

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2020

or

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

For the transition period from _____ to _____

MARATHON PATENT GROUP, INC.

(Exact Name of Registrant as Specified in Charter)

Nevada _____ (State or other jurisdiction of incorporation)	001-36555 _____ (Commission File Number)	01-0949984 _____ (IRS Employer Identification No.)
1180 North Town Center Drive, Suite 100 Las Vegas, NV _____ (Address of principal executive offices)		89144 _____ (Zip Code)

Registrant's telephone number, including area code: 702-945-2773

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

Title of each class Common Stock	Trading Symbol(s) MARA	Name of each exchange on which registered The Nasdaq Capital Market
-------------------------------------	---------------------------	--

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date, 18,216,214 shares of common stock are issued and outstanding as of May 14, 2020.

TABLE OF CONTENTS

	Page
PART I - FINANCIAL INFORMATION	
Item 1. Financial Statements	3
Consolidated Condensed Balance Sheets as of March 31, 2020 (unaudited) and December 31, 2019	3
Consolidated Condensed Statements of Operations for the Three Months Ended March 31, 2020 and 2019 (unaudited)	4
Consolidated Condensed Statements of Stockholders' Equity for the Three Months Ended March 31, 2020 and 2019 (unaudited)	5
Consolidated Condensed Statements of Cash Flows for the Three Months Ended March 31, 2020 and 2019 (unaudited)	6
Notes to Unaudited Consolidated Condensed Financial Statements	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	14
Item 3. Quantitative and Qualitative Disclosures About Market Risk	16
Item 4. Controls and Procedures	17
PART II - OTHER INFORMATION	
Item 1. Legal Proceedings	18
Item 1A Risk Factors	18
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	18
Item 3. Defaults upon Senior Securities	18
Item 4. Mine Safety Disclosures	18
Item 5. Other Information	18
Item 6. Exhibits	18

OTHER PERTINENT INFORMATION

Unless specifically set forth to the contrary, "Marathon Patent Group, Inc.," "we," "us," "our" and similar terms refer to Marathon Patent Group, Inc., a Nevada corporation, and its subsidiaries. Unless otherwise indicated, the per share information has been retroactively adjusted to reflect the one for four reverse stock split that went into effect on April 8, 2019 (the "Reverse Split").

Item 1. Financial Statements

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 474,546	\$ 692,963
Digital currencies	2,892	1,141
Accounts receivable - net of allowance for bad debt of \$0 for March 31, 2020	117,811	-
Prepaid expenses and other current assets	908,348	800,024
Total current assets	<u>1,503,597</u>	<u>1,494,128</u>
Other assets:		
Property and equipment, net of accumulated depreciation and impairment charges of \$6,220,792 and \$6,157,786 for March 31, 2020 and December 31, 2019, respectively	2,835,563	3,754,969
Right-of-use assets	273,173	297,287
Intangible assets, net of accumulated amortization of \$154,216 and \$136,422 for March 31, 2020 and December 31, 2019, respectively	1,055,784	1,073,578
Total other assets	<u>4,164,520</u>	<u>5,125,834</u>
TOTAL ASSETS	<u>\$ 5,668,117</u>	<u>\$ 6,619,962</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,312,159	\$ 1,238,197
Mining servers payable	-	513,700
Current portion of lease liability	89,054	87,959
Warrant liability	3,062	12,849
Total current liabilities	<u>1,404,275</u>	<u>1,852,705</u>
Long-term liabilities		
Convertible notes payable	999,106	999,106
Lease liability	95,018	120,479
Total long-term liabilities	<u>1,094,124</u>	<u>1,119,585</u>
Total liabilities	<u>2,498,399</u>	<u>2,972,290</u>
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock, \$0.0001 par value, 50,000,000 shares authorized, no shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively	-	-
Common stock, \$0.0001 par value; 200,000,000 shares authorized; 9,212,106 and 8,458,781 issued and outstanding at March 31, 2020 and December 31, 2019, respectively	922	846
Additional paid-in capital	110,284,952	109,705,051
Accumulated other comprehensive loss	(450,719)	(450,719)
Accumulated deficit	<u>(106,665,437)</u>	<u>(105,607,506)</u>
Total stockholders' equity	<u>3,169,718</u>	<u>3,647,672</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 5,668,117</u>	<u>\$ 6,619,962</u>

The accompanying notes are an integral part to these unaudited consolidated condensed financial statements.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended March 31,	
	2020	2019
Revenues		
Cryptocurrency mining revenue	\$ 592,487	\$ 230,694
Total revenues	592,487	230,694
Operating costs and expenses		
Cost of revenue	1,153,241	508,640
Compensation and related taxes	233,657	486,687
Consulting fees	41,812	20,000
Professional fees	146,642	85,033
General and administrative	108,937	115,243
Total operating expenses	1,684,289	1,215,603
Operating loss	(1,091,802)	(984,909)
Other income (expenses)		
Other income (expenses)	106,408	(9,437)
Foreign exchange loss	-	(11,873)
Realized loss on sale of digital currencies	(4,222)	(608)
Change in fair value of warrant liability	9,787	(37,734)
Change in fair value of mining payable	(66,547)	-
Interest income	1,880	12,016
Interest expense	(13,435)	(12,317)
Total other income (expenses)	33,871	(59,953)
Loss before income taxes	\$ (1,057,931)	\$ (1,044,862)
Income tax expense	-	-
Net loss	\$ (1,057,931)	\$ (1,044,862)
Net loss per share, basic and diluted:	\$ (0.12)	\$ (0.16)
Weighted average shares outstanding, basic and diluted:	8,655,525	6,338,418

The accompanying notes are an integral part to these unaudited consolidated condensed financial statements.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

For the Three Months Ended March 31, 2020

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Number	Amount	Number	Amount				
Balance as of December 31, 2019	-	\$ -	8,458,781	\$ 846	\$ 109,705,051	\$ (105,607,506)	\$ (450,719)	\$ 3,647,672
Stock based compensation	-	-	-	-	23,238	-	-	23,238
Issuance of common stock, net of offering costs/At-the-market offering	-	-	403,075	41	385,076	-	-	385,117
Common stock issued for purchase of mining servers	-	-	350,250	35	171,587	-	-	171,622
Net loss	-	-	-	-	-	(1,057,931)	-	(1,057,931)
Balance as of March 31, 2020	-	\$ -	9,212,106	\$ 922	\$ 110,284,952	\$ (106,665,437)	\$ (450,719)	\$ 3,169,718

For the Three Months Ended March 31, 2019

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Number	Amount	Number	Amount				
Balance as of December 31, 2018	-	\$ -	6,379,992	\$ 638	\$ 105,461,396	\$ (102,090,441)	\$ (450,719)	\$ 2,920,874
Stock based compensation	-	-	-	-	282,180	-	-	282,180
Par value adjustment and additional shares issued due to reverse split	-	-	5,413	1	(1)	-	-	-
Net loss	-	-	-	-	-	(1,044,862)	-	(1,044,862)
Balance as of March 31, 2019	-	\$ -	6,385,405	\$ 639	\$ 105,743,575	\$ (103,135,303)	\$ (450,719)	\$ 2,158,192

The accompanying notes are an integral part to these unaudited consolidated condensed financial statements.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (1,057,931)	\$ (1,044,862)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	510,781	137,361
Amortization of patents and website	17,794	17,794
Realized loss on sale of digital currencies	4,222	608
Change in fair value of warrant liability	(9,787)	37,734
Change in fair value of mining payable	66,547	-
Gain on partial extinguishment of mining payable	-	-
Stock based compensation	23,238	282,180
Amortization of right-of-use assets	24,114	21,795
Changes in operating assets and liabilities:		
Accounts receivables	(117,811)	-
Digital currencies	(474,676)	(230,694)
Lease liability	(24,365)	(21,441)
Prepaid expenses and other assets	(108,324)	55,364
Accounts payable and accrued expenses	73,961	(66,975)
Net cash used in operating activities	(1,072,237)	(811,136)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of digital currencies	468,703	224,449
Net cash provided by investing activities	468,703	224,449
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock/At-the-market offering	401,891	-
Offering costs for the issuance of common stock/At-the-market offering	(16,774)	-
Net cash provided by financing activities	385,117	-
Net decrease in cash and cash equivalents	(218,417)	(586,687)
Cash and cash equivalents — beginning of period	692,963	2,551,171
Cash and cash equivalents — end of period	\$ 474,546	\$ 1,964,484
Supplemental schedule of non-cash investing and financing activities:		
Par value adjustment due to reverse split	\$ -	\$ 1
Common stock issued for purchase of mining servers	\$ 171,622	\$ -
Reduction of share commitment for purchase of mining servers	\$ 408,625	-

The accompanying notes are an integral part to these unaudited consolidated condensed financial statements.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Organization

Marathon Patent Group, Inc. (the "Company") was incorporated in the State of Nevada on February 23, 2010 under the name Verve Ventures, Inc. On December 7, 2011, the Company changed its name to American Strategic Minerals Corporation and were engaged in exploration and potential development of uranium and vanadium minerals business. In June 2012, the Company discontinued the minerals business and began to invest in real estate properties in Southern California. In October 2012, the Company discontinued its real estate business when the former CEO joined the firm and the Company commenced IP licensing operations, at which time the Company's name was changed to Marathon Patent Group, Inc. On November 1, 2017, the Company entered into a merger agreement with Global Bit Ventures, Inc. ("GBV"), which is focused on mining digital assets. The Company purchased cryptocurrency mining machines and established a data center in Canada to mine digital assets. The Company expanded its activities in the mining of new digital assets, while at the same time harvesting the value of its remaining IP assets. In order to streamline and create efficiencies, we outsource most of our operations to service providers, and our Granby facility and its bitcoin mining operations are provided by Block Maintain, Inc. Additionally, 24-hour security at our facility is provided by Securitas Canada, and financial operations are provided by Chord Advisors, LLC.

On September 30, 2019, the Company consummated the purchase of 6000 S-9 Bitmain 13.5 TH/s Bitcoin Antminers ("Miners") from SelectGreen Blockchain Ltd. (the "Seller"), a British Columbia corporation, for which the purchase price was \$4,086,250 or 2,335,000 shares of its common stock at a price of \$1.75 per share. As a result of an exchange cap requirement imposed in conjunction with the Company's Listing of Additional Shares application filed with Nasdaq to the transaction, the Company issued 1,276,442 shares of its common stock which represented \$2,233,773 of the \$4,086,250 (constituting 19.9% of the issued and outstanding shares on the date of the Asset Purchase Agreement) and upon the receipt of shareholder approval, at the Annual Shareholders Meeting to be held on November 15, 2019, the Company can issue the balance of the 1,058,558 unregistered common stock shares. The shareholders did approve the issuance of the additional shares at the Annual Shareholders Meeting. The Company has issued an additional 474,808 at \$0.90 per share on December 27, 2019. On March 30, 2020, the Seller has agreed to amend the total of number of shares to be issued was reduced to 2,101,500 shares and the rest of 350,250 shares was issued at \$0.49 per share. There was no mining payable outstanding as of March 31, 2020.

As of April 6, 2020, the Company received notice from the Nasdaq Capital Market (the "Capital Market") that the Company has failed to maintain a minimum closing bid price of \$1.00 per share of its Common Stock over the last consecutive 30 business days based upon the closing bid price for its common stock as required by Rule 5550(a)(2). However, the Rules also provide the Company a compliance period of 180 calendar days in which to regain compliance during which time it must maintain a minimum closing bid price of at least \$1.00 per share for a minimum period of 10 consecutive business days, which must be completed by October 5, 2020. On April 20, 2020, the Company received a further notice from the Nasdaq Capital Market that the Company's time to maintain a minimum closing bid price of at least \$1.00 per share for a minimum period of 10 consecutive business days has been extended from October 5, 2020 to December 17, 2020.

Liquidity and Financial Condition

The Company's consolidated condensed financial statements have been prepared assuming that it will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As disclosed in Note 4, on July 19, 2019, we entered into an At The Market Offering Agreement (the "Agreement") with H.C. Wainwright & Co., LLC ("H.C. Wainwright") which establishes an at-the-market equity program pursuant to which we may offer and sell shares of our common stock, par value \$0.0001 per share ("Common Stock"), from time to time as set forth in the Agreement. The Agreement provides for the sale of shares of our Common Stock ("Shares") having an aggregate offering price of up to \$7,472,417 (the Company's ability to offer shares under the Agreement is limited to the amount of shares it may sell pursuant to General Instruction I.B.6. of Form S-3. During the three months ended March 31, 2020, 403,075 shares of common stock were issued under the At The Market Offering for the total proceeds of \$401,891, net of offering cost of \$16,774. Subsequent to March 31, 2020, in connection with the Agreement, the Company received gross proceeds of approximately \$4,893,760 from the sale of 8,663,108 shares of common stock.

As reflected in the consolidated condensed financial statements, the Company had an accumulated deficit of approximately \$106.7 million at March 31, 2020, a net loss of approximately \$1.1 million and approximately \$1.1 million net cash used in operating activities for the three months ended March 31, 2020. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Based on the Company's current revenue and profit projections, management is uncertain that the Company's existing cash will be sufficient to fund its operations through at least the next twelve months from the issuance date of the financial statements, raising substantial doubt regarding the Company's ability to continue operating as a going concern. If we do not meet our revenue and profit projections or the business climate turns negative, then we will need to:

- raise additional funds to support the Company's operations; provided, however, there is no assurance that the Company will be able to raise such additional funds on acceptable terms, if at all. If the Company raises additional funds by issuing securities, existing stockholders may be diluted; and
- review strategic alternatives.

If adequate funds are not available, we may be required to curtail our operations or other business activities or obtain funds, if available, through arrangements with strategic partners or others that may require us to relinquish rights to certain technologies or potential markets.

The impact of the worldwide spread of a novel strain of coronavirus (“COVID 19”) has been unprecedented and unpredictable, but based on the Company’s current assessment, the Company does not expect any material impact on its long-term strategic plans, operations and its liquidity due to the worldwide spread of COVID-19. However, the Company is continuing to assess the effect on its operations by monitoring the spread of COVID-19 and the actions implemented to combat the virus throughout the world and its assessment of the impact of COVID-19 may change.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated condensed financial statements, including the accounts of the Company’s subsidiaries, Marathon Crypto Mining, Inc., Crypto Currency Patent Holding Company and Soems Acquisition Corp., have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) have been condensed or omitted pursuant to such rules and regulations. These consolidated condensed financial statements reflect all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the financial position, the results of operations and cash flows of the Company for the periods presented. It is suggested that these consolidated condensed financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company’s most recent Annual Report on Form 10-K. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year ended December 31, 2020.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with US GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management include, but are not limited to, estimating the useful lives of patent assets and fixed assets, the assumptions used to calculate fair value of warrants and options granted, realization of long-lived assets, deferred income taxes, unrealized tax positions and the realization of digital currencies.

Significant Accounting Policies

There have been no material changes to the Company’s significant accounting policies to those previously disclosed in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Digital Currencies

Digital currencies are included in current assets in the consolidated balance sheets. Digital currencies are recorded at cost less impairment.

An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted.

The following table presents the activities of the digital currencies for the three months ended March 31, 2020:

Digital currencies at December 31, 2019	\$	1,141
Additions of digital currencies		592,487
Realized gain on sale of digital currencies		(4,222)
Sale of digital currencies		(586,514)
Digital currencies at March 31, 2020	\$	2,892

Fair Value of Financial Instruments

The Company measures at fair value certain of its financial and non-financial assets and liabilities by using a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, essentially an exit price, based on the highest and best use of the asset or liability. The levels of the fair value hierarchy are:

- Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data
- Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The carrying amounts reported in the consolidated balance sheet for cash, accounts receivable, accounts payable, and accrued expenses, approximate their estimated fair market value based on the short-term maturity of these instruments. The carrying value of notes payable and other long-term liabilities approximate fair value as the related interest rates approximate rates currently available to the Company.

Financial assets and liabilities are classified in their entirety within the fair value hierarchy based on the lowest level of input that is significant to their fair value measurement. The Company measures the fair value of its marketable securities by taking into consideration valuations obtained from third-party pricing sources. The pricing services utilize industry standard valuation models, including both income and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs included reported trades of and broker-dealer quotes on the same or similar securities, issuer credit spreads, benchmark securities and other observable inputs.

The following tables present information about the Company's assets and liabilities measured at fair value on a recurring basis and the Company's estimated level within the fair value hierarchy of those assets and liabilities as of March 31, 2020 and December 31, 2019, respectively:

	Fair value measured at March 31, 2020			
	Total carrying value at March 31, 2020	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities				
Warrant liability	\$ 3,062	\$ -	\$ -	\$ 3,062
	Fair value measured at December 31, 2019			
	Total carrying value at December 31, 2019	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities				
Warrant liability	\$ 12,849	\$ -	\$ -	\$ 12,849

There were no transfers between Level 1, 2 or 3 during the three months ended March 31, 2020.

At March 31, 2020, the Company had an outstanding warrant liability in the amount of \$3,062 associated with warrants that were issued in January 2017 and warrants issued related to the Convertible Notes issued in August and September of 2017. The following table rolls forward the fair value of the Company's warrant liability, the fair value of which is determined by Level 3 inputs for the three months ended March 31, 2020.

Fair value of warrant liabilities

	Fair value
Outstanding as of December 31, 2019	\$ 12,849
Change in fair value of warrants	(9,787)
Outstanding as of March 31, 2020	\$ 3,062

Basic and Diluted Net Loss per Share

Net loss per common share is calculated in accordance with ASC Topic 260: Earnings Per Share ("ASC 260"). Basic loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. The computation of diluted net loss per share does not include dilutive common stock equivalents in the weighted average shares outstanding, as they would be anti-dilutive.

Securities that could potentially dilute loss per share in the future that were not included in the computation of diluted loss per share at March 31, 2020 and 2019 are as follows:

	As of March 31,	
	2020	2019
Warrants to purchase common stock	164,222	182,191
Options to purchase common stock	1,727,682	1,466,520
Convertible notes to exchange common stock	1,248,883	312,221
Total	3,140,787	1,960,932

The following table sets forth the computation of basic and diluted loss per share:

	For the Three Months Ended March 31,	
	2020	2019
Net loss attributable to common shareholders	\$ (1,057,931)	\$ (1,044,862)
Denominator:		
Weighted average common shares - basic and diluted	8,655,525	6,338,418
Loss per common share - basic and diluted	\$ (0.12)	\$ (0.16)

Sequencing

In connection with August 14, 2017 Convertible Note financing, the Company adopted a sequencing policy whereby all future instruments may be classified as a derivative liability with the exception of instruments related to share-based compensation issued to employees or directors.

Recent Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2019-12, “*Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (“ASU 2019-12”)*”, which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020, with early adoption permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

Any new accounting standards, not disclosed above, that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the financial statements upon adoption.

NOTE 3 – PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

The components of property, equipment and intangible assets as of March 31, 2020 and December 31, 2019 are:

	<u>Useful life (Years)</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Website	7	\$ 121,787	\$ 121,787
Mining equipment	2	6,711,880	7,120,505
Mining patent	17	1,210,000	1,210,000
Gross property, equipment and intangible assets		8,043,667	8,452,292
Less: Accumulated depreciation and amortization		(4,152,320)	(3,623,745)
Property, equipment and intangible assets, net		\$ 3,891,347	\$ 4,828,547

The Company’s depreciation expense for the three months ended March 31, 2020 and 2019 were \$510,781 and \$137,361, and amortization expense were \$17,794 and \$17,794 for the three months ended March 31, 2020 and 2019, respectively.

NOTE 4 - STOCKHOLDERS' EQUITY

Common Stock

At The Market Offering Agreement

On July 19, 2019, we entered into an At The Market Offering Agreement (the "Agreement") with H.C. Wainwright & Co., LLC ("H.C. Wainwright") which establishes an at-the-market equity program pursuant to which we may offer and sell shares of our common stock, par value \$0.0001 per share ("Common Stock"), from time to time as set forth in the Agreement. The Agreement provides for the sale of shares of our Common Stock ("Shares") having an aggregate offering price of up to \$7,472,417 (the Company's ability to offer shares under the Agreement is limited to the amount of shares it may sell pursuant to General Instruction I.B.6. of Form S-3).

Subject to the terms and conditions set forth in the Agreement, H.C. Wainwright will use its commercially reasonable efforts consistent with its normal trading and sales practices to sell the Shares from time to time, based upon our instructions. We have provided H.C. Wainwright with customary indemnification rights, and H.C. Wainwright will be entitled to a commission at a fixed rate equal to three percent (3.0%) of the gross proceeds per Share sold. In addition, we have agreed to pay certain expenses incurred by H.C. Wainwright in connection with the Agreement, including up to \$25,000 of the fees and disbursements of their counsel. The Agreement will terminate upon the earlier of sale of all of the Shares under the Agreement or July 19, 2022 unless terminated earlier by either party as permitted under the Agreement.

Sales of the Shares, if any, under the Agreement shall be made in transactions that are deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), including sales made by means of ordinary brokers' transactions, including on the Nasdaq Capital Market, at market prices or as otherwise agreed with H.C. Wainwright. We have no obligation to sell any of the Shares, and, at any time, we may suspend offers under the Agreement or terminate the Agreement.

During the three months ended March 31, 2020, 403,075 shares of common stock were issued under the At The Market Offering for the total proceeds of \$401,891, net of offering cost of \$16,774.

Series B Convertible Preferred Stock

As of March 31, 2020, there was no share of Series B Convertible Preferred Stock outstanding.

Series E Preferred Stock

There was no Series E Convertible Preferred Stock outstanding as of March 31, 2020.

Common Stock Warrants

A summary of the status of the Company's outstanding stock warrants and changes during year ended is as follows:

	<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life (in years)</u>
Outstanding as of December 31, 2019	182,191	\$ 25.04	2.8
Expired	(17,969)	59.14	-
Outstanding as of March 31, 2020	164,222	\$ 21.30	2.0
Warrants exercisable as of March 31, 2020	164,222	\$ 21.30	2.0

Common Stock Options

A summary of the stock options as of March 31, 2020 and changes during the period are presented below:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life (in years)</u>
Outstanding as of December 31, 2019	1,731,745	\$ 5.50	7.92
Expired	(4,063)	110.67	-
Outstanding as of March 31, 2020	1,727,682	\$ 5.25	7.69
Options vested and expected to vest as of March 31, 2020	1,727,682	\$ 5.25	7.69
Options vested and exercisable as of March 31, 2020	1,658,932	\$ 5.39	7.83

NOTE 5 - DEBT, COMMITMENTS AND CONTINGENCIES

Debt consists of the following:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Convertible Note	9/1/2021	5%	\$ 999,106	\$ 999,106
Less: debt discount			-	-
Total convertible notes, net of discount			<u>\$ 999,106</u>	<u>\$ 999,106</u>
Total			\$ 999,106	\$ 999,106
Less: current portion			-	-
Long term portion			<u>\$ 999,106</u>	<u>\$ 999,106</u>

On August 14, 2017, the Company entered into a unit purchase agreement (the "Unit Purchase Agreement") with certain accredited investors providing for the sale of up to \$5,500,000 of 5% secured convertible promissory notes (the "Convertible Notes"), which are convertible into shares of the Corporation's common stock, and the issuance of warrants to purchase 1,718,750 shares of the Company's Common Stock (the "Warrants"). The Convertible Notes are convertible into shares of the Company's Common Stock at the lesser of (i) \$0.80 per share or (ii) the closing bid price of the Company's common stock on the day prior to conversion of the Convertible Note; provided that such conversion price may not be less than \$0.40 per share. The Warrants have an exercise price of \$4.80 per share. In two closings of the Unit Purchase Agreement, the Company issued \$5,500,000 in Convertible Notes to the investors. The remaining balance of the Convertible Notes were due to mature on May 31, 2018. On February 10, 2020, in consideration of the payment of \$65,000, the investor agreed to extend the maturity date to September 1, 2021, and the conversion price changed to the lower of, the closing price on the previous days close prior to the conversion request or a maximum conversion price of \$1.00 and a floor of \$0.80. The Company made such payment on February 11, 2020. The note bears interest at the rate of 5% per annum and accrues but is not paid in cash. As of March 31, 2020 and December 31, 2019, the Company had an outstanding obligation pursuant to the Convertible Notes in the amount of \$999,106.

During the three months ended March 31, 2020 and 2019, there was no amortization of debt discount. Interest expenses were \$12,454 and \$12,591 for the three months ended March 31, 2020 and 2019, respectively.

Leases

Effective June 1, 2018, the Company rented its corporate office at 1180 North Town Center Drive, Suite 100, Las Vegas, Nevada 89144, on a month to month basis. The monthly rent is \$1,997. A security deposit of \$3,815 has been paid.

The Company also assumed a lease in connection with the mining operations in Quebec, Canada. Operating leases are included in operating lease right-of-use assets, operating lease liabilities, and noncurrent operating lease liabilities on the balance sheets.

Operation lease costs are recorded on a straight-line basis within operating expenses. The Company's total lease expense is comprised of the following:

	<u>For the Three Months Ended</u>	
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Operating leases		
Operating lease cost	\$ 26,789	\$ 26,246
Operating lease expense	26,789	26,246
Short-term lease rent expense	5,992	4,107
Total rent expense	<u>\$ 32,781</u>	<u>\$ 30,353</u>

Additional information regarding the Company's leasing activities as a lessee is as follow:

	<u>For the Three Months Ended</u>	
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Operating cash flows from operating leases	\$ 26,823	\$ 25,892
Weighted-average remaining lease term – operating leases	1.5	2.0
Weighted-average discount rate – operating leases	6.5%	6.5%

As of March 31, 2020, contractual minimal lease payments are as follows:

	2020	\$	71,508
	2021		98,323
	2022		26,815
Total			196,646
Less present value discount			(12,574)
Less current portion of operating lease liabilities			(89,054)
Non-current operating lease liabilities		\$	95,018

Legal Proceedings

Feinberg Litigation

On March 27, 2018, Jeffrey Feinberg, purportedly joined by the Jeffrey L. Feinberg Personal Trust and the Jeffrey L. Feinberg Family Trust, filed a complaint against the Company and certain of its former officers and directors. The complaint was filed in the Supreme Court of the State of New York, County of New York. The plaintiffs purported to state claims under Sections 11, 12(a)(2) and 15 of the federal Securities Act of 1933 and common law claims for “actual fraud and fraudulent concealment,” constructive fraud, and negligent misrepresentation, seeking unspecified money damages (including punitive damages), as well as costs and attorneys’ fees, and equitable or injunctive relief. On June 15, 2018, the defendants filed a motion to dismiss all claims asserted in the complaint and, on July 27, 2018, the plaintiffs filed an opposition to that motion. The court heard argument on the motion and, on January 15, 2019, the court granted the motion to dismiss, allowing 30 days for the filing of an amended complaint. On February 15, 2019, Jeffrey Feinberg, individually and as trustee of the Jeffrey L. Feinberg Personal Trust, and Terrence K. Ankner, as trustee of the Jeffrey L. Feinberg Family Trust, filed an amended complaint that purports to state the same claims and seeks the same relief sought in the original complaint. On March 7 and 22, 2019, defendants filed motions to dismiss the amended complaint and on April 5, 2019, plaintiffs filed an opposition to those motions. The court heard oral argument on the motions to dismiss on July 9, 2019, and at the conclusion of the argument the court took the motions under submission. The parties are waiting for the court’s rulings on the motions to dismiss and, while the motions have been under submission, no discovery has been taken and there have been no other significant developments in the case.

NOTE 6 – Subsequent Events

The Company has evaluated subsequent events through the date of the consolidated financial statements were available to be issued and has concluded that no such events or transactions took place that would require disclosure herein except as stated directly above.

On May 11, 2020, the Company purchased 700 new generation M305+ASIC Miners from MicroBT. The 700 miners produce 80/Th and will generate 56 PH/s (petahash) of hashing power, compared to the company’s current S-9 production of 46 PH/s. These next generation MicroBT ASIC miners are markedly more energy efficient than our existing Bitmain models. The Company expects to take delivery at our hosting Facility by the end of May and our hosting partner, Computer North, expects to install them within 48 hours of their arrival.

On May 12, 2020, the Company purchased an additional 660 latest generation Bitmain S19 Pro Miners. These miners produce 110 TH/s and will generate 73 PH/s (petahash) of hashing power, bringing the company’s total Hashrate to 129 PH/s compared to the Company’s S-9 production of 46 PH/s. The company expects to take delivery at our Hosting Facility by the end of July and our hosting partner, Compute North, expects to install them within 48 hours of their arrival.

On May 11, 2020, the Company signed a Contract Addendum with Compute North, to pause and suspend services under its Colocation Agreement. This will suspend all production of Bitcoins using our S-9 miners.

Halving – The bitcoin blockchain and the cryptocurrency reward for solving a block is subject to periodic incremental halving. Halving is a process designed to control the overall supply and reduce the risk of inflation in cryptocurrencies using a Proof-of-Work consensus algorithm. At a predetermined block, the mining reward is cut in half, hence the term “Halving”. The next halving for bitcoin occurred on May 12, 2020. Many factors influence the price of bitcoin and potential increases or decreases in prices in advance of or following a future halving is unknown.

Subsequent to March 31, 2020 and through May 13, 2020, in connection with the HC Wainwright Agreement, the Company received gross proceeds of approximately \$5,112,366 from the sale of 9,004,108 shares of common stock with an average per share sale price of \$ 0.5689.

On May 5, 2020, the Compensation Committee of the Board of Directors held a meeting and approved bonuses and stock option grants for Directors and Officers for their contributions to the growth of Marathon Patent Group, Inc., for the year ended December 31, 2019. Total awards to be granted amounted to 1,164,000 restricted stock units at a price of \$0.43 per unit with a term of one year, vesting quarterly in equal amounts, and (ii) cash award of \$105,000 to Merrick Okamoto and \$54,000 to David Lieberman. In addition the Compensation Committee agreed to cancel 1,537,500 existing stock options for Directors, Officers and outside legal counsel, and replace them with new restricted stock units at a price of \$0.43 per unit with a term of one year, vesting quarterly in equal amounts.

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

This report on Form 10-Q ("Report") and other written and oral statements made from time to time by us may contain so-called "forward-looking statements," all of which are subject to risks and uncertainties. Forward-looking statements can be identified by the use of words such as "expects," "plans," "will," "forecasts," "projects," "intends," "estimates," and other words of similar meaning. One can identify them by the fact that they do not relate strictly to historical or current facts. These statements are likely to address our growth strategy, financial results and product and development programs. One must carefully consider any such statement and should understand that many factors could cause actual results to differ from our forward-looking statements. These factors may include inaccurate assumptions and a broad variety of other risks and uncertainties, including some that are known and some that are not. No forward-looking statement can be guaranteed and actual future results may vary materially.

Information regarding market and industry statistics contained in this Report is included based on information available to us that we believe is accurate. It is generally based on industry and other publications that are not produced for purposes of securities offerings or economic analysis. We have not reviewed or included data from all sources, and cannot assure investors of the accuracy or completeness of the data included in this Report. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We do not assume any obligation to update any forward-looking statement. As a result, investors should not place undue reliance on these forward-looking statements.

Overview

We were incorporated in the State of Nevada on February 23, 2010 under the name Verve Ventures, Inc. On December 7, 2011, we changed our name to American Strategic Minerals Corporation and were engaged in exploration and potential development of uranium and vanadium minerals business. In June 2012, we discontinued our minerals business and began to invest in real estate properties in Southern California. In October 2012, we discontinued our real estate business when our former CEO joined the firm and we commenced our IP licensing operations, at which time the Company's name was changed to Marathon Patent Group, Inc. We purchased our cryptocurrency mining machines and established a data center in Canada to mine digital assets.

We entered into an At The Market Offering Agreement (the "Agreement") with H.C. Wainwright & Co., LLC ("H.C. Wainwright") which establishes an at-the-market equity program pursuant to which we may offer and sell shares of our common stock, par value \$0.0001 per share ("Common Stock"), from time to time as set forth in the Agreement. The Agreement provides for the sale of shares of our Common Stock ("Shares") having an aggregate offering price of up to \$7,472,417 (the Company's ability to offer shares under the Agreement is limited to the amount of shares it may sell pursuant to General Instruction I.B.6. of Form S-3. During the three months ended March 31, 2020, 403,075 shares of common stock were issued under the At The Market Offering for the total proceeds of \$401,891, net of offering cost of \$16,774. Subsequent to March 31, 2020 and through May 13, 2020, in connection with the Agreement, the Company received gross proceeds of approximately \$5,112,366 from the sale of 9,004,108 shares of common stock.

On September 30, 2019, we consummated the purchase of 6000 S-9 Bitmain 13.5 TH/s Bitcoin Antminers ("Miners") from SelectGreen Blockchain Ltd. (the "Seller"), a British Columbia corporation, for which the purchase price was \$4,086,250 or 2,335,000 shares of its common stock at a price of \$1.75 per share. As a result of an exchange cap requirement imposed in conjunction with our Listing of Additional Shares application filed with Nasdaq to the transaction, we issued 1,276,442 shares of its common stock which represented \$2,233,773 of the \$4,086,250 (constituting 19.9% of the issued and outstanding shares on the date of the Asset Purchase Agreement) and upon the receipt of shareholder approval, at the Annual Shareholders Meeting to be held on November 15, 2019, we can issue the balance of the 1,058,558 unregistered common stock shares. The shareholders did approve the issuance of the additional shares at the Annual Shareholders Meeting. we have issued an additional 474,808 at \$0.90 per share on December 27, 2019. On March 30, 2020, the Seller has agreed to amend the total of number of shares to be issued was reduced to 2,101,500 shares and the rest of 350,250 shares was issued at \$0.49 per share.

In March 2020, the World Health Organization categorized the novel coronavirus (COVID-19) as a pandemic, and it continues to spread throughout the United States and the rest of the world with different geographical locations impacted more than others. The outbreak of COVID-19 and public and private sector measures to reduce its transmission, such as the imposition of social distancing and orders to work-from-home, stay-at-home and shelter-in-place, have had a minimal impact on our day to day operations. However this could impact our efforts to work with other businesses as they have had to adjust, reduce or suspend their operating activities. The extent of the impact will vary depending on the duration and severity of the economic and operational impacts of COVID-19. The Company is unable to predict the ultimate impact at this time. With the current worldwide situation caused by COVID-19 and related circumstances, there can be no assurances as to when we may see any recovery in the bitcoin market, and if so, whether any recovery might be significant.

Critical Accounting Policies and Estimates

Our critical accounting policies and significant estimates are detailed in our 2019 Annual Report. Our critical accounting policies and significant estimates have not changed from those previously disclosed in our 2019 Annual Report, except for those accounting subjects mentioned in the section of the notes to the condensed consolidated financial statements titled Adoption of Recent Accounting Pronouncements.

Results of Operations

For the Three Months Ended March 31, 2020 and 2019

We generated revenues of \$592,487 during the three months ended March 31, 2020 as compared to \$230,694 during the three months ended March 31, 2019. For the three months ended March 31, 2020, this represented an increase of \$361,793 or 157% over the same period in 2019. Revenue for the three months ended March 31, 2020 and 2019 were derived primarily from cryptocurrency mining.

Direct cost of revenues during the three months ended March 31, 2020 amounted to \$1,153,241 and for the three months ended March 31, 2019, the direct cost of revenues amounted to \$508,640. For the three months ended March 31, 2020, this represented an increase of \$644,601 or 127% over the same period in 2019. Direct costs of revenue include depreciation and amortization expenses of the cryptocurrency mining machines and patents, contingent payments to patent enforcement legal costs, patent enforcement advisors and inventors as well as various non-contingent costs associated with enforcing the Company's patent rights and otherwise in developing and entering into settlement and licensing agreements that generate the Company's revenue.

We incurred other operating expenses of \$531,048 for the three months March 31, 2020 and \$706,963 for the three months ended March 31, 2019. For the three months ended March 31, 2020, this represented a decrease of \$175,915 or 25% over 2019. These expenses primarily consisted of compensation to our officers, directors and employees, professional fees and consulting incurred in connection with the day-to-day operation of our business.

The operating expenses consisted of the following:

	Total Other Operating Expenses	
	For the Three Months Ended	
	March 31, 2020	March 31, 2019
Compensation and related taxes (1)	\$ 233,657	\$ 486,687
Consulting fees (2)	41,812	20,000
Professional fees (3)	146,642	85,033
Other general and administrative (4)	108,937	115,243
Total	\$ 531,048	\$ 706,963

Non-cash other operating expenses for the three months ended March 31, 2020 and 2019 include non-cash other operating expenses totaling \$23,238 and \$282,180, respectively. Non-cash operating expenses consisted of the following:

	Non-Cash Other Operating Expenses	
	For the Three Months Ended	
	March 31, 2020	March 31, 2019
Compensation and related taxes (1)	\$ 23,238	\$ 282,180
Total	\$ 23,238	\$ 282,180

- (1) Compensation expense and related taxes: Compensation expense includes cash compensation and related payroll taxes and benefits, and non-cash equity compensation expenses. For the three months ended March 31, 2020, compensation expense and related payroll taxes were \$233,657, a decrease of \$253,030 or 52% over the comparable periods in 2019. During the three months ended March 31, 2020 and 2019, we recognized non-cash employee and board equity-based compensation of \$23,238 and \$282,180, respectively.
- (2) Consulting fees: For the three months ended March 31, 2020, we incurred consulting fees of \$41,812, an increase of \$21,812 or 109% over the comparable periods in 2019. Consulting fees include both cash and non-cash related consulting fees primarily for investor relations and public relations services as well as other consulting services.
- (3) Professional fees: For the three months ended March 31, 2020 professional fees were \$146,642, an increase of \$61,609 or 72% over the comparable periods in 2019. Professional fees primarily reflect the costs of professional outside accounting fees, legal fees and audit fees.
- (4) Other general and administrative expenses: For the three months ended March 31, 2020, other general and administrative expenses were \$108,937, a decrease of \$6,306 or 5% over the comparable periods in 2019. General and administrative expenses reflect the other non-categorized operating costs of the Company and include expenses related to being a public company, rent, insurance, technology and other expenses incurred to support the operations of the Company.

Operating Loss

We reported operating loss from continuing operations of \$1,091,802 and \$984,909, for the three months ended March 31, 2020 and 2019, respectively.

Other Expenses

Total other income was \$33,871 for the three months ended March 31, 2020 and other expenses of \$59,953 for the three months ended March 31, 2019, respectively.

Net Loss Available to Common Shareholders

We reported net loss of \$1.1 million and \$1.0 million for the three months ended March 31, 2020 and 2019, respectively.

Liquidity and Capital Resources

The Company's condensed consolidated financial statements have been prepared assuming that it will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

On July 19, 2019, we entered into an At The Market Offering Agreement (the "Agreement") with H.C. Wainwright & Co., LLC ("H.C. Wainwright") which establishes an at-the-market equity program pursuant to which we may offer and sell shares of our common stock, par value \$0.0001 per share ("Common Stock"), from time to time as set forth in the Agreement. The Agreement provides for the sale of shares of our Common Stock ("Shares") having an aggregate offering price of up to \$7,472,417 (the Company's ability to offer shares under the Agreement is limited to the amount of shares it may sell pursuant to General Instruction I.B.6. of Form S-3. During the three months ended March 31, 2020, 403,075 shares of common stock were issued under the At The Market Offering for the total proceeds of \$401,891, net of offering cost of \$16,774. Subsequent to March 31, 2020 and through May 13, 2020, in connection with the Agreement, the Company received gross proceeds of approximately \$5,112,366 from the sale of 9,004,108 shares of common stock.

As reflected in the condensed consolidated financial statements, the Company had an accumulated deficit of approximately \$106.3 million at March 31, 2020, a net loss of approximately \$0.6 million and \$1.2 million net cash used in operating activities for the three months ended March 31, 2020. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. At March 31, 2020, the Company's cash and cash equivalents balances totaled \$474,546 compared to \$692,963 at December 31, 2019.

Net working capital increased by \$457,899, to working capital of \$99,322 at March 31, 2020 from working capital deficit of \$358,577 at December 31, 2019.

Cash used in operating activities was \$1,072,237 during the three months ended March 31, 2020 and cash used in operating activities of \$811,136 during the three months ended March 31, 2019.

Cash provided by investing activities was \$468,703 during the three months ended March 31, 2020 and cash used in investing activities of \$224,449 for the three months ended March 31, 2019.

Cash provided by financing activities was \$385,117 during the three months ended March 31, 2020.

Based on our current revenue and profit projections, we are uncertain that our existing cash will be sufficient to fund its operations through at least the next twelve months, raising substantial doubt regarding our ability to continue operating as a going concern. If we do not meet our revenue and profit projections or the business climate turns negative, then we will need to:

- raise additional funds to support our operations, through, among other potential sources, our newly effected At The Market Facility with H.C. Wainwright; provided, however, there is no assurance that we will be able to raise such additional funds on acceptable terms, if at all. If we raise additional funds by issuing securities, existing stockholders may be diluted; and
- review strategic alternatives.

If adequate funds are not available, we may be required to curtail our operations or other business activities or obtain funds through arrangements with strategic partners or others that may require us to relinquish rights to certain technologies or potential markets.

Off-balance Sheet Arrangements

We have not entered into any other financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as stockholder's equity or that are not reflected in our consolidated condensed financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not required for smaller reporting companies.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our management is also required to assess and report on the effectiveness of our internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404"). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes of accounting principles generally accepted in the United States. Management assessed the effectiveness of our internal control over financial reporting as of March 31, 2020. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework in the 2013 COSO framework. Based on this assessment, management concluded that our disclosure controls and procedures were not effective.

Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, we will implement procedures to assure that the initiation of transactions, the custody of assets and the recording of transactions will be performed by separate individuals.

We believe that the foregoing steps if implemented, will help remediate the material weakness identified above, and we will continue to monitor the effectiveness of these steps and make any changes that our management deems appropriate. Due to the nature of this material weakness in our internal control over financial reporting, there is more than a remote likelihood that misstatements which could be material to our annual or interim financial statements could occur that would not be prevented or detected.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of our ongoing program to implement changes and further improve our internal controls and in conjunction with our Code of Ethics, our independent directors have been working with management to include protocols and measures aimed at ensuring quality of our internal controls. Among those measures is the implementation of a whistleblower hotline, which allows third parties to anonymously report noncompliant activity. The hotline may be accessed as follows:

To file a report, use the Client Code "MarathonPG" and pick one of the following options:

- Call: 1-877-647-3335
- Click: <http://www.RedFlagReporting.com>

Changes in Internal Controls.

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2020 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.

Feinberg Litigation

On March 27, 2018, Jeffrey Feinberg, purportedly joined by the Jeffrey L. Feinberg Personal Trust and the Jeffrey L. Feinberg Family Trust, filed a complaint against the Company and certain of its former officers and directors. The complaint was filed in the Supreme Court of the State of New York, County of New York. The plaintiffs purported to state claims under Sections 11, 12(a)(2) and 15 of the federal Securities Act of 1933 and common law claims for “actual fraud and fraudulent concealment,” constructive fraud, and negligent misrepresentation, seeking unspecified money damages (including punitive damages), as well as costs and attorneys’ fees, and equitable or injunctive relief. On June 15, 2018, the defendants filed a motion to dismiss all claims asserted in the complaint and, on July 27, 2018, the plaintiffs filed an opposition to that motion. The court heard argument on the motion and, on January 15, 2019, the court granted the motion to dismiss, allowing 30 days for the filing of an amended complaint. On February 15, 2019, Jeffrey Feinberg, individually and as trustee of the Jeffrey L. Feinberg Personal Trust, and Terrence K. Ankner, as trustee of the Jeffrey L. Feinberg Family Trust, filed an amended complaint that purports to state the same claims and seeks the same relief sought in the original complaint. On March 7 and 22, 2019, defendants filed motions to dismiss the amended complaint and on April 5, 2019, plaintiffs filed an opposition to those motions. The court heard oral argument on the motions to dismiss on July 9, 2019, and at the conclusion of the argument the court took the motions under submission. The parties are waiting for the court’s rulings on the motions to dismiss and, while the motions have been under submission, no discovery has been taken and there have been no other significant developments in the case.

Other than as disclosed herein, we know of no other material, active or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceedings or pending litigation other than in the normal course of business.

Item 1A. Risk Factors.

Not required for smaller reporting companies.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

10.1	Purchase Agreements for Miner Purchases
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.ins	XBRL Instance Document**
101.sch	XBRL Taxonomy Schema Document**
101.cal	XBRL Taxonomy Calculation Document**
101.def	XBRL Taxonomy Linkbase Document**
101.lab	XBRL Taxonomy Label Linkbase Document**
101.pre	XBRL Taxonomy Presentation Linkbase Document**

* Furnished herewith

** Filed herein

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.

Date: May 14, 2020

MARATHON PATENT GROUP, INC.

By: /s/ Merrick Okamoto

Name: Merrick Okamoto

Title: Chief Executive Officer and Executive Chairman
(Principal Executive Officer)

By: /s/ David Lieberman

Name: David Lieberman

Title: Chief Financial Officer
(Principal Financial and Accounting Officer)



Proposal for Services

Developed for:

Marathon Patent Group
May 11, 2020

Prepared By:

Ro Shirole
VP Sales and Corporate Development

About Compute North

Thank you for your interest in Compute North! Compute North is a data center company that provides efficient, low-cost, infrastructure services for clients in the blockchain, cryptocurrency mining and the broader high-performance computing space. Offering solutions to investors and miners of mid to large-scale operations, Compute North has developed the strategic infrastructure that helps mining professionals better capitalize on one of the most exciting opportunities in today's market. With extensive experience in installing, scaling and operating cryptocurrency and blockchain infrastructure, Compute North is a trusted provider in the industry with a focus on creating the next generation of data center colocation services.

We are excited to work with Marathon Patent Group on this project and sincerely appreciate the opportunity to earn your business. We have worked with hundreds of similar organizations and feel confident we can do the same for you.

Why Compute North?

We develop highly economical data centers specifically for distributed and high-performance computing.

Our vision is to create and operate best-in-class, sustainable and low-cost Tier Zero colocation facilities for large-scale high-performance computing applications.

Led by an experienced management team with deep experience in technology, finance, and energy, we differentiate ourselves by providing our clients rapid service deployment, integrity in everything we do and operational excellence. We are proud to say that we have become known as one of the leaders in this emerging space by executing with speed and precision.

- **Our People:** The U.S. based team at Compute North are recognized veterans with a proven track record.
- **Our Operations:** We understand what it takes to deliver large-scale, readily accessible hosting infrastructure for crypto mining and blockchain technology.
- **Fair and Transparent Pricing:** Compute North delivers added value through our transparent all-in price that is honest, fair, and a win-win for all parties involved.

Our Facilities

We have built our facilities in the most strategic locations in the U.S., so you can focus on your ROI rather than worrying about the logistics. With experienced technology professionals, reliable power, and straightforward competitive pricing at our facilities, your equipment is always safe and running optimally.

Protecting Your Investment

Our facilities have 24/7 surveillance and industry-leading security measures to ensure your equipment and your data are always safe. We further protect your investment by keeping the exact locations of our colocation centers confidential from everyone but our customers.

Making Mining More Affordable

Due to the increasing popularity and complexity of cryptocurrency mining, operational costs are going up every day. If you want your mining operations to deliver the best ROI, you need to host your equipment in a cost-competitive environment. We drive down your expenses by utilizing cost-efficient renewable energy in regions where power costs are at rock bottom.

A U.S. Based Colocation Mining Operation

With U.S. based facilities in key locations as well as partnerships around the globe, you're never that far from your state-of-the-art rig. Adhering to the highest standards, and sourcing locations that are well-equipped, ensures your miners have access to the best technology requirements at the most affordable power costs.

What's Included?

- **Cooling** – Ambient air cooling for maximum hardware performance.
- **Remote Hands Support** - Our on-site staff is there when you need them, providing free reboots and equipment swaps.
- **Security** – A secure environment to keep your hardware and data safe.
- **Internet** – A redundant internet connection.

Locations

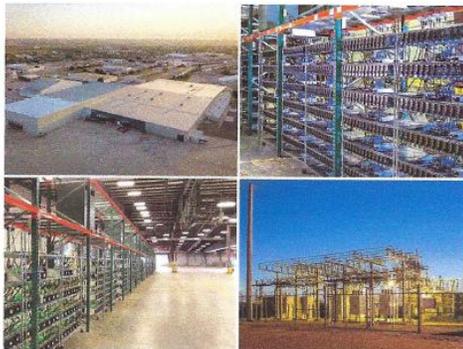
Texas

Status: At capacity

Customer Testimonial:

"The whole experience was amazing, especially with the Minery situation. Should I get miners in the future, Compute North will be the first place I look to host them."

-Jesse B.



South Dakota

Status: At capacity

Customer Testimonial:

"I'd like to give a shout out to you guys. MineryTech was well known for its fantastic customer services, and I was at first hesitant to use you guys as there was little (though positive) comments regarding Compute North. It's great to know that you guys maintain the same level of professionalism! Great service and constant communication! Keep it up."

-Austin H.



Nebraska

Status: Open and adding capacity

- 100 MW total capacity
- Modular data center design
- Built to be dense, low-cost and extract heat as efficiently as possible
- Most efficient use of capital and ability to add incremental capacity once computing devices are acquired



Customer Testimonial:

"Wanted to say thanks again for the whole team's efforts to go get my miners on a Friday night. David came in Saturday morning and setup my miners. This customer service is one of or more so the best I have ever gotten, you guys have moved a step ahead of American Express which means a lot in my books! MDI and the other 3 hosting providers I used before Compute North would have told me to get lost if I asked what I did last night. Thanks again, above is the reason why you will have my business for life and why I will continue to push your services not only in real life, but all-over social media as well."

-Kevin H.

Bitcoin Miner Hosting Services

Crypto mining made easy

Our miner hosting services are designed specifically for cryptocurrency mining and have the high-power requirements necessary to mine all the most popular and most profitable currencies. With facilities designed with the right capacity and components to continuously power all of the most popular cryptocurrency mining hardware, we've built powerful cryptocurrency mining host services that are equipped to handle complex operations while being easy to use.

The Compute North advantage includes:

- Cost-competitive infrastructure powered by renewable energy
- Secure environment to keep your hardware and your data safe
- Simple, fixed pricing includes power, space, ambient air cooling, internet access, physical racks, and security

One Price, All the Benefits

Your monthly costs shouldn't be an unknown. We believe in transparent pricing that gives you everything you need to power your operations. With competitive pricing and volume discounts, we take all the guesswork out of your investment. Your all-inclusive pricing covers:

- Crypto mining power
- Space for your equipment
- Direct air cooling
- Internet access
- Physical racking
- Security
- 240V
- Free reboots and equipment swaps

Here's How it Works

- Step 1: You outline your power requirements and send us your hardware.
- Step 2: We set up your equipment and provide secure, efficient, and cost-effective space and power.
- Step 3: We continuously power and monitor your equipment so you can maximize your mining efforts at the best possible return.

For further details, please request a service agreement.

Managed Blockchain Services

Experience the difference expertise makes

You want your mining gear to be running at maximum performance so that you see the best possible ROI on your investment. The reality is, to accomplish this the average person spends way too much time monitoring individual miners, troubleshooting technical issues, handling firmware updates and more. With our expertise and onsite technical resources, our team can help you take care of the essential tasks that you can't, or prefer not to, in order to ensure you get the most out of your ASIC mining rigs.

Not only do we provide the ultimate in blockchain infrastructure with all the right components to power your operations, Compute North managed blockchain services removes the day-to-day complexities of miner operation. Your hardware will be enrolled in Compute North's monitoring system, MinerSentry, that will proactively alert our team of miner faults. Compute North will automatically lead the troubleshooting process and dispatch onsite technicians as needed in order to resolve issues with the miners.

Advantages of Compute North managed blockchain services include:

- **Hashrate Monitoring and Alerting:** Your miners will be automatically setup with MinerSentry, our proprietary monitoring and alerting system. Our team will have visibility when issues arise like devices going offline, low hashrate, or high temperature.
- **Onsite Support:** Compute North will monitor and automatically dispatch an onsite technician to investigate alerts received from miner monitoring systems. A customer support request is not required to begin remediation of miners.
- **Factory firmware updates:** If you desire, Compute North can take care of installing the latest stock firmware release from the miner manufacturer.
- **Miner Configuration:** Compute North can handle the configuration of your miners, at your direction, to take care of things like pool changes, adjust overclocking settings, change coins mined or mining algorithms.

Bundles to Meet Your Needs

Compute North offers two primary hosting options – managed and unmanaged. Understanding which option is best for you will help guide your decision when selecting a bundle.

Hosting Basic

Our Basic package is a cost-effective offering tailored to the mining client that has the capabilities to self-manage their miners. As part of this solution, Compute North provides the power, network and rack space necessary to operate the miners as well as onsite personnel that can perform miner maintenance activities as directed by you. You will have secure remote access to your hardware and would be responsible for monitoring your miners for faults, leading the troubleshooting and remediation process, leveraging Compute North's onsite team as needed.

Hosting Select

Our Select service is a managed offering designed for clients that prefer to be hands-off with the maintenance and upkeep of their miners. With this package, miners will be enrolled in Compute North's monitoring system, MinerSentry, that will proactively alert our team of miner faults. Compute North will automatically lead the troubleshooting process and dispatch onsite technicians as needed on behalf of the customer in order to resolve issues with the miners.

Bundles in detail:

	Basic	Select
Core Features		
Equipment	Customer Provided	Customer Provided
Equipment Managed	No	Yes
Rack Space	X	X
240V Power	X	X
Ambient Air Cooling	X	X
Redundant Internet Connectivity	X	X
Physical Security	X	X
Premium Features		
Miner Configuration		X
Miner Monitoring		X
Alert Management and Proactive Response		X
Automated Rules-based Reboots		X
Stock Firmware Upgrades		X
Technical Support		
Basic Remote Hands	X	X
Advanced Remote Hands		X
SLA Level	Network & Power	Hashrate Performance
VPN Access	X	
RMA Processing		X

**Only available for supported ASIC and GPU miners.*

Here's How it Works

- **Step 1:** You outline your power and hardware requirements and select the package option suited to your needs
- **Step 2:** We set up your equipment and provide secure, efficient, and cost-effective space and power.
- **Step 3:** Your equipment runs in our Tier 0 data center so you can maximize your mining efforts at the best possible return

For further details, please request a service agreement.

Pricing Information

Hosting Costs

Equipment Details	Bitmain S19 Pro
Number of Units	660
Package	Basic
Contract Term	Co-term with existing contract
Monthly Hosting Fee (per unit)	\$136.51
Monthly Package Fee (per unit)	N/A
Total Monthly Fee	\$90,096.60
Setup Fee	Waived

Equipment Costs

Equipment Details	Bitmain S19 Pro (July Batch)
Number of Units	660
Unit Cost	\$2,620.00
Total Cost	\$1,729,200.00

Proposal Assumptions and Notes

- This quote is valid for 7 days.
- This proposal is subject to Compute North approval and is not a binding offer. Additional terms and conditions that apply to the products and services listed in this proposal will be set out in a complete service agreement.
- Unless otherwise indicated, all charges and fees included in this proposal are in US dollars and do not include applicable taxes. The client will be responsible to pay all applicable taxes.
- Unless otherwise indicated, this proposal is based on a twenty-four (24) month term.
- Equipment may be swapped out during the contract with a new signed contract. Depending on configuration changes, setup fees may apply.
- Equipment cost does not include shipping, duties, and tariffs if applicable.

Next Steps

To proceed forward, we require a signed contract and a deposit for the last two months of service paid via credit card, wire transfer or cryptocurrency. Once this is in place, our operations team will schedule and coordinate the build out and arrange for delivery of your miners. If you wish to proceed, please let us know the following information and I will prepare a contract for you:

Name (or legal entity): MARATHON PATENT GROUP, Inc

Address: 1180 North Town Center Dr. Ste 100

Primary Phone Number: Las Vegas, NV 89144

Regards, *Ro Shirole*, CEO

Ro Shirole

(E) ro.shirole@computenorth.com

(O) 952.279.0587

(M) 612.709.7676

深圳比特微电子科技有限公司
Shenzhen Microbt Electronics Technology Co., Ltd

深圳市南山区高新南六道航盛科技大厦801
Room 801, HASE Plaza, No.6 Gaoxinnan Road, Nanshan, Shenzhen, Guangdong, PR.China
E: zhangwencheng@microbt.com

PROFORMA INVOICE
形式发票

Billed by: Shenzhen Microbt Electronics Technology Co., Ltd
Room 801, HASE Plaza, No.6 Gaoxinnan Road, Nanshan,
Shenzhen, Guangdong, PR.China
Bill To: Marathon Patent Group, Inc
1180 North Town Center Dr Ste 100 Las Vegas, NV 89144

Invoice# 20200506-001
S/C #: SC20200506-001
Date: 2020/5/6

装船口岸 经 目的地
From SHENZHEN Via HONGKONG Destination

DESCRIPTIONS/货物品名及描述	QUANTITY/数量	Unit Price/单价	AMOUNT/总金额
		DDP NE	
Server M31S+ 80TH/服务器M31S+ 80TH	340	USD 1,850.00	USD 629,000.00
Server M31S+ 78TH/服务器M31S+ 78TH	180	USD 1,808.25	USD 325,485.00
Server M31S+ 76TH/服务器M31S+ 76TH	180	USD 1,766.50	USD 317,970.00
Total/总计:	700	PCS	USD 1,272,455.00

Amount/总金额: USD One Million Two Hundred Seventy Two Thousand Four Hundred Fifty Five Only.

Delivery Schedule/交货时间: Within 10 days from the date when Advance Payment Received

Bank Details/收款银行信息: Beneficiary Bank Name: THE BANK OF EAST ASIA LIMITED)

Beneficiary Bank Address: 26/F (G/F BEA TOWER MCS 418 KUWN TONG RD
KWUN TONG HONGKONG

Beneficiary Bank Swift : BEASHKHH

Beneficiary Account No. : 01525668033938

Beneficiary Name : INCHIGLE TECHNOLOGY HONGKONG LIMITED

COMPANY STAMP
Shenzhen Microbt Electronics Technology Co.,
Ltd

Authorized Signature:

Zhang Wencheng

赢趣购技术香港有限公司
INCHIGLE TECHNOLOGY HONGKONG LIMITED

香港九龙新蒲岗双喜街7号业丰大厦17楼1707室
ROM1707, 17/F YIP FUNG GLDG NO.7 SHEUNG HEI ST SAN PO KONG KLN, HONGKONG
E: vincentze@gmail.com

PURCHASE ORDER
销售合同

Purchaser: Marathon Patent Group, Inc
1180 North Town Center Dr Ste 100 Las Vegas, NV 89144

S/C No: SC20200506-001
Date: 2020/5/6

Ship To: Compute North, LLC
3215 Global Drive Place, Kearney, NE 68847

按本合同条款, 买方同意购入, 卖方同意出售下述产品, 谨此签约

The undersigned Sellers and Buyers have agreed to enclose the followed transactions according to the term and conditions stipulated below:

DESCRIPTIONS/货物品名及描述	QUANTITY数量	UNIT PRICE/价格	AMOUNT/总金额
		DDP Final Destination	
Server M31S+ 80TH/服务器M31S+ 80TH	340	USD 1,850.00 USD	629,000.00
Server M31S+ 78TH/服务器M31S+ 78TH	180	USD 1,808.25 USD	325,485.00
Server M31S+ 76TH/服务器M31S+ 76TH	180	USD 1,766.50 USD	317,970.00

Total/总计: 700 PCS USD 1,272,455.00
Amount/总金额: USD One Million Two Hundred Seventy Two Thousand Four Hundred Fifty Five Only.

Packing/包装:

Shipping Marks/唛头: N/M

Delivery Date/交货日期: Within 10 days After Full Advance Payment Received

Loading Port&Destination 装货/卸货港口: Hongkong/NE

Payment/付款条件及方式: 100% in Advance

Arbitration 仲裁:

Any dispute arising from or in connection with this Contract shall be submitted to China international Economic and Trade Arbitration Commission Shanghai Commission for arbitration which shall be conducted in accordance with the Commission's arbitration rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon both parties.

凡涉及本合同或因执行本合同而发生的一切争执, 应通过友好协商解决, 如果协商不能解决, 则可提交仲裁委员会根据该会暂定的仲裁法则和程序进行仲裁。仲裁裁决是终局, 对双方都有约束力。仲裁费用由败诉方承担。仲裁也可在双方均能接受的第三国进行

Warranty Period/质保期: 365 Days from the date of Delivery 发货之日起365天

Server Performance: Hash Rate: 80TH±5% Power Consumption: 3360W±5%

卖方/Seller:
赢趣购技术香港有限公司
INCHIGLE TECHNOLOGY HONGKONG
LIMITED

买方/Buyer: 
Marathon Patent Group, Inc
Merrick Okamoto, CEO

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

I, Merrick Okamoto, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marathon Patent Group, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly for the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: May 14, 2020

By: /s/ Merrick Okamoto
Merrick Okamoto
Chief Executive Officer and Executive Chairman (Principal Executive Officer)

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

I, David Lieberman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marathon Patent Group, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly for the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: May 14, 2020

By: /s/ David Lieberman

David Lieberman
Chief Financial Officer (Principal Financial and Accounting Officer)

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

About the Quarterly Report of Marathon Patent Group, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Merrick Okamoto, Chief Executive Officer and Chairman (Principal Executive Officer) of the Company, certifies, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 14, 2020

By: /s/ Merrick Okamoto
Merrick Okamoto
Chief Executive Officer and Executive Chairman (Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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

In connection with the Quarterly Report of Marathon Patent Group, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), David Lieberman, Chief Financial Officer, Secretary and Director (Principal Financial Officer) of the Company, certifies, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 14, 2020

By: /s/ David Lieberman

David Lieberman
Chief Financial Officer (Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.1

Marathon Patent Group Announces 2020 Fiscal First Quarter Financial Results

LAS VEGAS, May 14, 2020 (GLOBE NEWSWIRE) -- Marathon Patent Group, Inc. (NASDAQ:MARA) ("Marathon" or "Company"), today announced its operating results for the three months ended March 31, 2020. The Company anticipates filing its Form 10-Q with the Securities and Exchange Commission later today.

Summary of Operating Results for the Quarter Ended March 31, 2020

- Reported revenues of \$592,487 during the three months ended March 31, 2020 as compared to \$230,694 during the three months ended March 31, 2019, an increase of 157% over the same period in 2019.
- Operating loss was approximately \$1.1 million (inclusive of non-cash expenses) for the quarter ended March 31, 2020 compared to an operating loss of approximately \$1 million (inclusive of non-cash expenses) for the quarter ended March 31, 2019.
- Per share net loss improved to \$(0.12) per basic and diluted share for the quarter ended March 31, 2020 compared to \$(0.16) the quarter ended March 31, 2019.
- Net cash used in operating activities was approximately \$1.1 million in the quarter ended March 31, 2020, compared to approximately \$0.8 million for the first quarter in 2019.
- The Company had approximately \$0.5 million of cash and cash equivalents as of March 31, 2020. Subsequently, the company raised \$5.5mm from our effective ATM, purchased \$3mm of new mining equipment and has \$2.3mm cash on hand.

Merrick Okamoto, Chief Executive Officer, stated, "While we are pleased to have seen improved financial performance in the quarter on a year over year basis, it is recent initiatives that we believe have positioned us for potential accelerated growth going forward. In the last week, we announced the purchase of 1,360 next generation miners. Our mining production will produce 2.8x the petahash of our previous miners and dramatically lower our breakeven costs."

Okamoto continued, "The combined purchase is another step supporting the Company's recent strategic initiatives focused on expanding its bitcoin mining operations. Marathon anticipates that the 700 M30S+ miners will be deployed in June of 2020 and the S19 Pro's in late July. When all 1,360 miners are fully deployed, Marathon estimates its aggregate operating hash rate will be approximately 129 petahash per second ("PH/s")."

Investor Notice

Investing in our securities involves a high degree of risk. Before making an investment decision, you should carefully consider the risks, uncertainties and forward-looking statements described under "Risk Factors" in Item 1A of our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2019. If any of these risks were to occur, our business, financial condition or results of operations would likely suffer. In that event, the value of our securities could decline, and you could lose part or all of your investment. The risks and uncertainties we describe are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. In addition, our past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results in the future. Lastly, with the current worldwide situation caused by COVID-19, there can be no assurances as to when we may see any recovery in the bitcoin market, and if so, whether any recovery might be significant.

Forward-Looking Statements

Statements made in this press release include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by the use of words such as "may," "will," "plan," "should," "expect," "anticipate," "estimate," "continue," or comparable terminology. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the heading "Risk Factors" in the Company's Annual Reports on Form 10-K, as may be supplemented or amended by the Company's Quarterly Reports on Form 10-Q. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

CONTACT INFORMATION

Name: Jason Assad
Phone: 678-570-6791
Email: Jason@marathonpg.com

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

	March 31, 2020 (Unaudited)	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 474,546	\$ 692,963
Digital currencies	2,892	1,141
Accounts receivable - net of allowance for bad debt of \$0 for March 31, 2020	117,811	-
Prepaid expenses and other current assets	908,348	800,024
Total current assets	<u>1,503,597</u>	<u>1,494,128</u>
Other assets:		
Property and equipment, net of accumulated depreciation and impairment charges of \$6,220,792 and \$6,157,786 for March 31, 2020 and December 31, 2019, respectively	2,835,563	3,754,969
Right-of-use assets	273,173	297,287
Intangible assets, net of accumulated amortization of \$154,216 and \$136,422 for March 31, 2020 and December 31, 2019, respectively	1,055,784	1,073,578
Total other assets	<u>4,164,520</u>	<u>5,125,834</u>
TOTAL ASSETS	<u>\$ 5,668,117</u>	<u>\$ 6,619,962</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,312,159	\$ 1,238,197
Mining servers payable	-	513,700
Current portion of lease liability	89,054	87,959
Warrant liability	3,062	12,849
Total current liabilities	<u>1,404,275</u>	<u>1,852,705</u>
Long-term liabilities		
Convertible notes payable	999,106	999,106
Lease liability	95,018	120,479
Total long-term liabilities	<u>1,094,124</u>	<u>1,119,585</u>
Total liabilities	<u>2,498,399</u>	<u>2,972,290</u>
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock, \$0.0001 par value, 50,000,000 shares authorized, no shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively	-	-
Common stock, \$0.0001 par value; 200,000,000 shares authorized; 9,212,106 and 8,458,781 issued and outstanding at March 31, 2020 and December 31, 2019, respectively	922	846
Additional paid-in capital	110,284,952	109,705,051
Accumulated other comprehensive loss	(450,719)	(450,719)
Accumulated deficit	(106,665,437)	(105,607,506)
Total stockholders' equity	<u>3,169,718</u>	<u>3,647,672</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 5,668,117</u>	<u>\$ 6,619,962</u>

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

	For the Three Months Ended	
	March 31,	
	2020	2019
Revenues		
Cryptocurrency mining revenue	\$ 592,487	\$ 230,694
Total revenues	<u>592,487</u>	<u>230,694</u>
Operating costs and expenses		
Cost of revenue	1,153,241	508,640
Compensation and related taxes	233,657	486,687
Consulting fees	41,812	20,000
Professional fees	146,642	85,033
General and administrative	108,937	115,243
Total operating expenses	<u>1,684,289</u>	<u>1,215,603</u>
Operating loss	(1,091,802)	(984,909)
Other income (expenses)		
Other income (expenses)	106,408	(9,437)
Foreign exchange loss	-	(11,873)
Realized loss on sale of digital currencies	(4,222)	(608)
Change in fair value of warrant liability	9,787	(37,734)
Change in fair value of mining payable	(66,547)	-
Interest income	1,880	12,016
Interest expense	(13,435)	(12,317)
Total other income (expenses)	<u>33,871</u>	<u>(59,953)</u>
Loss before income taxes	\$ (1,057,931)	\$ (1,044,862)
Income tax expense	-	-
Net loss	<u>\$ (1,057,931)</u>	<u>\$ (1,044,862)</u>
Net loss per share, basic and diluted:	<u>\$ (0.12)</u>	<u>\$ (0.16)</u>
Weighted average shares outstanding, basic and diluted:	<u>8,655,525</u>	<u>6,338,418</u>
Net loss	\$ (1,057,931)	\$ (1,044,862)
Other comprehensive income:		
Unrealized gain on foreign currency translation	-	-
Comprehensive loss attributable to Marathon Patent Group, Inc.	<u>\$ (1,057,931)</u>	<u>\$ (1,044,862)</u>

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Number	Amount	Number	Amount				
Balance as of December 31, 2019	-	\$ -	8,458,781	\$ 846	\$ 109,705,051	\$ (105,607,506)	\$ (450,719)	\$ 3,647,672
Stock based compensation	-	-	-	-	23,238	-	-	23,238
Issuance of common stock, net of offering costs/At-the-market offering	-	-	403,075	41	385,076	-	-	385,117
Common stock issued for purchase of mining servers	-	-	350,250	35	171,587	-	-	171,622
Net loss	-	-	-	-	-	(1,057,931)	-	(1,057,931)
Balance as of March 31, 2020	-	\$ -	9,212,106	\$ 922	\$ 110,284,952	\$ (106,665,437)	\$ (450,719)	\$ 3,169,718

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (1,057,931)	\$ (1,044,862)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	510,781	137,361
Amortization of patents and website	17,794	17,794
Realized loss on sale of digital currencies	4,222	608
Change in fair value of warrant liability	(9,787)	37,734
Change in fair value of mining payable	66,547	-
Stock based compensation	23,238	282,180
Amortization of right-of-use assets	24,114	21,795
Changes in operating assets and liabilities:		
Accounts receivables	(117,811)	-
Digital currencies	(474,676)	(230,694)
Lease liability	(24,365)	(21,441)
Prepaid expenses and other assets	(108,324)	55,364
Accounts payable and accrued expenses	73,961	(66,975)
Net cash used in operating activities	<u>(1,072,237)</u>	<u>(811,136)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of digital currencies	468,703	224,449
Net cash provided by investing activities	<u>468,703</u>	<u>224,449</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock/At-the-market offering	401,891	-
Offering costs for the issuance of common stock/At-the-market offering	(16,774)	-
Net cash provided by financing activities	<u>385,117</u>	<u>-</u>
Net decrease in cash and cash equivalents	(218,417)	(586,687)
Cash and cash equivalents — beginning of period	692,963	2,551,171
Cash and cash equivalents — end of period	<u>\$ 474,546</u>	<u>\$ 1,964,484</u>
Supplemental schedule of non-cash investing and financing activities:		
Par value adjustment due to reverse split	\$ -	\$ 1
Common stock issued for purchase of mining servers	\$ 171,622	\$ -
Reduction of share commitment for purchase of mining servers	\$ 408,625	\$ -