

**Odyssey Marine Exploration, Inc.****Nasdaq: OMEX**  
**Flash Report**

June 17, 2025

Price (as of close June 16, 2025)

**\$1.19****Fola Abimbola, CFA**  
Research@EmergingGrowth.com**About the Company**

Odyssey Marine Exploration, Inc. (OMEX) is a deep-ocean exploration pioneer that provides access to critical mineral resources. The Company uses innovative methods and cutting-edge technology to discover, validate and develop subsea mineral deposits. Its growing project portfolio includes different mineral sets in various jurisdictions around the world. The firm focuses on the ExO Phosphate, Lihir Gold projects, and Cook Island Nodule Exploration. The Company was founded by Gregory P. Stemm and John C. Morris in 1994 and is headquartered in Tampa, Florida.

<b>52-Week Range</b>	<b>\$0.27 – \$5.56</b>
<b>Shares Outstanding</b>	<b>28.8 mil</b>
<b>Insider / Institutional</b>	<b>4.1%/32.1%</b>
<b>Public Float</b>	<b>27.3 mil</b>
<b>Market Capitalization</b>	<b>\$32.3 mil</b>
<b>Total Debt</b>	<b>\$23.7 mil</b>
<b>Debt / Equity</b>	-
<b>ROE (LTM)</b>	-
<b>Book Value / Share</b>	<b>\$(0.48)</b>
<b>Daily Volume (90-day)</b>	<b>16.8 mil</b>
<b>Fwd. Div. &amp; Yield</b>	-

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**Unearthing Underwater Upside.** Odyssey Marine Exploration (OMEX) is entering a pivotal phase as it advances multiple large-scale, high-impact deep-sea mineral exploration projects aimed at supplying critical minerals essential for food security and the energy transition. In Q1:25, the Company reported revenue of \$135,000 and narrowed its operating loss to \$2.23 million, a marked improvement from a \$4.72 million operating loss in Q1:24. This reduction in losses reflects tighter cost controls, lower project development expenses, and a leaner operating structure as the Company focuses on capital-efficient progress toward permitting and licensing milestones. With environmental permitting for its Mexico phosphate asset underway and resource estimates pending for its Cook Islands cobalt-rich nodule concessions, Odyssey is at a critical inflection point. These catalysts, paired with growing geopolitical urgency to secure non-Chinese sources of critical minerals, could drive a substantial re-rating in OMEX's valuation. The estimated net present value (NPV) of its key projects reinforces a compelling investment case as the deep-sea mining sector gains institutional and government backing.

**Investment Thesis**

- **Compelling Asset Base with Near-Term Milestones:** The Mexico phosphate project (588 million tons of high-grade phosphate) has clear economic potential and is advancing toward key permitting milestones. Joint venture with Juan Cortina Gallardo adds local political and operational credibility.
- **Strategic Exposure to Battery Metals:** OMEX's stakes in Cook Islands' OML and CIC licenses offer substantial exposure to polymetallic nodules, particularly cobalt—a key input for EV batteries. CIC's license area is tenfold that of OML, offering meaningful future upside.
- **Undervalued Relative to Project Economics:** Despite an estimated \$1.3B NPV for the Mexico project alone, OMEX trades at a steep discount. As milestones are achieved, we expect the market to reprice the equity closer to intrinsic value.
- **First-Mover Advantage in Seafloor Mining:** OMEX's 30+ years of deep-sea operational experience and early positioning in subsea resource exploration provide a durable competitive moat in an emerging, high-barrier industry.
- **Favorable Macro Tailwinds:** Rising demand for food security (phosphates) and energy transition minerals (cobalt, nickel, rare earths), coupled with increasing support from Western governments for non-Chinese supply chains, are strong secular tailwinds.

**Key Risks**

- **Regulatory and Environmental Uncertainty:** The seafloor mining industry faces scrutiny around ecological impact. Any delay or denial of environmental permits (particularly in Mexico) could impair project timelines.

Please refer to the end of this report to obtain important disclosure information.

- **Capital Intensity and Dilution Risk:** OMEX will require significant capital to progress projects, potentially through equity raises or debt, raising dilution concerns for existing shareholders.
- **Geopolitical Risk:** Resource nationalism or changes in regulatory frameworks (especially in Mexico and the Cook Islands) could disrupt project economics or timelines.
- **Execution Risk:** Transitioning from exploration to commercial-scale production is complex and fraught with technical and logistical challenges.
- **Market Acceptance and Pricing Volatility:** Commodity prices (phosphate, cobalt) are volatile and susceptible to market cycles, which could impact project economics.

**Valuation**

We apply a Sum-of-the-Parts (SOTP) valuation framework with conservative assumptions to reflect the distinct, early-stage nature of OMEX’s project portfolio:

- **Mexico Phosphate Project:** Management estimates a ~\$1.3 billion NPV. Applying a conservative 60% probability of success and a 50% discount for early-stage risk, we value this asset at ~\$109 million.
- **Cook Islands Projects:** Given earlier-stage development, we estimate a combined implied value of \$90 million after adjusting for early-stage risks and success probabilities. This figure is conservative pending resource validation.
- **Corporate Overhead and Net Debt:** Subtracting estimated net debt and corporate overhead (~\$15 million) yields a base-case equity valuation of ~\$178 million.
- At a current price of \$1.19/share (as of 6/16/25), OMEX trades at significant discount to its implied value per share. As permitting and resource delineation progress, we see substantial upside optionality. A successful permitting outcome in Mexico alone could re-rate shares by 4-5x over the next 12–18 months.
- Essentially, OMEX offers a high-risk, high-reward proposition for investors seeking asymmetric exposure to critical minerals. With macro tailwinds, undervalued strategic assets, and tangible near-term catalysts, OMEX is well-positioned to benefit from the accelerating pivot toward sustainable and secure mineral sourcing.

**SOTP Valuation Table**

Asset / Segment	Project Details	NPV (mgt. est; \$'m)	Probability of Success	Discount for Early-Stage Risk	Risk-Adjusted Value (RAV; \$'m)	OMEX Ownership	Implied value to OMEX (\$'m)
<b>Mexico Phosphate Project</b>	588Mt high-grade subsea phosphate	1,300.0	60%	50%	390.0	28%	109.2
<b>Cook Islands - CIC License</b>	Large polymetallic nodule zone; resource potential unverified	4,700.0	20%	50%	470.0	14%	65.8
<b>Cook Islands - OML License</b>	Smaller nodule zone, earlier-stage	4,700.0	15%	50%	352.5	7%	24.7
<b>Technology/IP* (Prospectivity System)</b>	Internal mapping & target selection system (intangible value)	25.0	100%	40%	15.0	100%	15.0
<b>Net Debt*</b>	Approximate cash burn and net liabilities	(21.3)					(21.3)
<b>Corporate Overhead*</b>	Estimated cost of operations before production	(15.0)					(15.0)
<b>Estimated Intrinsic Equity Value (\$'m)</b>							<b>178.4</b>
Shares Outstanding (million)							28.8
<b>Implied Equity Value/Share (\$)</b>							<b>6.2</b>
Current Share Price (\$)							1.12
<i>Implied Upside to Equity Value</i>							<i>5.5x</i>

Source: Management presentation, EmergingGrowth Research. Notes: i) IP/Technology includes proprietary Global Prospectivity System used for target identification; conservatively valued ii) Net debt and corporate overhead are based on typical quarterly burn extrapolated from Q1:2025 and past filings iii) Sensitivity to success probability and project timelines can materially shift the implied equity value

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**Buy**, 30% or greater price appreciation in the next 12 months.

**Buy-Extended**, near-term EPS and/or revenue horizon is challenging with strong long-term appreciation possibility.

**Buy-Emerging**, initial stages with low revenue and the potential for large returns with higher risk and volatility.

**Hold**, perform similar to market.

**Sell**, 30% or more decline in the next 12 months.

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**5-Year Chart**

