted any accounting policy that has or will have a material impact on our consolidated financial statements.

Results of Operations

The dollar values discussed in the following tables, except as otherwise indicated, are approximations to the nearest $1,000,000 and therefore do not necessarily sum in columns or rows. For more detail refer to the Financial Statements in Part I, Item 1.

Three-months ended June 30, 2019, compared to three-months ended June 30, 2018

Increase/(Decrease) (Dollars in millions)	2019	2018	2019 vs. 2018 $	2019 vs. 2018 %
Total revenues	$ 0.8	$ 1.1	$(0.3)	28%
Marketing, general and administrative	1.6	1.5	0.1	5%
Operations and research	1.7	0.5	1.2	269%
Total operating expenses	$ 3.2	$ 1.9	$ 1.3	66%
Other income (expense)	$(1.3)	$(0.7)	$ 0.6	74%
Income tax benefit (provision)	$ 0.0	$ 0.0	$ 0.0	0%
Non-controlling interest	$ 1.0	$ 1.0	$ 0.0	0%
Net income (loss)	$(2.8)	$(0.6)	$(2.1)	332%

Revenue

Revenue is primarily generated through the sale of technical and marine services either through expedition charters or for the services from our crew and equipment that are on a fee or cost-plus basis.

Total revenue in the current quarter was $0.8 million, a $0.3 million decrease compared to in the same period a year ago. The revenue generated in each period was a result of performing marine research, project administration and search and recovery operations for our customers and related parties. We provided these services to our related party customer Magellan during both of these periods as well as providing mineral related services in 2019 to the deep-sea mineral exploration company, CIC, owned and controlled by our past Chairman of the Board (see NOTE D).

Operating Expenses

Marketing, general and administrative expenses primarily include all costs within the following departments: Executive, Finance & Accounting, Legal, Information Technology, Human Resources, Marketing & Communications, Sales and Business Development. Marketing, general and administrative increased $0.1 million to $1.6 million for the three-month period ended June 30, 2019 compared to $1.5 million from the same period in 2018. There are several variances that resulted in this increase period over period variance. Personnel costs decreased by $0.1 million due to few employee and share-based compensation, an increase of $0.1 million in director fees as a result of not receiving cash compensation in 2018, a $0.1 million increase in financing related fees, an increase of $0.1 million related to admiralty legal support and a $0.1 million decrease in general corporate overhead.

Operations and research expenses primarily include all costs within Archaeology, Conservation, Exhibits, Research, and Marine operations, which includes all vessel and charter operations. Operations and research expenses increased by $1.2 million from 2018 to 2019 primarily as a result of the following items: (i) the prior period contained a gain of sale of marine assets for $1.0 million, (ii) a $0.1 million decrease in mineral technical services and related travel, (iii) a $0.1 million decrease in marine recovery labor and (iv) a $0.4 million increase in legal fees incurred in support of efforts undertaken while we try to secure the environmental permit for our Mexican subsidiary.

Other Income and Expense

Other income and expense generally consists of interest expense on our debt financing arrangements as well as, from time to time, the fair value change of derivatives carried on the balance sheet. We currently do not have any derivatives. Total other income and expense was $1.3 and $0.7 million in net expenses for 2019 and 2018, respectively, resulting in a net expense increase of $0.6 million. This variance was primarily attributable to an increase in interest expense of $0.5 million from recording the beneficial conversion feature tied to a promissory note.

Taxes and Non-Controlling Interest

Due to losses, we did not accrue any taxes in either period ending 2019 or 2018.

Starting in 2013, we became the controlling shareholder of Oceanica. Our financial statements thus include the financial results of Oceanica. Except for intercompany transactions that are fully eliminated upon consolidation, Oceanica's revenues and expenses, in their entirety, are shown in our consolidated financial statements. The share of Oceanica's net losses corresponding to the equity of Oceanica not owned by us is subsequently shown as the "Non-Controlling Interest" in the consolidated statements of operations. The non-controlling interest adjustment in the second quarter of 2019 was $1.0 million as compared to $1.0 million in the second quarter of 2018.

Six-months ended June 30, 2019, compared to Six-months ended June 30, 2018

Increase/(Decrease)			2019 vs. 2018	
(Dollars in millions)	2019	2018	$	%
Total revenues	$ 1.6	$ 1.6	$(0.0)	1%
Marketing, general and administrative	2.9	2.9	(0.1)	2%
Operations and research	3.4	1.5	1.9	130%
Total operating expenses	$ 6.3	$ 4.4	$ 1.8	42%
Other income (expense)	$(1.4)	$(1.4)	$ 0.0	0%
Income tax benefit (provision)	$ 0.0	$ 0.0	$ 0.0	0%
Non-controlling interest	$ 2.2	$ 1.9	$ 0.3	16%
Net income (loss)	$(3.9)	$(2.4)	$ 1.5	65%

Revenue

Total revenue was $1.6 million, the same amount as in the same period a year ago. The revenue generated in each period was a result of performing marine research, search and recovery operations for our customers. We provided these services to our related party customer Magellan during both of these periods as well as providing mineral related services in 2019 to the deep-sea mineral exploration company, CIC, which is owned and controlled by our past Chairman of the Board (see NOTE D).

Operating Expenses

Marketing, general and administrative expenses decreased by $0.1 million from $2.9 million in 2018 to $2.8 million in 2019 primarily as a result of (i) a reduction of $0.2 million of personnel compensation and related expenses which includes share-based compensation and (ii) a $0.1 million increase in independent director meeting fees and (iii) an increase of $0.1 million in professional legal primarily related to defending the HMS Victory and (iv) a $0.1 million reduction in corporate overhead.

Operations and research expenses increased by $1.9 million from 2018 to 2019 primarily as a result of the following offsetting items: (i) the prior period contained a gain of sale of marine assets for $1.0 million, (ii) an increase of $0.1 million in marine service labor mainly attributable to a net project staffing and equipment rental, (iii) a $0.1 million decrease related to depreciation and corresponding equipment insurance, (iv) an increase of $0.9 million related legal fees incurred in support of efforts undertaken while we try to secure the environmental permit for our Mexican subsidiary.

Other Income and Expense

Other income and expense has generally consisted of interest expense on our debt financing arrangements as well as, from time to time, the fair value change of derivatives carried on the balance sheet. We currently do not have any derivatives. Total other income and expense remained the same at $1.4 and $1.4 million in net expenses for 2019 and 2018, respectively. Interest expense increased by $0.8 million which is predominantly the $0.7 million beneficial conversion feature accretion on our promissory note. This interest expense increase was offset by an increase in other income of $0.8 million which is the reclassification of our Revenue Participation Rights for our *Cambridge* project, see NOTE K for further information. Interest expense for bother periods primarily relates to our outstanding convertible debt balances, see NOTE H for further details.

Taxes and Non-Controlling Interest

Due to losses, we did not accrue any taxes in either period ending 2019 or 2018.

Starting in 2013, we became the controlling shareholder of Oceanica. Our financial statements thus include the financial results of Oceanica. Except for intercompany transactions that are fully eliminated upon consolidation, Oceanica's revenues and expenses, in their entirety, are shown in our consolidated financial statements. The share of Oceanica's net losses corresponding to the equity of Oceanica not owned by us is subsequently shown as the "Non-Controlling Interest" in the consolidated statements of operations. The non-controlling interest adjustment in the first six months of 2019 was $2.2 million as compared to $1.9 million in the first six months of 2018. This increase is mainly attributable to the compounding debt interest on our Mexican subsidiary's balance sheet.

Liquidity and Capital Resources

	Six-Months Ended	
(In thousands)	**June 30, 2019**	**June 30, 2018**
Summary of Cash Flows:		
Net cash used by operating activities	$ (2,191)	$ (3,208)
Net cash provided by investing activities	(15)	994
Net cash provided by financing activities	(207)	1,672
Net (decrease) increase in cash and cash equivalents	$ (2,414)	$ (542)
Beginning cash and cash equivalents	2,787	1,108
Ending cash and cash equivalents	$ 372	$ 566

Discussion of Cash Flows

Net cash used by operating activities for the first six months of 2019 was $2.2 million, a decrease of $1.0 million compared to the same period in 2018. This net cash used by operating activities reflected a net loss before non-controlling interest of $(6.0) million offset in part by non-cash items of $(0.4) million which primarily included depreciation and amortization of $0.1 million, note payable interest accretion of $0.6 million and a reduction of deferred income of $0.8 million as well as a noncash use of $0.4 million for an investment in an unconsolidated entity. Other operating activities resulted in an increase in working capital of $4.3 million. Changes to accrued expenses, accounts receivable, accounts payable and other assets in 2019 comprised the $4.3 million.

Cash flows used by investing activities for the six months of 2019 were $0.01 million compared to $1.0 million provided by for the same period in 2018. The same period during 2018 includes a payment of $1.0 million from Magellan for the purchase of certain marine assets, see NOTE L.

Cash flows used by financing activities for the first six months of 2019 were $0.2 million which represents repayments of financed obligations. For the same period in 2018, we borrowed the final tranche of $0.4 million from MINOSA, increased our SMOM note payable by $0.5 and received $1.0 million from Monaco. This cash inflow was partially offset by repayment of debt obligations of $0.2 million.

Other Cash Flow and Equity Areas

General Discussion

At June 30, 2019, we had cash and cash equivalents of $0.4 million, a decrease of $2.4 million from the December 31, 2018 balance of $2.8 million. This decrease was primarily the net result of cash flows associated with the year-to-date operating net cash used.

Financial debt of the company, excluding any derivative, of which we currently do not have, or beneficial conversion feature components of such, remained at $30.4 million at June 30, 2019, unchanged from the balance at December 31, 2018.

Financings

Stock Purchase Agreement

On March 11, 2015, we entered into a Stock Purchase Agreement (the "Purchase Agreement") with Penelope Mining LLC (the "Investor"), and, solely with respect to certain provisions of the Purchase Agreement, Minera del Norte, S.A. de C.V. (the "MINOSA"). The Purchase Agreement provides for us to issue and sell to the Investor shares of the our preferred stock in the amounts and at the prices set forth below (the numbers set forth below have been adjusted to reflect the 1-for-12 reverse stock split of February 19, 2016):

Series	No. of Shares	Price per Share
Series AA-1	8,427,004	$ 12.00
Series AA-2	7,223,145	$ 6.00

The closing of the sale and issuance of shares of the Company's preferred stock to the Investor is subject to certain conditions, including the Company's receipt of required approvals from the Company's stockholders (received on June 9, 2015), the receipt of regulatory approval, performance by the Company of its obligations under the Purchase Agreement, receipt of certain third party consents, the listing of the underlying common stock on the NASDAQ Stock Market and the Investor's satisfaction, in its sole discretion, with the viability of certain undersea mining projects of the Company. Completion of the transaction requires amending the Company's articles of incorporation to (a) effect a reverse stock split, which was done on February 19, 2016, (b) adjusting the Company's authorized capitalization, which was also done on February 19, 2016, and (c) establishing a classified board of directors (collectively, the "Amendments"). The Amendments have been or will be set forth in certificates of amendment to the Company's articles of incorporation filed or to be filed with the Nevada Secretary of State.

The purchase and sale of 2,916,667 shares of Series AA-1 Preferred Stock at an initial closing and for the purchase and sale of the remaining 5,510,337 shares of Series AA-1 Preferred Stock according to the following schedule, is subject to the satisfaction or waiver of specified conditions set forth in the Purchase Agreement:

Date	No. Series AA-1 Shares	Total Purchase Price
March 1, 2016	1,806,989	$ 21,683,868
September 1, 2016	1,806,989	$ 21,683,868
March 1, 2017	1,517,871	$ 18,214,446
March 1, 2018	378,488	$ 4,541,856

The Investor may elect to purchase all or a portion of the Series AA-1 Preferred Stock before the other dates set forth above. The initial closing and the closing scheduled for March 1, 2016, have not yet occurred because certain conditions to closing have not yet been satisfied or waived. After completing the purchase of all AA-1 Preferred Stock, the Investor has the right, but not the obligation, to purchase all or a portion the 7,223,145 shares of Series AA-2 Preferred Stock at any time after the closing price of the Common Stock on the NASDAQ Stock Market has been $15.12 or more for 20 consecutive trading days. The Investor's right to purchase the shares of Series AA-2 Preferred Stock will terminate on the fifth anniversary of the initial closing under the Purchase Agreement.

The Purchase Agreement contains certain restrictions, subject to certain exceptions described below, on the Company's ability to initiate, solicit or knowingly encourage or facilitate an alternative acquisition proposal, to participate in any discussions or negotiations regarding an alternative acquisition proposal, or to enter into any acquisition agreement, merger agreement or similar definitive agreement, or any letter of intent, memorandum of understanding or agreement in principle, or any other agreement relating to an alternative acquisition proposal. These restrictions will continue until the earlier to occur of the termination of the Purchase Agreement pursuant to its terms and the time at which the initial closing occurs.

The Purchase Agreement also includes customary termination rights for both the Company and the Investor and provides that, in connection with the termination of the Purchase Agreement under specified circumstances, including in the event of a termination by the Company in order to accept a Superior Proposal, the Company will be required to pay to the Investor a termination fee of $4.0 million.

The Purchase Agreement contains representations, warranties and covenants of the parties customary for a transaction of this type.

Subject to the terms set forth in the Purchase Agreement, the Lender provided the Company, through a subsidiary of the Company, with loans of $14.75 million, the outstanding amount of which, plus accrued interest, will be repaid from the proceeds from the sale of the shares of Series AA-1 Preferred Stock at the initial closing. The outstanding principal balance of the loan at June 30, 2019 was $14.75 million.

The obligation to repay the loans is evidenced by a promissory note (the "Note") in the amount of up to $14.75 million and bears interest at the rate of 8.0% per annum, and, pursuant to a pledge agreement (the "Pledge Agreement") between the Lender and Odyssey Marine Enterprises Ltd., an indirect, wholly owned subsidiary of the Company ("OME"), is secured by a pledge of 54.0 million shares of Oceanica Resources S. de R.L., a Panamanian limitada ("Oceanica"), held by OME. In addition, OME and the Lender entered into a call option agreement (the "Oceanica Call"), pursuant to which OME granted the Lender an option to purchase the 54.0 million shares of Oceanica held by OME for an exercise price of $40.0 million at any time during the one-year period after the Oceanica Call was executed and delivered by the parties. The Oceanica Call option expired on March 11, 2016 without being executed or extended. On December 15, 2015, the Promissory Note was amended to provide that, unless otherwise converted as provided in the Note, the adjusted principal balance shall be due and payable in full upon written demand by MINOSA; provided that MINOSA agrees that it shall not demand payment of the adjusted principal balance earlier than the first to occur of: (i) 30 days after the date on which (x) SEMARNAT makes a determination with respect to the current application for the Manifestacion de Impacto Ambiental relating to our phosphate deposit project, which determination is other than an approval or (y) Enterprises or any of its affiliates withdraws such application without MINOSA's prior written consent; (ii) termination by Odyssey of the Stock Purchase Agreement, dated March 11, 2015 (the "Purchase Agreement"), among Odyssey, MINOSA, and Penelope Mining, LLC (the "Investor"); (iii) the occurrence of an event of default under the Promissory Note; (iv) March 30, 2016; or (v) if and only if the Investor shall have terminated the Purchase Agreement pursuant to Section 8.1(d)(iii) thereof, March 30, 2016. On March 18, 2016 the agreements with MINOSA and Penelope were further amended and extended the maturity date of the loan to March 18, 2017(see NOTE H).

On March 18, 2016, Odyssey entered into a $3.0 million Note Purchase Agreement with Epsilon Acquisitions LLC (see below and NOTE H).

Epsilon is an investment vehicle of Mr. Alonso Ancira who is Chairman of the Board of AHMSA, an entity that controls MINOSA.

Class AA Convertible Preferred Stock

Pursuant to a certificate of designation (the "Designation") to be filed with the Nevada Secretary of State, each share of Series AA-1 Convertible Preferred Stock and Series AA-2 Convertible Preferred Stock (collectively, the "Class AA Preferred Stock") will be convertible into one share of Common Stock at any time and from time to time at the election of the holder. Each share of Class AA Preferred Stock will rank pari passu with all other shares of Class AA Preferred Stock and senior to shares of Common Stock and all other classes and series of junior stock. If the Company declares a dividend or makes a distribution to the holders of Common Stock, the holders of the Class AA Preferred Stock will be entitled to participate in the dividend or distribution on an as-converted basis. Each share of Class AA Preferred Stock shall entitle the holder thereof to vote, in person or

by proxy, at any special or annual meeting of stockholders, on all matters voted on by holders of Common Stock, voting together as a single class with other shares entitled to vote thereon. So long as a majority of the shares of the Class AA Preferred Stock are outstanding, the Company will be prohibited from taking specified extraordinary actions without the approval of the holders of a majority of the outstanding shares of Class AA Preferred Stock. In the event of the liquidation of the Company, each holder of shares of Class AA Preferred Stock then outstanding shall be entitled to be paid, out of the assets of the Corporation available for distribution to its stockholders, an amount in cash equal to the greater of (a) the amount paid to the Company for such holder's shares of Class AA Preferred Stock, plus an accretion thereon of 8.0% per annum, compounded annually, and (b) the amount such holder would be entitled to receive had such holder converted such shares of Class AA Preferred into Common Stock immediately prior to such time at which payment will be made or any assets distributed.

Stockholder Agreement

The Purchase Agreement provides that, at the initial closing, the Company and the Investor will enter into a stockholder agreement (the "Stockholder Agreement"). The Stockholder Agreement will provide that (a) in connection with each meeting of the Company's stockholders at which directors are to be elected, the Company will (i) nominate for election as members of the Company's board of directors a number of individuals designated by the Investor ("Investor Designees") equivalent to the Investor's proportionate ownership of the Company's voting securities (rounded up to the next highest integer) less the number of Investor Designees who are members of the board of directors and not subject to election at such meeting, and (ii) use its reasonable best efforts to cause such nominees to be elected to the board of directors; (b) the Company will cause one of the Investor Designees to serve as a member of (or at such Investor Designee's election, as an observer to) each committee of the Company's board of directors; and (c) each Investor Designee shall have the right to enter into an indemnification agreement with the Company (an "Indemnification Agreement") pursuant to which such Investor Designee is indemnified by the Company to the fullest extent allowed by Nevada law if, by reason of his or her serving as a director of the Company, such Investor Designee is a party or is threatened to be made a party to any proceeding or by reason of anything done or not done by such Investor Designee in his or her capacity as a director of the Company.

The Stockholder Agreement will provide the Investor with pre-emptive rights with respect to certain equity offerings of the Company and restricts the Company from selling equity securities until the Investor has purchased all the Class AA Preferred Stock or no longer has the right or obligation to purchase any of the Class AA Preferred Stock. The Stockholder Agreement will also provide the Investor with certain "first look" rights with respect to certain mineral deposits discovered by the Company or its subsidiaries. Pursuant to the Stockholder Agreement, the Company will grant the Investor certain demand and piggy-back registration rights, including for shelf registrations, with respect to the resale of the shares of Common Stock issuable upon conversion of the Class AA Preferred Stock.

Other loans

Promissory Note

On March 18, 2016 we entered into a Note Purchase Agreement ("Purchase Agreement") with Epsilon Acquisitions LLC ("Epsilon"). Pursuant to the Purchase Agreement, Epsilon loaned us $3.0 million in two installments of $1.5 million on March 31, 2016 and April 30, 2016. The indebtedness bears interest at a rate of 10% per annum and was due on March 18, 2017. We were also responsible for $50,000 of the lender's out of pocket costs. This amount is included in the loan balance. In pledge agreements related to the loans, we granted security interests to Epsilon in (a) the 54 million cuotas (a unit of ownership under Panamanian law) of Oceanica Resources S. de R.L. ("Oceanica") held by our wholly owned subsidiary, Odyssey Marine Enterprises, Ltd. ("OME"), (b) all notes and other receivables from Oceanica and its subsidiary owed to the Odyssey Pledgors, and (c) all of the outstanding equity in OME. Epsilon has the right to convert the outstanding indebtedness into shares of our common stock upon 75 days' notice to us or upon a merger, consolidation, third party tender offer, or similar transaction relating to us at the conversion price of $5.00 per share, which represents the five-day volume-weighted average price of Odyssey's common stock for the five trading day period ending on March 17, 2016. Upon the occurrence and during the continuance of an event of default, the conversion price will be reduced to $2.50 per share. Following any conversion of the indebtedness, Penelope Mining LLC (an affiliate of Epsilon) ("Penelope"), may elect to reduce its commitment to purchase preferred stock of Odyssey under the Stock Purchase Agreement, dated as of March 11, 2015 (as amended, the "Stock Purchase Agreement"), among Odyssey, Penelope, and Minera del Norte, S.A. de C.V. ("MINOSA") by the amount of indebtedness converted.

Pursuant to the Purchase Agreement (a) we agreed to waive our rights to terminate the Stock Purchase Agreement in accordance with the terms thereof until December 31, 2016, and (b) MINOSA agreed to extend, until March 18, 2017, the maturity date of the $14.75 million loan extended by MINOSA to OME pursuant to the Stock Purchase Agreement. The indebtedness may be accelerated upon the occurrence of specified events of default including (a) OME's failure to pay any amount payable on the date due and payable; (b) OME or we fail to perform or observe any term, covenant, or agreement in the Purchase Agreement or the related documents, subject to a five-day cure period; (c) an event of default or material breach by OME, us or any of our affiliates under any of the other loan documents shall have occurred and all grace periods, if any, applicable thereto shall have expired; (d) the Stock Purchase Agreement shall have been terminated; (e) specified dissolution, liquidation, insolvency, bankruptcy, reorganization, or similar cases or actions are commenced by or against OME or any of its subsidiaries, in specified circumstances unless dismissed or stayed within 60 days; (f) the entry of judgment or award against OME or any of its subsidiaries in excess or $100,000; and (g) a change in control (as defined in the Purchase Agreement) occurs.

In connection with the execution and delivery of the Purchase Agreement, we and Epsilon entered into a registration rights agreement pursuant to which we agreed to register new shares of our common stock with a formal registration statement with the Securities and Exchange Commission upon the conversion of the indebtedness.

Accounting considerations: Note Purchase Agreement

We have accounted for this agreement as a financing transaction, wherein the net proceeds received were allocated to the financial instruments issued. Prior to making the accounting allocation, we evaluated for proper classification under ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480"), ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 320 *Property, Plant and Equipment* ("ASC 320").

This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. However, we were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The calculation of the effective conversion amount did result in a BCF because the effective conversion price was less than the Company's stock price on the commitment date, therefore a BCF of $96,000 was recorded. The BCF represented a debt discount which is fully amortized.

Loan modification (October 1, 2016)

On October 1, 2016 Odyssey Marine Enterprises, Ltd. ("OME"), entered into an Amended and Restated Note Purchase Agreement (the "Restated Note Purchase Agreement") with Epsilon Acquisitions LLC ("Epsilon"). In connection with the existing $3.0 million loan agreement, Epsilon agreed to lend an additional $3.0 million of secured convertible promissory notes. The convertible promissory notes bear an interest rate of 10.0% per annum and was due and payable on March 18, 2017. Epsilon has the right to convert all amounts outstanding under the Restated Note into shares of our common stock upon 75 days' notice to OME or upon a merger, consolidation, third party tender offer, or similar transaction relating to us at the applicable conversion price, which is (a) $5.00 per share with respect to the $3.0 million already advanced under the Restated Note and (b) with respect to additional advances under the Restated Note, the five-day volume-weighted average price of our common stock for the five trading day period ending on the trading day immediately prior to the date on which OME submits a borrowing notice for such advance. Notwithstanding anything herein to the contrary, we shall not issue any of our common stock upon conversion of any outstanding tranche (other than the first $3.0 million already advanced) under this Restated Note in excess of 1,388,769 shares of common stock. The additional tranches were issued as follows: (a) $1,000,000 ("Tranche 3") was issued on October 16, 2016 with a conversion price of $3.52 per share; (b) $1,000,000 ("Tranche 4") was issued on November 15, 2016 with a conversion price of $4.19 per share; and (c) $1,000,000 ("Tranche 5") was issued on December 15, 2016 with a conversion price of $4.13 per share. During 2017, Epsilon assigned Tranche 4 and 5 totaling $2,000,000 of this debt to MINOSA under the same terms as the original debt.

As an inducement for the issuance of the additional $3.0 million of promissory notes, we also delivered to Epsilon a common stock purchase warrant (the "Warrant") pursuant to which Epsilon has the right to purchase up to 120,000 shares of our common stock at an exercise price of $3.52 per share, which exercise price represents the five-day volume-weighted average price of our common stock for the five trading day period ending on the trading day immediately prior to the day on which the Warrant was issued. Epsilon may exercise the Warrant in whole or in part at any time during the period ending October 1, 2021. The Warrant includes a cashless exercise feature and provides that, if Epsilon is in default of its obligations to fund any advance pursuant to and in accordance with the Restated Note Purchase Agreement, then, thereafter, the maximum aggregate number of shares of common stock that may be purchased under the Warrant shall be the number determined by multiplying 120,000 by a fraction, (a) the numerator of which is the aggregate principal amount of advances that have been extended to the OME by Epsilon pursuant to the Restated Note Purchase Agreement on or after the date of the Warrant and prior to the date of such failure and (b) the denominator of which is $3.0 million.

Accounting considerations: Loan Modification

We evaluated for proper classification under ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480"), ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 320 *Property, Plant and Equipment* ("ASC 320"). This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. Additionally, the warrant agreement did not contain any terms or features that would preclude equity classification. We were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The allocations of the three additional tranches were as follows.

	Tranche 3	Tranche 4	Tranche 5
Promissory Note	$ 981,796	$ 939,935	$1,000,000
Beneficial Conversion Feature ("BCF")*	18,204	60,065	—
Proceeds	$1,000,000	$1,000,000	$1,000,000

A beneficial conversion feature arises when the calculation of the effective conversion price is less than the Company's stock price on the date of issuance. Tranche 5 did not result in a BCF because the effective conversion price was greater than the company's stock price on the date of issuance.

The warrants fair values were calculated using Black-Scholes Merton ("BSM"). The aggregate fair value of the warrants totaled $303,712. Since the warrants were issued as an inducement to Epsilon to issue additional debt, we recorded an inducement expense of $303,712.

Term Extension (March 21, 2017)

On March 21, 2017 we entered into an amendment to the Restated Note Purchase Agreement with Epsilon. In connection with the existing $6.0 million loan agreement, the adjusted principal balance is due and payable in full upon the earlier of (i) written demand by Epsilon or (ii) such time as Odyssey or the guarantor pays any other indebtedness for borrowed money prior to its stated maturity date. As such the Company amortized the notes up to their face value of $6,050,000 and they are classified as short-term. However, since Epsilon converted the first $3.0 million into 670,455 of our common shares and assigned $2.0 million to MINOSA, the current principal indebtedness at June 30, 2019 is $1.0 million.

Promissory Note

On April 15, 2016, Odyssey Marine Exploration, Inc. ("Odyssey") and its wholly owned subsidiaries Oceanica Marine Operations, S.R.L. ("OMO"), Odyssey Marine Services, Inc. ("OMS"), and Odyssey Marine Enterprises, Ltd. ("OME") executed a Loan and Security Agreement (the "Loan Agreement") with Monaco Financial LLC ("Monaco") pursuant to which Odyssey borrowed $1,825,000 from Monaco. The current balance is now $1,175,000. Monaco advanced the entire amount to us in March 2016 upon execution of a Letter of Intent. The indebtedness is evidenced by a Convertible Promissory Note (the "Note") that provides for interest at the rate of 10.0% per annum on the outstanding amount of principal, with the entire unpaid principal sum outstanding, together with any unpaid interest thereon, being due and payable on April 15, 2018. This note has matured, but Monaco has not demanded payment since we are in negotiations with Monaco to set a new maturity date. Odyssey has the right to prepay the indebtedness, in whole or in part, upon 30 days' notice to Monaco.

Pursuant to the Loan Agreement and as security for the indebtedness, Monaco was granted a security interest in (a) one-half of the indebtedness evidenced by the Amended and Restated Consolidated Note and Guaranty, dated September 25, 2015 (the "ExO Note"), in the original principal amount of $18.0 million, issued by Exploraciones Oceanicas S. de R.L. de C.V. to OMO, and all rights associated therewith (the "OMO Collateral"); and (b) all marine technology and assets in OMS's possession or control used for offshore exploration, including a deep-tow search systems, winches, multi-beam sonar, and other equipment. OME unconditionally and irrevocably guaranteed all obligations of Odyssey, OMO, and OMS to Monaco under the Loan Agreement.

As further consideration for the loan, Monaco was granted an option (the "Option") to purchase the OMO Collateral. The Option is exercisable at any time before the earlier of (a) the date that is 30 days after the loan is paid in full or (b) the maturity date of the ExO Note, for aggregate consideration of $9.3 million, $1.8 million of which would be paid at the closing of the exercise of the Option, with the balance paid in ten monthly installments of $750,000.

The Loan Agreement also contains customary representations and warranties of the parties, covenants, and events of default. Of the combined total indebtedness of Monaco's Note 1 of $2.8 million (NOTE H) and this agreement, Note 2, (see NOTE H), Monaco can convert this combined debt into 3,174,603 shares of Oceanica at a fixed conversion price of $1.00 per share, or $3,174,603. Any remaining debt in excess of $3,174,603 is not convertible. The Note further provides that the maximum number of Oceanica cuotas that can be acquired by Monaco upon conversion is 3,174,603 cuotas. During the three-months ended June 30, 2017, we sold a marine vessel to a related party of Monaco for $650,000. The consideration for this vessel was applied to our loan balance to Monaco in the amount of $650,000.

Promissory Note

On May 3, 2017, we entered into a Loan and Security Agreement ("Loan Agreement") with SMOM. Pursuant to the Loan Agreement, SMOM agreed to loan us up to $3.0 million as evidenced by a convertible promissory note. As a commitment fee, we assigned the remaining 50% of our Neptune Minerals, LLC receivable to SMOM. This receivable had zero carrying value on our balance sheet and due to the age and collectability was deemed to have no fair value. The indebtedness bears interest at a rate of 10% per annum and matures on the second anniversary of this Loan Agreement which was May 3, 2019. On April 20, 2018, the loan was amended, and the principal amount of the Loan was increased to $3,500,000. The loan balance at June 30, 2019 is $3.5 million. The holder has the option to convert up to $2.0 million of any unpaid principal and interest into up to 50% of the equity interest held by Odyssey in Aldama Mining Company, S.de R.L. de C.V. which is a wholly owned subsidiary of ours. The conversion value of $1.0 million equates to 10% of the equity interest in Aldama. If the holder elects to acquire the entire 50% of the equity interest, the Holder has to pay the deficiency in cash. As additional consideration for the loan, the holder has

the right to purchase from Odyssey all or a portion of the equity collateral (up to the 50% of the equity interest of Aldama) for the option consideration ($1.0 million for each 10% of equity interests) during the period that is the later of (i) one year after the maturity date and (ii) one year after the loan is repaid in full, the expiration date. The lender may also choose to extend the expiration date annually by paying $500,000 for each year extended.

Promissory Note

On August 10, 2017, we entered into a Note Purchase Agreement (the "Minosa Purchase Agreement") with MINOSA. Pursuant to the Minosa Purchase Agreement, MINOSA whereas MINOSA will loan Enterprises up to $3.0 million. During 2018, this debt was fully funded and Epsilon assigned $2.0 million of its debt to MINOSA. At June 30, 2019, the outstanding principal balance, including the Epsilon assignment, is $5.1 million. The indebtedness is evidenced by a secured convertible promissory note (the "Minosa Note") and bears interest at a rate equal to 10.0% per annum. Unless otherwise converted as described below, the entire outstanding principal balance under this Minosa Note and all accrued interest and fees are due and payable upon written demand by MINOSA; provided, that MINOSA agreed not make a demand for payment prior to the earlier of (a) an event of default (as defined in the Minosa Note) or (b) a date, which may be no earlier than December 31, 2017, that is at least 60 days subsequent to written notice that MINOSA intends to demand payment. MINOSA has not provided any notice they intend to issue a payment demand notice. We unconditionally and irrevocably guaranteed all of the obligations under the Minosa Purchase Agreement and the Minosa Note. MINOSA has the right to convert all amounts outstanding under the Minosa Note into shares of our common stock upon 75 days' notice to us or upon a merger, consolidation, third party tender offer, or similar transaction relating to us at the conversion price of $4.41 per share. During December 2017 MINOSA, transferred this debt to its parent company.

This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. However, we were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The calculation of the effective conversion amount did result in a BCF because the effective conversion price was less than the Company's stock price on the date of issuance, therefore a BCF of $62,925 was recorded. As of December 31,2017, all of the BCF has been accreted to the income statement. The BCF represented a debt discount which was amortized over the original life of the loan.

As previously reported, Epsilon loaned us an aggregate of $6.0 million pursuant to an amended and restated convertible promissory Minosa Note, dated as of March 18, 2016, as further amended and restated on October 1, 2016 (the "Epsilon Note"). Since then, Epsilon has assigned $2.0 million of the indebtedness under the Epsilon Note to MINOSA. Along with Epsilon, we entered into a second amended and restated convertible promissory note (the "Second AR Epsilon Note"), which further amends and restates the Epsilon Note. The stated principal amount of the Second AR Epsilon Note is $1.0 million (which reflects the outstanding principal balance remaining after giving effect to Epsilon's (x) previous assignment of $2.0 million of the indebtedness under the Epsilon Note to MINOSA and (y) conversion of $3.0 million of the indebtedness under the Epsilon Note into shares of our common stock). The Second AR Epsilon Note further provides that the outstanding principal balance under the Second AR Epsilon Note and all accrued interest and fees are due and payable upon written demand by Epsilon; provided, that Epsilon agreed not make a demand for payment prior to the earlier of (a) an event of default (as defined in the Second AR Epsilon Note) or (b) a date, which may be no earlier than December 31, 2017, that is at least 60 days subsequent to written notice that MINOSA intends to demand payment.

Upon the closing of the Minosa Purchase Agreement, along with MINOSA, and Penelope Mining LLC, an affiliate of Minosa ("Penelope"), executed and delivered a Second Amended and Restated Waiver and Consent and Amendment No. 5 to Promissory Note and Amendment No. 2 to Stock Purchase Agreement (the "Second AR Waiver"). Pursuant to the Second AR Waiver, Minosa and Penelope consented to the transactions contemplated by the Minosa Purchase Agreement and waived any breach of any representation or warranty and violation of any covenant in the Stock Purchase Agreement, dated as of March 11, 2015, as amended April 10, 2015 (the "SPA"), by and among us, Minosa, and Penelope, arising out of the Company's execution and delivery of the Minosa Purchase Agreement and the consummation of the transactions contemplated thereby. Pursuant to the Second AR Waiver, we also waived, and agreed not to exercise our right to terminate the SPA pursuant to Section 8.1(c)(ii) thereto, both (a) until after the earlier of (i) July 1, 2018, (ii) the date that MINOSA fails, refuses, or declines to fund (or otherwise does not fund) any subsequent loan under the Minosa Purchase Agreement and (iii) demand is made for repayment of all or any part of the indebtedness outstanding under the Minosa Note, the Second AR Epsilon Note, or the Promissory Note, dated as of March 11, 2015, as amended (the "SPA Note"), in the principal amount of $14.75 million that was issued by us to MINOSA under the SPA, and (b) unless on or prior to such termination, the Notes are paid in full.

The Second AR Waiver (x) further provides that following any conversion of the indebtedness evidenced by the Minosa Note, Penelope may elect to reduce its commitment to purchase our preferred stock under the SPA by the amount of indebtedness converted by MINOSA and (y) amends the SPA Note to provide that the outstanding principal balance under the SPA Note and all accrued interest and fees are due and payable upon written demand by MINOSA; provided, that Minosa agreed not make a demand for payment prior to the earlier of (a) an event of default (as defined in the Minosa Note) or (b) a date, which may be no earlier than December 31, 2017, that is at least 60 days subsequent to written notice that Minosa intends to demand payment.

The obligations under the Minosa Note may be accelerated upon the occurrence of specified events of default including (a) our failure to pay any amount payable under the Minosa Note on the date due and payable; (b) our failure to perform or observe any term, covenant, or agreement in the Minosa Note or the related documents, subject to a five-day cure period; (c) the occurrence and expiration of all applicable grace periods, if any, of an event of default or material breach by us under any of the other loan documents; (d) the termination of the SPA; (e) commencement of certain specified dissolution, liquidation, insolvency, bankruptcy, reorganization, or similar cases or actions by or against us, in specified circumstances unless dismissed or stayed within 60 days; (f) the entry of a judgment or award against us in excess of $100,000; and (g) the occurrence of a change in control (as defined in the Minosa Note).

Pursuant to second amended and restated pledge agreements (the "Second AR Pledge Agreements") entered into by us in favor of MINOSA, the we pledged and granted security interests to MINOSA in (a) the 54 million cuotas (a unit of ownership under Panamanian law) of Oceanica held by us, (b) all notes and other receivables from Oceanica and its subsidiary owed to us, and (c) all of the outstanding equity in our wholly owned subsidiary, Odyssey Marine Enterprises, Ltd.

In connection with the execution and delivery of the Minosa Purchase Agreement, Odyssey and MINOSA entered into a second amended and restated registration rights agreement (the "Second AR Registration Rights Agreement") pursuant to which Odyssey agreed to register the offer and sale of the shares (the "Conversion Shares") of our common stock issuable upon the conversion of the indebtedness evidenced by the Minosa Note. Subject to specified limitations set forth in the Second AR Registration Rights Agreement, including that we are eligible to use Form S-3, the holder of the Minosa Note can require us to register the offer and sale of the Conversion Shares if the aggregate offering price thereof (before any underwriting discounts and commissions) is not less than $3.0 million. In addition, we agreed to file a registration statement relating to the offer and sale of the Conversion Shares on a continuous basis promptly (but in no event later than 60 days after) after the conversion of the Minosa Note into the Conversion Shares and to thereafter use its reasonable best efforts to have such registration statement declared effective by the Securities and Exchange Commission.

Promissory Note

During the period ended March 31, 2018, Monaco advanced us $1.0 million that was applied to a loan agreement that was executed on April 20, 2018. Monaco also agreed to treat $99,366 of back rent owed by us to Monaco as part of this loan resulting in an aggregate principal amount of $1,099,366 at June 30, 2019. The indebtedness bears interest at 10.0% percent per year. All principal and any unpaid interest is to be payable on the first anniversary of this agreement, April 20, 2019. This debt is secured by cash proceeds, if any, from our future shipwreck projects we have contracted with Magellan. As additional consideration, their share purchase option expiration date, as discussed in Note 1 – Monaco 2014 and Note 2 – Monaco 2016 above, has been extended from 30 days to seven months after the note becomes paid in full.

Promissory Note

On July 12, 2018, we entered into a Note and Warrant Purchase Agreement (the "Purchase Agreement") with two individuals (the "Lenders"), one of whom holds in excess of 5.0% of our outstanding common stock. Pursuant to the Purchase Agreement, the Lenders agreed to lend an aggregate of $1,050,000, which is the balance at June 30, 2019, to us, which was advanced in three tranches on July 12, 2018, $500,000, August 17, 2018, $300,000 and October 4, 2018, $250,000. The indebtedness is evidenced by secured convertible promissory notes (the "Notes") and bears interest at a rate equal to 8.0% per annum. Unless otherwise converted as described below, the entire outstanding principal balance under the Notes and all accrued interest and fees are due and payable on July 12, 2019.

At any time after to the first to occur of (a) a sale by us of additional Notes or (b) September 12, 2018, the Lenders have the right to convert all amounts outstanding under the Notes into either (x) shares of our common stock at the conversion rate of $8.00 per share, (y) $500,000 of the indebtedness owed by Exploraciones Oceanicas S. de R. L. de C.V. ("ExO") to Oceanica Marine Operations, S.R.L. ("OMO"), or (z) a 7.5% interest in Aldama Mining Company, S. de R. L. de C.V. ("Aldama"). We indirectly hold a controlling interest in ExO; OMO and Aldama are indirect, wholly owned subsidiaries of ours.

In connection with the issuance and sale of the Notes, we issued warrants to purchase common stock (the "Warrants") to the Lenders. The Lenders may exercise the Warrants to purchase an aggregate of 50,000 shares of our common stock at an exercise price of $12.00 per share. The Warrants are exercisable during the period commencing on the date on which the Notes are converted into shares of our common stock and ending on July 12, 2021.

Pursuant to a Pledge Agreement, dated as of July 12, 2018 (the "Pledge Agreement"), our obligations under the Notes are secured by a pledge of a portion of Odyssey's ownership interest in Aldama and another entity.

Pursuant to a Registration Rights Agreement (the "Rights Agreement") among us and the Lenders, we granted the Lenders "piggy-back" registration rights with respect to the shares of our common stock issuable upon conversion of the Notes and the exercise of the Warrants.

The Purchase Agreement, the Notes, the Warrants, the Pledge Agreement, and the Rights Agreement include representations and warranties and other covenants, conditions, and other provisions customary for comparable transactions.

Term Extension (July 8, 2019) subsequent event

Subsequent to the end of the second quarter, on July 8, 2019, we entered into a Second Amendment to Note and Warrant Purchase Agreement and Note and Warrant Modification Agreement with certain lenders pursuant to which certain terms and provisions of the notes and warrants held by the lenders were amended or otherwise modified. The material terms and provisions that were amended or otherwise modified are: the maturity date of the notes was extended by one year; the conversion rate of the notes and the exercise price of the warrants were adjusted to $5.756 per share; the notes are no longer secured; the securities into which the notes may be converted was modified; and the exercise period of the warrants was extended. As amended, the outstanding balance of principal and interest under the notes are convertible into shares of our common stock at $5.76 per share, and the warrants are exercisable to purchase an aggregate of 196,135 shares of our common stock. Management is currently reviewing the transaction details to determine the appropriate accounting treatment for the modification.

Litigation Financing

On June 14, 2019, Odyssey and Exploraciones Oceánicas S. de R.L. de C.V., our Mexican subsidiary ("ExO" and, together with Odyssey, the "Claimholder"), and Poplar Falls LLC (the "Funder") entered into an International Claims Enforcement Agreement (the "Agreement"), pursuant to which the Funder agreed to provide financial assistance to the Claimholder to facilitate the prosecution and recovery of the claim by the Claimholder against the United Mexican States under Chapter Eleven of the North American Free Trade Agreement ("NAFTA") for violations of the Claimholder's rights under NAFTA related to the development of an undersea phosphate deposit off the coast of Baja Sur, Mexico (the "Project"), on our own behalf and on behalf of ExO and United Mexican States (the "Subject Claim"). Pursuant to the Agreement, the Funder agreed to fund specified fees and expenses regarding the Subject Claim (the "Claims Payments") incrementally and at the Funder's sole discretion. As of June 30, 2019, we have not received funding under the agreement. Management is currently reviewing the details of the transaction details to determine the appropriate accounting treatment.

Under the terms of the Agreement, the Funder agreed to make Claims Payments in an aggregate amount not to exceed $6,500,000 (the "Maximum Investment Amount"). The Maximum Investment Amount will be made available to the Claimholder in two phases, as set forth below:

(c) a first phase, in which the Funder shall make Claims Payments in an aggregate amount no greater than $1,500,000 for the payment of antecedent and ongoing costs ("Phase I Investment Amount"); and

(d) a second phase, in which the Funder shall make Claims Payments in an aggregate amount no greater than $5,000,000 for the purposes of pursuing the Subject Claim to a final award ("Phase II Investment Amount").

Upon exhaustion of the Phase I Investment Amount, the Claimholder will have the option to request Tranche A of the Phase II Investment Amount, consisting of funding up to $3.5 million ("Tranche A Committed Amount"). Upon exhaustion of the Tranche A Committed Amount, the Claimholder will have the option to request Tranche B of the Phase II Investment Amount, consisting of funding of up to $1.5 million ("Tranche B Committed Amount"). The Claimholder must exercise its option to receive the Tranche A Committed Amount in writing, no less than thirty days before submitting a Funding Request to the Funder under Tranche A. The Claimholder must exercise its option to receive the Tranche B Committed Amount in writing within forty-five days after the exhaustion of the Tranche A Committed Amount. Pursuant to the Agreement, the Claimholder agreed that, upon exercising the Claimholder's option to receive funds under Phase I, Tranche A of Phase II, or Tranche B of Phase II, the Funder will be the sole source of third-party funding for the specified fees and expenses of the Subject Claim under each respective phase and tranche covered by the option exercised, and the Claimholder will obtain funding for such fees and expenses only as set forth in the Agreement. The Funder will retain a closing fee of $80,000 for the Phase I Investment Amount, and $80,000 for the Phase II Investment Amount to pay third parties in connection with due diligence and other administrative and transaction costs incurred by the Funder prior to and in furtherance of execution of the Agreement.

Upon the Funder making Claims Payments to the Claimholder or its designees in an aggregate amount equal to the Maximum Investment Amount, the Funder has the option to continue funding the specified fees and expenses in relation to the Subject Claim on the same terms and conditions provided in the Agreement. The Funder must exercise its option to continue funding in writing, within thirty days after the Funder has made Claims Payments in an aggregate amount equal to the Maximum Investment Amount. If the Funder exercises its option to continue funding, the parties agreed to attempt in good faith to amend the Agreement to provide the Funder with the right to provide at the Funder's discretion funding in excess of the Maximum Investment Amount, in an amount up to the greatest amount that may then be reasonably expected to be committed for investment in Subject Claim. If the Funder declines to exercise its option, the Claimholder may negotiate and enter into agreements with one or more third parties to provide funding, which shall be subordinate to the Funder's rights under the Agreement.

The Agreement provides that the Claimholder may at any time without the consent of the Funder either settle or refuse to settle the Subject Claim for any amount; provided, however, that if the Claimholder settles the Subject Claim without the Funder's consent, which consent shall not be unreasonably withheld, conditioned, or delayed, the value of the Recovery Percentage (as defined below) will be deemed to be the greater of (a) the Recovery Percentage (under Phase I or Phase II, as applicable), or (b) the total amount of all Claims Payments made in connection with such Subject Claim multiplied by three (3).

If the Claimholder ceases the Subject Claim for any reason other than (a) a full and final arbitral award against the Claimholder or (b) a full and final monetary settlement of the claims, including in particular, for a grant of an environmental permit to the Claimholder allowing it to proceed with the Project (with or without a monetary component), all Claims Payments under Phase I and, if Claimholder has exercised the corresponding option, the Tranche A Committed Amount and Tranche B Committed Amount, shall immediately convert to a senior secured liability of the Claimholder. This sum shall incur an annualized internal rate of return (IRR) of 50.0% retroactive to the date each Funding Request was paid by the Funder (under Phase I), or, to the conversion date for the Tranche A Committed Amount and Tranche B Committed Amount of Phase II if the Claimholder has exercised the respective option (collectively, the "Conversion Amount"). Such Conversion Amount and any and all accrued IRR shall be payable in-full by the Claimholder within 24 months of the date of such conversion, after which time any outstanding Conversion Amounts, shall accrue an IRR of 100.0%, retroactive to the conversion date (the "Penalty Interest Amount"). The Claimholder will execute such documents and take other actions as necessary to grant the Funder a senior security interest on and over all sums due and owing by the Claimholder in order to secure its obligation to pay the Conversion Amount to the Funder.

If, at any time after exercising its option to receive funds under either Tranche A or Tranche B of Phase II, the Claimholder wishes to fund the Subject Claim with its own capital ("Self-Funding") (which excludes any Claims Payments made, either directly or indirectly, by any other third party), the Claimholder shall immediately pay to the Funder the Conversion Amount, provided that this requirement shall not apply if, after the Funder has made Claims Payments in an aggregate amount equal to the Maximum Investment Amount, the Funder does not exercise its option to provide Follow-On Funding.

In the event of any receipt of proceeds resulting from the Subject Claim ("Proceeds"), the Funder shall be entitled to any additional sums above the Conversion Amount to which the Funder is entitled as described below. Should the Claimholder cease the Subject Claim as described above after Self-Funding the Claim, accrued IRR and Penalty Interest shall be calculated and paid to the Funder as set forth above. The Funder's rights to the Recovery Percentage as defined below shall survive any decision by Claimholder to utilize Self-Funding.

On each Distribution Date, distributions of the Proceeds shall be made to the Claimholder and the Funder in accordance with subparagraph (a) or (b) below (the "Recovery Percentage"), as applicable:

(a) If the Claimholder receives only the Phase I Investment Amount from the Funder, the first Proceeds shall be distributed as follows:

  (i) first, 100.0% to the Funder, until the cumulative amount distributed to the Funder equals the total Claims Payments paid by the Funder under Phase I;

  (ii) second, 100.0% to the Funder until the cumulative amount distributed to the Funder equals an IRR of 20% of Claims Payments paid by the Funder under Phase I ("Phase I Compensation"), per annum; and

  (iii) thereafter, 100.0% to the Claimholder.

(c) If the Claimholder exercises its options to receive Tranche A or both Tranche A and Tranche B of the Phase II Investment Amount, the first Proceeds shall be distributed as follows:

  (i) first, 100.0% to the Funder until the cumulative amount distributed to the Funder equals the total Claims Payments paid by the Funder under Phases I and II;

  (ii) second, 100.0% to the Funder until the cumulative amount distributed to the Funder equals an additional 300.0% of Phase I Investment Amount; plus an additional 300% of the Tranche A Committed Amount (i.e. 300.0% of $3.5 million), less any amounts remaining of the Tranche A Committed Amount that the Funder did not pay as Claims Payments; plus an additional 300.0% of the Tranche B Committed Amount (i.e. 300.0% of $1.5 million), if the Claimholder exercises the Tranche B funding option, less any amounts remaining of the Tranche B Committed Amount that the Funder did not pay as Claims Payments;

(iii) third, for each $10,000 in specified fees and expenses paid by the Funder under Phase I and Phase II and any amounts over each $10,000 of the Tranche A Committed Amount and the Tranche B Committed Amount (if the Claimholder exercises the Tranche B funding option), 0.01% of the total Proceeds from any recoveries after repayment of (i) and (ii) above, to the Funder; and

(iv) thereafter, 100% to the Claimholder.

The Agreement provides that if no Proceeds are ever paid to or received by the Claimholder or its representatives, the Funder shall have no right of recourse or right of action against the Claimholder or its representatives, or any of their respective property, assets, or undertakings, except as otherwise specifically contemplated by the Agreement. If (a) Proceeds are paid to or received by the Claimholder or its representatives; (b) such Proceeds are promptly applied and/or distributed by the Claimholder or on behalf of the Claimholder in accordance with the terms of the Agreement; and (c) the amount received by the Funder as a result thereof is not sufficient to pay all of the Recovery Percentage and all of the amounts due to the Funder under the Agreement, then (provided that all of the Proceeds which the Funder will ever be entitled to have been paid to or received by the Funder), the Funder shall have no right of recourse or action against the Claimholder or its Representatives, or any of their property, assets, or undertakings, except as otherwise specifically contemplated by the Agreement. Pursuant to the Agreement, the Claimholder acknowledged the Funder's priority right, title, and interest in any Proceeds, including against any available collateral to secure its obligations under the Agreement, which security interest shall be first in priority as against all other security interests in the Proceeds. The Claimholder also acknowledged and agreed to execute and authorize the filing of a financing statement or similar and to take such other actions in such jurisdictions as the Funder, in its sole discretion, deems necessary and appropriate to perfect such security interest. The Agreement also includes representations and warranties, covenants, conditions, termination and indemnification provisions, and other provisions customary for comparable arrangements.

Going Concern Consideration

We have experienced several years of net losses and may continue to do so. Our ability to generate net income or positive cash flows for the following twelve months is dependent upon our success in developing and monetizing our interests in mineral exploration entities, generating income from exploration charters, collecting on amounts owed to us, and completing the MINOSA/Penelope equity financing transaction approved by our stockholders on June 9, 2015.

Our 2019 business plan requires us to generate new cash inflows to effectively allow us to perform our planned projects. We plan to generate new cash inflows through the monetization of our receivables and equity stakes in seabed mineral companies, financings, syndications or other partnership opportunities. If cash inflow is not sufficient to meet our desired projected business plan requirements, we will be required to follow a contingency business plan which is based on curtailed expenses and fewer cash requirements. On March 11, 2015, we entered into a Stock Purchase Agreement with Minera del Norte S.A. de c.v. ("MINOSA") and Penelope Mining LLC ("Penelope"), an affiliate of MINOSA, pursuant to which (a) MINOSA agreed to extend short-term, debt financing to Odyssey of up to $14.75 million, and (b) Penelope agreed to invest up to $101 million over three years in convertible preferred stock of Odyssey. The equity financing is subject to the satisfaction of certain conditions, including the approval of our stockholders which occurred on June 9, 2015, and MINOSA and Penelope are currently under no obligation to make the preferred share equity investments.

Our consolidated non-restricted cash balance at June 30, 2019 was $0.4 million which is insufficient to support operations for the following 12 months. We have a working capital deficit at June 30, 2019 of $44.0 million. Our largest loan of $14.75 million from MINOSA had a due date of December 31, 2017 which is now linked to other stipulations, see NOTE H for further detail. The majority of our remaining assets have been pledged to MINOSA, and its affiliates, and to Monaco Financial LLC, leaving us with few opportunities to raise additional funds from our balance sheet. The total consolidated book value of our assets was approximately $2.5 million at June 30, 2019 and the fair market value of these assets may differ from their net carrying book value. Even though we executed the above noted financing arrangement with Penelope, Penelope must purchase the shares for us to be able to complete the equity component of the transaction. The Penelope equity transaction is heavily dependent on the outcome of our subsidiary's application approval process for an environmental permit to commercially develop a mineralized phosphate deposit off the coast of Mexico. The factors noted above raise doubt about our ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should we be unable to continue as a going concern.

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*, which establishes a comprehensive lease standard under GAAP for virtually all industries. The standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase of the leased asset by the lessee. This classification will determine whether the lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right of use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term

of 12 months or less will be accounted for similar to existing guidance for operating leases. The standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales type leases, direct financing leases and operating leases. We had no leases at the time of adoption of this lease standard. Subsequent to quarter end, we entered into a lease which will follow the new accounting standard (see NOTE G).

In July 2017, the FASB issued Accounting Standards Update No. 2017-11, *Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815).* The amendments in Part I of this Update change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. The amendments also clarify existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share (EPS) in accordance with Topic 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS. Convertible instruments with embedded conversion options that have down round features are now subject to the specialized guidance for contingent beneficial conversion features (in Subtopic 470-20, Debt—Debt with Conversion and Other Options), including related EPS guidance (in Topic 260). The amendments in Part II of this Update recharacterize the indefinite deferral of certain provisions of Topic 480 that now are presented as pending content in the Codification, to a scope exception. Those amendments do not have an accounting effect. For public business entities, the amendments in Part I of this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. For all other entities, the amendments in Part I of this Update are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted for all entities, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. Based on management's current understanding of this new standard along with the underlying substance of our operations, management believes it will not have a material impact on our financial statements.

In March 2018, the FASB issued ASU No. 2018-05, *Income Taxes* (Topic 740), Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118. The amendments in this update add various SEC paragraphs pursuant to the issuance of SEC Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act ("Act") ("SAB 118"). The SEC issued SAB 118 to address concerns about reporting entities' ability to timely comply with the accounting requirements to recognize all of the effects of the Act in the period of enactment. SAB 118 allows a reporting entity to disclose that timely determination of some or all of the income tax effects from the Act are incomplete by the due date of the financial statements and, if possible, to provide a reasonable estimate. The use of reasonable estimates, when needed, have been disclosed in NOTE B of the consolidated financial statements.

Other recent accounting pronouncements issued by the FASB, the AICPA and the SEC did not or are not believed by management to have a material effect, if any, on the Company's financial statements.

Off-Balance Sheet Arrangements

We do not engage in off-balance sheet financing arrangements. In particular, we do not have any interest in so-called limited purpose entities, which include special purpose entities (SPEs) and structured finance entities.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates, commodity prices and equity prices. We currently do not have any debt obligations with variable interest rates.

ITEM 4. CONTROLS AND PROCEDURES

We maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. As of the end of the period covered by this report, based on an evaluation carried out under the supervision and with the participation of our management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of our disclosure controls and procedures, the CEO and CFO have concluded that our disclosure controls and procedures are effective. There have been no significant changes in our internal controls over financial reporting to date in 2019 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

The Company is not currently a party to any litigation. From time to time in the ordinary course of business, we may be subject to or may assert a variety of claims or lawsuits. We are not a party to any litigation as a defendant where a loss contingency is required to be reflected in our consolidated financial statements.

ITEM 1A. Risk Factors

For information regarding risk factors, please refer to Item 1A in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. Investors should consider such risk factors, as well as the risk factor set forth below, prior to making an investment decision with respect to the Company's securities.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

ITEM 4. Mine Safety Disclosures

Not applicable

ITEM 6. Exhibits

10.1	International Claims Enforcement Agreement dated June 14, 2019 (Filed herewith electronically)
10.2	Second Amendment to Note and Warrant Purchase Agreement and Note and Warrant Modification Agreement dated July 8, 2019 (Filed herewith electronically)
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Filed herewith electronically)
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Filed herewith electronically)
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 (Filed herewith electronically)
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 (Filed herewith electronically)
101.1	Interactive Data File

SIGNATURES

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

ODYSSEY MARINE EXPLORATION, INC.

Date: August 9, 2019

By: /s/ Jay A. Nudi
Jay A. Nudi, as Chief Financial Officer, Chief Accounting Officer, and Authorized Officer (Principal Financial Officer)

Exhibit 10.1

INTERNATIONAL CLAIMS ENFORCEMENT AGREEMENT

This International Claims Enforcement Agreement (this "**Agreement**"), effective as of June 14, 2019 (the "**Effective Date**"), is made by and between Poplar Falls LLC, a Delaware limited liability company (the "**Funder**"), and Odyssey Marine Exploration, Inc., a Nevada corporation and Exploraciones Oceánicas S. de R.L. de C.V. a Mexican company ("**Odyssey**" or the "**Claimholder**"). The Funder and the Claimholder may be referred to in this Agreement collectively as the "**Parties**" or each individually as a "**Party.**"

WHEREAS, the Funder is a company that provides funds to claimholders seeking financial assistance to pursue various litigation, arbitration, fraud, and asset recovery claims and related rights;

WHEREAS, the Claimholder will pursue the Subject Claim (defined below) directly;

WHEREAS, the Claimholder is a sophisticated and experienced Person and wishes to enter this Agreement because this Agreement is reasonable, necessary and beneficial to the Claimholder, carries substantial commercial and other value, and the Claimholder has concluded that entry into this Agreement is in its best interests; and

WHEREAS, the Funder agrees to provide financial assistance to the Claimholder to facilitate the prosecution and recovery of the Subject Claim, in exchange for a certain portion of any Proceeds (defined below) subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Defined Terms; References.

1.1 In this Agreement, unless the context otherwise requires, terms have the meanings in Schedule 1.

1.2 References to the Parties include their assignees, transferees and successors-in-title.

1.3 Headings in this Agreement are for information only and do not form part of the operative provisions of this Agreement.

1.4 References to Recitals, Clauses and Schedules are to recitals to, clauses of, and schedules to this Agreement. References to this Agreement shall, unless otherwise expressly stated, include references to the Recitals and the Schedules of this Agreement.

1.5 Except where the context otherwise requires: (i) words denoting the singular include the plural and vice versa; (ii) words denoting any gender include all genders; (iii) "include" and "including" mean "including without limitation"; and (iv) "or" is inclusive, not exclusive, so "X or Y" means "X or Y or both" and "A, B, or C" means one or more of A, B and C.

1.6 References in this Agreement to any agreement, deed or document shall be deemed to include references to such agreement, deed or document as varied, amended, modified, novated, supplemented or replaced by any other documents, deeds, instruments or agreements from time to time whether as part of an insolvency or bankruptcy proceedings or otherwise.

2. The Subject Claim. The Claimholder holds all rights, title and interest in and to the claim by the Claimholder against the United Mexican States under Chapter Eleven of the North American Free Trade Agreement ("**NAFTA**") for violations of the Claimholder's rights under NAFTA related to the development of an undersea phosphate deposit off the coast of Baja Sur, Mexico (the "**Project**"), *Odyssey Marine Exploration, Inc. on its own behalf and on behalf of Exploraciones Oceánicas S. de R.L. de C.V. and United Mexican States* (the "**Subject Claim**").

3. Right to Proceeds in the Subject Claim. Subject to the terms and conditions of this Agreement, the Claimholder desires to obtain certain funds to facilitate its pursuit of the Subject Claim, and the Funder agrees to make certain Claims Payments (defined below) to fund the pursuit of the Subject Claim in exchange for a certain portion of the Proceeds (defined below) from the Subject Claim pursuant to Section 7 of this Agreement.

4. Non-Recourse. In the event that no Proceeds are ever paid to or received by the Claimholder or its Representatives, the Funder shall have no right of recourse or right of action against the Claimholder or its Representatives, or any of their respective property, assets, or undertaking, except as provided in Sections 7.1 and 12.4(a)(i) of this Agreement. If (i) Proceeds are paid to or received by the Claimholder or its Representatives; (ii) such Proceeds are promptly applied and/or distributed by the Claimholder or on behalf of the Claimholder in accordance with the terms of this Agreement; and (iii) the amount received by the Funder as a result thereof is not sufficient to pay all of the Recovery Percentage (see Section 7.3 below), and all of the amounts due to the Funder under this Agreement, then (provided that all of the Proceeds which the Funder will ever be entitled to have been paid to or received by the Funder), the Funder shall have no right of recourse or action against the Claimholder or its Representatives, or any of their property, assets, or undertakings, except as provided in Sections 7.1 and 12.4(a)(i).

The Parties acknowledge and agree that this Agreement does not in any way constitute the purchase or sale of the Subject Claim, but rather constitutes a purchase and sale of a portion of the Proceeds (if any) arising from the Subject Claim as set forth in this Agreement.

5. Payments to the Claimholder.

5.1 Claims Payments. Subject to the provisions of this Agreement, in exchange for its interest in Proceeds resulting from the Subject Claim pursuant to Section 7 of this Agreement, the Funder agrees to pay for the purpose of funding Fees and Expenses (defined below) regarding the Subject Claim (the "**Claims Payments**") incrementally and at the Funder's sole discretion in accordance with the Costs Plan as may be approved by the Funder from time to time.

5.2 Funding Phases. The Funder shall make Claims Payments in multiple disbursements in an aggregate amount not to exceed Six Million, Five Hundred Thousand United States Dollars (US $6,500,000) (the "**Maximum Investment Amount**"). The Maximum Investment Amount will be made available to the Claimholder in two (2) phases, as set forth below:

(a) A first phase, in which the Funder shall make Claims Payments in an aggregate amount no greater than US $1,500,000 for the payment of antecedent and ongoing costs ("**Phase I Investment Amount**"), and

(b) A second phase, in which the Funder shall make Claims Payments in an aggregate amount no greater than US $5,000,000 for the purposes of pursuing the Subject Claim to a final award ("**Phase II Investment Amount**").

(c) Upon exhaustion of the Phase I Investment Amount, the Claimholder shall have the option to request Tranche A of the Phase II Investment Amount, consisting of funding up to $3.5 million ("**Tranche A Committed Amount**"). Upon exhaustion of the Tranche A Committed Amount, the Claimholder shall have the option to request Tranche B of the Phase II Investment Amount, consisting of funding of up to $1.5 million ("**Tranche B Committed Amount**").

(d) The Claimholder must exercise its option to receive the Tranche A Committed Amount in writing, no less than thirty (30) days before submitting a Funding Request to the Funder under Tranche A. The Claimholder must exercise its option to receive the Tranche B Committed Amount in writing within forty-five (45) days after the exhaustion of the Tranche A Committed Amount. The Claimholder's exercise of either option must be accompanied by a Costs Plan for the funding tranche requested.

5.3 Exclusive Funding Source. Except as set forth in Section 5.7, Section 12.4(b) and any other arrangements expressly agreed in writing from time to time between the Funder and the Claimholder, the Claimholder agrees that, upon exercising the Claimholder's option to receive funds under Phase I, Tranche A of Phase II, or Tranche B of Phase II, the Funder shall be the sole source of third-party funding for the Fees and Expenses of the Subject Claim under each respective Phase and Tranche covered by the option exercised, and the Claimholder shall obtain funding for the Fees and Expenses of the Subject Claim only as set forth in this Section 5.

5.4 Funding Request. Subject to the terms of this Agreement, if the Claimholder requires funds to pay for the Fees and Expenses related to the Subject Claim, the Claimholder Representative (defined below) shall submit a request by delivery of a written notice that includes: (i) a description of the Fees and Expenses that require immediate funding; (ii) the amount of the proposed Claims Payment; (iii) the number and location of the account to which the funds are to be disbursed; (iv) the payment date; and (v) an estimate of Fees and Expenses projected for the next three (3) months (a "**Funding Request**"). The Funding Request must be received by the Funder at least fifteen (15) Business Days prior to the requested payment date. On the payment date specified in the Funding Request, the Funder shall wire transfer to such account an amount in immediately available funds equal to the amount of the Funding Request. The Parties will endeavor to ensure that Funding Requests are consistent with the associated Costs Plan submitted to the Funder by the Claimholder for the Subject Claim in accordance with Section 11.1 below, which shall be updated from time to time as the circumstances warrant.

5.5 No Liability for Other Expenses. Except for the payment of the Fees and Expenses as duly submitted in Funding Requests in an aggregate amount not to exceed the Maximum Investment Amount if the Claimholder exercises its options for the Tranche A Committed Amount and Tranche B Committed Amount, the Funder shall have no obligation to fund any fees, expenses or other sums in relation to the Subject Claim, and all such other fees, expenses or other sums shall be the sole responsibility of the Claimholder.

5.6 No Commitment for Additional Financing. The Claimholder acknowledges and agrees that the Funder has not made any representation, undertaking, commitment or agreement to provide or assist the Claimholder in obtaining any financing, investment or other assistance, other than as set forth in this Agreement. In addition, the Claimholder acknowledges and agrees that an obligation, commitment or agreement to provide or assist the Claimholder in obtaining any financing or investment other than by way of this Agreement may only be created by a separate written agreement, signed by the Parties, setting forth the terms and conditions of such additional financing or investment and stating that the Parties intend for such writing to be a binding obligation or agreement.

5.7 Follow-On Funding. Upon the Funder making Claims Payments to the Claimholder or its designees in an aggregate amount equal to the Maximum Investment Amount, the Funder shall have the option to continue funding the Fees and Expenses in relation to the Subject Claim on the same terms and conditions provided in this Agreement. Funder must exercise its option to continue funding in writing, within thirty (30) days after the Funder has made Claims Payments in an aggregate amount equal to the Maximum Investment Amount. If the Funder exercises its option to continue funding, the Parties shall attempt in good faith to amend this Agreement to provide the Funder with the right to provide at the Funder's discretion funding in excess of the Maximum Investment Amount, in an amount up to the greatest amount that may then be reasonably expected to be committed for investment in Subject Claim. If the Funder declines to exercise its option, the Claimholder may negotiate and enter into agreements with one or more third parties ("**Additional Funders**") to provide funding, which shall be subordinate to the Funder's rights under this Agreement.

5.8 Closing Fees. The Funder will retain a closing fee of $80,000.00 for the Phase I Investment Amount, and $80,000.00 for the Phase II Investment Amount to pay third parties in connection with due diligence and other administrative and transaction costs incurred by the Funder prior to and in furtherance of execution of this Agreement, which amount shall be included in the Maximum Investment Amount for each respective Phase.

6. Management of Subject Claim; Fees and Expenses.

6.1 Funder's Passive Role. The Funder is not, and does not by virtue of entering into this Agreement become, a party to the Subject Claim nor does the Funder have any rights as to the direction, control, settlement or other conduct of the Subject Claim. The Funder does not have any rights as to the direction, control or conduct of the Nominated Lawyer, other than to receive advance written notice of the Claimholder's selection of the Nominated Lawyer as set forth in Schedule 2.

6.2 Common Purpose. The Parties acknowledge and mutually represent to each other that it is their common purpose in concluding this Agreement to enable the Claimholder to pursue the Subject Claim. The Parties further agree that this common purpose and all steps and actions required to achieve this common purpose, including any and all steps and actions required in accordance with the Claimholder's obligation to cooperate with the Funder as set forth herein, are of the essence of this Agreement.

6.3 Monetary Settlement of Subject Claim. The Parties acknowledge that their common interest is served by settling the Subject Claim for a commercially reasonable amount. The Claimholder may at any time without the consent of the Funder either settle or refuse to settle the Subject Claim for any amount; provided, however, that if the Claimholder settles the Subject Claim without the Funder's consent, which consent shall not be unreasonably withheld, conditioned, or delayed, the value of the Recovery Percentage in Section 7.4 will be deemed to be the greater of (a) the Recovery Percentage calculated based on the settlement amount (under Phase I or Phase II, as applicable), or (b) the total amount of all Claims Payments made in connection with such Subject Claim multiplied by three (3).

7. Receipt and Distribution of Proceeds.

7.1 Receipt of Proceeds; Claims Escrow Account.

(a) If, at any time, a Proceeds Recipient receives any Proceeds resulting from a Subject Claim ("**Claimholder Proceeds**"), the Claimholder shall: (i) give immediate notice by email to the Funder of such receipt of Claimholder Proceeds, and all other material details related thereto; and (ii) deposit, or cause the Proceeds Recipient to deposit, the entire amount of the Claimholder Proceeds into the Escrow Account. The Claimholder shall ensure, and cause its Representatives to ensure, that all Claimholder Proceeds received by a Proceeds Recipient are as soon as practicable, but in any event within two (2) Business Days, deposited into the Escrow Account and not into any other account.

(b) During the period of time between receipt of any Claimholder Proceeds and the deposit of the Claimholder Proceeds into the Escrow Account, the Proceeds Recipient will hold such Claimholder Proceeds in trust (or the local law equivalent where such Claimholder Proceeds are received) for the Parties.

(c) If, at any time after the Effective Date the Claimholder ceases the Subject Claim for any reason other than (i) a full and final arbitral award against the Claimholder or (ii) a full and final monetary settlement of the claims, including in particular, for a grant of an environmental permit to the Claimholder allowing it to proceed with the Project (with or without a monetary component), all Claims Payments under Phase I and, if Claimholder has exercised the corresponding option, the Tranche A Committed Amount and Tranche B Committed Amount, shall immediately convert to a senior

secured liability of the Claimholder. This sum shall incur an annualized Internal Rate of Return ("**IRR**") of fifty-percent (50%) retroactive to the date each Funding Request was paid by the Funder (under Phase I), or, to the conversion date for the Tranche A Committed Amount and Tranche B Committed Amount of Phase II if the Claimholder has exercised the respective option (collectively, the "**Conversion Amount**"). Such Conversion Amount and any and all accrued IRR shall be payable in-full by the Claimholder within twenty-four (24) months of the date of such conversion, after which time any outstanding Conversion Amounts, shall accrue an annualized IRR of One Hundred percent (100%), retroactive to the conversion date (the "**Penalty Interest Amount**"). The Claimholder will execute such documents and take other actions as necessary to grant the Funder a senior security interest on and over all sums due and owing by the Claimholder in order to secure its obligation to pay the Conversion Amount to the Funder.

(d) If, at any time after exercising its option to receive funds under either Tranche A or Tranche B of Phase II, the Claimholder wishes to fund the Subject Claim with its own capital ("**Self-Funding**") (which excludes any Claims Payments made, either directly or indirectly, by any other third party), the Claimholder shall immediately pay to the Funder the Conversion Amount provided that this Section 7.1(d) shall not apply if after the Funder has made Claims Payments in an aggregate amount equal to the Maximum Investment Amount, the Funder does not exercise its option to provide Follow-On Funding.

(e) In the event of any Receipt of Proceeds, the Funder shall be entitled to any additional sums above the Conversion Amount to which the Funder is entitled under Section 7.4 of this Agreement. Should the Claimholder cease the Subject Claim as described in Section 7.1(c) after Self-Funding the Claim, accrued IRR and Penalty Interest shall be calculated and paid to the Funder in accordance with Section 7.1(c). The Funder's rights to the Recovery Percentage (under Section 7.4) shall survive any decision by Claimholder to utilize Self-Funding.

7.2 Limited Direction of the Nominated Lawyer by the Funder. Notwithstanding any other provision of this Agreement, the Claimholder hereby specifically authorizes and permits the Funder to direct the Nominated Lawyer to instruct, on the Claimholder's behalf, any party related in any way to the Claimholder Proceeds that any such Claimholder Proceeds be paid to the Escrow Account; provided, however, that the Funder, prior to so directing the Nominated Lawyer, gives notice to the Claimholder of its intention to do so and affords the Claimholder reasonable opportunity to discuss the advisability of doing so.

7.3 Power of Attorney. The Claimholder irrevocably directs the Nominated Lawyer to take all steps necessary to ensure that any and all Claimholder Proceeds are paid or delivered into the Escrow Account. The Claimholder herein grants to the Nominated Lawyer a full and irrevocable power of attorney (or local law equivalent where any Proceeds are received) to collect and cause any and all Claimholder Proceeds to be paid into the Escrow Account. The Parties acknowledge and agree that such power of attorney (or local law equivalent where any Proceeds are received) is of the essence of this Agreement and is a condition thereof and that any material variation or termination of such power of attorney by the Claimholder will entitle the Funder to terminate this Agreement.

7.4 Distribution of Claimholder Proceeds. On each Distribution Date, the Claimholder and Funder shall jointly direct the Nominated Lawyer to make from the Escrow Account distributions of the Claimholder Proceeds in accordance with subparagraph (a) or (b) below (the "**Recovery Percentage**"), as applicable:

(a) Phase I Compensation. In exchange for the Phase I Investment Amount, the Funder shall receive from the first Proceeds:

(i) First, 100% to the Funder, until the cumulative amount distributed to the Funder equals the total Claims Payments paid by the Funder under Phase I;

(ii) Second, 100% to the Funder until the cumulative amount distributed to the Funder equals an Internal Rate of Return of 20% of Claims Payments paid by the Funder under Phase I ("Phase I Compensation"), per annum;

(iii) Thereafter, 100% to the Claimholder.

(b) Phase II Compensation. In the event the Claimholder exercises its options to receive Tranche A or both Tranche A and Tranche B of the Phase II Investment Amount, the Funder shall receive from the first Proceeds:

(i) First, 100% to the Funder until the cumulative amount distributed to the Funder equals the total Claims Payments paid by the Funder under Phases I and II;

(ii) Second, 100% to the Funder until the cumulative amount distributed to the Funder equals an additional 300% of Phase I Investment Amount; plus an additional 300% of the Tranche A Committed Amount (i.e. 300% of $3.5 million), less any amounts remaining of the Tranche A Committed Amount that the Funder did not pay as Claims Payments; plus an additional 300% of the Tranche B Committed Amount (i.e. 300% of $1.5 million), if the Claimholder exercises the Tranche B funding option, less any amounts remaining of the Tranche B Committed Amount that the Funder did not pay as Claims Payments;

(iii) Third, for each $10,000 in Fees and Expenses paid by the Funder under Phase I and Phase II and any amounts over each $10,000 of the Tranche A Committed Amount and the Tranche B Committed Amount (if the Claimholder exercises the Tranche B funding option), One One-Hundredth of One Percent (.01%) of the total Proceeds from any recoveries after repayment of (i) and (ii) above, to the Funder;

(iv) Thereafter, 100% to the Claimholder.

7.5 Reasonableness of Recovery Percentage. The Claimholder acknowledges and agrees that the Recovery Percentage and the amounts due to the Funder hereunder are commercially reasonable in nature and amount. The Claimholder's obligations and the Funder's rights under Section 7.4 shall survive the termination of this Agreement.

7.6 Payments by Wire. On the Distribution Date, the Claimholder and Funder shall cause the Nominated Lawyer to pay any sum due to the Funder or Claimholder, as applicable, by wire transfer from the Escrow Account to the bank account specified in writing by the Funder or Claimholder, as applicable.

7.7 No Withholding. All payments to be made hereunder by the Claimholder shall be made without set-off or counterclaim and free and clear of, and without deduction for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions, withholdings or restrictions or conditions of any nature whatsoever now or hereafter imposed, levied, collected, withheld or assessed against the Claimholder. If any of the foregoing Taxes or charges are imposed and required to be withheld by law from any such payment (subject to the requirement to obtain a Tax Opinion pursuant to Section 15.1), the Claimholder shall notify the Funder of the imposition of withholding Taxes or charges and, in addition to paying the full amounts due hereunder (in compliance with Section 15.3), pay such Taxes and charges to the appropriate taxing authority for the account of the Funder and, as promptly as possible thereafter, send the Funder an original receipt (or a copy thereof that has been stamped by the appropriate taxing authority to certify payment) showing payment thereof, together with such additional documentary evidence as the Funder may from time to time reasonably require. If the Claimholder fails to perform its obligations under the preceding sentence, the Claimholder shall indemnify the Funder for any such Taxes and charges that are paid by the Funder plus all incremental Taxes and charges, interest or penalties that may become payable as a consequence of such payment failure.

7.8 Currency. All payments to the Funder hereunder shall be made in United States Dollars, regardless of any law, rule, regulation or statute, whether now or hereafter in existence or in effect in any jurisdiction, which affects or purports to affect such obligations. If the Proceeds Recipient receives Proceeds in another currency, then calculation of the United States Dollars to be paid to the Funder shall be made using the spot rate of exchange quoted by a financial institution selected by the Funder and having recognized foreign exchange capabilities on the date on which the Proceeds Recipient receives Proceeds.

7.9 Late Payments. Other than as set forth in Section 7.1(c) or Section 12, payments or distributions to the Funder pursuant to this Section 7 not made when due shall bear interest at a rate of 2.5% per month, compounded daily, or the maximum rate permitted by law, whichever is lower, until received by the Funder.

8. Secured Transaction.

8.1 Security. The Claimholder hereby recognizes the Funder's priority right, title, and interest in any Proceeds, including against any available Collateral to secure its obligations under this Agreement, which security interest shall be first in priority as against all other security interests in the Proceeds. The Claimholder acknowledges and agrees to execute and authorize the filing of a financing statement or similar and to take such other actions in such jurisdictions as the Funder, in its sole discretion, deems necessary and appropriate to perfect such security interest.

8.2 Further Assurances. The Claimholder shall take all steps, and provide such assistance as the Funder may reasonably request, for the purpose of perfecting the Funder's first priority charge in the Collateral, including the entering into agreements and the making of any filings or notifications necessary or desirable in connection therewith.

8.3 Obligations Unaffected by Insolvency. All obligations of the Claimholder under this Agreement, including this Agreement and any documents provided by way of security, are intended to survive the insolvency or liquidation of the Claimholder, including any Insolvency Proceeding.

9. Representations and Warranties of the Funder. The Funder hereby represents and warrants to the Claimholder that as of the Effective Date:

9.1 the Funder has the full power and authority to enter into this Agreement, the execution, delivery and performance of this Agreement has been authorized by all requisite corporate or equivalent action, and this Agreement is the legal, valid and binding obligation of the Funder; and

9.2 the Funder's execution, delivery and performance of this Agreement does not and will not conflict with or result in a violation of the Funder's governing documents or any statute, law, order, rule or regulation of any relevant Governmental Authority applicable to the Funder.

10. Representations and Warranties of the Claimholder. The Claimholder hereby represents and warrants to the Funder that as of the Effective Date:

10.1 the Claimholder has full power and authority to enter into this Agreement, the execution, delivery and performance of this Agreement has been authorized by all requisite action on behalf of Claimholder, and this Agreement is the legal, valid and binding obligation of the Claimholder;

10.2 the Claimholder's execution, delivery and performance of this Agreement does not and will not conflict with or result in a violation of the Claimholder's governing documents, any statute, law, order, rule or regulation of any relevant Governmental Authority applicable to the Claimholder, or any agreement to which the Claimholder is a party or by which it is bound or to which any of the Claimholder's assets are subject;

10.3 no registration with, or additional consent or approval of, or any other action by any Governmental Authority or other Person is required in connection with the execution, delivery and performance of any of this Agreement by the Claimholder;

10.4 the Claimholder has received independent legal advice on the terms and effect of this Agreement;

10.5 the Claimholder is the sole legal and beneficial owner of, and has good title to, the Subject Claim free and clear of any Encumbrances;

10.6 neither the Claimholder nor, to the knowledge of the Claimholder's officers and directors, any of its Representatives has made or entered into any prior assignment, trust arrangement, security, sale, transfer or sub-participation or local law equivalent of its right, title or interest in the Subject Claim;

10.7 neither the Claimholder nor, to the knowledge of the Claimholder's officers and directors, any of its Representatives has taken any steps or executed any documents which would materially or adversely affect the Subject Claim;

10.8 neither the Claimholder nor, to the knowledge of the Claimholder's officers and directors, any of its Representatives has engaged in any acts or conduct or made any material omissions, agreements or arrangements, that would result in the Funder receiving proportionately less payments or less favorable treatment in respect of the Subject Claim than the Claimholder pursuing or enforcing such Subject Claim;

10.9 neither the Claimholder nor, to the knowledge of the Claimholder's officers and directors, any of its Representatives has set-off or agreed to set-off any amounts against the Subject Claim or the Proceeds and no rights of set-off or similar rights against the Claimholder exist which will permit any set-off of or counterclaim against the Subject Claim;

10.10 neither the Claimholder nor, to the knowledge of the Claimholder's officers and directors, any of its Representatives has received any written notice or is otherwise aware that the Subject Claim or any portion thereof are subject to any Subject Claim Impairment or are otherwise invalid or void;

10.11 the Claimholder has disclosed or caused to be disclosed to the Funder all material documentation and other information in its possession or control relevant to the Subject Claim, in its true, complete and correct form, and there is no information in the knowledge, possession or control of the Claimholder or its Legal Representatives that is or is reasonably likely to be material to the Funder's assessment of the Subject Claim that has not been disclosed to the Funder and the Claimholder believes (and does not have, and has not been informed by any of its Legal Representatives of, any belief to the contrary) that the Subject Claim is meritorious and likely to prevail;

10.12 no proceedings of or before any Governmental Authority have been commenced by or against or, to the best of the Claimholder's knowledge, are threatened against the Claimholder, which are reasonably likely to materially adversely affect the Subject Claim;

10.13 except for this Agreement, there are no agreements (whether in writing or oral) between the Claimholder and another Person to grant a contingent interest in, or to grant a right to payment determined by reference to, the Subject Claim or the Proceeds thereof in favor of any Person;

10.14 the Claimholder has the full power and authority to bring the Subject Claim and to instruct the Nominated Lawyer;

10.15 the Claimholder has not failed to disclose to the Funder any fact or facts of which it (or its Representatives) is aware that would, if the Funder had been so advised, be reasonably expected, individually or in the aggregate, to have led the Funder not to enter into this Agreement;

10.16 the Subject Claim is not barred by the statute of limitations of any applicable jurisdiction; and

10.17 The foregoing representations and warranties are continuing and the Claimholder shall promptly notify the Funder should any of them cease to be true, accurate or complete.

11. Covenants and Obligations.

11.1 Costs Plans. Within thirty (30) calendar days of the Effective Date, the Claimholder shall develop and deliver to the Funder a budget for the estimated costs for the Subject Claim, which is acceptable to the Funder in its sole discretion (each, a "**Costs Plan**"), it being understood that (i) any Costs Plan may be amended from time to time with the prior written consent of the Funder, and (ii) any Claims Payments made hereunder will be conditioned on such Claims Payments being in compliance with the Costs Plan. The Claimholder shall keep the funder informed as to any changes in the costs budgeted in the Costs Plan and the Funder must approve any expenditure that deviates materially from the Costs Plan. The Parties will jointly review Costs Plans on a quarterly basis.

11.2 Claimholder Representative. The Claimholder hereby designates one of its employees or agents as set forth on Schedule 3 attached hereto to serve as its primary contact with respect to this Agreement and to act as its authorized representative with respect to matters pertaining to this Agreement (the "**Claimholder Representative**"), with such designation to remain in force unless and until a successor is appointed, in the Claimholder's reasonable discretion, and the Claimholder notifies the Funder of such change in writing in accordance with Section 23.5. The Claimholder Representative shall be responsible for all notices and reporting obligations under this Agreement.

11.3 Duty to Cooperate. The Claimholder shall pursue the Subject Claim zealously and in a commercially reasonable manner. The Claimholder shall irrevocably instruct the Nominated Lawyer to keep the Funder fully and continually informed of all material developments (including the matters set out below) and to provide the Funder with copies of all Documents material to the Subject Claim. The Claimholder and the Funder agree that the Nominated Lawyer may not disclose information or documents that the Nominated Lawyer reasonably believes could or would jeopardize any privilege, including the attorney-client privilege, of the Claimholder. Additionally, the Claimholder shall, as requested by the Nominated Lawyer:

(a) cooperate with the Nominated Lawyer and his or her designees and the Funder in all material matters pertaining to the Subject Claim and devote sufficient time and attention as is reasonably necessary to conclude the Subject Claim;

(b) provide to the Nominated Lawyer and his or her designees all material Documentation and Confidential Information and comply with this Agreement; consult with the Nominated Lawyer and his or her designees as they reasonably require for purposes of pursuing the Subject Claim and appear at any proceeding or hearings (including hearings located abroad) reasonably required in connection with the Subject Claim;

(c) cause all Persons related to the Subject Claim, including the Claimholder's Legal Representatives, to (i) submit to examination by the Nominated Lawyer and his or her designees for the preparation of statements, to subscribe to the same under oath if required, (ii) consult with the Nominated Lawyer and his or her designees as they reasonably require for purposes of pursuing the Subject Claim, and (iii) appear at any hearings (including hearings located abroad) reasonably required in connection with such statements or the Subject Claim generally;

(d) lend its name to all required actions and steps in relation to the Subject Claim, and shall execute all papers and render assistance to the Nominated Lawyer and his or her designees so as to secure to the Funder the benefits, rights and causes of action provided for herein. The Claimholder shall: (i) do nothing that is reasonably likely to prejudice such benefits, rights or causes of action, and (ii) engage in no conduct or commercial arrangements that are reasonably likely to have a material adverse impact in any way on the Subject Claim or the value of the Proceeds; and

(e) authorize and instruct the Nominated Lawyer and his or her designees to respond fully and promptly to any reasonable request by the Funder or its Representatives for information regarding the Subject Claim.

The Parties acknowledge and agree that the Claimholder's obligation to cooperate as set out in this Section 11.3 is of the essence of this Agreement and is a condition thereof and a continuing obligation and that any uncured material breach thereof that has a material adverse impact on the value of the Subject Claim or the Proceeds shall entitle the Funder to terminate this Agreement pursuant to Section 12.2.

11.4 Additional Covenants.

(a) Except for a Limited Encumbrance, the Claimholder may not dispose of, transfer, assign or cause or permit the imposition of any Encumbrance on any of its right, title or interest in or relating to the Subject Claim, the Proceeds, or its beneficial interest in the foregoing in whole or in part, including the right to control litigation of the Subject Claims. Before executing a Limited Encumbrance, the Funder shall be provided (i) notice of the Claimholder's intent to pursue the Limited Encumbrance; and (ii) the option to provide the Claimholder with financing to be obtained through the Limited Encumbrance on the same or similar terms, which option must be exercised within forty-five (45) days of its receipt. Limited Encumbrances shall not be used for purposes of Self-Funding.

(b) The Claimholder shall meet the Reporting Requirement at all times until this Agreement expires or is otherwise terminated and shall keep the Funder fully and promptly apprised of any material developments in relation to Subject Claim. The Claimholder shall respond fully and promptly to any request by the Funder for non-privileged information regarding Subject Claim.

(c) The Claimholder agrees and undertakes that neither it nor any of its Representatives (i) will institute any action, suit, or arbitration separate from the Subject Claim arising from the same facts, circumstances or law giving rise to the Subject Claim without the Funder's knowledge and consent; (ii) will take any step reasonably likely to have a materially adverse impact on the Subject Claim or the Funder's share of any Proceeds; or (iii) will take any step that would give any Person or entity an interest in the Subject Claim or potential Proceeds except as otherwise permitted by this Agreement.

(d) The Claimholder covenants to cooperate in the prosecution of the Subject Claim. Specifically, the Claimholder will promptly and fully assist its Legal Representatives as reasonably necessary to conduct and conclude the Subject Claim.

(e) The Claimholder shall not negotiate for or accept any other third party investment, financing or funding of any type (including debt, equity or otherwise), from whatever source, and whether or not in cash, in connection with the Subject Claim without the prior written consent of the Funder, except after following the procedures of Section 5.7 and Section 11.4(a), as applicable.

(f) The Claimholder shall immediately disclose to the Funder any material information related to any actual or potential conflicts of interests arising out of the Claimholder's interests in Subject Claim and any material information known to the Claimholder related to any actual or potential conflicts of interests arising out of any interests in Subject Claim.

(g) The Claimholder shall use reasonable care to manage all Fees and Expenses and review all invoices relating thereto to ensure that they are reasonable.

(h) The Claimholder shall ensure that no Proceeds will be released except in accordance with this Agreement.

11.5 Cooperation on Insurance Matters. The Parties shall cooperate with each other to obtain adverse costs, political risk or similar insurance, if deemed necessary and desirable in the reasonable discretion of the Funder.

12. Term and Termination.

12.1 Term. This Agreement expires on the (i) date upon which all amounts owing by the Claimholder to the Funder pursuant to this Agreement have been satisfied and paid in full to the Funder, or (ii) the date upon which either Party terminates the Agreement;

12.2 Termination by the Funder. The Funder may terminate this Agreement by providing ten (10) calendar days written notice to the Claimholder after the occurrence of any of the following events. The notice shall reasonably describe the alleged breach which is the basis of such termination and clearly state the Funder's intent to terminate this Agreement if the alleged breach is not cured within ten (10) calendar days of the Claimholder's receipt of the notice.

(a) Any representation or warranty given by the Claimholder was untrue in any material respect as of the Effective Date of this Agreement;

(b) Any breach by the Claimholder of a material provision of this Agreement that has a material adverse effect on the value of the Subject Claim or the Proceeds;

(c) An event, circumstance or condition has occurred or been discovered after the Effective Date of the Agreement which would reasonably be expected to render it unlikely that the Claimholder Proceeds will be sufficient to pay the amounts corresponding to Sections 7.4(a) and Section 7.4(b) of this Agreement, as applicable, including the occurrence of any event or development with respect to the Subject Claim that has resulted or could reasonably be expected to result in the dismissal, discontinuation or denial of any material portion of the Subject Claim; or

(d) Claimholder becomes insolvent or is subject to Insolvency Proceedings.

12.3 Termination by the Claimholder. The Claimholder may terminate this Agreement by providing ten (10) calendar days written notice to the Funder after the occurrence of any of the following events. The notice shall reasonably describe the alleged breach which is the basis of such termination and clearly state the Claimholder's intent to terminate this Agreement if the alleged breach is not cured within ten (10) calendar days of the Funder's receipt of the notice.

(a) The Funder declines a Funding Request that has been duly submitted in accordance with the Agreement;

(b) Any breach by the Funder of a material provision of this Agreement that has a material adverse effect on the value of the Subject Claim or the Proceeds; or

(c) An Insolvency Proceeding has been commenced by or against the Funder.

12.4 Effect of Termination.

(a) Upon termination of this Agreement by the Funder pursuant to Section 12.2:

(i) if such termination is due to a breach of the duty to cooperate under Section 11.3 or Section 14.4, then within ten (10) days of such termination notice, the Claimholder (or its successor, as provided in Section 23.1) shall pay the Funder an amount (such amount, the "**Damage Amount**") equal to the greater of: (i) the Conversion Amount (see Section 7.1(c) above); or (ii) the

aggregate amount of all Claims Payments multiplied by three (3). The Funder's right to payment of the Damage Amount exists regardless of whether any Claims Proceeds have been received. If the Claimholder fails to pay the Damage Amount, the unpaid portion of the Damage Amount shall bear interest at a rate of fifteen percent (15%) per annum, accruing daily and compounded annually on December 31st of each calendar year, until paid; and

(ii) if such termination is due to any other reason, the Claimholder shall pay the Funder from the Proceeds of any Subject Claim to this Agreement an amount equal to one hundred percent (100%) of the Claims Payments made as of the date of such termination plus ten percent (10%) interest, accruing daily and compounded annually on December 31st of each calendar year, until paid; and the payment obligations of the Claimholder under Section 7 shall not apply.

(b) In the event the Claimholder terminates this Agreement pursuant to Section 12.3, the Claimholder shall pay the Funder from the Proceeds of any Subject Claim an amount equal to the total amount of all Claims Payments made through the date of termination plus an annualized IRR of 15%, on all Claims Payments made through the date of termination (the "**Claimholder Termination Amount**"). The Claimholder may also negotiate and enter into agreements with one or more third parties ("**Additional Funders**") to provide funding to pursue and enforce the Subject Claim.

(c) Following termination of this Agreement, the Funder shall be entitled, in order to protect its own interest in relation to this Agreement, to keep copies of the Documentation, including Confidential Information provided to it by the Nominated Lawyer.

(d) Termination of this Agreement shall be without prejudice to the right of the Funder to any Proceeds or other payments under this Agreement (including pursuant to Section 7) or to claim damages in relation to this Agreement, except as otherwise specifically provided for in this Agreement.

13. Mutual Covenants Regarding Confidential Information.

13.1 Exclusive Ownership of Information by Disclosing Party. The Recipient agrees and acknowledges that all Confidential Information provided to it is and shall remain at all times the exclusive property of and owned by the Disclosing Party or its Representatives, as the case may be, and that the Recipient's use or awareness of such Confidential Information shall create no rights, at law or in equity, in the Recipient in or to such information, or any aspect or embodiment thereof. Neither the execution of this Agreement, nor the furnishing of any Confidential Information hereunder, shall be construed as granting, whether expressly or by implication, estoppel or otherwise, any license to distribute or title to any patent, trademark, copyright, service mark, business and trade secret or other proprietary right to such Confidential Information, or to use such Confidential Information for any purpose other than as specified in this Agreement or to constitute a waiver of any attorney-client privilege or work product protection.

13.2 Non-Disclosure of Confidential Information and Common Interest Material. The Recipient shall not for any reason, during the term of this Agreement and for a period of five (5) years following expiration or termination of this Agreement, disclose, use, reveal, report, publish, transfer or make available, directly or indirectly, to any Person other than its Representatives who are authorized pursuant to this Agreement, any Confidential Information or Common Interest Material provided to it except in connection with the performance of its obligations under this Agreement.

13.3 Confidentiality Procedures. The Recipient shall ensure that the Confidential Information it receives is not divulged or disclosed to any Person except its Representatives who have a "need to know" such information. The Recipient shall ensure its Representatives' compliance with the provisions of this Agreement and shall be solely responsible for any failure by it or its Representatives to so comply.

13.4 Judicial and Official Disclosure Requests. If the Recipient is requested in any judicial or administrative proceeding or by any Governmental Authority to disclose any Confidential Information, then the Recipient shall (so far as practicable and lawful) promptly provide the Disclosing Party with written notice of such request prior to disclosing such Confidential Information, so that the Disclosing Party may seek an appropriate protective order. The Recipient shall cooperate with the Disclosing Party in seeking such a protective order. If, in the absence of a protective order, the Recipient determines it is obliged to disclose such Confidential Information, the Recipient may, without liability hereunder, furnish only that portion of such Confidential Information that the Recipient has determined it is obliged to furnish and shall exercise reasonable efforts to obtain assurance from the applicable court, administrative agency, Governmental Authority or other Person to whom disclosure is being made that confidential treatment will be accorded such Confidential Information to the maximum extent contemplated by this Agreement.

13.5 Non-Circumvention. The Recipient agrees that it shall not directly or indirectly interfere with, circumvent, or attempt to circumvent, avoid, by-pass or obviate the interest of the Disclosing Party in the businesses or relationships referred to in the disclosures contemplated hereby that constitute Confidential Information of the Disclosing Party. Recipient shall be responsible for any losses incurred as a result of a breach of this Section 13.5.

14. Information and Privilege.

14.1 The Claimholder shall instruct the Nominated Lawyer (and shall direct any future attorneys representing it) to, among other things, provide to the Funder copies of any and all material Documentation together with all material Confidential Information, that the Nominated Lawyer may receive at any time while engaged by the Claimholder, as applicable, from the Claimholder, or from any other third party in relation to the Subject Claim. The Claimholder shall instruct the Nominated Lawyer (and shall direct any future attorneys representing it) in connection with Subject Claim and shall instruct the Claimholder Representative in connection with Subject Claim to, among other things:

(a) notify the Funder of any material verdict, award, settlement, discontinuance or ending with respect to the Subject Claim;

(b) respond to reasonable requests for material information from the Funder; and

(c) call the Funder prior to any delivery or payment to the Funder to verify the amount due to the Funder under this Agreement.

14.2 The Parties agree that they have a "common legal interest" in the Subject Claim, this Agreement, and any discussion, evaluation and negotiation and other communications and exchanges of information relating thereto.

14.3 Notwithstanding any other provision of this Agreement to the contrary, the Parties agree that any Common Interest Material shall at all times remain subject to all applicable privileges and protections from disclosure, including the attorney-client privilege or any similar privilege in any jurisdiction including, for the avoidance of doubt, legal professional privilege or litigation privilege, common interest privilege, work-product immunity doctrine, and any applicable rules of professional secrecy in any jurisdiction, it being the express intent of the Parties and their Representatives to preserve intact to the fullest extent applicable, and not to waive, by virtue of this Agreement, any action contemplated under this Agreement, or otherwise, in whole or in part, any and all privileges and immunities to which Common Interest Material, or any part of it, are, may be subject or may become subject in the future. It is the good faith belief of the Disclosing Party that common interest privilege attaches to the Common Interest Material. No disclosure of the Common Interest Material would occur without the protection of that privilege.

14.4 The Parties further acknowledge and agree that the Claimholder's undertakings set out in this Section 14 are continuing and are part of its duty to cooperate with the Funder and are of the essence of the Agreement and a condition thereof and that any material breach of such undertakings shall entitle the Funder to terminate this Agreement in accordance with Section 12.2.

14.5 Notwithstanding any other provision of this Agreement to the contrary, the Parties agree that the Claimholder shall have no obligations to make, and the Nominated Lawyer and Claimholder Representative may not make, any disclosure or deliveries under or in respect of this Section 14 or otherwise unless such disclosure or delivery, as applicable, is made in furtherance of the common interest and does not adversely affect in any way the confidentiality of such privileged information.

14.6 The Funder may operate under and contract with an affiliated law firm for work in pursuit of recoveries of the Subject Claim, and all information regarding such Subject Claim shared between such law firm, the Funder, the Claimholder, the Nominated Lawyer and their respective Representatives, shall constitute work product. The affiliated law firm's Fees and Expenses shall not exceed $150,000 per annum. Sections 7.4 (a) and 7.4 (b) shall not apply in calculating repayment of these Fees and Expenses.

15. Tax Matters.

15.1 No Withholding. Pursuant to Section 7.7, the Claimholder shall make all payments under or in connection with this Agreement without any deduction or withholding for or on account of any Tax except to the extent required by applicable law, as reflected in a legal opinion or memorandum of an internationally recognized tax counsel or accounting firm obtained by Claimholder and reasonably acceptable to the Funder, such opinion being addressed to the Funder or otherwise expressly permitting the Funder to rely on such opinion ("**Tax Opinion**"). If any such deduction or withholding is required by law to be made, the Claimholder shall comply with Section 7.7 and Section 15.3, and shall promptly deliver or cause to be delivered the related Tax Opinion to the Funder.

15.2 Tax Efficient Structure. Each Party shall attempt, in good faith, to structure the receipt of Proceeds in the most tax-efficient manner practicable so that there are no unnecessary deductions or withholdings (a "**Tax Efficient Structure**"), and will consider, in good faith, reasonable Tax Efficient Structures for payment of the Proceeds and other payments due to the Funder recommended by tax counsel or advisors to the Claimholder in that regard, and will consider, in good faith, commercially reasonable methods (including a trust) to effect the foregoing. The Claimholder and the Funder hereby agree that their respective tax counsel or advisors shall consult with each other in order to implement a Tax Efficient Structure.

15.3 Tax Indemnification. Except with respect to any Tax assessed on the Funder under the laws of the jurisdiction in which it is incorporated and any Tax which has already been the subject of a gross up pursuant to this Agreement, if the Funder is or will be subject to any liability or required to make any payment, or receives a lesser amount as a result of any withholdings or deductions for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under this Agreement, the Claimholder shall, within fifteen (15) days of demand by the Funder, pay to the Funder an amount equal to the loss, liability, reduction in amounts paid to Funder or cost which the Funder determines will be or has been (directly or indirectly) suffered for or on account of Tax by the Funder in respect of any payment made (or deemed made) by the Claimholder under or in connection with this Agreement (the "**Additional Amount**"), which amount will be sufficient to ensure that the total amount received by the Funder, after deducting for Taxes (including Taxes on the Additional Amount), will be the same as if no such Taxes had been imposed.

16. Relationship of the Parties.

16.1 Independent Actors. The Funder and the Claimholder are independent actors. This Agreement does not create any joint venture, partnership or any other type of affiliation, nor does it create a joint interest in the Subject Claim, for any purpose, including for U.S. federal, state and local income tax purposes.

16.2 No Practice of Law. The Funder, its Affiliates and their investment advisers are engaged in an investment business that has as its principal focus assets that are connected to fraud, asset recovery, litigation, arbitration or mediation. The Funder and its Affiliates and their investment advisers are not law firms and are not engaged in the practice of law with respect to the Subject Claim or otherwise. The Claimholder agrees that it shall not rely on the

Funder, its Affiliates or their investment advisers for legal or other professional advice. Notwithstanding the foregoing, the Funder may engage affiliated law firms (including Halcyon Law Group PLLC) to provide the Funder with legal advice from time to time relating to the Subject Claim.

16.3 No Other Relationship. The Parties agree that nothing in this Agreement shall give rise to or be construed to create a fiduciary, lawyer-client, agency or other non-contractual relationship between the Parties.

17. Indemnification.

17.1 Indemnification of the Funder by the Claimholder. The Claimholder agrees to indemnify, defend and hold the Funder and its Representatives ("**Funder Indemnitees**") free and harmless from and against any and all actions, losses, costs, charges, damages, claims, sanctions, penalties and expenses (including attorneys' fees and costs of experts and advisors) (collectively, "**Losses**") which any Funder Indemnitee has sustained or may sustain at any time for reason of: (a) the breach of, inaccuracy of, or failure to comply with, or the existence of any facts resulting in the inaccuracy of, any of the warranties, representations, or covenants of the Claimholder contained in this Agreement or in any exhibits or documents, delivered by the Claimholder pursuant to or in connection with this Agreement or the Subject Claim; (b) any costs, sanctions, awards or penalties assessed or awarded against the Funder Indemnitees in connection with this Agreement or the Subject Claim; or (c) any claim by any agent or broker for compensation on account of the transactions contemplated by this Agreement, unless otherwise agreed in writing by the Parties; or (c) any legal proceedings connected with the Subject Claim brought against the Funder.

17.2 Indemnification of the Claimholder by the Funder. The Funder agrees to indemnify, defend and hold the Claimholder and its Representatives ("**Claimholder Indemnitees**") free and harmless from and against any and all Losses which any Claimholder Indemnitee has sustained or may sustain at any time for reason of: (a) the breach of, inaccuracy of, or failure to comply with, or the existence of any facts resulting in the inaccuracy of, any of the warranties, representations, or covenants of the Funder contained in this Agreement or in any exhibits or documents, delivered by the Funder pursuant to or in connection with this Agreement or the Subject Claim; or (b) any claim by any agent or broker for compensation on account of the transactions contemplated by this Agreement, unless otherwise agreed in writing by the Parties.

17.3 Indemnification Procedures. Any Party that seeks, or receives notice of a third party claim that seeks, indemnification ("**Indemnified Party**") hereunder shall promptly notify the Party from which the Indemnified Party will seek indemnification ("**Indemnifying Party**") of such claim in writing. The Indemnifying Party shall have the right to assume the defense of such action at its cost with counsel reasonably satisfactory to the Indemnified Party but shall not have the right to settle or compromise any claim or action for anything other than monetary payments without prior written consent of the Indemnified Party. The Indemnified Party shall have the right to participate in such defense with its own counsel at its cost.

17.4 Additional Obligations of Claimholder; Related Indemnity. Except as provided in Section 5.7, Section 11.4(a) and Section 12.4(b), the Claimholder shall not enter into any engagement agreement providing for or otherwise granting a contingent interest in the Subject Claim or the Proceeds thereof with any Person. The Claimholder agrees to indemnify the Funder to the extent necessary to ensure that the amount actually received by the Funder in respect of payments due from the Claimholder equals the amount which the Funder would have received if all of the Persons with a contingent interest in the Subject Claim or Proceeds other than the Funder had not held such contingent interest.

18. Limitation of Liability.

18.1 Subject to Section 18.2, the liability of the Funder under this Agreement is limited to payment of the Fees and Expenses pursuant to a Funding Request in accordance with the provisions of this Agreement not to exceed the Maximum Investment Amount. The Funder shall have no obligation to pay any sums awarded against, or penalties incurred by, the Claimholder, including any costs, orders, awards, interest, damages, expenses or penalties against the Claimholder in relation to any Subject Claim or defending any enforcement or other proceedings against the Claimholder.

18.2 There shall be no other liability of the Funder under this Agreement or related to it, or related to its activities in connection with this Agreement, except for gross negligence or fraud, in each case that has a material adverse effect on the Subject Claim or the Claimholder. This limitation of liability is absolute and excludes liability, by way of illustration and not limitation, for negligence, and for any damages that may constitute compensatory damages, lost profit, punitive, special or indirect damages or otherwise. This limitation of liability extends to the Funder and its Affiliates and Representatives and their successors and assigns.

18.3 Any claim by the Claimholder against the Funder in breach of the limitation of liability provided by this Section 18 constitutes a breach of contract entitling the Funder to recovery of damages and its costs and expenses incurred in relation thereto.

19. Certain International Provisions.

19.1 Government Authorizations. The Claimholder represents and warrants to the Funder that it has obtained all consents, licenses, authorizations and approvals of, or exemptions from, any Governmental Authority that are necessary or advisable for (a) the execution, delivery and performance by the Claimholder of the terms of this Agreement, and (b) the enforceability of this Agreement. The Claimholder represents and warrants to the Funder that it is not necessary for the Funder to be authorized by any Governmental Authority to make the Claims Payments or to enforce the Funder's rights under this Agreement.

19.2 Recordation; Registration. The Claimholder represents and warrants to the Funder that to ensure the legality, validity, enforceability, priority or admissibility in evidence of this Agreement, it is not necessary that this Agreement be registered, recorded, enrolled or filed with any Governmental Authority, or be notarized or consularized, or that any documentary stamp or similar Tax, imposition or charge of any kind be paid on or in respect of the Agreement.

19.3 Foreign Exchange. The Claimholder represents and warrants to the Funder that it has taken all steps necessary to insure the availability of foreign exchange in amounts and at the times necessary to enable it to meet its obligations under this Agreement.

19.4 English Language. This Agreement is to be executed and delivered by the Parties thereto in the English language. In the event that it is necessary for this Agreement to be translated into any language other than English for purposes of complying with any requirements of any Governmental Authority, the English language version of this Agreement shall prevail in any dispute as to the terms and conditions of this Agreement among the Parties. The Claimholder hereby waives any defense to the nonperformance of this Agreement based on the expression of this Agreement in the English language.

19.5 Commercial Transaction. This Agreement and the transactions contemplated represent commercial activities. The Claimholder agrees to be subject to and be bound by any judicial or arbitral proceedings in respect of any matter arising out of or relating to this Agreement. The Claimholder further agrees not to assert immunity from execution of judgment or from the enforcement therein of any judgment on the grounds of sovereignty or otherwise in respect of any matter arising out of or relating to this Agreement.

20. Governing Law and Dispute Resolution.

20.1 Governing Law. This Agreement, and all disputes and other matters arising under or in respect of this Agreement (whether in contract, tort or otherwise), shall be governed by the laws of the State of New York, without giving effect to its conflict of law rules to the extent they would require application of the law of another jurisdiction.

20.2 Arbitration. THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION. Any dispute, controversy or claim arising out of or in connection with this Agreement, including any question regarding its formation, existence, validity, interpretation, performance, breach or termination shall (to the exclusion of any other forum) be referred to and finally resolved by arbitration administered by the American Arbitration Association ("**AAA**") in accordance with its Commercial Arbitration Rules (the "**Rules**"), which Rules are deemed to be incorporated by reference into this Section 20.2. Any attempt by the Claimholder to seek relief or remedies in any forum other than the forum required above shall constitute a breach of this Agreement and entitle the Funder to damages, equitable relief and full indemnification against all costs and expenses incurred in connection therewith. The Claimholder expressly agrees that its agreement to arbitrate, and any resulting award, falls under the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and the Federal Arbitration Act, and agrees that this Agreement has a reasonable relation to a foreign state, envisages performance outside the United States and relates to property outside the United States.

20.3 Procedure for Arbitration.

(a) The arbitral tribunal ("**Tribunal**") shall consist of three arbitrators. Each Party shall nominate one arbitrator and the two arbitrators nominated by the Parties shall, within

thirty (30) days of the nomination of the second Party-nominated arbitrator, agree upon and nominate a third arbitrator who shall act as Chair of the Tribunal. If no agreement is reached within thirty (30) days or at all, the AAA Court shall select and appoint a third arbitrator to act as Chair of the Tribunal.

(b) The seat, or legal place, of arbitration shall be Miami, Florida and all proceedings shall occur there.

(c) The language to be used in the arbitral proceedings shall be English.

(d) In connection with any arbitration proceeding, each Party shall produce the documents that it intends to rely upon in the proceeding. No other document production is permitted.

(e) Each Party may take up to two depositions. No deposition shall exceed five hours (excluding breaks) and each deposition shall be completed within one day.

(f) In connection with any arbitration, each Party shall provide to the other, no later than seven (7) Business Days before the date of the arbitral hearing on the merits, the identity of all Persons that may testify at the arbitration along with a brief two-to-three sentence summary of the subject matter of such testimony, and a copy of all documents that may be introduced at the arbitration or considered or used by such Party's witness or expert marked by exhibit number and sponsoring witness.

(g) For any expert witness, the proponent must furnish their CV, a list of prior testimony and publications for the preceding four (4) years, and a summary and basis of any opinions. This disclosure must be made at least twenty (20) Business Days in advance of any arbitral hearing on the merits.

(h) The Tribunal's decision and award shall be made and delivered within four (4) months from the date that the third arbitrator is appointed and shall set forth a reasoned basis for any award of damages or finding of liability. The decision and award shall not require findings of fact and conclusions of law. The Tribunal shall not have power to award damages that are specifically excluded under this Agreement, and each Party hereby irrevocably waives any claim to such damages.

(i) The Tribunal shall have the discretion to require one Party to such arbitration to bear all or a portion of the expenses (including reasonable attorneys' fees) of the other Party to the arbitration, but any such fee shifting must be based on a finding that the Party's position on the merits or conduct of the arbitration was unreasonable or in bad faith.

20.4 Confidentiality. The Parties agree that any proceedings under this Section 20 as well as any documents and filings produced or exchanged in connection with those proceedings, shall remain confidential, except as may be necessary to prepare for or conduct such proceedings or to enforce or vacate a resulting award unless otherwise required by applicable law. The Parties shall not disclose either the contents of any proceedings hereunder, or the result thereof, without the express written consent of all Parties, except as required by applicable law, or to the extent necessary in connection with any financial audit.

20.5 Injunctive Relief. Notwithstanding anything in this Agreement to the contrary, each Party shall be entitled to seek interim injunctive relief or interim equitable relief whenever the circumstances permit such Party to seek such relief in a court of competent jurisdiction.

20.6 Exclusive Remedy. Arbitration as set forth above shall be the exclusive remedy of the Parties for resolving disputes under this Agreement. Any attempt by either Party to seek relief or remedies in a forum other than the forum required above shall constitute a breach of this Agreement and entitle the other Party to damages, equitable relief and full indemnification against all costs and expenses incurred in connection therewith.

20.7 Waiver of Defenses. The Claimholder, being a sophisticated entity with access to counsel, irrevocably waives and forever and unconditionally releases, discharges and quitclaims any claims, counterclaims, defenses, causes of action, remedies or rights that it has or may have in the future arising from any doctrine, rule or principle of law or equity that this Agreement or the relationships and transactions contemplated by this Agreement (a) are against the public policy of any relevant jurisdiction; (b) are unconscionable or contravene any laws relating to consumer protection; (c) are usurious or call for payment of interest at a usurious rate; or (d) constitute champerty, maintenance, barratry or any impermissible transfer or assignment of property or choses in action. The Parties specifically agree that any issues concerning the scope or validity of the foregoing waiver shall be within the exclusive jurisdiction of the Tribunal.

21. Waiver of Trial by Jury. Each of the Parties hereby waive trial by jury in any action or proceeding to which they may be parties, arising out of or in any way pertaining to this Agreement (other than with respect to the Subject Claim). It is agreed and understood that this waiver constitutes a waiver of trial by jury of all claims against all parties to such actions or proceedings, including claims against parties who are not parties to this Agreement. This waiver is knowingly, willingly and voluntarily made by each of the Parties, and each of the Parties hereby represent that no representations of fact or opinion have been made by any individual to induce this waiver of trial by jury or to in any way modify or nullify its effect. The Parties further represent that they have had the opportunity to be represented in the signing of this Agreement and in the making of this waiver by independent legal counsel, selected of their own free will, and that they have had the opportunity to discuss this waiver with counsel.

22. Legality. The Claimholder, hereby declares and agrees that this Agreement, including the arrangement between the Parties and Nominated Lawyer contemplated thereby, does not violate (and irrevocably agrees not to assert any claim it may have to enforce or any defense based on) any civil or criminal law of the United States of America or the United States of Mexico, including any prohibition on champerty, maintenance, or barratry that may exist. The Claimholder further agrees to take all appropriate measures to oppose any assertion by any third party that this Agreement, including the arrangement between the Parties and Nominated Lawyers contemplated thereby, is unlawful as a violation of any prohibition on champerty, maintenance, or barratry or otherwise.

23. Miscellaneous Provisions.

23.1 Entire Agreement; Binding Effect; Assignment. This Agreement, together with each Statement of Subject Claim executed by the Parties, shall constitute the entire agreement between the Parties, and shall supersede all prior agreements, understandings and negotiations

between the Parties with respect to the subject matter thereof. To the extent that the Parties entered into any earlier confidentiality or other agreements, those agreements are hereby terminated and this Agreement shall solely govern the Parties' relationship. This Agreement shall inure to the benefit of, and shall be binding upon, the Parties hereto and their respective successors, assigns, and legal representatives. Except as otherwise provided herein, neither this Agreement nor any rights, interests, obligations or duties arising hereunder, may be assigned or otherwise conveyed by Claimholder without the express consent in writing of the Funder. The Funder may assign its rights and obligations under this Agreement without the consent of the Claimholder and may also appoint a servicing entity to administer this Agreement.

23.2 Amendments; Waivers. Any amendment or modification of any provision of this Agreement must be in writing and bear the signature of a duly authorized representative of each Party. No term or provision of this Agreement may be waived except in a written instrument that bears the signature of a duly authorized representative of each Party. No delay on the part of either Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, and no single or partial exercise of any right, power or remedy by any Party hereunder shall preclude any further exercise thereof.

23.3 Survival. The provisions of this Agreement relating to representations and warranties, confidentiality, indemnity, tax, limitation of liability, and dispute resolution shall survive termination or expiration of this Agreement, as shall a general obligation to pay any Proceeds pursuant to the terms of this Agreement.

23.4 Severability. If any term, provision, covenant or condition of this Agreement, or the application thereof to any Person, place or circumstance, shall be held to be invalid, unenforceable or void, the remainder of this Agreement and such term, provision, covenant or condition as applied to other Persons, places and circumstances shall remain in full force and effect.

23.5 Notices. All notices, reports, legal service and other communications (a "**Notice**") required or permitted under this Agreement shall be in writing. Notices shall be delivered by hand, internationally recognized overnight air courier service, fax or email to the Parties at their addresses and numbers indicated on Schedule 3 to this Agreement or at such other addresses or numbers as may be specified hereafter in writing by a Party to the other Party in accordance with this Section 23.5. Any Notice shall be deemed to have been delivered and received (a) on the date delivered, if delivered personally by hand or sent by internationally recognized overnight air courier or (b) on the date sent if sent by fax or email. Any Notice that is sent by fax or email must be confirmed by sending, within one (1) Business Day of transmission of the electronic communication, a hard paper copy thereof to the recipient by hand delivery or by internationally recognized overnight air courier; provided, however, that the effective date of such notice shall be as specified in clause (b) above, and if the recipient actually receives the fax or email, then the Notice shall be deemed to have been given and delivered as of the date sent even if the recipient never receives a hard copy as called for in this Section 23.5.

23.6 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement binding on all Parties. Copies of executed counterparts may be exchanged by facsimile, email or other electronic transmission, and such an exchange shall constitute effective delivery by the Parties of their respective executed counterparts.

23.7 Force Majeure. Any delay or failure of either Party to perform its obligations under this Agreement will be excused to the extent that the delay or failure was caused directly by an event beyond such Party's control, without such Party's fault or negligence and that by its nature could not have been foreseen by such Party or, if it could have been foreseen, was unavoidable (which events may include natural disasters, embargoes, explosions, riots, wars or acts of terrorism) (each, a "**Force Majeure Event**"). A Party's financial inability to perform, changes in cost or availability of services, market conditions or contract disputes will not excuse performance by Funder under this Section 23.7. Each Party shall give the other Party prompt written notice of any event or circumstance that is reasonably likely to result in a Force Majeure Event, and the anticipated duration of such Force Majeure Event. The Parties shall use all diligent efforts to end the Force Majeure Event, ensure that the effects of any Force Majeure Event are minimized and resume full performance under this Agreement.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO

INTERNATIONAL CLAIMS ENFORCEMENT AGREEMENT

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

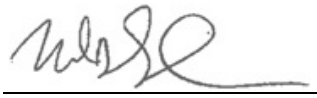
FUNDER:

POPLAR FALLS LLC

By: _____
Name: James C. Little
Title: Authorized Person

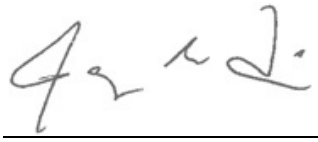
CLAIMHOLDER:

ODYSSEY MARINE EXPLORATION, INC.



By: _____
Name: Mark D. Gordon
Title: CEO

EXPLORACIONES OCEÁNICAS S. DE R.L. DE C.V.



By: _____
Name: Jay Nudi
Title: Treasurer

INTERNATIONAL CLAIMS ENFORCEMENT AGREEMENT

SCHEDULE 1

DEFINITIONS

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person. For purposes of this definition, in the context of a commercial entity, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to vote a majority of the securities having voting power for the election of directors or managers (or other Persons acting in similar capacities) of such Person or otherwise to direct or cause the direction of the management and policies of such Person through the ownership of voting securities, by contract or otherwise.

"**Bankruptcy Law**" means the federal Bankruptcy Code, Title 11 of the United States Code, as amended from time to time.

"**Business Day**" means any day other than (i) a Saturday or Sunday, or (ii) a day on which banks are required or authorized by law to close in New York, New York, USA.

"**Collateral**" means the Subject Claim and any Proceeds therefrom.

"**Common Interest Material**" means any Confidential Information that is the work product of qualified legal advisers or attorney work product, protected by the attorney-client privilege or any similar privilege in any jurisdiction including, for the avoidance of doubt, legal professional privilege or litigation privilege, or that is protected by any rules of professional secrecy in any jurisdiction, including: (i) information prepared by a party to a Subject Claim or their Representatives; and (ii) information prepared by the Funder, its Representatives or their respective investment advisers in connection with a Subject Claim or this Agreement, including legal and factual memoranda, case analyses and evaluations.

"**Confidential Information**" means any non-public, confidential or proprietary information relating to: (i) the Funder and its Representatives, including the existence or terms of this Agreement and the discussions and negotiations related thereto and information provided by them about their business and operations or the structures and economic arrangements they use in their business (except the tax treatment and tax structure); (ii) the Subject Claim, including the names of the parties and potential other parties to such claims, the factual, legal, technical, economic and financial background of such claims, and the procedural status, theories, strategies and tactics for the prosecution or defense of such claims; (iii) billing arrangements, rates, financial or fee arrangements; (iv) any financial statements, accounts or other similar information or materials; (v) business or financial information, business plans and relationships, marketing or product data; (vi) algorithms, computer data bases, computer programs, computer software and systems, intellectual property, trade secrets and trademarks; (vii) research, scientific data, specifications, technical data, techniques and technology; and (viii) other proprietary or non-public information, data or material; in all cases regardless of whether such information is (A) written or oral, irrespective of the form or storage medium, and (B) specifically identified as "Confidential." Confidential Information does not include information that (i) was or becomes generally available to the public other than as a result of a disclosure by the Recipient; (ii) was available to the Recipient on a non-confidential basis prior to its disclosure; or (iii) was developed independent of the information derived from the Confidential Information.

"**Disclosing Party**" means the Party to this Agreement disclosing or providing Confidential Information.

"**Distribution Date**" means, with respect to any Proceeds, the date that is five (5) Business Days following any date on which a Proceeds Recipient deposits such Proceeds into the Escrow Account.

"**Documentation**" means any and all material information relating to the Subject Claim, including any and all Confidential Information and Common Interest Material, in the possession or control of the Claimholder, as applicable in whatever form, and includes any document including copies, records, electronic files (including without limitation any correspondence) or any other way of representing or recording information which contains or is derived or copied from such, but excludes information given orally unless committed to writing.

"**Encumbrance**" means any (i) mortgage, pledge, lien, charge, hypothecation, adverse claim, right of set-off or counterclaim, security interest or other encumbrance, security agreement or trust securing any obligation of any Person or arrangement of any kind; (ii) purchase or option agreement or arrangement; (iii) subordination agreement or arrangement; and (iv) agreements to create or effect any of the foregoing or which have a similar or analogous nature or effect.

"**Escrow Account**" means an escrow account (whether a bank account, securities account or other similar account) selected by the Claimholder with the approval of the Funder, established by and in the sole control of the Nominated Lawyer (other than control for the purposes of perfection under the laws of the United Kingdom) and used solely to hold in trust the Proceeds in accordance with this Agreement.

"**Fees and Expenses**" means

(a) all reasonable and documented costs incurred by the Claimholder in pursuit, prosecution or enforcement of the Subject Claim, including the fees and expenses associated with this Agreement, the reasonable and documented fees and expenses of Legal Representatives, the Nominated Lawyer and experts and advisors retained by the Claimholder, Legal Representatives or the Nominated Lawyer in connection with the Subject Claim, and any contingency fee or other similar agreement between the Claimholder and such counsel, experts or advisors;

(b) all reasonable and documented internal personnel costs for dedicated litigation support, and out of pocket expenses incurred by the Claimholder in pursuit, prosecution or enforcement of the Subject Claim; and

(c) all other expenses required to be paid by the Claimholder in pursuit, prosecution or enforcement of the Subject Claim and other amounts in respect of other appropriate uses, each as approved in advance by the Funder in its sole discretion, including without limitation, incentive compensation plans and similar arrangements that Claimholder deems necessary to institute in connection with the pursuit, prosecution or enforcement of the Subject Claim.

The Parties acknowledge that Fees and Expenses may include professional fees and costs incurred by Affiliates of the Funder, including fees for legal services provided to the Funder by Halcyon Law Group, PLLC, an Affiliate of Funder. At the election of the Claimholder, Fees and Expenses may include judicial bonds, adverse costs orders or awards issued by a court of competent jurisdiction against the Claimholder regarding a Subject Claim; provided, however, that such adverse costs orders or awards shall bear interest at a rate of 10% per annum, compounded annually, until received by the Funder as part of the return of Fees and Expenses pursuant to Section 7.4.

"**Governmental Authority**" means any national, federal, state, provincial, county, municipal, regional or local government, foreign or domestic, or any other political subdivision thereof, and any entity, agency, department, bureau, commission, court, tribunal, arbitrator(s) or similar instrumentality or quasi-governmental body exercising executive, legislative, judicial, regulatory or administration functions of or pertaining to any government or other political subdivision thereof.

"**Insolvency Proceeding**" means, with respect to the Funder, (a) if any proceeding is commenced against the Funder as "debtor" for any relief under the U.S. Bankruptcy Code or any insolvency laws, or laws relating to the relief of debtors, reorganizations, arrangements, compositions or extensions and is not dismissed within 60 days after such proceedings have been commenced, or (b) if the Funder commences any proceeding for relief under the U.S. Bankruptcy Code or any insolvency laws or laws relating to the relief of debtors, reorganizations, arrangements, compositions or extensions.

"**Limited Encumbrance**" means one or more encumbrances on the Subject Claim or Proceeds that, in the aggregate, (a) does not exceed 49% of the value of the Subject Claim; (b) does not cause a change of control of the Claimholder or the management team responsible for decision-making with regard to the Subject Claim; and (c) is reflected in writing, signed by the Person to which such Encumbrance is granted, reflecting agreement that such Person's right to enforce such Encumbrance is subordinated to the Funder's rights under this Agreement.

"**Legal Representative**" means, with respect to the Claimholder regarding a Subject Claim, any Person that is legally authorized to represent the Claimholder in connection with such Subject Claim and act on behalf of the Claimholder in connection with all proceedings related to such Subject Claim, including without limitation, any Person acting as attorney, legal counsel, collection agent, legal consultant or any other similar agent of the Claimholder regarding such Subject Claim.

"**Nominated Lawyers**" means the lead special litigation counsel or counsels specified in Schedule 2 selected and engaged by the Claimholder with advance written notice to the Funder; provided, however, that no Nominated Lawyer shall be an Affiliate of Funder.

"**Person**" means any natural person, corporation, partnership, limited liability company, joint stock company, joint venture, association, company, estate, trust or other organization whether or not a legal entity, custodian, trustee-executor, administrator, nominee or entity in a representative capacity and any government or agency or political subdivision thereof.

"Proceeds" means, with respect to the Subject Claim: (i) any and all gross, pre-tax monetary awards, damages, recoveries, judgments or other property or value recovered by or on behalf of (or reduced to a debt owed to) the Claimholder on account or as a result or by virtue of (directly or indirectly) the Subject Claim, including any recoveries that may result from Claimholder criminal proceedings, whether by negotiation, arbitration, mediation, diplomatic efforts, lawsuit, settlement, criminal penalties, or otherwise, and includes all of the Claimholder's legal or equitable rights, title and interest in or to any of the foregoing, whether in the nature of ownership, lien, security interest or otherwise; plus (ii) any recovered interest, penalties, attorneys' fees and costs in connection with any of the foregoing; plus (iii) any consequential, actual, punitive, exemplary or treble damages awarded or recovered on account thereof; plus (iv) any interest awarded or later accruing on any of the foregoing; plus (v) any recoveries against attorneys, accountants, experts, officers or other related parties in connection with any of the foregoing. For the avoidance of doubt, Proceeds includes cash, real estate, negotiable instruments, intellectual or intangible property, choses in action, contract rights, membership rights, subrogation rights, annuities, claims, refunds, and any other rights to payment of cash or transfer(s) of things of value or other property (including property substituted therefor), whether delivered or to be delivered in a lump sum or in installments, in relation to any claim or negotiation with any Person in relation to the Subject Claim, and shall include any award of rescissionary, punitive, consequential, treble or exemplary damages or penalties assessed against any adverse party from time to time. Proceeds also includes any value conveyed to any Person in connection with the Subject Claim or the resolution or termination thereof, to the extent the Claimholder is entitled to a share thereof. Proceeds also include In-Kind Proceeds.

"**Proceeds Recipient**" means, with respect to any Proceeds, the Claimholder, any Representative (including any Legal Representative) of the Claimholder, and any other Person that receives such Proceeds on behalf of the Claimholder.

"**Recipient**" means the Party to this Agreement receiving Confidential Information.

"**Reporting Requirement**" means (x) a quarterly report (**"Quarterly Report"**) provided promptly after at the end of each calendar quarter by the Claimholder to the Funder as to (i) the status of the Subject Claim and any meaningful developments during the quarter, including copies of any court filings or similar documents and, (ii) the Claimholder's billings and accrued expenses attributable to such calendar quarter in respect of the Subject Claim, or (y) a quarterly conference call between the Claimholder and the Funder (or a Representative of the Funder) covering topics that are substantially similar to the topics covered by a Quarterly Report but with respect to the calendar month preceding the month in which the conference call takes place.

"**Representatives**" means, with respect to any Person (other than an individual) such Person's directors, officers, managers, members, partners, principals, employees, shareholders, Affiliates, related entities, agents, reinsurers, lawyers, accountants, consultants, advisors and independent contractors. Where applicable, the term Representatives includes Legal Representatives.

"**Subject Claims**" means:

(i) any and all related pre- and post-arbitral proceedings or processes in or in connection with the Stated Claim, including the pursuit of costs or post-judgment remedies;

(ii) all appellate or annulment proceedings and proceedings on remand, as well as enforcement, ancillary, parallel or alternative dispute resolution proceedings and processes arising out of or related to the acts or occurrences alleged in the Stated Claim (including without limitation arbitration, conciliation or mediation);

(iii) re-filings or parallel filings of the Stated Claim and any other legal, diplomatic or administrative proceedings or processes founded on the underlying facts giving rise to or forming a basis for the Stated Claim and involving one or more adverse parties, in which any defendant or any defendant's successor(s) in interest or assigns or affiliates is a party;

(iv) ancillary or enforcement proceedings related to the facts or claims alleged from time to time or that could have been alleged in the Stated Claim at any time; and

(v) all arrangements, settlements, negotiations, or compromises made between the Claimholder, as applicable, and any adverse party having the effect of resolving any of the Claimholder's claims against any adverse party that are or could be or could have been brought in the Stated Claim.

"**Subject Claim Impairment**" means: (i) any right or interest of any Person or authority whatsoever in respect of the Subject Claim or the Proceeds or any part thereof, the effect of which is or would be to reduce, impair or otherwise materially or prejudicially affect the Subject Claim or the Proceeds or any part thereof; (ii) any claim or action of any Person or authority whatsoever in respect of the Subject Claim or the Proceeds or any part thereof, the effect of which, if determined adversely, is or would be to reduce, impair or otherwise materially and prejudicially affect the Subject Claim or the Proceeds or any part thereof; or (iii) any right of set-off, counterclaim, cross claim or impairment of any person in respect of the Subject Claim or the Proceeds.

"**Tax**" means any tax, duty, contribution, impost, withholding, levy or other charge or withholding of a similar nature (including use, sales and value added taxes), whether domestic or foreign, and any fine, penalty, surcharge or interest in connection therewith.

INTERNATIONAL CLAIMS ENFORCEMENT AGREEMENT
SCHEDULE 2

NOMINATED LAWYER

Cooley LLP
Dashwood
69 Old Broad Street
London, UK EC2M 1QS
Attention: Christophe Bondy
Email: cbondy@cooley.com

Cooley LLP
55 Hudson Yards
New York, NY 10001-2157
Attention: Rachel Thorn
Email: rthorn@cooley.com

INTERNATIONAL CLAIMS ENFORCEMENT AGREEMENT

SCHEDULE 3

NOTICE

If to the Claimholder or Claimholder Representative:

Odyssey Marine Exploration, Inc.
5215 W Laurel Street
Tampa, Florida, USA
Attention: Mark D. Gordon
Email: mark@odysseymarine.com

Attention: John D. Longley, Jr.
Email: jlongley@odysseymarine.com

With a copy to (which shall not constitute notice):

Cooley LLP
55 Hudson Yards
New York, New York 10001-2157
Attention: Rachel Thorn
Email: rthorn@cooley.com

Attention: Christophe Bondy
Email: cbondy@cooley.com

If to the Funder:

Poplar Falls LLC
c/o The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801, USA
Attention: James Little
Email: jim@drumcliffepartners.com

With a copy to (which shall not constitute notice):

Halcyon Law Group PLLC
12020 Sunrise Valley Drive, Suite 100
Reston, Virginia 20191, USA
Attention: Christopher Camponovo
Email: Chris.Camponovo@halcyonlawgroup.com

With a copy to (which shall not constitute notice):

Venable LLP
750 E. Pratt Street, Suite 900
Baltimore, Maryland 21202, USA
Attention: Christopher M. Vaughn, Esq.
Email: cmvaughn@venable.com

Exhibit 10.2

SECOND AMENDMENT
TO
NOTE AND WARRANT PURCHASE AGREEMENT
AND
NOTE AND WARRANT MODIFICATION AGREEMENT

THIS SECOND AMENDMENT TO NOTE AND WARRANT PURCHASE AGREEMENT AND NOTE AND WARRANT MODIFICATION AGREEMENT (this "**Amendment**") is made and entered into effective as of July 8, 2019, by and among **ODYSSEY MARINE EXPLORATION, INC.**, a Nevada corporation ("**Odyssey**"), and the Lenders (as defined below). All capitalized terms used but not otherwise defined in this Amendment shall have the respective meanings given to such terms in the Existing Agreement (as defined below).

Recitals:

A. Odyssey, Ken Fried ("**Fried**"), and Steven Moses ("**Moses**" and, together with Fried, the "**Lenders**") are parties to a Note and Warrant Purchase Agreement, dated as of July 12, 2018, as amended by the First Amendment to Note and Warrant Purchase Agreement, dated as of October 4, 2018 (the "**Existing Agreement**").

B. Pursuant to the Purchase Agreement, Odyssey issued to the Lenders (i) Secured Convertible Promissory Notes in the aggregate principal amount of $1,050,000 (the "**Outstanding Notes**") and (ii) Warrant to Purchase Common Stock exercisable to purchase an aggregate of 65,625 Conversion Shares (the "**Outstanding Warrants**").

C. Odyssey and the Lenders desire to enter into this Amendment to (i) amend or otherwise modify certain terms of Existing Agreement and (ii) amend, restate, and consolidate the Outstanding Notes and the Outstanding Warrants into single instruments to be issued to each of the Lenders, in each case as set forth in this Amendment.

D. This Amendment is intended to constitute an amendment to the Existing Agreement pursuant to Section 9(f) thereof, the Outstanding Notes pursuant to Section 6 thereof, and the Outstanding Warrants pursuant to Section 12 thereof.

E. For the avoidance of doubt, the amendments to the Outstanding Notes and the Outstanding Warrants contemplated by this Amendment are intended to be treated for all purposes as amendments and restatements of the Outstanding Notes and the Outstanding Warrants and not as novations.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

A1. Amendment of Existing Agreement. The Existing Agreement is hereby amended as follows:

(a) The text of paragraphs (a), (b), (g), (h), (i), (m), and (o) of Section 1 of the Existing Agreement is hereby amended by deleting such text and inserting "[Intentionally omitted.]" in lieu thereof.

(b) Section 1(e) of the Existing Agreement is hereby amended by deleting the term "$8.00" and inserting "$5.756" in lieu thereof.

(c) Section 1(k) of the Existing Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(k) 'Maturity Date' means July 12, 2020."

(d) Odyssey and the Lenders agree that, notwithstanding any provision of Section 2 of the Existing Agreement to the contrary, the principal and interest of the Consolidated Notes (as defined below) shall *only* be convertible into Conversion Shares, and shall *not*, in any circumstances, be exchangeable for all or any portion of the ExO Note Indebtedness or the Aldama Interest. In furtherance of the foregoing, Section 2 of the Existing Agreement is hereby amended to extent necessary or appropriate to delete all references to the ExO Note Indebtedness and the Aldama Interest. For the avoidance of doubt, Odyssey and the Lenders acknowledge that the Consolidated Notes shall be convertible into Conversion Shares upon issuance until the Maturity Date in accordance with the terms of the Conversion Notes and the Existing Agreement (as amended or otherwise modified by this Amendment).

(e) Section 2(b)(ii) of the Existing Agreement is hereby amended by deleting it in its entirety.

(f) Section 8 of the Existing Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"Section 8. [Intentionally omitted.]"

A2. Termination of Pledge Agreement. The Pledge Agreement is hereby terminated, and none of the parties thereto shall have any further duties or obligations to any other party thereunder.

A3. Consolidated Notes and Consolidated Warrants. Simultaneously with the execution and delivery of this Amendment, Odyssey and the Lenders are executing and delivering the following:

(a) with respect to Odyssey and Fried:

(i) an Amended and Restated Consolidated Convertible Promissory Note in substantially the form of Exhibit A attached hereto (a "**Consolidated Note**") in the principal amount of $805,109 and initially convertible into 139,873 Conversion Shares; and

(ii) an Amended and Restated Consolidated Warrant to Purchase Common Stock in substantially the form of Exhibit B attached hereto (a "**Consolidated Warrant**") to purchase up to 139,873 Conversion Shares; and

(b) with respect to Odyssey and Moses:

(i) a Consolidated Note in the principal amount of $323,842 and initially convertible into 56,262 Conversion Shares; and

(ii) a Consolidated Warrant to purchase up to 56,262 Conversion Shares.

Upon execution and delivery of the Consolidated Notes and the Consolidated Warrants as set forth in this Section A3, the Existing Notes and the Existing Warrants shall be deemed superseded in their entirety.

A4. Representations and Warranties of Odyssey. In connection with the transactions provided for herein, Odyssey hereby represents and warrants to the Lenders that:

(a) ***Organization and Good Standing and Qualification.*** Odyssey is a corporation duly organized, validly existing, and in good standing under the laws of the State of Nevada and has all requisite corporate power and authority to carry on its business as now conducted.

(b) ***Authorization.*** Odyssey has taken all corporate action necessary for the authorization, execution, and delivery of this Amendment, the Consolidated Notes and the Consolidated Warrants. Except as may be limited by applicable bankruptcy, insolvency, reorganization, or similar laws relating to or affecting the enforcement of creditors' rights, Odyssey has taken all corporate action required to make all of the obligations of Odyssey reflected in the provisions of this Amendment, the Consolidated Notes and the Consolidated Warrants, the valid and enforceable obligations of Odyssey.

A5. Representations and Warranties of the Lenders. In connection with the transactions provided for herein, each Lender hereby represents and warrants to Odyssey that:

(a) ***Authorization.*** This Amendment constitutes such Lender's valid and legally binding obligation, enforceable in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, or similar laws relating to or affecting the enforcement of creditors' rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies. Each Lender represents that it has full power and authority to enter into this Amendment.

(b) ***Purchase Entirely for Own Account.*** Each Lender acknowledges that this Amendment is made with such Lender in reliance upon such Lender's representation to Odyssey that the Consolidated Notes, the Consolidated Warrants, and shares of Common Stock issuable upon conversion of the Consolidated Notes and the exercise of the Consolidated Warrants (collectively, the "**Securities**") will be acquired for investment for such Lender's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that such Lender has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Amendment, each Lender further represents that such Lender does not have any contract, undertaking, Amendment or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to the Securities.

(c) ***Disclosure of Information.*** Each Lender acknowledges that it has received all the information it considers necessary or appropriate for deciding whether to acquire the Securities. Each Lender further represents that it has had an opportunity to ask questions and receive answers from Odyssey regarding the terms and conditions of the offering of the Securities.

(d) ***Investment Experience.*** Each Lender is able to fend for itself, can bear the economic risk of its investment and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Securities.

(e) ***Accredited Investor.*** Each Lender is an "accredited investor" within the meaning of Rule 501 of Regulation D of the Securities and Exchange Commission (the "**SEC**"), as presently in effect.

(f) ***Restricted Securities.*** Each Lender understands that the Securities are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from Odyssey in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances. Each Lender represents that it is familiar with SEC Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Act.

(g) ***Further Limitations on Disposition.*** Without in any way limiting the representations and warranties set forth above, each Lender further agrees not to make any disposition of all or any portion of the Securities unless and until the transferee has agreed in writing for the benefit of Odyssey to be bound by this Section A5 and:

(i) there is then in effect a registration statement under the Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii) (A) such Lender has notified Odyssey of the proposed disposition and has furnished Odyssey with a detailed statement of the circumstances surrounding the proposed disposition and (ii) if reasonably requested by Odyssey, such Lender shall have furnished Odyssey with an opinion of counsel, reasonably satisfactory to Odyssey, that such disposition will not require registration of such shares under the Act.

(h) ***Legends.*** It is understood that the Securities may bear the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT."

A6. Miscellaneous.

(a) *Full Force and Effect.* Except as expressly modified by this Amendment, all of the terms, covenants, agreements, conditions and other provisions of the Existing Agreement shall remain in full force and effect in accordance with their respective terms. This Amendment shall not constitute an amendment or waiver of any provision of the Existing Agreement except as expressly set forth herein. Upon the execution and delivery hereof, the Existing Agreement shall thereupon be deemed to be amended and modified as hereinabove set forth as fully and with the same effect as if the amendments and modifications made hereby were originally set forth in the Existing Agreements, and this Amendment the Existing Agreement shall henceforth be read, taken and construed as one and the same instrument, but such amendments and modifications shall not operate so as to render invalid or improper any action heretofore taken under the Existing Agreement.

(b) *Governing Law.* This Amendment, and all claims arising out of or relating to it, shall be governed by and construed in accordance with the laws of the State of Florida, excluding that body of law relating to conflict of laws.

(c) *Counterparts.* This Amendment may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date first written above.

ODYSSEY MARINE EXPLORATION, INC.

By: /s/ Mark D. Gordon
Mark D. Gordon
Chief Executive Officer

KEN FRIED

/s/ Ken Fried
Ken Fried

EXHIBIT 31.1

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

I, Mark D. Gordon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Odyssey Marine Exploration, Inc.;

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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this 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; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2019

/s/ Mark D. Gordon
Mark D. Gordon
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jay A. Nudi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Odyssey Marine Exploration, Inc.;

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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this 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; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2019

/s/ Jay A. Nudi
Jay A. Nudi
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
ODYSSEY MARINE EXPLORATION, INC.
PURSUANT TO 18 U.S.C. SECTION 1350

I hereby certify that, to the best of my knowledge, the quarterly report on Form 10-Q of Odyssey Marine Exploration, Inc. for the period ending June 30, 2019:

(1) 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 aspects, the financial condition and results of operations of Odyssey Marine Exploration, Inc.

/s/ Mark D. Gordon
Mark D. Gordon
Chief Executive Officer
August 9, 2019

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Odyssey Marine Exploration, Inc. and will be retained by Odyssey Marine Exploration, Inc. and furnished to the Securities and Exchange Commission upon request.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
ODYSSEY MARINE EXPLORATION, INC.
PURSUANT TO 18 U.S.C. SECTION 1350

I hereby certify that, to the best of my knowledge, the quarterly report on Form 10-Q of Odyssey Marine Exploration, Inc. for the period ending June 30, 2019:

(1) 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 aspects, the financial condition and results of operations of Odyssey Marine Exploration, Inc.

/s/ Jay A. Nudi
Jay A. Nudi
Chief Financial Officer
August 9, 2019

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Odyssey Marine Exploration, Inc. and will be retained by Odyssey Marine Exploration, Inc. and furnished to the Securities and Exchange Commission upon request.