

**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: March 31, 2017

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



**ENDURANCE EXPLORATION GROUP, INC.**

(Name of Small Business Issuer in its Charter)

Nevada                                      333-141817                                      03-0611187  
(State or jurisdiction of incorporation)   (Commission File No.)   (I.R.S. Employer Identification No.)

**15500 Roosevelt Blvd Suite 301, Clearwater, FL 33760**

(Address number principal executive offices)

**(727)-289-0010**

(Issuer's telephone number)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

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

As of May 2, 2017, the registrant had 43,024,369 shares of common stock outstanding.

## **PART I – FINANCIAL INFORMATION**

### **ITEM 1. FINANCIAL STATEMENTS**

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**ENDURANCE EXPLORATION GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

	<b>March 31, 2017</b>	<b>December 31, 2016</b>
	(Unaudited)	(Audited)
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 4,073	\$ 2,523
Total Current Assets	4,073	2,523
Fixed Assets		
Equipment, furniture and fixtures	679,415	679,415
Accumulated depreciation	(483,906)	(458,285)
Total Fixed Assets – net	195,509	221,130
Other assets	350,000	350,000
<b>TOTAL ASSETS</b>	<b>\$ 549,582</b>	<b>\$ 573,653</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 148,242	\$ 149,013
Loans and notes payable to related parties	77,000	-
Total Current Liabilities	225,242	149,013
<b>TOTAL LIABILITIES</b>	<b>225,242</b>	<b>149,013</b>
Stockholders' Equity		
Preferred stock, 10,000,000 authorized, \$0.001 par value, 0 and 0 issued and outstanding	-	-
Common stock: 100,000,000 authorized; \$0.01 par value 43,024,369 and 43,024,369 shares issued and outstanding	430,244	430,244
Additional paid in capital	6,970,876	6,970,876
Accumulated deficit	(7,076,780)	(6,976,480)
Total Stockholders' Equity	324,340	424,640
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 549,582</b>	<b>\$ 573,653</b>

The accompanying notes are an integral part of these financial statements

**ENDURANCE EXPLORATION GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>For the Three Months Ended March 31,</b>	
	<b>2017 (unaudited)</b>	<b>2016 (unaudited)</b>
Revenues	\$ -	\$ -
Operating Expenses		
Operations and research	14,846	13,757
Marketing and promotion	12,388	4,176
General administration	47,445	35,876
Depreciation	25,621	25,621
Total operating expenses	100,300	79,430
Net loss from operations	(100,300)	(79,430)
Other income (expense)		
Interest expense	-	(375)
Total other income (expense)	-	(375)
Net Loss	\$ (100,300)	\$ (79,805)
Basic and diluted loss per share	\$ (0.002)	\$ (.002)
Weighted average number of shares outstanding	43,024,369	43,024,369

The accompanying notes are an integral part of these financial statements

**ENDURANCE EXPLORATION GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**(Unaudited)**

	Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated (Deficit)	Total
	Shares	Amount	Shares	Amount			
Balances, December 31, 2015	-	-	43,024,369	\$ 430,244	\$ 6,520,724	\$ (6,597,840)	\$ 353,128
Contributed capital from related party debt forgiveness					406,598		406,598
Issuance of options for services					43,554		43,554
Net loss for the year ended December 31, 2016						(378,640)	(378,640)
Balances, December 31, 2016	-	-	43,024,369	\$ 430,244	\$ 6,970,876	\$ (6,976,480)	\$ 424,640
Net loss for the three months ended March 31, 2017						(100,300)	(100,300)
Balances, March 31, 2017	-	-	43,024,369	\$ 430,244	\$ 6,970,876	\$ (7,076,780)	\$ 324,340

The accompanying notes are an integral part of these financial statements

**ENDURANCE EXPLORATION GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2017</b>	<b>2016</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (100,300)	\$ (79,805)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation expense	25,621	25,621
Changes in operating assets and liabilities:		
Prepaid expenses	-	(5,000)
Accounts payable and accrued expenses	(771)	(15,169)
Net Cash Used by Operating Activities	<u>(75,450)</u>	<u>(74,353)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of equipment	-	-
Net Cash Used by Investing Activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Advances from related parties - net	77,000	77,500
Net Cash Provided by Financing Activities	<u>77,000</u>	<u>77,500</u>
Net increase (decrease) in cash and cash equivalents	1,550	3,147
Cash and cash equivalents, beginning of period	2,523	825
Cash and cash equivalents, end of period	<u>\$ 4,073</u>	<u>\$ 3,972</u>
Cash paid for Interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for taxes	<u>\$ -</u>	<u>\$ -</u>

Supplemental schedule of non-cash financing and investing activities:

May 2016 – issued 250,000 options to purchase common shares, valued at \$43,554

The accompanying notes are an integral part of these financial statements

**ENDURANCE EXPLORATION GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2017**  
**(Unaudited)**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements follows.

Description of Business

Endurance Exploration Group, Inc. (formerly Tecton Corporation) (the “Company”) was incorporated under the laws of the State of Nevada on January 19, 2006, as a wholly-owned subsidiary of Hemis Corporation. On December 1, 2006 Hemis declared a dividend of Tecton shares to all shareholders as of that date and concurrently cancelled its share ownership in the Company. The effect of this dividend declaration and share cancellation was that Tecton was spun off as an independent company.

On November 8, 2013, the Board of Directors approved a change of the Company’s fiscal year from January 31, to December 31.

On December 31, 2013, the Company acquired 100% of the membership interests of Endurance Exploration Group, LLC (“Endurance LLC”), a Florida limited liability company, in exchange for 20,550,539 shares of the Company’s Common Stock being issued to the former members. Endurance LLC is now a wholly owned subsidiary with its operations being the Company’s primary focus.

Endurance Exploration Group LLC – is engaged in the archaeologically sensitive exploration and recovery of deep-ocean shipwrecks throughout the world. We intend to recover bullion precious metals, numismatic-grade coinage, high-value non-ferrous metals and other valuable cargos from both historic and modern shipwrecks.

On January 6, 2017, the Company formed EXPL SWORDFISH LLC, a Florida limited liability company, as a wholly owned subsidiary, for the purpose of pursuing a number of shipwreck and suspected shipwreck targets located in international waters off the Southeast coast of the United States, pursuant to a joint-venture agreement described in Note B.

On January 2, 2014, the Company changed its name to Endurance Exploration Group, Inc.

Our corporate headquarters are located in Clearwater, Florida.

Principles of consolidation and basis of presentation

These consolidated financial statements include the assets and liabilities of the Endurance Exploration Group, Inc. (formerly Tecton Corporation) and its subsidiaries as of March 31, 2017. The acquisition of the membership interests of Endurance LLC and its wholly owned Panamanian subsidiary formed to hold the registry of a research vessel occurred as of the close of its business on December 31, 2013. The formation of EXPL SWORDFISH LLC, occurred on January 6, 2017.

The unaudited interim consolidated financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such SEC rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and the notes thereto, included in the Company’s latest Annual Report on Form 10-K.

In the opinion of management, all adjustments consisting of normal recurring adjustments necessary for a fair statement of the financial position at March 31, 2017 and the results of operations for the three months ended March 31, 2017 and 2016 and cash flows for the three months ended March 31, 2017 and 2016 have been made. All material intercompany transactions have been eliminated.



### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### Subsequent Events

The Company has evaluated subsequent events through the filing of this Form 10-Q, to assess the need for potential recognition or disclosure in this report. Based upon this evaluation, management determined that all subsequent events that require recognition in the financial statements have been included.

### Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Company considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

### Fixed Assets

Fixed assets are stated at historical cost. Depreciation is provided using the straight-line method at rates based on the assets' estimated useful lives which are normally between three and ten years. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings. Leasehold improvements are amortized over their estimated useful lives or lease term, if shorter. Equipment and major overhaul items (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 is shorter. Certain major repair items required by industry standards to ensure a vessel's seaworthiness also qualify 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 are accounted for under the direct-expensing method and are expensed when incurred.

### Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. As of March 31, 2017 and 2016, there were no impairment losses recognized for long-lived assets.

### Income Taxes

The Company uses the liability method to record income tax activity. Deferred taxes are determined based upon the estimated future tax effects of differences between the financial reporting and tax reporting bases of assets and liabilities given the provisions of currently enacted tax laws.

The accounting for uncertainty in income taxes recognized in an enterprise's financial statements uses the threshold of more-likely-than-not to be sustained upon examination for inclusion or exclusion. Measurement of the tax uncertainty occurs if the recognition threshold has been met.

### Net Earnings (Losses) Per Common Share

The Company computes earnings (loss) per share by dividing net earnings (loss) by the weighted average number of shares of common stock and dilutive common stock equivalents outstanding during the year. Dilutive common stock equivalents may consist of shares issuable upon conversion of convertible preferred shares and the exercise of the Company's stock options (calculated using the treasury stock method). As of March 31, 2017, there were 5,824,000 common stock equivalents that were anti-dilutive and were not included in the calculation. Common stock issuable is considered outstanding as of the original approval date for purposes of earnings per share computations.

### Fair Value of Financial Instruments

The fair value of financial instruments, which include cash, loans receivable, accounts payable and accrued expenses and advances from related parties were estimated to approximate their carrying values due to the immediate or short-term maturity of these financial instruments. Management is of the opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments.

### Comprehensive Income

The Company records comprehensive income as the change in equity of a business during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Other comprehensive income (loss) includes foreign currency translation adjustments and unrealized gains and losses on available-for-sale securities. As of March 31, 2017 the Company had no items that represent comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

### Stock Based Compensation

Stock based compensation costs are measured at fair value on date of grant and recognition of compensation over the service period for awards expected to vest. The Company determines the fair value of awards using the Black-Scholes valuation model.

### New Accounting Pronouncements

The Company reviews new accounting standards as issued. No new standards had any material effect on these financial statements. The accounting pronouncements issued subsequent to the date of these financial statements that were considered significant by management were evaluated for the potential effect on these consolidated financial statements. Management does not believe any of the subsequent pronouncements will have a material effect on these consolidated financial statements as presented and does not anticipate the need for any future restatement of these consolidated financial statements because of the retro-active application of any accounting pronouncements issued subsequent to March 31, 2017 through the date these financial statements were issued.

## **NOTE B – JOINT VENTURE**

Effective January 9, 2017, EXPL SWORDFISH, LLC, a newly formed wholly owned subsidiary entered into a joint-venture agreement (“Agreement”) with Deep Blue Exploration, LLC, dba Marex (“Marex”), a company controlled by veteran salvor, Hebert (“Herbo”) Humphreys. EXPL SWORDFISH, LLC and the joint venture are included in these consolidated financial statements.

Pursuant to the Agreement, Marex has agreed to contribute to the joint venture certain shipwreck research files, sonar and other subsea survey data, navigational data, artifacts, and assistance relating to a number of shipwreck and suspected shipwreck targets located in international waters off the Southeast coast of the United States. EXPL SWORDFISH has agreed to further survey and inspect the shipwreck and suspected shipwreck targets, and if deemed appropriate, take actions necessary to salvage the shipwreck targets.

The economic terms of the Agreement call for EXPL SWORDFISH to provide the funding for the further inspection, salvage and operations of the joint venture. Any revenues from the JV will be split 90% first to EXPL SWORDFISH and 10% to Marex until EXPL receives 2 times its costs and investments returned, and then a 50% split to both EXPL and Marex respectively.

The joint venture is expected to terminate in two years, unless extended by mutual agreement between the parties.

## NOTE C - GOING CONCERN MATTERS

In accordance with ASC 205-40, Going Concern, the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. The Company has minimal liquid assets. For the period, January 19, 2006 (date of inception) to March 31, 2017, the Company has incurred losses of \$7,076,780, and anticipates that the Company will continue to generate operating losses in the foreseeable future. The inability to obtain funding, as and when needed, would have a negative impact on the Company's financial condition and ability to pursue its business strategies.

The Company's existence has been, and continues to be dependent upon management's ability to develop profitable operations and resolve its liquidity problems. Since inception, this has been accomplished through the sale of equity securities and advances made by our officers and directors and their affiliated entities. In addition, the Company continues to seek additional funding through public or private equity financings. The Company believes these efforts will be sufficient to fund its operating expenses for at least the next 12 months from issuance of the consolidated financial statements.

The Company's existence is dependent upon management's ability to develop profitable operations and resolve its liquidity problems.

The accompanying financial statements do not include any adjustments that might result should the Company be unable to continue as a going concern.

## NOTE D – ACQUISITION OF ENDURANCE EXPLORATION GROUP LLC MEMBERSHIP INTERESTS

On December 31, 2013, the Company acquired 100% of the membership interests of Endurance Exploration Group, LLC, a Florida limited liability company (“Endurance LLC”) by issuing 20,550,539 shares of its common stock.

The majority shareholders of the Company also held a majority interest in Endurance LLC, and maintained controlling interests in both entities both before and after the transaction. Accordingly, the acquisition has been accounted for as a corporate reorganization because of the common control. The book value of Endurance LLC at the time of the acquisition was as follows:

Cash	\$	1,940
Fixed assets - net		448,980
Other assets		3,805
<b>Total assets</b>	<b>\$</b>	<b><u>454,725</u></b>
Accounts payable assumed	\$	8,927
Accrued expenses assumed		4,625
Shareholder loans assumed		60,000
Equity acquired		381,173
<b>Total liabilities and equity</b>	<b>\$</b>	<b><u>454,725</u></b>

## NOTE E – PREPAID EXPENSES

On May 15, 2015, the Company entered into an agreement with Eclipse Group, Inc. to provide services, equipment and/or personnel in support of anticipated Endurance salvage projects, to inspect and recover one or more shipwreck cargoes located by Endurance. The Company issued 2,000,000 common shares at \$.25 per share with a value of \$500,000. These shares represent a prepayment for Eclipse services pursuant to a schedule of agreed upon costs and rates. Eclipse will invoice the Company on a monthly basis as services are rendered. During the year ended December 31, 2015, Eclipse rendered \$150,000 of the services outlined in this agreement. As of March 31, 2017, the Company has not received any additional invoices for services outlined in this agreement, and consequently the remaining balance of \$350,000 is included in other assets.

## NOTE F – FIXED ASSETS

Fixed assets consist of the following at March 31, 2017 and December 31, 2016:

	March 31, 2017	December 31, 2016
Vessels and equipment	\$ 665,323	\$ 665,323
Computers and peripherals	14,092	14,092
	<u>679,415</u>	<u>679,415</u>
Less: Accumulated depreciation	(483,906)	(458,285)
Fixed Assets - net	<u>\$ 195,509</u>	<u>\$ 221,130</u>

Depreciation expense for the three months ended March 31, 2017 and 2016 was \$25,621 and \$25,621.

## NOTE G – ADVANCES FROM RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Loans and notes payable to related parties at March 31, 2017 and December 31, 2016 as detailed below are summarized as follows:

	March 31, 2017	December 31, 2016
Advances from related parties	77,000	-
	<u>\$ 77,000</u>	<u>\$ -</u>

On December 31, 2013, the Company completed the purchase of 100% of the membership interests of Endurance Exploration Group, LLC (“Endurance LLC”), from its members, Micah Eldred and Carl Dilley, in exchange for 20,550,539 shares of the Company’s common stock, valued at \$0.0186 per share, based upon the net book value of the assets of Endurance LLC, \$381,173 as of December 31, 2013.

On December 31, 2013, as a consequence of acquiring the membership interests of Endurance LLC, the Company assumed a liability of Endurance LLC to Micah Eldred under a demand promissory note, dated June 19, 2012, in the original principal amount of \$60,000, bearing interest at 5%. As of December 31, 2016, the full balance of the note plus accrued interest, totaling \$73,598 was forgiven by Micah Eldred as additional contributed capital.

The Company has entered into a contract with Island Capital Management, LLC, which is related through common shareholders, to serve as its transfer agent. It did not charge the Company for its services during the three months ended March 31, 2017 or 2016, as management has deemed it to be immaterial.

The Company has entered into a contract with Proxy & Printing, LLC, which is related through common shareholders, to provide the Company with printing and other services relating to its filings with the SEC. It did not charge the Company for its services during the three months ended March 31, 2017 or 2016, as management has deemed it to be immaterial.

On June 23, 2014, the Company entered into a contract with Eclipse Group Inc. (“Eclipse”) for Eclipse to provide personnel and services to the Company in connection with the operation and monitoring of a remotely operated vehicle (“ROV”) in connection with our investigation of a suspected shipwreck located off the coast of New England. Steven Saint Amour, who serves as a member of the Company’s Board of Directors, and Joan Saint Amour are the principal shareholders and officers of Eclipse. The contract provides that Eclipse will provide 2 people, including Mr. Saint Amour, for approximately four 12-hour days to operate and monitor the ROV, which will be provided by the Company. The Company will issue 100,000 shares of common stock to Mr. Saint Amour, with an agreed value of \$25,000, under the contract, and reimburse Eclipse in cash for its cost for the second ROV technician. The Company will also pay Eclipse in cash its cost plus 15% for all third-party costs incurred by Eclipse, and provide Mr. Saint Amour and the second technician with food and lodging during the assignment.

On September 3, 2014, the Company entered into a contract with Overseas Marine Vessel Corp, LLC (“OMVC”) pursuant to which it will provide the Marine Vessel Manisee in support of an estimated 10-day mission to investigate, identify and recovery artifacts from one or more shipwrecks located in our search area off the coast of New England. We will reimburse OMVC in cash for all its out-of-pocket expenses only, including but not limited to, mooring, food, fuel, lube, satellite communications and crew costs. Toni Eldred, the spouse of Micah Eldred, is a fifty percent owner of OMVC, and Micah Eldred is the co-manager of OMVC.

On February 12, 2015, the Company entered into a Debt Conversion Agreement with Endeavour Cooperative Partners, LLC (“Endeavour”) relating to the conversion of indebtedness to Endeavour in the amount of \$85,000. This amount represents the related party debt payable to Endeavour as of that date. The terms of the agreement allowed for Endeavour to convert this debt into common stock at \$0.25 per share. Endeavour converted all of such debt into shares, as a result of which we issued 340,000 shares to Endeavour.

On February 12, 2015, the Company entered into a Debt Conversion Agreement with Micah Eldred relating to the conversion of indebtedness to Micah Eldred in the amount of \$143,333. This amount represents the related party debt payable to Micah Eldred as of that date. The terms of the agreement allowed for Micah Eldred to convert this debt into common stock at \$0.25 per share. Micah Eldred converted all of such debt into shares, as a result of which we issued 573,333 shares to Micah Eldred.

On February 12, 2015, the Company entered into a Debt Conversion Agreement with Carl & Heather Dilley relating to the conversion of indebtedness to Carl & Heather Dilley in the amount of \$45,867 and \$25,800 respectively. This amount represents the related party debt payable to Carl & Heather Dilley as of that date. The terms of the agreement allowed for Carl & Heather Dilley to convert this debt into common stock at \$0.25 per share. Carl & Heather Dilley converted all of such debt into shares, as a result of which we issued 183,467 and 103,200 shares to Carl & Heather Dilley respectively.

During the three months ended March 31, 2017, Endeavour Cooperative Partners, LLC made net advances to the Company in the aggregate amount of \$77,000, in order to provide the Company with funds to carry on its operations. These advances do not bear interest, are unsecured and have no specific terms of repayment. As of March 31, 2017, the aggregate amount of such advances outstanding was \$77,000. Interest has not been imputed on this balance as management has deemed it to be immaterial.

#### **NOTE H – PREFERRED AND COMMON STOCK TRANSACTIONS AND REVERSE SPLIT**

On May 25, 2016, the Company issued a three-year option to purchase 250,000 common shares at an exercise price of \$0.25 per share.

## NOTE I – WARRANTS AND OPTIONS

As of March 31, 2017, the Company had outstanding non-qualified options to purchase 5,824,000 shares of our common stock at any time prior to their expiration dates, with an exercise price of \$0.25 per share.

The following table represents stock option activity as of and for the three months ended March 31, 2017:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Options Outstanding – December 31, 2016	5,824,000	\$ 0.25	1.25 years	\$ -
Granted / Vested	-	-	-	\$ -
Exercised	-	-	-	-
Forfeited/expired/cancelled	-	-	-	-
Options Outstanding – March 31, 2017	<u>5,824,000</u>	\$ 0.25	1.25 years	\$ -
Outstanding Exercisable – December 31, 2016	5,824,000	\$ 0.25	1.25 years	\$ -
Outstanding Exercisable – March 31, 2017	<u>5,824,000</u>	\$ 0.25	1.25 years	\$ -

## NOTE J – INCOME TAXES

There is no current or deferred income tax expense or benefit allocated to continuing operations for the period ended March 31, 2017 and 2016. The Company has not recognized an income tax benefit for its operating losses generated through March 31, 2017 based on uncertainties concerning the Company's ability to generate taxable income in future periods. The tax benefit is offset by a valuation allowance established against deferred tax assets arising from operating losses and other temporary differences, the realization of which could not be considered more likely than not. In future periods, tax benefits and related deferred tax assets will be recognized when management considers realization of such amounts to be more likely than not.

For income tax purposes the Company has available a net operating loss carry-forward of approximately \$7,100,000 from inception to March 31, 2017, which will expire, unless used to offset future federal taxable income beginning in 2024. The tax years ending December 31, 2012 through December 31, 2015 are open for inspection by both Federal and State Agencies.

## NOTE K - SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the filing of this Form 10-Q, to assess the need for potential recognition or disclosure in this report. Based upon this evaluation, management determined that all subsequent events that require recognition in the financial statements have been included.

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

*As used in this report, the terms "we", "us", "our," "Endurance" and "the Company" mean Endurance Exploration Group, Inc. (formerly Tecton Corporation), unless otherwise indicated.*

*This discussion should be read in conjunction with the condensed consolidated financial statements and notes included elsewhere in this report and the consolidated financial statements and notes in the Annual Report of the Company on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission ("SEC").*

*Our discussion and analysis may contain forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that are based on current expectations, estimates, forecasts, and projections about the Company, our beliefs, and assumptions made by us. In addition, we may make other written or oral statements, which constitute forward-looking statements, from time to time. Words such as "believe," "estimate," "project," "expect," "intend," "may," "anticipate," "plan," "seek," variations of such words, and similar expressions are intended to identify such forward-looking statements. Similarly, statements that describe our future plans, objectives, or goals also are forward-looking statements. These statements are not guarantees of future performance and are subject to a number of risks and uncertainties, including those discussed below and elsewhere in this report. Our actual results may differ materially from what is expressed or forecasted in such forward-looking statements, and undue reliance should not be placed on such statements. All forward-looking statements are made as of the date hereof, and we undertake no obligation to update any such forward-looking statements, whether as a result of new information, future events or otherwise.*

*Factors that could cause actual results to differ materially from what is expressed or forecasted in such forward-looking statements include, but are not limited to the risk factors which are identified in our most recent Annual Report on Form 10-K, including factors identified under the headings "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."*

*All dollar amounts refer to US dollars unless otherwise indicated.*

### **Plan of Operation**

Side-scan sonar survey operations on Project *Connaught* began in July of 2013. Over the course of this initial survey, approximately 700 square miles were digitally mapped. This sonar imagery was then post-processed and evaluated for potential targets. In October of 2014 we positively identified the target of Project "Sailfish," the Steamship *Connaught* via video and sonar imagery. We intend to return to the site of the *Connaught* in 2017 to recover its cargo. The cost of recovering the cargo of the *Connaught* is estimated to be \$1,200,000. The Company needs additional working capital to recover the cargo of the *Connaught*. There can be no assurances that the Company will be successful in securing additional working capital and therefore cannot represent it will ever be in position to recover the cargo of the *Connaught*.

In November 2013, Endurance LLC entered into a contract with the sovereign government of an island nation in the Indian Ocean. The contract provides us with a three-year period in which to operate within the territorial waters of the nation with full permission to survey for and recover the "*Black Marlin*" and her silver cargo. We are currently pursuing an option to extend the existing contract. Net proceeds of our recovery efforts, after payment of the costs to transport, store and insure any recovered items, will be split between us (75%) and the island government (25%). The cost of finding and recovering the cargo of the "*Black Marlin*" is estimated to be \$2,000,000. The Company needs additional working capital to undertake the search for the "*Black Marlin*". There can be no assurances that the Company will be successful in securing additional working capital and therefore cannot represent it will ever be in position to search for and recover the cargo of the "*Black Marlin*".

### **Results of Operations**

The following information represents our results of operations for the three months ended March 31, 2017 and 2016.

## **Three Months Ended March 31, 2017 and 2016**

### ***Revenue***

Since inception through March 31, 2017, we have not generated any revenues. However, during this period of time, the Company has acquired a ship, side scan sonar, topside computer processing of sonar images and a remotely operated vehicle with cameras that can visually inspect things located by the side scan sonar. The Company, through contracted personnel, has also developed an operational capability for this ship and its equipment. The Company can also access, on a contract basis, additional ships, equipment and personnel on a case-by-case basis when needed. This capability allows the Company to offer aquatic research, survey, inspection and recovery, as well as maritime contract services and consulting to both the public and private sectors that contract for such equipment and services. As of the time of this filing there are no agreement or contracts for the use of the Company equipment or the services described herein and the Company needs additional working capital to continue to offer said equipment and services. Therefore, the Company cannot represent that, in the future, it will ever generate revenue from aquatic research, survey, inspection and recovery projects, as well as maritime contract services and consulting.

### ***Expenses***

We incurred operations and research expenses of \$14,846 for the three months ended March 31, 2017 as compared to \$13,757 for the three months ended March 31, 2016, an increase of \$1,089. The primary reason for this increase is a result of increased spending on salvage operations.

We incurred marketing and promotion expenses of \$12,388 for the three months ended March 31, 2017 as compared to \$4,176 for the three months ended March 31, 2016, an increase of \$8,212. This increase is primarily due to an expenditure for printed marketing materials associated with the development of a market exposure strategy.

We incurred general and administrative expenses of \$47,445 for the three months ended March 31, 2017 as compared to \$35,876 for the three months ended March 31, 2016, an increase of \$11,569. The increase in general and administrative costs consisted primarily of legal fees.

### ***Other Income (Expense)***

For the three months ended March 31, 2017, the Company did not have any other income (expense) as compared to the three months ended March 31, 2016 which had interest expense of (\$375).

### ***Net Losses***

For the three months ended March 31, 2017, we incurred a net loss of \$100,300 as compared to a net loss of \$79,805 for the three months ended March 31, 2016. The increase in net loss was mainly due to the items explained above.

### ***Going Concern***

In accordance with ASC 205-40, Going Concern, the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. The Company has minimal liquid assets. For the period, January 19, 2006 (date of inception) to March 31, 2017, the Company has incurred losses of \$7,076,780, and anticipates that the Company will continue to generate operating losses in the foreseeable future. The inability to obtain funding, as and when needed, would have a negative impact on the Company's financial condition and ability to pursue its business strategies.

### ***Current Liquidity and Capital Resources***

Since inception, we have funded our operations through the sale of equity securities and advances made to us by our officers and directors and their affiliated entities.

As of March 31, 2017, we had \$4,073 in cash.

Net cash used by operating activities was \$75,450 for the three months ended March 31, 2017.

There was no cash used by investing activities for the three months ended March 31, 2017.



Net cash provided by financing activities was \$77,000 for the three months ended March 31, 2017, which consisted solely of advances from related parties.

#### Other Recent Financings

During the three months ended March 31, 2017, Endeavour Cooperative Partners, LLC made net advances to the Company in the aggregate amount of \$77,000, in order to provide the Company with funds to carry on its operations. These advances do not bear interest, are unsecured and have no specific terms of repayment. As of March 31, 2017, the aggregate amount of such advances outstanding was \$77,000. Interest has not been imputed on this balance as management has deemed it to be immaterial.

#### Future Capital Requirements

Our current available cash and cash equivalents are insufficient to satisfy our liquidity requirements. Our capital requirements for 2017 will depend on numerous factors, including management's evaluation of the timing of projects to pursue. Subject to our ability to generate revenues and cash flow from operations and our ability to raise additional capital (including through possible joint ventures and/or partnerships), we expect to incur substantial expenditures to carry out our business plan, as well as costs associated with our capital raising efforts and being a public company.

Our plans to finance our operations include seeking equity and debt financing, alliances or other partnership agreements, or other business transactions, that would generate sufficient resources to ensure continuation of our operations.

The sale of additional equity or debt securities may result in additional dilution to our shareholders. If we raise additional funds through the issuance of debt securities or preferred stock, these securities could have rights senior to those of our common stock and could contain covenants that would restrict our operations. Any such required additional capital may not be available on reasonable terms, if at all. If we were unable to obtain additional financing, we may be required to reduce the scope of, delay or eliminate some or all of our planned activities and limit our operations which could have a material adverse effect on our business, financial condition and results of operations.

#### ***Research and Development***

For the three months ended March 31, 2017 and 2016, we incurred research and development expenses of \$127 and \$545 respectively.

#### ***Application of critical accounting policies***

Management's Discussion and Analysis of our Financial Condition and Results of Operations is based on the Company's audited Consolidated Financial Statements, which have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The preparation of financial statements in accordance with GAAP requires that we make estimates and assumptions that affect the reported amounts of assets and liabilities and corresponding disclosures at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, we continue to evaluate our estimates which in large part are based on historical experience and on various assumptions that we believe to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different assumptions or conditions.

#### ***Inflation***

The amounts presented in the financial statements do not provide for the effect of inflation on our operations or financial position. The net operating losses shown would be greater than reported if the effects of inflation were reflected either by charging operations with amounts that represent replacement costs or by using other inflation adjustments.

### *Off-Balance Sheet Arrangements*

As of March 31, 2017, we had no off-balance sheet transactions that have or are reasonably likely to have a current or future effect on our financial condition, changes in our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

### **ITEM 4. CONTROLS AND PROCEDURES**

As of March 31, 2017, under the direction of our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed in our SEC reports is recorded, processed, summarized and reported within the time period specified by the SEC's rules and forms, and is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. We concluded that, as of March 31, 2017, our disclosure controls and procedures were not effective at the reasonable assurance level.

There were no changes in our internal controls over financial reporting during the quarter ended March 31, 2017 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**

We are not a party to any legal proceedings, and we are not aware of any legal proceedings contemplated by any governmental authority against us.

### **ITEM 1A. RISK FACTORS**

Not applicable.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

There were no sales of equity securities during the three months ended March 31, 2017.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

### **ITEM 5. OTHER INFORMATION**

None.

## ITEM 6. EXHIBITS

### Exhibit Number Exhibit Description

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31	Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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32	<b>Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</b>
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101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

## SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Endurance Exploration Group, Inc.**  
(Registrant)

Date: May 15, 2017

/s/ Christine Zitman  
Christine Zitman  
Director, Principal Accounting Officer, Secretary, Treasurer  
(Authorized Officer and Chief Financial Officer)