

Marathon Patent Group, Inc.
Form S-1
December 31, 2013

As filed with the Securities and Exchange Commission on December 31, 2013.

SEC File No. 333-

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

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

MARATHON PATENT GROUP, INC.
(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	6794 (Primary Standard Industrial Classification Code Number)	01-0949984 (I.R.S. Employer Identification Number)
---	---	--

2331 Mill Road, Suite 100
Alexandria, VA 22314
Telephone: (703) 232-1701
(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

Doug Croxall
2331 Mill Road, Suite 100
Alexandria, VA 22314
Telephone: (703) 232-1701
(Name, address, including zip code, and telephone number,
including area code, of agent for service)

Copies of all communications, including communications sent to agent for service,
should be sent to:

Harvey J. Kesner, Esq.
Sichenzia Ross Friedman Ference LLP
61 Broadway, 32nd Floor
New York, New York 10006
Telephone: (212) 930-9700

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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

(Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/> x

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Units, each unit consisting of shares of common stock, \$0.0001 par value per share, Common stock included in the Units	\$ 6,000,000	\$ 772.80
Total	\$ 6,000,000	\$ 772.80

(1) Estimated solely for purpose of calculating registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the “Securities Act”).

(2) Calculated pursuant to Rule 457(o) under the Securities Act based on an estimate of the proposed maximum offering price.

(3) No fee required pursuant to Rule 457(g).

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a),

may determine.

2

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 31, 2013

PRELIMINARY PROSPECTUS

SHARES

MARATHON PATENT GROUP, INC.

Common Stock

We are offering _____ units, each unit consisting of _____ shares of our common stock. Each unit will be sold at a negotiated offering price of _____ per unit, resulting in aggregate gross proceeds to the company of \$6,000,000, before estimated expenses. The units will separate immediately and the common stock will be issued and will trade separately.

Our common stock is quoted on the OTC Bulletin Board under the symbol "MARA". On December 27, 2013, the last reported sale price of our common stock as reported on the OTC Bulletin Board was \$6.15 per share. On July 18, 2013, we effectuated a 1-for-13 reverse stock split of our common stock (the "Reverse Split"). All share numbers and per share prices in this prospectus reflect the Reverse Split, unless otherwise indicated.

Investing in our securities involves a high degree of risk. See "Risk Factors" beginning on page 7.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

We expect to deliver the common shares on or about _____, 2014.

The date of this prospectus is _____, 2014

TABLE OF CONTENTS

	Page
Prospectus Summary	5
Risk Factors	7
Special Note Regarding Forward Looking Statements	16
Use of Proceeds	16
Market for Our Common Stock and Related Stockholder Matters	16
Capitalization	19
Dilution	20
Management's Discussion and Analysis of Financial Condition and Results of Operation	21
Business	33
Properties	39
Management	40
Executive Compensation	44
Certain Relationships and Related Transactions	47
Security Ownership of Certain Beneficial Owners and Management	51
Description of Securities	53
Plan of Distribution	56
Legal Matters	56
Experts	56
Where You Can Find Additional Information	57
Index to Financial Statements	F-1

We have not authorized anyone to provide you with information different from, or in addition to, that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell or seeking offers to buy these securities in any jurisdiction where, or to any person to whom, the offer or sale is not permitted. The information in this prospectus is accurate only as of its date regardless of the time of delivery of this prospectus or of any sale of our common shares. Our business, financial condition, results of operations and future growth prospects may have changed since those dates.

For investors outside the United States, we have not done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus outside of the United States.

This prospectus includes estimates, statistics and other industry and market data that we obtained from industry publications, research, surveys and studies conducted by third parties and publicly available information. Such data involves a number of assumptions and limitations and contains projections and estimates of the future performance of the industries in which we operate that are subject to a high degree of uncertainty. This prospectus also includes data based on our own internal estimates. We caution you not to give undue weight to such projections, assumptions and estimates.

Prospectus Summary

This summary highlights information contained in other parts of this prospectus. Because it is only a summary, it does not contain all of the information that you should consider before investing in our securities and it is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this prospectus. You should read the entire prospectus carefully, especially the section entitled “Risk Factors” and our consolidated financial statements and related notes, before deciding to buy our securities. Unless otherwise stated, all references to “us,” “our,” “we,” “Marathon,” the “Company” and similar designations refer to Marathon Patent Group, Inc. and its subsidiaries.

Company Overview

We are a patent acquisition and licensing company. We acquire patents from a wide-range of patent holders, from individual inventors to Fortune 500 companies. Our strategy of acquiring patents that cover a wide-range of subject matter allows us to achieve diversity within our patent asset portfolio. We monetize our diversified portfolio through actively managed concurrent licensing campaigns. This approach is expected to result in a long term, diversified revenue stream.

As of December 27, 2013, we have a patent portfolio consisting of 116 U.S. and foreign patents, including 17 recently acquired patents, and five open applications. In the second quarter of 2013, we began to generate revenue from our patent portfolio.

Corporate Information

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 we were primarily engaged in exploration and potential development of uranium and vanadium minerals business. During June 2012, we decided to discontinue our uranium and vanadium minerals business and engaged in the business of acquiring, renovating, and selling real estate properties located within the areas of Southern California. On November 14, 2012, we acquired all the intellectual property rights of Sampo IP LLC, decided to discontinue our real estate business and to redirect the company’s operations to the patent acquisition and licensing business under new management experienced in that business.

Our principal office is located at 2331 Mill Road, Suite 100, Alexandria, VA 22314. Our telephone number is (703) 232-1701. Our website is <http://www.marathonpg.com/>. Information on or accessed through our website is not incorporated into this prospectus and is not a part of this prospectus.

Risk Factors

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks are described in more detail in the “Risk Factors” section of this prospectus immediately following this prospectus summary. These risks include the following:

- We have changed the focus of our business to acquiring, developing and monetizing patents through licensing and enforcement. We may not be able to successfully monetize the patents that we acquire and thus we may fail to realize all of the anticipated benefits of such acquisition.
-

We are presently reliant exclusively on the patent assets we acquired from other companies. If we are unable to license or otherwise monetize such assets and generate revenue and profit through those assets or by other means, there is a significant risk that our business would fail.

- Our limited operating history makes it difficult to evaluate our current business and future prospects.
- The price of our common shares could be highly volatile due to a number of factors, which could lead to losses by investors and costly securities litigation.

The Offering

Shares of Common shares
Stock offered by us

Common stock
outstanding after this shares (1)
offering

Use of proceeds We estimate that the net proceeds to us from the sale of units of common stock in this offering will be approximately \$5,944,227.20, assuming a public offering price of \$ per share of common stock and after deducting estimated offering expenses payable by us. We intend to use the net proceeds from this offering to continue our strategy of acquiring additional patent portfolios and for general working capital purposes. See “Use of Proceeds.”

Current trading on Our common stock currently trades on the
OTCBB OTC Bulletin Board under the symbol
“MARA”

Risk factors You should read the “Risk Factors” section of this prospectus for a discussion of factors to consider carefully before deciding to invest in our common shares.

(1) The number of our common shares outstanding after this offering is based on 5,489,602 shares of common stock outstanding as of December 27, 2013, and excludes:

- 708,260 shares of common stock issuable upon the exercise of warrants outstanding as of December 27, 2013 at a weighted average exercise price of \$6.66per share;
- 1,347,692 shares of common stock issuable upon the exercise of options outstanding as of December 27, 2013

at a weighted average exercise price of \$5.87 per share;
and

- 100,000 shares of common stock reserved for issuance on future vesting of restricted stock unit awards granted as of December 27, 2013.

RISK FACTORS

There are numerous and varied risks, known and unknown, that may prevent us from achieving our goals. If any of these risks actually occur, our business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of our common stock could decline and investors could lose all or part of their investment.

Risks Related to Our Company

We have changed the focus of our business to acquiring, developing and monetizing patents through initiating licensing campaigns and when necessary through litigation. We may not be able to successfully monetize the patents which we acquire and thus we may fail to realize all of the anticipated benefits of such acquisition.

There is no assurance that we will be able to successfully acquire, develop or monetize our patent portfolio. The acquisition of the patents could fail to produce anticipated benefits, or could have other adverse effects that we do not currently foresee. Failure to successfully monetize our patents may have a material adverse effect on our business, financial condition and results of operations.

In addition, the acquisition of patent portfolios is subject to a number of risks, including, but not limited to the following:

- There is a significant time lag between acquiring a patent portfolio and recognizing revenue from those patent assets. During that time lag, material costs are likely to be incurred that would have a negative effect on our results of operations, cash flows and financial position; and
- The integration of a patent portfolio will be a time consuming and expensive process that may disrupt our operations. If its integration efforts are not successful, our results of operations could be harmed. In addition, we may not achieve anticipated synergies or other benefits from such acquisition.

Therefore, there is no assurance that the monetization of our patent portfolios will generate enough revenue to recoup our investment.

We are presently reliant exclusively on the patent assets we acquired from other companies. If we are unable to license or otherwise monetize such assets and generate revenue and profit through those assets or by other means, there is a significant risk that our business would fail.

At the commencement of our current line of business in 2012, we acquired a portfolio of patent assets from Sampo IP LLC (“Sampo”), a company affiliated with our Chief Executive Officer, Douglas Croxall, that we plan to license or otherwise monetize. On April 16, 2013, we acquired US Patent 5,331,637 from Mosaid Technologies Incorporated, a Canadian corporation. On April 22, 2013, we acquired a foundational patent portfolio through a merger between Cyberfone Acquisition Corp., a Texas corporation and our wholly owned subsidiary and Cyberfone Systems LLC, a Texas limited liability company (“Cyberfone Systems”). In September 2013, we acquired a portfolio from TeleCommunication Sytems and an additional portfolio from Intergraph Corporation. In October of 2013, we acquired a patent portfolio from TT IP, LLC. In December 2013, we acquired a patent portfolio from Delphi Technologies, Inc. If our efforts to generate revenue from these assets fail, we will have incurred significant losses and may be unable to acquire additional assets. If this occurs, our business would likely fail. We did not obtain any independent valuation with respect to the portfolios we acquired.

Our limited operating history makes it difficult to evaluate our current business and future prospects.

We are a development stage company. We have, prior to the acquisition of Sampo, been involved in unrelated businesses. Our efforts to license existing patents and develop new patents are still in development. Therefore, we not only have no operating history in executing our business model which includes, among other things, creating, prosecuting, licensing, litigating or otherwise monetizing our patent assets. Our lack of operating history makes it difficult to evaluate our current business model and future prospects.

In light of the costs, uncertainties, delays and difficulties frequently encountered by companies in the early stages of development with no operating history, there is a significant risk that we will not be able to:

- implement or execute our current business plan, or demonstrate that our business plan is sound; and/or
- raise sufficient funds in the capital markets to effectuate our business plan.

If we cannot execute any one of the foregoing or similar matters relating to our operations, our business may fail.

We may commence legal proceedings against certain companies, and we expect such litigation to be time-consuming and costly, which may adversely affect our financial condition and our ability to operate our business.

To license or otherwise monetize our patent assets, we may commence legal proceedings against certain companies, pursuant to which we may allege that such companies infringe on one or more of our patents. Our viability could be highly dependent on the outcome of the litigation, and there is a risk that we may be unable to achieve the results we desire from such litigation, which failure would harm our business to a great degree. In addition, the defendants in the litigations are likely to be much larger than us and have substantially more resources than we do, which could make our litigation efforts more difficult.

We anticipate that these legal proceedings may continue for several years and may require significant expenditures for legal fees and other expenses. Disputes regarding the assertion of patents and other intellectual property rights are highly complex and technical. Once initiated, we may be forced to litigate against others to enforce or defend our intellectual property rights or to determine the validity and scope of other parties' proprietary rights. The defendants or other third parties involved in the lawsuits in which we are involved may allege defenses and/or file counterclaims in an effort to avoid or limit liability and damages for patent infringement. If such defenses or counterclaims are successful, they may preclude our ability to derive licensing revenue from the patents. A negative outcome of any such litigation, or one or more claims contained within any such litigation, could materially and adversely impact our business. Additionally, we anticipate that our legal fees and other expenses will be material and will negatively impact our financial condition and results of operations and may result in our inability to continue our business.

We may seek to internally develop additional new inventions and intellectual property, which would take time and be costly. Moreover, the failure to obtain or maintain intellectual property rights for such inventions would lead to the loss of our investments in such activities.

Part of our business may include the internal development of new inventions or intellectual property that we will seek to monetize. However, this aspect of our business would likely require significant capital and would take time to achieve. Such activities could also distract our management team from its present business initiatives, which could have a material and adverse effect on our business. There is also the risk that our initiatives in this regard would not yield any viable new inventions or technology, which would lead to a loss of our investments in time and resources in such activities.

In addition, even if we are able to internally develop new inventions, in order for those inventions to be viable and to compete effectively, we would need to develop and maintain, and we would be heavily reliant upon, a proprietary position with respect to such inventions and intellectual property. However, there are significant risks associated with any such intellectual property we may develop principally including the following:

- patent applications we may file may not result in issued patents or may take longer than we expect to result in issued patents;

- we may be subject to interference proceedings;
- we may be subject to opposition proceedings in the U.S. or foreign countries;
- any patents that are issued to us may not provide meaningful protection;
- we may not be able to develop additional proprietary technologies that are patentable;
- other companies may challenge patents issued to us;
- other companies may have independently developed and/or patented (or may in the future independently develop and patent) similar or alternative technologies, or duplicate our technologies;
- other companies may design around technologies we have developed; and
- enforcement of our patents would be complex, uncertain and very expensive.

We cannot be certain that patents will be issued as a result of any future applications, or that any of our patents, once issued, will provide us with adequate protection from competing products. For example, issued patents may be circumvented or challenged, declared invalid or unenforceable, or narrowed in scope. In addition, since publication of discoveries in scientific or patent literature often lags behind actual discoveries, we cannot be certain that we will be the first to make our additional new inventions or to file patent applications covering those inventions. It is also possible that others may have or may obtain issued patents that could prevent us from commercializing our products or require us to obtain licenses requiring the payment of significant fees or royalties in order to enable us to conduct our business. As to those patents that we may license or otherwise monetize, our rights will depend on maintaining our obligations to the licensor under the applicable license agreement, and we may be unable to do so. Our failure to obtain or maintain intellectual property rights for our inventions would lead to the loss of our investments in such activities, which would have a material and adverse effect on us.

Moreover, patent application delays could cause delays in recognizing revenue from our internally generated patents and could cause us to miss opportunities to license patents before other competing technologies are developed or introduced into the market.

New legislation, regulations or court rulings related to enforcing patents could harm our business and operating results.

If Congress, the United States Patent and Trademark Office or courts implement new legislation, regulations or rulings that impact the patent enforcement process or the rights of patent holders, these changes could negatively affect the Company's business model. For example, limitations on the ability to bring patent enforcement claims, limitations on potential liability for patent infringement, lower evidentiary standards for invalidating patents, increases in the cost to resolve patent disputes and other similar developments could negatively affect the Company's ability to assert its patent or other intellectual property rights.

In addition, on September 16, 2011, the Leahy-Smith America Invents Act (the "Leahy-Smith Act"), was signed into law. The Leahy-Smith Act includes a number of significant changes to United States patent law. These changes include provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. The U.S. Patent Office is currently developing regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act recently became effective. Accordingly, it is too early to tell what, if any, impact the Leahy-Smith Act will have on the operation of the

Company's business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of the Company's issued patents, all of which could have a material adverse effect on the Company's business and financial condition.

On February 27, 2013, US Representatives DeFazio and Chaffetz introduced HR845. In general, the bill known as the SHIELD Act (“Saving High-tech Innovators from Egregious Legal Disputes”), seeks to assess legal fee liability to plaintiffs in patent infringement actions for defendants costs. In the event that the bill becomes law, the potential obligation to pay the legal fees of defendants in patent disputes could have a material adverse effect on the Company’s business or financial condition.

On June 4, 2013, the Obama Administration issued executive actions and legislative recommendations. The legislative measures recommended by the Obama Administration include requiring patentees and patent applicants to disclose the “Real Party-in-Interest”, giving district courts more discretion to award attorney’s fees to the prevailing party, requiring public filing of demand letters such that they are accessible to the public, and protecting consumers against liability for a product being used off-the shelf and solely for its intended use.

The executive actions includes ordering the USPTO to make rules to require the disclosure of the Real Party-in-Interest by requiring patent applicants and owners to regularly update ownership information when they are involved in proceedings before the USPTO (e.g. specifying the “ultimate parent entity”) and requiring the USPTO to train its examiners to better scrutinize functional claims to prevent allowing overly broad claims.

It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become enacted as laws. Compliance with any new or existing laws or regulations could be difficult and expensive, affect the manner in which the Company conducts its business and negatively impact the Company’s business, prospects, financial condition and results of operations.

Our acquisitions of patent assets may be time consuming, complex and costly, which could adversely affect our operating results.

Acquisitions of patent or other intellectual property assets, which are and will be critical to our business plan, are often time consuming, complex and costly to consummate. We may utilize many different transaction structures in our acquisitions and the terms of such acquisition agreements tend to be heavily negotiated. As a result, we expect to incur significant operating expenses and will likely be required to raise capital during the negotiations even if the acquisition is ultimately not consummated. Even if we are able to acquire particular patent assets, there is no guarantee that we will generate sufficient revenue related to those patent assets to offset the acquisition costs. While we will seek to conduct confirmatory due diligence on the patent assets we are considering for acquisition, we may acquire patent assets from a seller who does not have proper title to those assets. In those cases, we may be required to spend significant resources to defend our interest in the patent assets and, if we are not successful, our acquisition may be invalid, in which case we could lose part or all of our investment in the assets.

We may also identify patent or other intellectual property assets that cost more than we are prepared to spend with our own capital resources. We may incur significant costs to organize and negotiate a structured acquisition that does not ultimately result in an acquisition of any patent assets or, if consummated, proves to be unprofitable for us. These higher costs could adversely affect our operating results, and if we incur losses, the value of our securities will decline.

In addition, we may acquire patents and technologies that are in the early stages of adoption in the commercial, industrial and consumer markets. Demand for some of these technologies will likely be untested and may be subject to fluctuation based upon the rate at which our licensees will adopt our patents and technologies in their products and services. As a result, there can be no assurance as to whether technologies we acquire or develop will have value that we can monetize.

In certain acquisitions of patent assets, we may seek to defer payment or finance a portion of the acquisition price. This approach may put us at a competitive disadvantage and could result in harm to our business.

We have limited capital and may seek to negotiate acquisitions of patent or other intellectual property assets where we can defer payments or finance a portion of the acquisition price. These types of debt financing or deferred payment arrangements may not be as attractive to sellers of patent assets as receiving the full purchase price for those assets in cash at the closing of the acquisition. As a result, we might not compete effectively against other companies in the market for acquiring patent assets, many of whom have greater cash resources than we have. In addition, any failure to satisfy our debt repayment obligations may result in adverse consequences to our operating results.

Any failure to maintain or protect our patent assets or other intellectual property rights could significantly impair our return on investment from such assets and harm our brand, our business and our operating results.

Our ability to operate our business and compete in the intellectual property market largely depends on the superiority, uniqueness and value of our acquired patent assets and other intellectual property. To protect our proprietary rights, we rely on and will rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with our employees and third parties, and protective contractual provisions. No assurances can be given that any of the measures we undertake to protect and maintain our assets will have any measure of success.

Following the acquisition of patent assets, we will likely be required to spend significant time and resources to maintain the effectiveness of those assets by paying maintenance fees and making filings with the United States Patent and Trademark Office. We may acquire patent assets, including patent applications, which require us to spend resources to prosecute the applications with the United States Patent and Trademark Office. Further, there is a material risk that patent related claims (such as, for example, infringement claims (and/or claims for indemnification resulting therefrom), unenforceability claims, or invalidity claims) will be asserted or prosecuted against us, and such assertions or prosecutions could materially and adversely affect our business. Regardless of whether any such claims are valid or can be successfully asserted, defending such claims could cause us to incur significant costs and could divert resources away from our other activities.

Despite our efforts to protect our intellectual property rights, any of the following or similar occurrences may reduce the value of our intellectual property:

- our applications for patents, trademarks and copyrights may not be granted and, if granted, may be challenged or invalidated;
- issued trademarks, copyrights, or patents may not provide us with any competitive advantages when compared to potentially infringing other properties;
- our efforts to protect our intellectual property rights may not be effective in preventing misappropriation of our technology; or
- our efforts may not prevent the development and design by others of products or technologies similar to or competitive with, or superior to those we acquire and/or prosecute.

Moreover, we may not be able to effectively protect our intellectual property rights in certain foreign countries where we may do business in the future or from which competitors may operate. If we fail to maintain, defend or prosecute

our patent assets properly, the value of those assets would be reduced or eliminated, and our business would be harmed.

Weak global economic conditions may cause infringing parties to delay entering into licensing agreements, which could prolong our litigation and adversely affect our financial condition and operating results.

Our business plan depends significantly on worldwide economic conditions, and the United States and world economies have recently experienced weak economic conditions. Uncertainty about global economic conditions poses a risk as businesses may postpone spending in response to tighter credit, negative financial news and declines in income or asset values. This response could have a material negative effect on the willingness of parties infringing on our assets to enter into licensing or other revenue generating agreements voluntarily. Entering into such agreements is critical to our business plan, and our failure to do so could cause material harm to our business.

We are a development stage company with no historically significant income and there is a significant doubt about our ability to continue our activities as a going concern.

We are still a development stage company. Our operations are subject to all of the risks inherent in development stage companies that do not have significant revenues or operating income. Our potential for success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with a new business. We cannot provide any assurance that our business objectives will be accomplished. All of our audited consolidated financial statements, since inception, have contained a statement by our management that raises significant doubt about us being able to continue as a going concern unless we are able to raise additional capital. Our consolidated financial statements do not include any adjustment relating to the recovery and classification of recorded asset amounts or the amount and classification of liabilities that might be necessary should our operations cease.

If we are unable to adequately protect our intellectual property, we may not be able to compete effectively.

Our ability to compete depends in part upon the strength of our proprietary rights that we own or may hereafter acquire in our technologies, brands and content. We rely on a combination of U.S. and foreign patents, copyrights, trademark, trade secret laws and license agreements to establish and protect our intellectual property and proprietary rights. The efforts we take to protect our intellectual property and proprietary rights may not be sufficient or effective at stopping unauthorized use of our intellectual property and proprietary rights. In addition, effective trademark, patent, copyright and trade secret protection may not be available or cost-effective in every country in which our services are made available. There may be instances where we are not able to fully protect or utilize our intellectual property in a manner that maximizes competitive advantage. If we are unable to protect our intellectual property and proprietary rights from unauthorized use, the value of our products may be reduced, which could negatively impact our business. Our inability to obtain appropriate protections for our intellectual property may also allow competitors to enter our markets and produce or sell the same or similar products. In addition, protecting our intellectual property and other proprietary rights is expensive and diverts critical managerial resources. If any of the foregoing were to occur, or if we are otherwise unable to protect our intellectual property and proprietary rights, our business and financial results could be adversely affected.

If we are forced to resort to legal proceedings to enforce our intellectual property rights, the proceedings could be burdensome and expensive. In addition, our proprietary rights could be at risk if we are unsuccessful in, or cannot afford to pursue, those proceedings. We also rely on trade secrets and contract law to protect some of our proprietary technology. We will enter into confidentiality and invention agreements with our employees and consultants. Nevertheless, these agreements may not be honored and they may not effectively protect our right to our un-patented trade secrets and know-how. Moreover, others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets and know-how.

Risks Relating to Our Common Stock

Our management will be able to exert significant influence over us to the detriment of minority stockholders.

Our executive officers and directors beneficially own approximately 14.48% of our outstanding common stock as of December 27, 2013. These stockholders, if they act together, will be able to exert significant influence on our management and affairs and all matters requiring stockholder approval, including significant corporate transactions. This concentration of ownership may have the effect of delaying or preventing our change in control and might affect the market price of our common stock.

Exercise of warrants will dilute your percentage of ownership.

We have issued options and warrants to purchase our common stock to our officers, directors, consultants and certain shareholders. In the future, we may grant additional stock options, warrants and convertible securities. The exercise or conversion of stock options, warrants or convertible securities will dilute the percentage ownership of our other stockholders. The dilutive effect of the exercise or conversion of these securities may adversely affect our ability to obtain additional capital. The holders of these securities may be expected to exercise or convert them when we would be able to obtain additional equity capital on terms more favorable than these securities.

We may fail to qualify for continued trading on the OTC Bulletin Board which could make it more difficult for investors to sell their shares.

Our common stock is quoted on the Over the Counter Bulletin Board (“OTCBB”). There can be no assurance that trading of our common stock on such market will be sustained. In the event that our common stock fails to qualify for continued inclusion, our common stock could thereafter only be quoted on the “pink sheets.” Under such circumstances, shareholders may find it more difficult to dispose of, or to obtain accurate quotations, for our common stock, and our common stock would become substantially less attractive to certain purchasers such as financial institutions, hedge funds and other similar investors.

Our common stock may be affected by limited trading volume and price fluctuations which could adversely impact the value of our common stock.

There has been limited trading in our common stock and there can be no assurance that an active trading market in our common stock will either develop or be maintained. Our common stock has experienced, and is likely to experience in the future, significant price and volume fluctuations which could adversely affect the market price of our common stock without regard to our operating performance. In addition, we believe that factors such as quarterly fluctuations in our financial results and changes in the overall economy or the condition of the financial markets could cause the price of our common stock to fluctuate substantially. These fluctuations may also cause short sellers to periodically enter the market in the belief that we will have poor results in the future. We cannot predict the actions of market participants and, therefore, can offer no assurances that the market for our common stock will be stable or appreciate over time.

Our stock price may be volatile.

The market price of our common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following:

- changes in our industry;
- competitive pricing pressures;
- our ability to obtain working capital financing;
- additions or departures of key personnel;
- sales of our common stock;
- our ability to execute our business plan;
- operating results that fall below expectations;
- loss of any strategic relationship;
- regulatory developments; and
- economic and other external factors.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

We have never paid nor do we expect in the near future to pay dividends.

We have never paid cash dividends on our capital stock and do not anticipate paying any cash dividends on our common stock for the foreseeable future. Investors should not rely on an investment in us if they require income generated from dividends paid on our capital stock. Any income derived from our common stock would only come from rise in the market price of our common stock, which is uncertain and unpredictable.

Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

If our stockholders sell substantial amounts of our common stock in the public market upon the expiration of any statutory holding period, under Rule 144, or issued upon the exercise of outstanding warrants, it could create a circumstance commonly referred to as an "overhang" and in anticipation of which the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate. The shares of our restricted common stock will be freely tradable upon the earlier of: (i) effectiveness of a registration statement covering such shares and (ii) the date on which such shares may be sold without registration pursuant to Rule 144 (or other applicable exemption) under the Securities Act.

Because we became public by means of a reverse merger, we may not be able to attract the attention of major brokerage firms.

There may be risks associated with us becoming public through a "reverse merger." Securities analysts of major brokerage firms may not provide coverage of us since there is no incentive to brokerage firms to recommend the purchase of our common stock. No assurance can be given that brokerage firms will, in the future, want to conduct any secondary offerings on our behalf.

Investor relations activities, nominal "float" and supply and demand factors may affect the price of our stock.

We expect to utilize various techniques such as non-deal road shows and investor relations campaigns in order to create investor awareness for us. These campaigns may include personal, video and telephone conferences with investors and prospective investors in which our business practices are described. We may provide compensation to investor relations firms and pay for newsletters, websites, mailings and email campaigns that are produced by third-parties based upon publicly-available information concerning us. We do not intend to review or approve the content of such analysts' reports or other materials based upon analysts' own research or methods. Investor relations firms should generally disclose when they are compensated for their efforts, but whether such disclosure is made or complete is not under our control. In addition, investors in us may, from time to time, also take steps to encourage investor awareness through similar activities that may be undertaken at the expense of the investors. Investor awareness activities may also be suspended or discontinued which may impact the trading market our common stock.

The SEC and FINRA enforce various statutes and regulations intended to prevent manipulative or deceptive devices in connection with the purchase or sale of any security and carefully scrutinize trading patterns and company news and other communications for false or misleading information, particularly in cases where the hallmarks of "pump and dump" activities may exist, such as rapid share price increases or decreases. We, and our shareholders may be subjected to enhanced regulatory scrutiny due to the small number of holders who initially will own the registered shares of our common stock publicly available for resale, and the limited trading markets in which such shares may be offered or sold which have often been associated with improper activities concerning penny-stocks, such as the OTC

Bulletin Board or the OTCQB Marketplace (Pink OTC) or pink sheets. Until such time as our restricted shares are registered or available for resale under Rule 144, there will continue to be a small percentage of shares held by a small number of investors, many of whom acquired such shares in privately negotiated purchase and sale transactions, which will constitute the entire available trading market. The Supreme Court has stated that manipulative action is a term of art connoting intentional or willful conduct designed to deceive or defraud investors by controlling or artificially affecting the price of securities. Often times, manipulation is associated by regulators with forces that upset the supply and demand factors that would normally determine trading prices. Since only a small percentage of our shares of outstanding common stock will initially be available for trading and will be held by a small number of individuals and entities, the supply of our common stock for sale will be extremely limited for an indeterminate length of time, which could result in higher bids, asks or sales prices than would otherwise exist. Securities regulators have often cited factors such as thinly-traded markets, small numbers of holders, and awareness campaigns as hallmarks of claims of price manipulation and other violations of law when combined with manipulative trading, such as wash sales, matched orders or other manipulative trading timed to coincide with false or touting press releases. There can be no assurance that our or third-parties' activities, or the small number of potential sellers or small percentage of stock in the "float," or determinations by purchasers or holders as to when or under what circumstances or at what prices they may be willing to buy or sell stock will not artificially impact (or would be claimed by regulators to have affected) the normal supply and demand factors that determine the price of the stock.

Our common stock is subject to the “penny stock” rules of the SEC, which makes transactions in our stock cumbersome and may reduce the value of an investment in our stock.

Our common stock is considered a “Penny Stock”. The Securities and Exchange Commission has adopted Rule 15c-9 which generally defines “penny stock” to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and “accredited investors”. The term “accredited investor” refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock. The Financial Industry Regulatory Authority, or FINRA, has adopted sales practice requirements which may also limit a stockholder's ability to buy and sell our stock. In addition to the “penny stock” rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit investors' ability to buy and sell our stock and have an adverse effect on the market for our shares.

If we lose key personnel or are unable to attract and retain additional qualified personnel we may not be able to successfully manage our business and achieve our objectives.

We believe our future success will depend upon our ability to retain our key management, including Doug Croxall, our Chief Executive Officer. We may not be successful in attracting, assimilating and retaining our employees in the future. The loss of Mr. Croxall would have an adverse effect on our operations. We have entered into an amendment to the employment agreement with Mr. Croxall, which extends the term of his employment agreement to November 2017. We are competing for employees against companies that are more established than we are and have the ability to pay more cash compensation than we do. As of the date hereof, we have not experienced problems hiring employees in the recent past.

If we fail to establish and maintain an effective system of internal control, we may not be able to report our financial results accurately and timely or to prevent fraud. Any inability to report and file our financial results accurately and timely could harm our reputation and adversely impact the trading price of our common stock.

Effective internal control is necessary for us to provide reliable financial reports and prevent fraud. If we cannot provide reliable financial reports or prevent fraud, we may not be able to manage our business as effectively as we would if an effective control environment existed, and our business and reputation with investors may be harmed. As a result, our small size and any future internal control deficiencies may adversely affect our financial condition, results of operation and access to capital. We have not performed an in-depth analysis to determine if historical un-discovered failures of internal controls exist, and may in the future discover areas of our internal control that need improvement.

Risks Relating to this Offering

Our management team will have broad discretion over the use of the net proceeds from this offering.

Our management will use their discretion to direct the net proceeds from this offering. We intend to use the net proceeds, together with cash on hand, for general corporate purposes. General corporate purposes may include sales and marketing activities, capital expenditures, future acquisitions and working capital. Our management's judgments may not result in positive returns on your investment and you will not have an opportunity to evaluate the economic, financial or other information upon which our management bases its decisions.

Investors in this offering will experience immediate and substantial dilution.

The public offering price of the securities offered pursuant to this prospectus is substantially higher than the net tangible book value per share of our common stock. Therefore, if you purchase shares of common stock in this offering, you will incur immediate and substantial dilution in the pro forma net tangible book value per share of common stock from the price per share that you pay for the common stock. If the holders of outstanding options or warrants exercise those options or warrants at prices below the public offering price, you will incur further dilution.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Such statements include statements regarding our expectations, hopes, beliefs or intentions regarding the future, including but not limited to statements regarding our market, strategy, competition, development plans (including acquisitions and expansion), financing, revenues, operations, and compliance with applicable laws. Forward-looking statements involve certain risks and uncertainties, and actual results may differ materially from those discussed in any such statement. Factors that could cause actual results to differ materially from such forward-looking statements include the risks described in greater detail in the following paragraphs. All forward-looking statements in this document are made as of the date hereof, based on information available to us as of the date hereof, and we assume no obligation to update any forward-looking statement. Market data used throughout this prospectus is based on published third party reports or the good faith estimates of management, which estimates are based upon their review of internal surveys, independent industry publications and other publicly available information.

You should review carefully the section entitled "Risk Factors" beginning on page 7 of this prospectus for a discussion of these and other risks that relate to our business and investing in shares of our common stock.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of our common stock in this offering will be approximately \$5,944,227.20, assuming a public offering price of \$ per unit and after deducting estimated offering expenses payable by us.

We intend to use the net proceeds from this offering to continue our strategy of acquiring additional patent portfolios and for general working capital purposes. We have not determined the amounts we plan to spend on any of the areas listed above or the timing of these expenditures.

Therefore, investors will be relying on the judgment of our management, who will have broad discretion regarding the application of the proceeds of this offering. The amounts and timing of our actual expenditures will depend upon numerous factors, including the amount of cash generated by our operations and our cash needs. We may find it necessary or advisable to use portions of the proceeds from this offering for other purposes.

Pending the application of the net proceeds, we intend to invest the net proceeds in investment-grade, interest-bearing securities. Our management has broad discretion over how these proceeds are used and could spend the proceeds in ways with which you may not agree, and the proceeds may not be invested in a manner that yields a favorable or any return.

DIVIDEND POLICY

We currently intend to retain earnings, if any, to finance the growth and development of our business, and we do not expect to pay any cash dividends to our stockholders in the foreseeable future.

MARKET FOR OUR COMMON STOCK AND RELATED STOCKHOLDER MATTERS

Market Information

Our common stock is currently quoted on the OTC Bulletin Board under the symbol “MARA”. Previously, our common stock was quoted on the OTC Bulletin Board under the symbol “AMSC”. Because we are quoted on the OTC Bulletin Board, our securities may be less liquid, receive less coverage by security analysts and news media, and, therefore, may reflect lower prices than might otherwise be obtained if the shares were listed on a national securities exchange.

The following table sets forth the high and low bid quotations for our common stock as reported on the OTC Bulletin Board for the periods indicated. Where applicable, the prices set forth below give retroactive effect to the Reverse Split effectuated on July 18, 2013.

	High	Low
Fiscal 2013		
First Quarter	\$11.05	\$3.38
Second Quarter	6.50	3.90
Third Quarter	7.94	4.16
Fourth Quarter (through December 27, 2013)	6.80	4.42

Fiscal 2012

First Quarter	-	-
Second Quarter	\$14.95	\$6.50
Third Quarter	13.13	3.77
Fourth Quarter	13.00	6.63

Fiscal 2011

First Quarter	-	-
Second Quarter	-	-
Third Quarter	-	-
Fourth Quarter	-	-

Holders.

As of December 27, 2013, there are 76 record holders of 5,489,602 shares of our common stock.

Securities Authorized for Issuance under Equity Compensation Plans

2012 Equity Incentive Plan

The following table gives information about the Company's common stock that may be issued upon the exercise of options granted to employees, directors and consultants under its 2012 Equity Incentive Plan as of December 31, 2012, after giving effect to the Reverse Split. On August 1, 2012, our board of directors and stockholders adopted the 2012 Equity Incentive Plan, pursuant to which 769,231 shares of our common stock are reserved for issuance as awards to employees, directors, consultants, advisors and other service providers, after giving effect to the Reverse Split.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	153,846	\$ 6.50	615,385
Equity compensation plans not approved by security holders	0	\$ 0	0
Total	153,846	\$ 6.50	615,385

CAPITALIZATION

The following table describes our capitalization as of September 30, 2013:

- on an actual basis; and
- on an as adjusted basis to give effect to the sale of _____ of our shares in this offering at an assumed public offering price of \$ _____ per share, after deducting estimated offering expenses.

You should read this capitalization table together with our consolidated financial statements and the related notes appearing at the end of this prospectus and the “Use of Proceeds,” “Summary Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections and other financial information included in this prospectus.

	September 30, 2013	
	Actual	As Adjusted
Debt	\$-	\$-
Stockholders' equity:		
Preferred stock, \$.0001 par value, 50,000,000 shares authorized: no ne issued and outstanding	-	-
Common stock, \$.0001 par value, 200,000,000 shares authorized: 5,337,679 and _____ shares issued and outstanding at September 30, 2013 and as adjusted respectively	534	-
Additional paid-in capital	20,917,699	-
Subscription receivable	(25,000)	-
Accumulated other comprehensive income - marketable securities available for sale	(6,250)	-
Deficit accumulated during the development stage	(9,388,489)	-
Total Marathon Patent Group, Inc. equity	11,498,494	-
Non-controlling interest in subsidiary	(10,496)	-
Total stockholders' equity	11,487,998	-
Total capitalization	\$11,487,998	\$-

The number of our common shares outstanding after this offering is based on shares 5,337,679 shares of common stock outstanding as of September 30, 2013, and excludes:

- 842,307 shares of common stock issuable upon the exercise of options outstanding as of September 30, 2013 at a weighted average exercise price of \$4.91 per share; and
- 708,260 shares of common stock issuable upon the exercise of warrants outstanding as of September 30, 2013 at a weighted average exercise price of \$6.65 per share.

Unless otherwise indicated, all information in this prospectus assumes no exercise of the outstanding options or the warrants described above.

DILUTION

Our net tangible book value as of September 30, 2013 was approximately \$6,126,503, or \$1.15 per share of common stock. Net tangible book value per share is determined by dividing our total tangible assets less total liabilities by the actual number of outstanding shares of our common stock. After giving effect to our issuance of shares at the assumed public offering price of \$ per share, and after deducting estimated offering expenses payable by us, our net tangible book value as of September 30, 2013 would have been \$ or \$ per share of common stock. This represents an immediate increase in pro forma net tangible book value of \$ per share to our existing stockholders and an immediate dilution of \$ per share to new investors in this offering. The following table illustrates this per share dilution:

Assumed public offering price per share		\$
Net tangible book value per share as of September 30, 2013	\$1.15	
Increase per share attributable to new investors	\$	
Pro forma net tangible book value per share after this offering		
Dilution per share to new investors		\$

Dilution per share to new investors is determined by subtracting pro forma net tangible book value per share after this offering from the assumed public offering price per share paid by a new investor. If any shares are issued in connection with outstanding options, you will experience further dilution. A \$ increase or decrease in the assumed public offering price would increase or decrease, respectively, the pro forma as adjusted net tangible book value as of September 30, 2013 by \$ per common stock, and the dilution per share to new investors by \$ per share, assuming the aggregate dollar value of shares offered by us, as set forth in the registration calculation table on the cover page of this registration statement, remains the same and after deducting estimated offering expenses. Additionally, a \$ increase in the assumed public offering price, assuming the aggregate dollar value of shares offered by us, as set forth in the registration calculation table on the cover page of this registration statement, remains the same, would decrease the number of shares issued by us in the offering by . A \$ decrease in the assumed public offering price, assuming the aggregate dollar value of shares offered by us, as set forth in the registration calculation table on the cover page of this registration statement, remains the same, would increase the number of shares issued by us in the offering by .

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATION

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 primarily engaged in exploration and potential development of uranium and vanadium minerals business. During June 2012, we decided to discontinue our uranium and vanadium minerals business and engaged in the business of acquiring, renovating, and selling real estate properties located within the areas of Southern California. On November 14, 2012, we completed a share exchange and acquired all the intellectual property rights of Sampo. On November 14, 2012, we decided to discontinue our real estate business.

We are a patent acquisition and licensing company. We acquire patents from a wide-range of patent holders, from individual inventors to Fortune 500 companies. Our strategy of acquiring patents that cover a wide-range of subject matter allows us to achieve diversity within our patent asset portfolio. We monetize our diversified portfolio through actively managed concurrent licensing campaigns. This approach is expected to result in a long-term, diversified revenue stream.

Our principal office is located at 2331 Mill Road, Suite 100, Alexandria, VA 22314. Our telephone number is (703) 232-1701.

Recent Events

Reverse Split

On May 31, 2013, shareholders holding a majority of our outstanding voting capital approved a reverse stock split of our issued and outstanding common stock by a ratio of not less than one-for-five and not more than one-for-fifteen at any time prior to April 30, 2014, with the exact ratio to be set at a whole number within this range as determined by our Board of Directors in its sole discretion.

On July 18, 2013, we filed a certificate of amendment to our Amended and Restated Articles of Incorporation with the Secretary of State of the State of Nevada in order to effectuate a reverse stock split of our issued and outstanding common stock, par value \$0.0001 per share on a one (1) for thirteen (13) basis (the "Reverse Split"). The Reverse Split became effective with the FINRA at the open of business on July 22, 2013. As a result of the Reverse Stock Split, every thirteen shares of our pre-reverse split common stock will be combined and reclassified into one share of our common stock. No fractional shares of common stock will be issued as a result of the Reverse Split. Stockholders who otherwise would be entitled to a fractional share shall receive the next highest number of whole shares.

Throughout this prospectus, each instance which refers to a number of shares of our common stock, refers to the number of shares of common stock after giving effect to the Reverse Split, unless otherwise indicated.

Private Placement

On May 31, 2013, we sold an aggregate of 1,153,844 units representing gross proceeds of \$6,000,000 to certain accredited investors pursuant to a securities purchase agreement, among which, 999,998 units representing \$5,200,000 were funded. Each unit was subscribed for a purchase price of \$5.20 per unit and consists of: (i) one share of our common stock, and (ii) a three (3) year warrant to purchase one half share of our common stock at an exercise price of

\$6.50 per share, subject to adjustment upon the occurrence of certain events such as stock splits and stock dividends and similar events. The warrants contain limitations on the holders' ability to exercise the warrants in the event such exercise causes the holder to beneficially own in excess of 9.99% of our issued and outstanding common stock. The Company paid placement agent fees of \$170,000 to two broker-dealers in connection with the sale of the units of which \$30,000 was previously paid by us as a retainer. On July 29, 2013, we converted legal fees of \$29,620 into 5,696 units. In August 2013, two investors who had subscribed for an aggregate of 153,846 units for an aggregate purchase price of \$800,000 on May 31, 2013 assigned their subscriptions to other investors. Such other investors each funded their subscriptions and such additional units were issued. Additionally, we paid placement agent fees of \$35,029 and legal fees of \$42,375 in connection with the sale of units.

CyberFone Acquisition

On April 22, 2013, CyberFone Acquisition Corp. (“CyberFone Acquisition Corp.”), a Texas corporation and our newly formed wholly owned subsidiary entered into a merger agreement (the “CyberFone Merger Agreement”) with CyberFone Systems LLC, a Texas limited liability company (“CyberFone Systems”), TechDev Holdings LLC (“TechDev”) and The Spangenberg Family Foundation for the Benefit of Children’s Healthcare and Education (“Spangenberg Foundation”). TechDev and Spangenberg Foundation owned 100% of the membership interests of CyberFone Systems (collectively, the ‘CyberFone Sellers”).

CyberFone Systems owns a foundational patent portfolio that includes claims that provide specific transactional data processing, telecommunications, network and database inventions, including financial transactions. The portfolio, which has a large and established licensing base, consists of ten United States patents and 27 foreign patents and one patent pending. The patent rights that cover digital communications and data transaction processing are foundational to certain applications in the wireless, telecommunications, financial and other industries. IP Navigation Group LLC (“IP Nav”), a company founded by Erich Spangenberg and associated with the CyberFone Sellers will continue to support and manage the portfolio of patents and retain a contingent participation interest in all recoveries. IP Nav provides patent monetization and support services under an existing agreement with CyberFone Systems.

Pursuant to the terms of the CyberFone Merger Agreement, CyberFone Systems merged with and into CyberFone Acquisition Corp with CyberFone Systems surviving the merger as our wholly owned subsidiary. We (i) issued 461,538 post-split (6,000,000 pre-split) shares of common stock to the CyberFone Sellers, (ii) paid the CyberFone Sellers \$500,000 cash and (iii) issued a \$500,000 promissory note to TechDev (the “Note”). On June 21, 2013, we paid \$500,000 to TechDev in satisfaction of the note.

Patent Acquisitions

On September 25, 2013, we entered into a patent purchase agreement with Intergraph Corporation, a Delaware corporation, pursuant to which we acquired a patent portfolio. The transaction contemplated in the agreement closed on September 30, 2013.

On September 30, 2013, we entered into a patent purchase agreement with TeleCommunication Systems, Inc., a Maryland corporation, pursuant to which we acquired a patent portfolio that includes automated device-to-device transfer systems and web page content translator.

On October 15, 2013, we closed a patent purchase agreement with TT IP, LLC, a Texas limited liability company, pursuant to which we acquired a patent portfolio for 150,000 shares of our common stock. The shares are subject to a forfeiture right for our benefit in the event that no enforcement action is effected by the lapse of the enforcement period.

On December 18, 2013, we closed the purchase of a portfolio of patents from Delphi Technologies, Inc., a Delaware corporation.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with US GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes the following critical accounting policies affect the significant judgments and estimates used in the preparation of the financial statements.

Principles of Consolidation

The condensed consolidated financial statements are prepared in accordance with US GAAP and present the financial statements of the Company and our wholly-owned subsidiary. In the preparation of our consolidated financial statements, intercompany transactions and balances are eliminated.

Development Stage Companies

We are a development stage company. Activities during the development stage include organizing the business, raising capital, enforcement and development of our intellectual property and acquiring additional intellectual property. We are a development stage company with insignificant revenues and no profits from its planned principal operations. We have not commenced significant operations and, in accordance with ASC Topic 915 "Development Stage Entities", is considered a development stage company.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("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, the assumptions used to calculate fair value of warrants granted, common stock issued for services, common stock issued in connection with an option agreement, common stock issued for acquisition of patents, and the valuation of mineral rights.

Fair Value of Financial Instruments

We adopted Financial Accounting Standards Board ("FASB") ASC 820, "Fair Value Measurements and Disclosures", for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing US GAAP that require the use of fair value measurements which establishes a framework for measuring fair value and expands disclosure about such fair value measurements.

ASC 820 defines fair value as 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. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

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.

In addition, FASB ASC 825-10-25 “Fair Value Option” was effective for January 1, 2008. ASC 825-10-25 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value.

Stock-based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the “measurement date.” The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company initially records compensation expense based on the fair value of the award at the reporting date.

Long-Lived Assets

We review for impairment whenever events or circumstances indicate that the carrying amount of assets may not be recoverable, pursuant to guidance established in ASC 360-10-35-15, “Impairment or Disposal of Long-Lived Assets”. We recognize an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset’s estimated fair value and its book value.

Revenue Recognition

We recognize revenue in accordance with ASC Topic 605, “Revenue Recognition”. Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) all obligations have been substantially performed, (iii) amounts are fixed or determinable and (iv) collectability of amounts is reasonably assured.

We consider its licensing and enforcement activities as one unit of accounting under ASC 605-25, “Multiple-Element Arrangements” as the delivered items do not have value to customers on a standalone basis, there are no undelivered elements and there is no general right of return relative to the license. Under ASC 605-25, the appropriate recognition of revenue is determined for the combined deliverables as a single unit of accounting and revenue is recognized upon delivery of the final elements, including the license for past and future use and the release. Also due to the fact that the settlement element and license element for past and future use are the major central business, we do not present these two elements as different revenue streams in its statement of operations. We do not expect to provide licenses that do not provide some form of settlement or release.

Cost of Revenue

Cost of revenues mainly includes expenses incurred in connection with our patent enforcement activities, such as legal fees, consulting costs, patent maintenance, royalty fees for acquired patents and other related expenses. Cost of revenue does not include expenses related to product development, patent amortization, integration or support, as these are included in general and administrative expenses.

Recent Accounting Pronouncements

In April 2013, the FASB ASU 2013-07, "Presentation of Financial Statements: Topic Liquidation Basis of Accounting". ASU 2013-07 requires an entity to prepare its financial statements using the liquidation basis of accounting when liquidation is imminent. Liquidation is considered imminent when the likelihood is remote that the organization will return from liquidation and either: (a) a plan for liquidation is approved by the person or persons with the authority to make such a plan effective and the likelihood is remote that the execution of the plan will be blocked by other parties; or (b) a plan for liquidation is being imposed by other forces. ASU 2013-07 will be effective for the Company beginning on January 1, 2014. We do not expect the adoption of ASU 2013-07 to have a material impact on our financial position, results of operations nor cash flows.

In July 2013, the FASB issued ASU 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists." ASU 2013-11 provides guidance on the presentation of unrecognized tax benefits related to any disallowed portion of net operating loss carryforwards, similar tax losses, or tax credit carryforwards, if they exist. ASU 2013-11 is effective for fiscal years beginning after December 15, 2013. The adoption of ASU 2013-11 is not expected to have a material impact on our consolidated financial statements.

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

Results of Operations

Our business began on April 30, 2011. We are still in our development stage and have generated insignificant revenues to date in connection with our current patent business.

For the Three and Nine months ended September 30, 2013 and 2012

We generated revenues of \$710,500 and \$2,235,479 during the three and nine months ended September 30, 2013, respectively, as compared to no revenue during the three and nine months ended September 30, 2012. Revenues from patent enforcement activities accounted for 100% of our revenues for the three and nine months ended September 30, 2013. Included in revenues for the nine months ended September 30, 2013 are non-cash revenue in connection with a settlement and license agreement dated May 6, 2013 whereby the customer agreed to assign and transfer to us 3 US patents and rights valued at \$1,000,000 in lieu of cash payment.

Cost of revenues during the three and nine months ended September 30, 2013 amounted to \$403,013 and \$687,638, respectively, which mainly includes expenses incurred in connection with our patent enforcement activities, such as legal fees, consulting costs, patent maintenance, royalty fees for acquired patents and other related expenses. Our gross profit margin during the three and nine months ended September 30, 2013 was approximately 43% and 69%, respectively. The increase in the nine month period in 2013 is primarily attributable to the non-cash revenue of \$1,000,000 discussed above.

We incurred operating expenses of \$4,124,249 and \$5,150,853 for the nine months ended September 30, 2013 and 2012, respectively, a decrease of \$1,026,604 or 20%. We incurred operating expenses of \$1,349,426 and \$1,809,126 for the three months ended September 30, 2013 and 2012, respectively, a decrease of \$459,700 or 25%. These expenses primarily consisted of amortization of patents, general expenses, 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 include non-cash expenses which are discussed below and in detail as seen under the Liquidity and

Capital Resources – Operating Activities section. The operating expenses consisted of the following:

25

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

	For the Three Months ended September 30, 2013	For the Three Months ended September 30, 2012	For the Nine Months ended September 30, 2013	For the Nine Months ended September 30, 2012
Amortization of patents	\$ 384,977	\$ -	\$ 860,657	\$ -
Professional fees	116,373	79,608	564,597	449,811
Compensation and related taxes	470,786	1,556,790	1,938,814	2,479,182
Consulting fees	269,012	92,473	444,921	1,949,067
Travel and related expenses	22,180	12,613	77,096	93,404
Other general and administrative	86,098	67,642	238,164	179,389
Total	\$ 1,349,426	\$ 1,809,126	\$ 4,124,249	\$ 5,150,853

- Amortization of patents: Amortization expenses were \$860,657 and \$0 during the nine months ended September 30, 2013 and 2012, respectively, an increase of \$860,657 or 100%. Amortization expenses were \$384,977 and \$0 during the three months ended September 30, 2013 and 2012, respectively, an increase of \$384,977 or 100%. We have no comparable expense from the 2012 prior periods as we have acquired the patents beginning in November 2012.
- Professional fees: For the nine months ended September 30, 2013 and 2012, professional fees were \$564,597 and \$449,811, respectively, an increase of \$114,786 or 26%. For the three months ended September 30, 2013 and 2012, professional fees were \$116,373 and \$79,608, respectively, an increase of \$36,765 or 46%. Professional fees include fees incurred for audits and legal fees related to public company filing requirements. The increase is primarily due to an increase in accounting and legal fees related to public company filing and reporting requirements. Additionally, during the three and nine months ended September 30, 2013 professional fees included stock based legal fees of \$65,370 and \$66,328, respectively.
- Compensation expense and related taxes: Compensation expense includes salaries and stock-based compensation to our employees. For the nine months ended September 30, 2013 and 2012, compensation expense and related payroll taxes were \$1,938,814 and \$2,479,182, respectively, a decrease of \$540,368 or 22%. For the three months ended September 30, 2013 and 2012, compensation expense and related payroll taxes were \$470,786 and \$1,556,790, respectively, a decrease of \$1,086,004 or 70%. The decrease is primarily attributable to a decrease in stock based compensation of approximately \$1,300,000 and \$1,100,000 for the three and nine months ended September 30, 2013, respectively, in connection with warrant and option granted to our directors and officers and offset by an increase in salaries due to the hiring of our executive and management employees and support staff in 2013. During the nine months ended September 30, 2013 and 2012, we recognized stock based compensation of \$1,203,678 and \$2,335,790, respectively. During the three months ended September 30, 2013 and 2012, we recognized stock based

compensation of \$245,310 and \$1,504,290, respectively.

- Consulting fees: For the nine months ended September 30, 2013 and 2012, we incurred consulting fees of \$444,921, and \$1,949,067, respectively, a decrease of \$1,504,146 or 77%, which is primarily attributable to a decrease in stock based consulting expense of approximately \$1.5 million in connection with warrant granted to consultants for consulting on strategic acquisitions and advice on capital restructuring during the nine months ended September 30, 2012. For the three months ended September 30, 2013 and 2012, we incurred consulting fees of \$269,012 and \$92,473, respectively, an increase of \$176,539 or 191%, which is primarily attributable to an increase in hiring of consultants for investor relations and business advisory services in 2013. During the nine months ended September 30, 2013 and 2012, we recognized stock based consulting of \$294,262 and \$1,779,410, respectively. During the three months ended September 30, 2013 and 2012, we recognized stock based consulting of \$200,067 and \$42,472, respectively.

- Travel and related expenses: Travel expenses were \$77,096 and \$93,404 during the nine months ended September 30, 2013 and 2012, respectively, a decrease of \$16,308 or 17%. This decrease during the nine month period is due to a decrease in business development related travel. Travel expenses were \$22,180 and \$12,613 during the three months ended September 30, 2013 and 2012, respectively, an increase of \$9,567 or 76%.
- Other general and administrative expenses: For the nine months ended September 30, 2013 and 2012, other general and administrative expenses were \$238,164 and \$179,389, respectively, an increase of \$58,775 or 33%. For the three months ended September 30, 2013 and 2012, other general and administrative expenses were \$86,098 and \$67,642, respectively, an increase of \$18,456 or 27%. Other general and administrative expenses include postage, general insurance, office supplies, utilities, rent expense and office expenses. Such increase is primarily attributable to an increase in operations.

Operating Loss from Continuing Operations

We reported an operating loss from continuing operations of \$2,576,408 and \$5,150,853 for the nine months ended September 30, 2013 and 2012, respectively, a decrease of \$2,574,445 or 50%. We reported an operating loss from continuing operations of \$1,041,939 and \$1,809,126 for the three months ended September 30, 2013 and 2012, respectively, a decrease of \$767,187 or 42%. The decrease in operating loss was primarily attributable due to the increase in gross profit and additionally the decrease in operating expenses as described above.

Other Income

Total other income (expense) was (\$38,407) and \$127,930 for the nine months ended September 30, 2013 and 2012, respectively, a decrease of \$166,337 or 130%. On March 19, 2012, we entered into an agreement with California Gold, pursuant to which we agreed to provide California Gold with a geological review on or prior to March 30, 2012, of our certain uranium properties in consideration for \$125,000 offset by the realized loss – available for sale of \$38,819 in connection with the shares we received as consideration for the assignment of a mining lease in July 2013. We do not have a comparable other income during the nine months ended September 30, 2013. Total other income (expense) was (\$38,588) and \$2,757 for the three months ended September 30, 2013 and 2012, respectively, a decrease of \$41,345 or 1,500%. We recognize a realized loss – available for sale of \$38,819 in connection with the shares we received as consideration for the assignment of a mining lease in July 2013.

Discontinued Operations

During June 2012, we decided to discontinue our exploration and potential development of uranium and vanadium minerals business and prior periods have been restated in our consolidated financial statements and related footnotes to conform to this presentation. Subsequently, in November 2012, we decided to discontinue our real estate business and we intend to sell and dispose our remaining real estate holdings during fiscal 2013. We are now engage in the acquisition, development and monetization of intellectual property through both the prosecution and licensing of our own patent portfolio, the acquisition of additional intellectual property or partnering with others to defend and enforce their patent rights.

The following table indicates selected financial data of our discontinued operations of our uranium and vanadium minerals business and real estate business.

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

	For the Three Months ended September 30, 2013	For the Three Months ended September 30, 2012	For the Nine Months ended September 30, 2013	For the Nine Months ended September 30, 2012
Revenues – real estate	\$ -	\$ -	\$ 1,270,916	\$ -
Cost of sales – real estate	-	-	(1,064,320)	-
Gross profit	-	-	206,596	-
Operating and other non-operating expenses	(23,009)	(96,921)	(111,352)	(1,426,846)
Gain on sale of assets of discontinued operations	168,216	-	168,216	-
Income (loss) from discontinued operations	\$ 145,207	\$ (96,921)	\$ 263,460	\$ (1,426,846)

Net Loss

We reported a net loss of \$2,351,355 or \$(0.54) per common shares - basic and diluted and \$6,449,769 or \$(2.38) per common share - basic and diluted, respectively, for the nine months ended September 30, 2013 and 2012, respectively, a decrease of \$4,098,414 or 64%. We reported a net loss of \$935,320 or \$(0.18) per common shares - basic and diluted and \$1,903,290 or \$(0.73) per common share - basic and diluted, respectively, for the three months ended September 30, 2013 and 2012, respectively, a decrease of \$957,575 or 51%. The net loss includes non-cash items which are discussed in detail as seen under the Liquidity and Capital Resources – Operating Activities section.

Liquidity and Capital Resources

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 September 30, 2013, we had a cash balance of \$5,864,388 and working capital of \$6,118,447. During the nine months ended September 30, 2013, we have been funding our operations through the sale of our common stock, the revenues generated from patent enforcement activities and the sale of our remaining real estate properties which is included in our discontinued operations. We received net proceeds from the sale of our common stock of approximately \$5,752,000 during the nine months ended September 30, 2013.

We may be required to raise additional funds, particularly if we are unable to generate positive cash flow as a result of our operations. We estimate that based on current plans and assumptions, that our available cash is sufficient to satisfy our cash requirements under our present operating expectations for at least the next twelve months. We presently have no other alternative source of working capital. We may not have sufficient working capital to fund the expansion of our operations and to provide working capital necessary for our ongoing operations and obligations after 12 months. We have not generated revenues to support our current daily operations from the inception of development stage. We may need to raise significant additional capital to fund our future operating expenses, pay our obligations, and grow our Company. Although we generated revenue during the nine months ended September 30, 2013, such revenue is not sufficient to fund our ongoing operations. Therefore our future operations will be dependent on our ability to secure additional financing. Financing transactions may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. The trading price of our common stock could make it more difficult to obtain financing through the issuance of equity or debt securities. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, or experience unexpected cash requirements that would force us to seek alternative financing. Furthermore, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. Our inability to obtain additional capital may restrict our ability to grow and may reduce our ability to continue to conduct business operations. If we are unable to obtain additional financing, we will likely be required to curtail our development plans and possibly cease our operations.

Operating Activities

We have not generated positive cash flows from operating activities. For the nine months ended September 30, 2013, net cash flows used in operating activities was \$947,344 and was primarily attributable to our net loss of \$2,351,355, adjusted for non-cash items such as stock based compensation expenses of \$1,203,678, stock based consulting expenses of \$294,262, stock based legal fees of \$66,328, amortization and depreciation expense of \$862,601, realized loss from the sale of marketable securities - available for sale of \$38,819 and total changes in assets and liabilities of \$106,539 offset by non-cash revenue of \$1,000,000 and gain on sale of assets of discontinued operations of \$168,216. The total changes in assets and liabilities is primarily attributable to a decrease in prepaid expenses of \$39,000, decrease in assets of discontinued operations of \$82,145, increase in accounts payable and accrued expenses of

\$315,394 offset by an increase in accounts receivable of \$330,000. During the three months ended September 30, 2013, net loss of \$935,320 includes non-cash expenses such as stock based compensation expenses of \$245,310, stock based consulting expenses of \$200,067, stock based legal fees of \$65,370, amortization and depreciation expense of \$385,810, realized loss from the sale of marketable securities-available for sale of \$38,819 and offset by gain on sale of assets of discontinued operations of \$168,216.

For the nine months ended September 30, 2012, net cash flows used in operating activities was \$1,163,389 and was primarily attributable to our net loss of \$6,439,273, adjusted for the add-back of non-cash items such as stock based compensation of \$4,190,200, impairment of mining rights and assets of discontinued operations of \$1,286,248 and other income of \$125,000, and total changes in assets and liabilities of \$65,068 primarily attributable to an increase in prepaid expenses of \$54,516, increase in deposits of \$235,660, and increase in accounts payable and accrued expenses of \$201,193.

Investing Activities

Net cash flows provided by investing activities were \$795,033 in connection with the sale of real estate property of \$1,052,320 and proceeds received from the sale of marketable securities of \$129,397 offset by acquisition of patents of \$1,450,000, acquisition of CyberFone Systems of \$500,000, capitalized cost related to improvements of real estate property of \$16,750 and purchase of property and equipment of \$10,000 during the nine months ended September 30, 2013.

Net cash flows used in investing activities were \$1,993,955 in connection with acquisition of mineral rights of \$325,000, investment in note receivable of \$147,708 and acquisition of real estate property including capitalized improvements of \$1,521,247 during the nine months ended September 30, 2012.

Financing Activities

Net cash flows provided by financing activities were \$5,252,596 in connection with net proceeds from sale of our common stock of \$5,752,596 offset by \$500,000 payment of note payable related to the CyberFone acquisition during the nine months ended September 30, 2013. Net cash flows provided by financing activities were \$4,553,991 for the nine months ended September 30, 2012. We received net proceeds from the sale of our securities of \$5,768,965 offset by payment on notes payable of \$1,082,974 and payments of \$132,000 in connection with the rescission agreement during the nine months ended September 30, 2012.

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 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.

For the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011

We incurred operating expenses of \$5,540,962 and \$9,848 for the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, respectively, an increase of \$5,531,114 or 56,165%. These expenses primarily consisted of general expenses, compensation, professional fees and consulting incurred in connection with the day-to-day operation of our business. The operating expenses consisted of the following:

	For the Year ended December 31, 2012	Period from April 30, 2011 (inception) to December 31, 2011
Travel and related expenses	\$ 112,760	\$ -
Professional fees	510,112	4,605
Compensation and related taxes	2,676,462	-
Consulting fees	2,042,144	-
Other general and administrative	199,484	5,243
Total	\$ 5,540,962	\$ 9,848

- Travel and related expenses: Travel expenses were \$112,760 and \$0 during the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, respectively, an increase of \$112,760 or 100%. These expenses are in connection with conference campaign and business development related travel.
- Compensation expense and related taxes: Compensation expense includes salaries and stock-based compensation to our employees. For the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, compensation expense and related payroll taxes were \$2,676,462 and \$0, respectively, an increase of \$2,676,462 or 100%, which is primarily attributable to stock based compensation of approximately \$2.4 million in connection with warrant and option grants to our directors and officers during the year ended December 31, 2012.
- Consulting fees: For the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, we incurred consulting fees of \$2,042,144, and \$0, respectively, an increase of \$2,042,144 or 100%, which is primarily attributable to stock based consulting expense of approximately \$1.8 million in connection with warrant grants to consultants for consulting on strategic acquisitions and advice on capital restructuring during the year ended December 31, 2012.
- Professional fees: For the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, professional fees were \$510,112 and \$4,605, respectively, an increase of \$505,507 or 10,977%, which includes fees incurred for audits and legal fees related to public company filing requirements.
- Other general and administrative expenses: For the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, other general and administrative expenses were \$199,484 and \$5,243, respectively, an increase of \$194,241 or 3,705%, which includes postage, general insurance, automobile, office supplies, utilities, rent expense and office expenses.

Operating Loss from Continuing Operations

We reported an operating loss from continuing operations of \$5,540,962 and \$9,848 for the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, respectively, an increase of \$5,531,114 or 56,165%. The increase in operating loss was due to the increase in operating expenses described above.

Other Income

Total other income was \$13,325 and \$0 for the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, respectively, an increase of \$13,325 or 100%. On March 19, 2012, we entered into an agreement with California Gold, pursuant to which we agreed to provide California Gold with a geological review on or prior to March 30, 2012, of our certain uranium properties in consideration for \$125,000. During the year ended December 31, 2012, the Company has recorded a realized loss on other than temporary decline of \$112,500 in connection with our marketable securities – available for sale.

Discontinued Operations

During June 2012, we decided to discontinue our exploration and potential development of uranium and vanadium minerals business and prior periods have been restated in our consolidated financial statements and related footnotes to conform to this presentation. Subsequently, in November 2012, we decided to discontinue our real estate business and we disposed of our remaining real estate holdings during the second fiscal quarter of 2013. We are now engage in the acquisition, development and monetization of intellectual property through both the prosecution and licensing of our own patent portfolio, the acquisition of additional intellectual property or partnering with others to defend and enforce their patent rights.

The following table indicates selected financial data of our discontinued operations of our uranium and vanadium minerals business and real estate business.

	For the Year Ended December 31, 2012	Period from inception (April 30, 2011) to December 31, 2011
Revenues – real estate	\$ 724,090	\$ -
Cost of sales- real estate	(576,126)	-
Gross profit	147,964	-
Operating and other non-operating expenses	(1,558,635)	(99,474)
Loss from discontinued operations	\$ (1,410,671)	\$ (99,474)

Net loss

We reported a net loss of \$6,938,308 million or \$(0.19) per common shares - basic and diluted and \$109,322 or \$(0.01) per common share - basic and diluted, respectively, for the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, respectively, an increase of approximately \$6.8 million or 6,247%.

Liquidity and Capital Resources

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 December 31, 2012, we had a cash balance of approximately \$2.4 million and working capital of approximately \$2.4 million. We have been funding our operations through the sale of our common stock through private placements for operating capital purposes.

We may be required to raise additional funds, particularly if we are unable to generate positive cash flow as a result of our operations. We estimate that based on current plans and assumptions, that our available cash is sufficient to satisfy our cash requirements under our present operating expectations for up to 12 months. We presently have no other alternative source of working capital. We may not have sufficient working capital to fund the expansion of our operations and to provide working capital necessary for our ongoing operations and obligations after 12 months. We have not generated revenues to support our current daily operations from the inception of development stage. We may need to raise significant additional capital to fund our future operating expenses, pay our obligations, and grow our Company. We do not anticipate we will generate significant revenues in 2013. Therefore our future operations will be

dependent on our ability to secure additional financing. Financing transactions may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. The trading price of our common stock could make it more difficult to obtain financing through the issuance of equity or debt securities. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, or experience unexpected cash requirements that would force us to seek alternative financing. Furthermore, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. The inability to obtain additional capital may restrict our ability to grow and may reduce our ability to continue to conduct business operations. If we are unable to obtain additional financing, we will likely be required to curtail our development plans and possibly cease our operations.

Operating Activities

We have not generated positive cash flows from operating activities. For the year ended December 31, 2012, net cash flows used in operating activities was \$1,261,404 and was primarily attributable to our net loss of \$6,927,812, adjusted for non-cash items such as stock based compensation of \$4,436,387, impairment of mining rights and assets of discontinued operations of \$1,286,248, realized loss other than temporary decline – available for sale securities of \$112,500 and add back by other income of \$125,000, and total changes in assets and liabilities of \$42,004 primarily attributable to an increase in prepaid expenses of \$36,933, increase in assets of discontinued operations of \$62,145, and increase in accounts payable and accrued expenses of \$53,159.

For the period from inception (April 30, 2011) to December 31, 2011, net cash flows used in operating activities was (\$29,348) and was primarily attributable to our net loss of \$109,322, offset by impairment of mining rights of \$99,474, and add back total changes in assets and liabilities of \$19,500 due to an increase in prepaid expenses of \$20,000, increase in deposits of \$3,500 and increase in accounts payable and accrued expenses of (\$4,000).

Investing Activities

Net cash flows used in investing activities were \$1,860,570 in connection with acquisition of mineral rights of \$325,000, acquisition of patents of \$500,000, investment in note receivable of \$147,708 and acquisition of real estate property including capitalized improvements of \$1,612,047 offset by sale of real estate property of \$576,477 and collection of note receivable of \$147,708 during the year ended December 31, 2012.

Financing Activities

Net cash flows provided by financing activities were \$5,346,991 for the year ended December 31, 2012. We received net proceeds from the sale of our securities of \$6,511,965 and proceeds from disgorgement of former officer short swing profits of \$50,000 offset by payment on notes payable of \$1,082,974 and payments of \$132,000 in connection with the rescission agreement.

For the period from inception (April 30, 2011) to December 31, 2011, net cash provided by financing activities was \$158,500 received from sale of common stock to officers of \$5,000, proceeds from issuance of note payable-related party of \$53,500 and advance payable to an unrelated party of \$100,000.

Contractual Obligations

We have certain fixed contractual obligations and commitments that include future estimated payments. Changes in our business needs, cancellation provisions, changing interest rates, and other factors may result in actual payments differing from the estimates. We cannot provide certainty regarding the timing and amounts of payments. We have presented below a summary of the most significant assumptions used in our determination of amounts presented in the tables, in order to assist in the review of this information within the context of our consolidated financial position, results of operation, and cash flows.

The following table summarizes our contractual obligations as of December 31, 2012, and the effect these obligations are expected to have on our liquidity and cash flows in future periods:

	Payments Due By Period				
	Total	Less than 1 year	1-3 Years	4-5 Years	6- 10 Years
Contractual Obligations:					
Uranium lease agreements	838,720	73,200	276,690	190,580	298,250
Royalty agreement – minimum payments	770,000	70,000	262,500	175,000	262,500
Total Contractual Obligations	\$ 1,608,720	\$ 143,200	\$ 539,190	\$ 365,580	\$ 560,750

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 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.

BUSINESS

We are a patent acquisition and licensing company. We acquire patents from a wide-range of patent holders, from individual inventors to Fortune 500 companies. Our strategy of acquiring patents that cover a wide-range of subject matter allows us to achieve diversity within our patent asset portfolio. We monetize our diversified portfolio through actively managed concurrent licensing campaigns. This approach is expected to result in a long-term, diversified revenue stream.

Currently, as of December 27, 2013, we owned a patent portfolio consisting of 116 U.S. and foreign patents, including 17 recently acquired patents, and 5 open applications. Beginning in the second quarter of 2013, we began generating revenue from our patent portfolio.

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 primarily engaged in exploration and potential development of uranium and vanadium minerals business. During June 2012, we decided to discontinue our uranium and vanadium minerals business and engaged in the business of acquiring, renovating, and selling real estate properties located within the areas of Southern California. On November 14, 2012, we acquired all the intellectual property rights of Sampo. On November 14, 2012, we decided to discontinue our real estate business. Our principal office is located at 2331 Mill Road, Suite 100, Alexandria, VA 22314. Our telephone number is (703) 232-1701.

Industry Overview and Market Opportunity

Under U.S. law an inventor or patent owner has the right to exclude others from making, selling or using their patented invention. Unfortunately, in the majority of cases, infringers are generally unwilling, at least initially, to negotiate or pay reasonable royalties for their unauthorized use of third-party patents and will typically fight any allegations of patent infringement. Inventors and/or patent holders, without sufficient legal, financial and/or expert technical resources to bring and continue the pursuit of legal action, may lack credibility in dealing with potential licensees and as a result, are often ignored. As a result of the common reluctance of patent infringers to negotiate and ultimately take a patent license for the use of third-party patented technologies, patent licensing and enforcement often

begins with the filing of patent enforcement litigation. However, the majority of patent infringement contentions settle out of court based on the strength of the patent claims, validity, and persuasive evidence and clarity that the patent is being infringed.

Due to the relative infancy of the IP monetization industry, we believe that the absolute size of our market opportunity is very significant but difficult to quantify.

Business Model and Strategy – Overview

Our business model is based on two strategies: 1.) The identification, analysis and acquisition of patents and patent rights; and 2.) The generation of licensing revenues from the acquired patents or patent rights.

Typically, we compensate the patent seller through a cash fee paid upon the acquisition of the patents or patent rights as well as the assignment of the patents or patent rights to us or one of our operating subsidiaries. Additionally, a patent seller may also seek to receive compensation through participation in the licensing revenue generated by us from the patents or patent rights. The patent seller may also receive compensation through a combination of both cash and revenue participation.

Key Factors of Our Business Model

Diversification within the Asset Class

We currently own 116 U.S. and foreign patents, including 17 recently acquired patents, and 5 open applications. We intend to add more patents and patent applications for the purpose of generating licensing revenues. By owning multiple patent assets, we will become diversified in both the types of patents that we own as well as the frequency and size of the licensing revenues generated. This diversification will prevent us from relying on a single patent, or patent family to generate all of our revenue. Additionally, by commencing multiple settlement and licensing campaigns with our different patent assets, we intend to generate frequent revenue events through the execution of multiple settlement and licensing agreements. Our diversification of patent assets and revenue generation allows us to avoid the binary risk that can be associated with owning a single patent asset that typically generates a single stream of licensing revenues.

Supply of Patent Acquisition Opportunities

We have worked to establish a supply of patent acquisition opportunities with patent brokers and dealers, with individual inventors and patent owners, as well as with large corporations who own patent portfolios. Service providers, such as patent prosecution and litigation attorneys and patent licensing professionals have also become key suppliers of patent opportunities. An example of a key supplier of patent opportunities is IP Nav. We have received a significant amount of our patent acquisition opportunities from our relationship with IP Nav. We intend to continue to add to our patent acquisition opportunities by increasing the number of third parties that we work with when reviewing potential patent acquisition opportunities. Additionally, we intend to seek opportunities to acquire patents from companies and patent owners that are in industry sectors that we have not acquired patents from in the past.

Patent Portfolio Evaluation

We follow a disciplined due diligence approach when analyzing potential patent acquisitions. Each opportunity to acquire a patent portfolio can vary based on the amount and type of patent assets, the complexity of the underlying inventions, and the analysis of the industries in which the invention is being used.

Subtleties in the language of a patent, recorded interactions with the patent office, and the evaluation of prior art and literature can make a significant difference in the potential licensing and enforcement revenue derived from a patent or patent portfolio. Our specialists are trained and skilled in these areas. It is important to identify potential problem areas, if any, and determine whether potential problem areas can be overcome, prior to acquiring a patent portfolio or launching an effective licensing program. We have developed processes and procedures for identifying problem areas and evaluating the strength of a patent portfolio before the decision is made to allocate resources to an acquisition or

to launch an effective licensing and enforcement effort

We seek to use third-party experts in addition to our internal management team in the evaluation and due diligence of the patent assets. The combination of our management team and third-party patent attorneys, intellectual property licensing executives, and technology engineers allow us to conduct our tailored patent acquisition and evaluation processes and procedures. We may also leverage the expertise of external specialists and technology consultants. We evaluate both the types and strength of the claims of the patent as well as the file history of the patent.

Finally, prior to making a final decision to acquire a patent asset, we identify and consider potential problem areas, if any, and determine whether any potential problem areas can be overcome prior to acquiring a patent portfolio or launching an effective licensing program. Additionally, we identify potential infringers; industries within which the potential infringers exist; longevity of the patented technology; and a variety of other factors that directly impact the magnitude and potential success of a licensing and enforcement program.

Commencement of Licensing Campaign

If we complete the due diligence and have determined that the patent acquisition opportunity is worth pursuing, we may enter into final negotiations to acquire the patent assets. The owner of the patent will typically receive an upfront acquisition payment, or a portion of the revenues generated from a patent portfolio's licensing and enforcement campaign, or a combination of the two. We control the licensing and enforcement process and utilize experienced patent litigation and licensing professionals on a contingency basis to reduce the typical high costs associated with patent litigation.

Our due diligence process may also identify potential infringers that are using the acquired patent assets in an unauthorized manner. We generate, or have generated on our behalf, presentations that identify the potentially infringing technologies. Furthermore, we present an analysis of the claims of our patents and demonstrate how they apply to companies we believe are using our technologies in their products or services. These presentations can take place in a non-adversarial business setting, but can also occur through the litigation process, if necessary.

Our Products and Services

We acquire IP from patent holders in order to maximize the value of their patent holdings by conducting and managing a licensing campaign. Some patent holders tend to have limited internal resources and/or expertise to effectively address the unauthorized use of their patented technologies or they simply make the strategic business decision to outsource their intellectual property licensing. Typically, we, or an operating subsidiary acquires a patent portfolio in exchange for a combination of an upfront cash payment, a percentage of our operating subsidiary's gross recoveries from the licensing and enforcement of the portfolio, or a combination of the two.

Competition

We expect to encounter significant competition from others seeking to acquire interests in intellectual property assets and monetize such assets. This includes an increase in the number of competitors seeking to acquire the same or similar patents and technologies that we may seek to acquire. Most of our competitors have much longer operating histories, and significantly greater financial and human resources, than we do. Entities such as Vringo, Inc. (NYSE MKT: VRNG), VirnetX Holding Corp (NYSE MKT: VHC), Acacia Research Corporation (NASDAQ: ACTG), RPX Corporation (NASDAQ: RPXC), and others presently market themselves as being in the business of creating, acquiring, licensing or leveraging the value of intellectual property assets. We expect others to enter the market as the true value of intellectual property is increasingly recognized and validated. In addition, competitors may seek to acquire the same or similar patents and technologies that we may seek to acquire, making it more difficult for us to realize the value of its assets.

We also compete with venture capital firms, strategic corporate buyers and various industry leaders for technology acquisitions and licensing opportunities. Many of these competitors may have more financial and human resources than we do. As we become more successful, we may find more companies entering the market for similar technology opportunities, which may reduce our market share in one or more technology industries that we currently rely upon to generate future revenue.

Other companies may develop competing technologies that offer better or less expensive alternatives to our patented technologies that we may acquire and/or out-license. Many potential competitors may have significantly greater resources than we do. Technological advances or entirely different approaches developed by one or more of our competitors could render certain of the technologies owned or controlled by our operating subsidiaries obsolete and/or uneconomical.

Intellectual Property and Patent Rights

Our intellectual property is primarily comprised of trade secrets, patented know-how, issued and pending patents, copyrights and technological innovation.

We have a portfolio comprised of 116 U.S. and foreign patents, including 17 recently acquired patents, and 5 open applications.

We have included a list of our U.S. patents as of November 30, 2013 below. Each patent below is publicly accessible on the Internet website of the U.S. Patent and Trademark Office at www.uspto.gov.

Type	Number	Sampo IP	Issue / Publication Date	File Date	Earliest Priority Date	Expiration Date
US Patent	6,161,149	Centrifugal Communication And Collaboration Method	12/12/00	03/13/98	03/13/98	03/13/18
US Patent	6,772,229	Centrifugal Communication And Collaboration Method	08/03/04	11/13/00	03/13/98	12/01/19
US Patent	8,015,495	Centrifugal Communication And Collaboration Method	09/06/11	02/28/03	03/13/98	11/16/23
US Application	2012/0158869	Centrifugal Communication And Collaboration Method	06/21/12	07/22/11	03/13/98	

Type	Number	CyberFone Systems	Issue / Publication Date	File Date	Earliest Priority Date	Expiration Date
US Patent	6,044,382	Data Transaction Assembly Server	03/28/00	06/20/97	05/19/95	01/20/17
US Patent	5,805,676	Telephone/Transaction Entry Device And System For Entering Transaction Data Into Databases	09/08/98	05/19/95	05/19/95	05/19/15
US Patent	5,987,103	Telephone/Transaction Entry Device And System For Entering Transaction Data Into Databases	11/16/99	08/11/97	05/19/95	08/11/17
US Patent	8,019,060	Telephone/Transaction Entry Device And System For Entering Transaction Data Into Databases	09/13/11	09/04/07	05/19/95	09/04/27
US Patent	7,778,395		8/17/10	04/12/07	05/19/95	04/12/27

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

		Telephone/Transaction Entry Device And System For Entering Transaction Data Into Databases				
US Patent	7,334,024	System For Transmission Of Voice And Data Over The Same Communications Line	02/19/08	02/10/05	05/19/95	02/10/25
US Patent	6,973,477	System For Securely Communicating Amongst Client Computer Systems	12/06/05	06/07/00	05/19/95	06/07/20
US Patent	6,574,314	Method For Entering Transaction Data Into Data Bases Using Transaction Entry Device	06/03/03	09/07/99	05/19/95	09/07/19
US Patent	5,427,327	Method And Apparatus For Capturing And Positioning A Cable	09/27/93	09/27/93	06/27/95	09/27/13
US Patent	5,414,219	Printed Circuit Board Circuit Control Device	05/09/95	04/22/94	04/22/94	04/22/14
Type	Number	Relay IP	Issue / Publication Date	File Date	Earliest Priority Date	Expiration Date
US Patent	5,331,637	Multicast Routing Using Core Based Trees	07/19/94	07/30/93	07/30/93	07/30/13

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

Type	Number	Bismarck	Issue / Publication Date	File Date	Earliest Priority Date	Expiration Date
US Patent	5,883,896	Arrangement For Coupling Optional Auxiliary Devices To Terminal Equipment Of Private Branch Exchanges	03/16/99	06/21/96	06/29/95	06/21/16
US Patent	5,734,832	Method For Evaluating Performance-Feature-Related Messages In A Program-Controlled Communication Equipment	03/31/98	09/13/96	09/15/95	09/13/16
US Patent	6,674,848	Method For Displaying Performance Feature Names At A Communication Terminal Equipment	01/06/04	07/07/99	02/05/97	07/07/19

Type	Number	Vantage Point	Issue / Publication Date	File Date	Earliest Priority Date	Expiration Date
US Patent	5,463,750	Method And Apparatus For Translating Virtual Addresses In A Data Processing System Having Multiple Instruction Pipelines And Separate Tlb's For Each Pipeline	10/31/95	11/2/93	11/2/93	11/02/13
US Patent	5,598,115	Comparator Cell For Use In A Content Addressable Memory	01/28/97	02/08/95	02/23/93	01/28/14
US Patent	5,835,095	Visible Line Processor	11/10/98	05/08/95	05/08/95	11/10/15
US Patent	5,892,654	Apparatus For Improved Air Flow Though A Computer Chassis	04/06/99	05/30/97	05/30/97	05/31/16
US Patent	6,029,257	Apparatus And Method For Testing Computer Systems	02/22/00	12/05/97	12/06/96	12/06/16
US Patent	6,032,240	Bypassing A Nonpaged Pool Controller When Accessing A Remainder Portion Of A Random Access Memory	02/29/00	10/26/98	11/12/97	11/12/17
US Patent	6,185,668	Method And Apparatus For Speculative Execution Of Instructions	02/06/01	12/21/95	12/21/95	12/21/16
US Patent	6,219,226	Computer Chassis With Retractable Access Door	04/17/01	03/02/99	03/09/98	03/09/18
US Patent	6,374,329	High-Availability Super Server Apparatus And Method For	04/16/02	02/19/97	02/20/96	02/20/16
US Patent	6,615,233	Transmitting Documents Between A Server Computer And A Client Computer	09/02/03	02/12/99	02/12/99	02/17/18
US Patent	7,584,330	Multi-Processor Data Coherency	09/01/09	07/07/04	02/20/96	05/16/17

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

Type	Number	CRFD Research	Issue / Publication Date	File Date	Earliest Priority Date	Expiration Date
US Patent	7,191,233	System For Automated, Mid-Session, User-Directed, Device-To-Device Session Transfer System	03/13/07	09/17/01	09/17/01	08/19/23
US Patent	7,574,486	Web Page Content Translator System For Automated Device-To-Device Transfer System	08/11/09	11/08/00	11/06/00	07/06/23
US Patent	7,624,185	Web Page Content Translator System For Automated Device-To-Device Transfer System	11/24/09	02/02/07	09/17/01	09/17/21

Type	Number	E2E Processing	Issue / Publication Date	File Date	Earliest Priority Date	Expiration Date
US Patent	6,981,222	End-To-End Transaction Processing And Statusing System And Method	12/27/05	08/13/01	10/22/98	04/27/20
US Patent	7,043,320	Method And Apparatus For Planning A Manufacturing Schedule Using An Adaptive Learning Process	05/09/06	05/14/04	10/16/03	10/16/23
US Patent	7,406,359	Method For Calculating A Transition Preference Value Between First And Second Manufacturing Object Attributes	07/29/08	05/08/06	10/16/03	12/20/23
US Patent	7,818,082	Method And Apparatus For Planning A Manufacturing Schedule Using An Adaptive Learning Process	10/19/10	1/25/08	10/16/03	07/18/24

Patent Enforcement Litigation

We may often be required to engage in litigation to enforce our patents and patent rights. We are, or may become a party to ongoing patent enforcement related litigation, alleging infringement by third parties of certain of the patented technologies owned and/or controlled by us.

Research and Development

We have not expended funds for research and development costs since inception.

Employees

As of December 27, 2013, we had five (5) full-time employee and one (1) part-time employee. We believe our employee relations to be good.

PROPERTIES

We lease approximately 200 square feet of office space at 2331 Mill Road, Suite 100, Alexandria, VA 22314. The lease is on a month-to-month term and provides for a monthly rent of \$175.

We lease approximately 1732 square feet of office space at 11100 Santa Monica Blvd., Suite 380, Los Angeles, California, 90025. The lease term commenced on October 1, 2013 and ends April 30, 2014 and provides for a monthly rent of \$3,290.

Legal Proceedings

In the ordinary course of business, we actively pursue legal remedies to enforce our intellectual property rights and to stop unauthorized use of our technology. Other than ordinary routine litigation incidental to the business, we know of no material, active or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceedings or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered beneficial shareholder are an adverse party or has a material interest adverse to us.

MANAGEMENT

The following table presents information with respect to our officers, directors and significant employees as of the date of this prospectus:

Name and Address	Age	Date First Elected or Appointed	Position(s)
Doug Croxall	45	November 14, 2012	Chief Executive Officer and Chairman
John Stetson	28	June 26, 2012	Executive Vice President, Secretary and Director
Richard Raisig	66	December 3, 2013	Chief Financial Officer
James Crawford	38	March 1, 2013	Chief Operating Officer
Stuart Smith	53	January 26, 2012	Director
Craig Nard	47	March 8, 2013	Director
William Rosellini	33	March 8, 2013	Director

Each director serves until our next annual meeting of the stockholders unless they resign earlier. The Board of Directors elects officers and their terms of office are at the discretion of the Board of Directors.

Background of officers and directors

The following is a brief account of the education and business experience during at least the past five years of our officers and directors, indicating each person's principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Doug Croxall - Chief Executive Officer and Chairman

Mr. Croxall, 45, has served as the Chief Executive Officer and Founder of LVL Patent Group LLC, a privately owned patent licensing company, since 2009. From 2003 to 2008, Mr. Croxall served as the Chief Executive Officer and Chairman of FirePond, a software company that licensed configuration pricing and quotation software to Fortune 1000 companies. Mr. Croxall earned a Bachelor of Arts degree in Political Science from Purdue University in 1991 and a Master of Business Administration from Pepperdine University in 1995. Mr. Croxall was chosen as a director of the Company based on his knowledge of and relationships in the patent acquisition and monetization business.

John Stetson - Executive Vice President, Secretary and Director

Mr. Stetson, 28, has been Executive Vice President since December 2013. Prior to that time, Mr. Stetson was the Chief Financial Officer and Secretary of the Company since June 2012. Mr. Stetson has been the Managing Member of HS Contrarian Investments LLC since 2011 and the President of Stetson Capital Investments, Inc. since 2010. Mr. Stetson was an Investment Analyst from 2008 to 2009 for Heritage Investment Group and worked in the division of Corporate Finance of Toll Brothers from 2007 to 2008. The Board believes his knowledge of business makes him a valuable member of the Board.

Richard Raisig - Chief Financial Officer

Mr. Raisig, 66, has served as the Company's Chief Financial Officer since December 2013. From 2010 to December 2013, Mr. Raisig performed CFO consulting services for several technology companies, including Petrosonic Energy Company, Inc., a publicly traded start-up energy technology company and Connexed Technologies, Inc., a private start-up technology company marketing offsite storage and access services for surveillance video in a hosted environment. From 2007 to 2009, he was Chief Financial Officer of Aurora Systems, Inc., a venture backed start-up fabless semiconductor company in the micro-display space. From 1986 to 2006, Mr. Raisig was CFO of Microvision, Inc., a publicly traded start-up technology company in the micro-display space. Mr. Raisig has a BA in Economics from the University of California, Irvine and an MBA from the University of Southern California.

James Crawford - Chief Operating Officer

Mr. Crawford, 38, was a founding member of Kino Interactive, LLC, and of AudioEye, Inc. Mr. Crawford's experience as an entrepreneur spans the entire life cycle of companies from start-up capital to compliance officer and director of reporting public companies. Prior to his involvement as Chief Operating Officer of Marathon, Mr. Crawford served as a director and officer of Augme Technologies, Inc. beginning March 2006, and assisted the company in maneuvering through the initial challenges of acquisitions executed by the company through 2011 that established the company as a leading mobile marketing company in the United States. Mr. Crawford is experienced in public company finance and compliance functions. He has extensive experience in the area of intellectual property creation, management and licensing. Mr. Crawford also served on the board of directors Modavox® and Augme Technologies, and as founder and managing member of Kino Digital, Kino Communications, and Kino Interactive.

Stuart Smith - Director

Stuart H. Smith, 52, is a practicing plaintiff attorney licensed in Louisiana. He is a founding partner of the New Orleans-based law firm SmithStag, LLC. Smith has practiced law for nearly 25 years, litigating against oil companies and other energy-related corporations for damages associated with radioactive oilfield waste, referred to within the oil and gas industry as technologically enhanced radioactive material (TERM). In 2001, Smith was lead counsel in an oilfield radiation case that resulted in a verdict of \$1.056 billion against ExxonMobil. Smith has been interviewed and his cases have been covered by a variety of media outlets, including CNN's Andersen Cooper 360, BBC World News, Fox News, The New York Times, The Washington Post, USA Today, Lawyers Weekly USA, The Times-Picayune, The Baton Rouge Advocate, The Hill, The Associated Press, Bloomberg, National Public Radio, Radio America, and Washington Post Radio. Mr. Smith was chosen to be a member of our Board of Directors based on knowledge of complex litigation.

Craig Nard - Director

Mr. Nard, 47, is the Tom J.E. and Bette Lou Walker Professor of Law and Director of the Center for Law, Technology & the Arts and the FUSION program at Case Western Reserve University since 2005. He is also a Senior Lecturer at the World Intellectual Property Organization Academy in Torino, Italy. Mr. Nard is frequently asked to serve as an expert witness and consultant in patent litigation and is widely published in the area of patent law, with scholarly articles appearing in many of the most prominent law journals. He is also the author of a leading patent law casebook, *The Law of Patents*, and a co-author of *The Law of Intellectual Property*. Prior to entering the legal academy, Mr. Nard clerked for the Honorable Giles S. Rich and Helen W. Nies of the United States Court of Appeals for the Federal Circuit in Washington, D.C. and, before that, was a patent litigator in Dallas, Texas. He is a member of the Texas bar, and is licensed to practice before the United States Patent & Trademark Office. The Board has determined that Mr. Nard's academic experience in intellectual property law makes him a valuable member of the Board.

William Rosellini - Director

William Rosellini, 33, is Founder and Chairman of Microtransponder Inc. and Rosellini Scientific, LLC. Dr. Rosellini previously served as the founding CEO of Microtransponder from 2006 to 2012 and Lexington Technology Group in 2012. During his tenures as CEO he has raised nearly \$30M in venture funding and \$10M in NIH grants. Dr. Rosellini has been named a MTBC Tech Titan and a GSEA Entrepreneur of the Year and has testified to Congress on the importance of non-dilutive funding for inventors and researchers. Dr. Rosellini holds a BA in economics from the University of Dallas, a JD from Hofstra Law, an MBA and MS of Accounting from the University of Texas, a MS of Computational Biology from Rutgers, a MS of Regulatory Science from USC and a MS of Neuroscience from University of Texas. Previously, Dr. Rosellini was a right-handed pitcher who played in Arizona Diamondbacks

system. The Board has determined that Dr. Rosellini's medical technology expertise and industry knowledge and experience will make him a valuable member of the Board.

Code of Ethics

We have not yet adopted a code of ethics that applies to our principal executive officers, principal financial officer, principal accounting officer or controller, or persons performing similar functions, since we have been focusing our efforts on obtaining financing for the company. We expect to adopt a code as we develop our business.

Family Relationships

There are no family relationships between any of our directors, executive officers or directors.

Involvement in Certain Legal Proceedings

During the past ten years, none of our officers, directors, promoters or control persons have been involved in any legal proceedings as described in Item 401(f) of Regulation S-K.

Term of Office

Our directors are appointed for a one-year term to hold office until the next annual general meeting of our shareholders or until removed from office in accordance with our bylaws.

Director Independence

Mr. Stuart Smith, Mr. Craig Nard and Dr. William Rosellini are "independent" directors based on the definition of independence in the listing standards of the NASDAQ Stock Market LLC ("NASDAQ"). If and when Kairix Analytics, Ltd. receives any consulting fees, Mr. Nard will no longer be considered an independent member of the audit committee.

Committees of the Board of Directors

The Audit Committee members are Mr. Stuart Smith, Mr. Craig Nard and Dr. William Rosellini. The Committee has authority to review our financial records, deal with our independent auditors, recommend to the Board policies with respect to financial reporting, and investigate all aspects of the our business. The Audit Committee Charter is available on our website at www.marathonpg.com. Each member of the Audit Committee satisfies the independence requirements and other established criteria of the NASDAQ.

The Compensation Committee oversees our executive compensation and recommends various incentives for key employees to encourage and reward increased corporate financial performance, productivity and innovation. Its members are Mr. Stuart Smith, Mr. Craig Nard and Dr. William Rosellini. The Compensation Committee Charter is available on our website at www.marathonpg.com. Each member of the Compensation Committee satisfies the independence requirements and other established criteria of the NASDAQ.

We have no formally designated a nominating committee or committees performing similar functions.

Board Leadership Structure and Role in Risk Oversight

Although we have not adopted a formal policy on whether the Chairman and Chief Executive Officer positions should be separate or combined, we have traditionally determined that it is in the best interests of the Company and its shareholders to partially combine these roles. Due to the small size of the Company, we believe it is currently most effective to have the Chairman and Chief Executive Officer positions partially combined.

Our Board of Directors is primarily responsible for overseeing our risk management processes. The Board of Directors receives and reviews periodic reports from management, auditors, legal counsel, and others, as considered appropriate regarding the Company's assessment of risks. The Board of Directors focuses on the most significant risks facing us and our general risk management strategy, and also ensures that risks undertaken by us are consistent with the Board of Directors' appetite for risk. While the Board of Directors oversees the Company, our management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing the Company and that our board leadership structure supports this approach.

EXECUTIVE COMPENSATION

The following summary compensation table sets forth information concerning compensation for services rendered in all capacities during 2012 and 2011 awarded to, earned by or paid to our executive officers. The value attributable to any Option Awards and Stock Awards reflects the grant date fair values of stock awards calculated in accordance with FASB Accounting Standards Codification Topic 718. As described further in Note 6 – Stockholders' Equity (Deficit) – Common Stock Option to our consolidated year-end financial statements, a discussion of the assumptions made in the valuation of these option awards and stock awards.

Name and Principal Position	Year	Salary (\$)	Bonus Awards (\$)	Stock Awards (\$)	Other Incentive Compensation (\$)	Non-Equity Plan Compensation (\$)	Nonqualified Deferred Earnings (\$)	All Other Compensation (\$)	Total (\$)
Doug Croxall CEO and Chairman	2012	240,385	-	-	968,600	-	-	-	1,008,985
	2011	-	-	-	-	-	-	-	-
John Stetson (1) CFO and Secretary	2012	8,654	-	33,287	-(3)	-	-	-	41,941
	2011	-	-	-	-	-	-	-	-
Mark Groussman (2) Former CEO	2012	44,384	-	-	-(4)	-	-	-	44,384
	2011	-	-	-	-	-	-	-	-

(1) John Stetson was appointed as President, COO and a director on June 26, 2012. On November 14, 2012, John Stetson resigned as the Company's President and Chief Operating Officer and was re-appointed as the Chief Financial Officer and Secretary on January 28, 2013. Mr. Stetson ceased to serve as Chief Financial Officer, effective December 3, 2013 and we have appointed Mr. Richard Raisig as our Chief Financial Officer, effective December 3, 2013.

(2) Mark Groussman was appointed as the Chief Executive Officer of the Company on June 11, 2012 and resigned as the Company's Chief Executive Officer on November 14, 2012.

(3) John Stetson was awarded a ten-year option award to purchase an aggregate of 115,385 shares of the Company's common stock (after giving effect to the Reverse Split) with an exercise price of \$6.50 per share and was cancelled on November 14, 2012 upon resignation.

(4) Mark Groussman was awarded a ten-year option award to purchase an aggregate of 115,385 shares of the Company's common stock (after giving effect to the Reverse Split) with an exercise price of \$6.50 per share and was cancelled on November 14, 2012 upon resignation.

Employment Agreements

On November 14, 2012, we entered into an employment agreement with Doug Croxall (the “Croxxall Employment Agreement”), whereby Mr. Croxall agreed to serve as our Chief Executive Officer for a period of two years, subject to renewal, in consideration for an annual salary of \$350,000 and an Indemnification Agreement. Additionally, under the terms of the Croxxall Employment Agreement, Mr. Croxall shall be eligible for an annual bonus if we meet certain criteria, as established by the Board of Directors, subject to standard “claw-back rights” in the event of any restatement of any prior period earnings or other results as from which any annual bonus shall have been determined. As further consideration for his services, Mr. Croxall received a ten year option award to purchase an aggregate of One Hundred Fifty Three Thousand Eight Hundred and Forty-Six (153,846) shares of our common stock with an exercise price of \$6.50 per share, after giving effect to the Reverse Split, which shall vest in twenty-four (24) equal monthly installments on each monthly anniversary of the date of the Croxxall Employment Agreement. On November 18, 2013, we entered into Amendment No. 1 to the Croxxall Employment Agreement (“Amendment”). Pursuant to the Amendment, the term of the Croxxall Agreement shall be extended to November 14, 2017 and (ii) Mr. Croxall’s annual base salary shall be increased to \$480,000, subject to a 3% increase every year, commencing on November 14, 2014.

On January 28, 2013, we entered into an employment agreement with John Stetson, our Chief Financial Officer and Secretary (the “Stetson Employment Agreement”) whereby Mr. Stetson agreed to serve as our Chief Financial Officer for a period of one year, subject to renewal, in consideration for an annual salary of \$75,000. Additionally, Mr. Stetson shall be eligible for an annual bonus if we meet certain criteria, as established by the Board of Directors, subject to standard “claw-back rights” in the event of any restatement of any prior period earnings or other results as from which any annual bonus shall have been determined. As further consideration for his services, Mr. Stetson received a ten year option award to purchase an aggregate of Thirty Eight Thousand Four Hundred Sixty Two (38,462) shares of our common stock with an exercise price of \$6.50 per share, after giving effect to the Reverse Split, which shall vest in three (3) equal annual installments on the beginning on the first annual anniversary of the date of the Stetson Employment Agreement, provided Mr. Stetson is still employed by us. In the event of Mr. Stetson’s termination prior to the expiration of his employment term under his employment agreement, unless he is terminated for Cause (as defined in the Stetson Employment Agreement), or in the event Mr. Stetson resigns without Good Reason (as defined in the Stetson Employment Agreement), we shall pay to him a lump sum in an amount equal to the sum of his (i) base salary for the prior 12 months plus (ii) his annual bonus amount during the prior 12 months.

On March 1, 2013, Mr. James Crawford was appointed as our Chief Operating Officer. Pursuant to the Employment Agreement with Mr. Crawford dated March 1, 2013 (“Crawford Employment Agreement”), Mr. Crawford shall serve as our Chief Operating Officer for two (2) years. The Crawford Employment Agreement shall be automatically renewed for successive one (1) year periods thereafter. Mr. Crawford shall be entitled to a base salary at an annual rate of \$185,000, with such upward adjustments as shall be determined by the Board in its sole discretion. Mr. Crawford shall also be entitled to an annual bonus if we meet or exceeds criteria adopted by the Compensation Committee of the Board for earning bonuses. Mr. Crawford shall be awarded five (5) year stock options to purchase an aggregate of five hundred thousand (500,000) shares of our common stock, with a strike price based on the closing price of our common stock on March 1, 2013 as reported by the OTC Bulletin Board, vesting in twenty-four (24) equal installments on each monthly anniversary of March 1, 2013, provided Mr. Crawford is still employed by us on each such date.

On November 18, 2013, we entered into a 2-year Executive Employment Agreement with Richard Raisig (“Raisig Agreement”), pursuant to which Mr. Raisig shall serve as our Chief Financial Officer, effective December 3, 2013. Pursuant to the terms of the Raisig Agreement, Mr. Raisig shall receive a base salary at an annual rate of \$250,000.00 and an annual bonus up to 100% of Mr. Raisig’s base salary as determined by the Compensation Committee of the Board. As further consideration for Mr. Raisig’s services, we agreed to issue Mr. Raisig ten (10) year stock options to

purchase an aggregate of 115,000 shares of common stock, with a strike price of \$5.70 per share, vesting in twenty-four (24) equal installments on each monthly anniversary of the date of the Raisig Agreement, provided Mr. Raisig is still employed by us on each such date.

Directors' Compensation

The following summary compensation table sets forth information concerning compensation for services rendered in all capacities during 2012 and 2011 awarded to, earned by or paid to our directors. The value attributable to any Warrant Awards reflects the grant date fair values of stock awards calculated in accordance with FASB Accounting Standards Codification Topic 718. As described further in Note 6 – Stockholders' Equity (Deficit) – Common Stock Warrants to our consolidated year-end financial statements, a discussion of the assumptions made in the valuation of these warrant awards.

Name	Fees earned or paid in cash (\$)	Stock awards (\$)	Warrant awards (\$)	Non-equity incentive plan compensation (\$)	Nonqualified deferred compensation earnings (\$)	All other compensation (\$)	Total (\$)
Stuart Smith							
2012	-	-	124,725	-	-	-	124,725
2011	-	-	-	-	-	-	-
David Rector (1)							
2012	-	-	124,725	-	-	-	124,725
2011	-	-	-	-	-	-	-
Joshua Bleak (2)							
2012	-	-	349,230	-	-	-	349,230
2011	-	-	-	-	-	-	-
George Glasier							
2012	-	-	-(3)	-	-	-	-
2011	-	-	-	-	-	-	-

(1) David Rector resigned from his position as Director on March 8, 2013.

(2) Joshua Bleak resigned from his position as Director on March 8, 2013.

(3) George Glasier was awarded a ten year warrant to purchase an aggregate of 115,385 shares of our common stock with an exercise price of \$6.50 per share, after giving effect to the Reverse Split. Mr. Glasier exercised the warrant and the shares issued upon exercise of the warrant were cancelled on June 11, 2012 upon resignation.

Grants of Plan Based Awards and Outstanding Equity Awards at Fiscal Year-End

On August 1, 2012, our board of directors and stockholders adopted the 2012 Equity Incentive Plan, pursuant to which 769,231 shares of our common stock are reserved for issuance as awards to employees, directors, consultants, advisors and other service providers, after giving effect to the Reverse Split.

Name	Option awards				Stock awards				
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares of unearned stock that have not vested (\$)	Equity incentive plan awards: Number of shares, units or rights that have not vested (#)	Equity incentive plan awards: Market value of unearned shares, units or rights that have not vested (\$)
Doug Croxall (1)	6,410	147,436	-	\$6.50	11/14/2022	-	-	-	-

(1) On November 14, 2012, Mr. Croxall received an option to purchase an aggregate of 153,846 shares of Common Stock at \$6.50 per share, after giving effect to the Reverse Split. The option shall become exercisable during the term of Mr. Croxall's employment in twenty-four (24) equal monthly installments on each monthly anniversary of the date of the Mr. Croxall's employment.

Long-Term Incentive Plan

On August 1, 2012, our board of directors and stockholders adopted the 2012 Equity Incentive Plan, pursuant to which 769,231 shares of our common stock are reserved for issuance as awards to employees, directors, consultants, advisors and other service providers, after giving effect to the Reverse Split.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the Board of Directors or compensation committee of any other entity that has one or more of its executive officers serving as a member of our Board of Directors.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transactions

Between February 2010 and March 2010, Christopher Clitheroe, our former Secretary and a Director, loaned us an aggregate of \$1,375 for operating expenses. Between April 2011 and September 2011, Mr. Clitheroe loaned us an aggregate of \$9,675 for operating expenses. These loans were non-interest bearing and were due on demand. On December 13, 2011, Mr. Clitheroe agreed to waive these loans.

In November 2011, we issued a promissory note for \$53,500 to an affiliated company owned by the officers of Amicor (as defined herein). The note was payable in full without interest on or before January 15, 2012. In December 2011, we issued a promissory note for \$99,474 to an affiliated company owned by the officers of Amicor. The note was payable in full without interest on or before January 15, 2012. Such note was issued in connection with the execution of a lease assignment agreement between us and the affiliated company for certain mineral rights located in San Juan County, Utah. On January 30, 2012, we paid both promissory notes above for a total of \$152,974. The affiliated company agreed not to charge us a late penalty fee upon satisfaction of the notes.

On January 26, 2012, we entered into a 1 year consulting agreement with GRQ Consultants, Inc., pursuant to which such consultant will provide certain services to us in consideration for which we sold to the consultant warrants to purchase an aggregate of 134,615 shares of our common stock with an exercise price of \$6.50. Barry Honig is the owner of GRQ Consultants, Inc. GRQ Consultants, Inc. 401(k), which is also owned by Mr. Honig, purchased an aggregate of \$500,000 of shares of common stock in the our private placement. In addition, we entered into an Option Agreement with Pershing and Mr. Honig is a member of Pershing's board of directors (see Note 6). Additionally, we entered into consulting agreement with Melechdavid Inc. in consideration for which we sold to Melechdavid Inc. warrants to purchase an aggregate of 134,615 shares of our common stock with an exercise price of \$6.50 per share. Our former Chief Executive Officer is the President of Melechdavid Inc. (see Note 6).

On January 26, 2012, we entered into an option agreement with Pershing pursuant to which we purchased the option to acquire certain uranium properties in consideration for (i) a \$1,000,000 promissory note payable in installments upon satisfaction of certain conditions, expiring six months following issuance and (ii) 769,231 shares of our common stock. Pursuant to the terms of the note, upon the closing of a private placement in which we receive gross proceeds of at least \$5,000,000, we shall repay \$500,000 under the note. Additionally, upon the closing of a private placement in which we receive gross proceeds of at least an additional \$1,000,000, we shall pay the outstanding balance under the note. The note does not bear interest. On January 26, 2012, in conjunction with a private placement, we paid Pershing \$500,000 under the terms of the note. Pershing may have been deemed to be our initial promoter. Additionally, Barry Honig was, until February 9, 2012, the Chairman of Pershing and had been a shareholder of Continental Resources Group, Inc., the then- controlling shareholder of Pershing, since 2009. Mr. Honig remains a director of Pershing. Mr. Honig is also the sole owner, officer and director of GRQ Consultants, Inc. David Rector, a then- member of our board of directors, was the President and a director of Pershing at the time of the transaction and Joshua Bleak, our former director, was the Chief Executive Officer of Continental. Mr. Rector resigned as the President of Pershing on March 6, 2012 and on such date was appointed as the Treasurer and Vice President of Administration and Finance of Pershing. In November 2012, David Rector resigned from Pershing as Treasurer, Vice President of Administration and Finance and member of the board of directors.

Additionally, we entered into consulting agreement with Melechdavid Inc. in consideration for which we issued to Melechdavid Inc. warrants to purchase an aggregate of 134,615 shares of our common stock with an exercise price of \$6.50 per share. Our then-Chief Executive Officer, Mark Groussman, is the President of Melechdavid Inc.

On January 26, 2012, we issued a ten-year warrant to purchase an aggregate of 13,077 shares of common stock with an exercise price of \$6.50 per share to Daniel Bleak, an outside consultant to us, which vests in three equal annual installments with the first installment vesting one year from the date of issuance. Daniel Bleak is the father of Joshua Bleak, a former member of our board of directors. Additionally, in August 2012, we paid Daniel Bleak \$50,000 for research and business advisory services rendered pursuant to a Professional Service Agreement executed on August 1, 2012.

On January 26, 2012, we issued warrants to purchase an aggregate of 207,692 shares of common stock at an exercise price of \$6.50 per share to Joshua Bleak, David Rector, Stuart Smith and George Glasier, our then- directors.

On March 19, 2012, we entered into an agreement with California Gold Corp., pursuant to which we agreed to provide California Gold Corp. with a geological review on or prior to March 30, 2012, of certain uranium properties in consideration for \$125,000. David Rector, our former director, is a member of California Gold Corp.'s board of directors.

Our former principal place of business was located in a building owned by Silver Hawk Ltd., a Colorado corporation. George Glasier, our former Chief Executive Officer, is the President and Chief Executive Officer of Silver Hawk Ltd. We leased our office space on a month to month basis at a monthly rate of \$850 pursuant to a lease effective January 1, 2012. Under the terms of a Rescission Agreement dated June 11, 2012, our lease for such office space was terminated.

On June 11, 2012, we exercised the option we purchased from Pershing through the assignment of Pershing's wholly owned subsidiary, Continental Resources Acquisition Sub, Inc., a Florida corporation, which is the owner of 100% of the issued and outstanding common stock of each of Green Energy Fields, Inc., a Nevada corporation (which is the owner of 100% of the issued and outstanding common stock of CPX Uranium, Inc.) and ND Energy, Inc., a Delaware corporation. Additionally, ND Energy, Inc. and Green Energy Fields, Inc. hold a majority of the outstanding membership interests of Secure Energy LLC. Through our acquisition of the above entities, we acquired certain uranium properties and claims.

Between June 2012 and July 2012, we loaned \$147,708 to an affiliated company in exchange for a secured promissory note. The note bore 6% interest per annum and shall become due and payable on or before June 29, 2013. This note was secured by a real estate property owned by the affiliated company. In November 2012, we collected a total of \$218,218 from the affiliated company and such payment was applied towards the principal amount of \$147,708 and interest of \$70,510. We recognized interest income of \$70,510 during the year ended December 31, 2012 and are included in the loss from discontinued operations as this transaction relates to our real estate business. Barry Honig, the President of the affiliated company, is one of our shareholders.

In August 2012, we issued 23,305 shares of common stock in connection with the exercise of 46,154 stock warrants on a cashless basis. The warrant holder was Melechdavid, Inc. who purchased 46,154 warrants from a third party in June 2012. Our former Chief Executive Officer is the President of Melechdavid, Inc. Additionally, in November 2012, we received a notice from the former Chief Executive Officer that the former Chief Executive Officer had violated Section 16(b) of the Exchange Act as a result of certain purchases and sales of shares of our common stock made by the former Chief Executive Officer within a period of less than six months that generated short-swing profits under Section 16(b). In December 2012, the former Chief Executive Officer made a \$50,000 payment to us in disgorgement of the short-swing profits.

On November 14, 2012, we entered into a share exchange agreement with Sampo and the members of Sampo. Upon closing of the transaction contemplated under the share exchange agreement, on November 14, 2012, the Sampo Members (six members) transferred all of the issued and outstanding membership interests of Sampo to us in exchange for an aggregate of 711,538 shares of our Common Stock. Such exchange caused Sampo to become our wholly-owned subsidiary. LVL Patent Group LLC, of which Mr. Croxall is the Chief Executive Officer, and John Stetson were former members of Sampo and received 307,692 and 38,462 shares of our common stock, respectively, in connection with the share exchange

On May 31, 2013, Barry Honig, a beneficial owner of more than 5% of our common stock at the time, purchased an aggregate of \$100,000 of shares of common stock and warrants in our private placement.

On August 2, 2013, GRQ Consultants Inc. 401K funded a subscription of \$150,000 of shares of common stock and warrants in our private placement, which was assigned to it by another investor. Barry Honig is the trustee of GRQ Consultants Inc. 401K and was a beneficial owner of more than 5% of our common stock at the time of the transaction.

On November 11, 2013, we entered into a consulting agreement with Kairix, pursuant to which we granted options to acquire 300,000 shares of common stock to Kairix in exchange for services. The options shall vest 33%, 33% and 34% on each annual anniversary of the date of the issuance. Craig Nard, a member of our board of directors, is a principal of Kairix.

On November 18, 2013, we entered into Amendment No. 1 to the Executive Employment Agreement with our Chief Executive Officer and Chairman, Doug Croxall, pursuant to which Mr. Croxall's base salary was raised to \$480,000, subject to a 3% increase every year commencing on November 14, 2014. We also granted Mr. Croxall a bonus of \$350,000 and ten year stock options to purchase an aggregate of 100,000 shares of our common stock, with a strike price of \$5.93 per share (representing the closing price on the date of grant), vesting in twenty-four (24) equal installments on each monthly anniversary of the date of grant.

On November 18, 2013, we entered into a consulting agreement with Jeff Feinberg ("Feinberg Agreement"), pursuant to which we agreed to grant Mr. Feinberg 100,000 shares of our restricted common stock; 50% of which shall vest on the one-year anniversary of the Feinberg Agreement and the remaining 50% of which shall vest on the second year anniversary of the Feinberg Agreement. Mr. Feinberg is the trustee of The Feinberg Family Trust and holds voting and dispositive power over shares held by The Feinberg Family Trust, which is a 10% beneficial owner of our common stock.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of our common stock as of the date of this prospectus: (i) by each of our directors, (ii) by each of the Named Executive Officers, (iii) by all of our executive officers and directors as a group, and (iv) by each person or entity known by us to beneficially own more than five percent (5%) of any class of our outstanding shares. The percentage ownership of each beneficial owner is calculated after giving effect to the Reverse Split. As of December 27, 2013, there were 5,489,602 shares of our common stock outstanding, after giving effect to the Reverse Split.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)				Percentage of Common Stock (%)
	Common Stock	Options	Warrants	Total	
Officers and Directors					
Doug Croxall (Chairman and CEO)	307,692 (2)	159,928 (3)	0	467,620	8.28%
John Stetson (EVP, Secretary and Director)	180,824 (4)	12,820 (5)	3,201 (6)	196,845	3.58%
Richard Raisig Chief Financial Officer	0	14,373 (14)	0	14,373	*
James Crawford (COO)	0	12,816 (7)	0	12,816	*
Stuart Smith (Director)	105,770	0	24,039 (8)	129,808	2.35%
Craig Nard (Director)	0	3,840 (9)	0	3,840	*
William Rosellini (Director)	0	3,840 (10)	0	3,840	*
All Directors and Executive Officers (six persons)	594,286	207,617	27,240	829,143	14.48%
Persons owning more than 5% of voting securities					
TechDev Holdings LLC (12)	461,539	0	0	461,539	8.41%
The Feinberg Family Trust (13)	523,980	0	216,346 (11)	740,326	12.97%
Barry Honig	352,754(15)	0	35,541 (16)	388,295	7.03%

* Less than 1%

(1) Amounts set forth in the table and footnotes gives effect to the Reverse Split that we effectuated on July 18, 2013. In determining beneficial ownership of our common stock as of a given date, the number of shares shown includes shares of common stock which may be acquired on exercise of warrants or options or conversion of convertible securities within 60 days of that date. In determining the percent of common stock owned by a person or entity on December 27, 2013, (a) the numerator is the number of shares of the class beneficially owned by such person or entity, including shares which may be acquired within 60 days on exercise of warrants or options and conversion of convertible securities, and (b) the denominator is the sum of (i) the total shares of common stock outstanding on December 27, 2013 (5,489,602), and (ii) the total number of shares that the beneficial owner may acquire upon conversion of the preferred and on exercise of the warrants and options, subject to limitations on conversion and exercise as more fully described in note 10 below. Unless otherwise stated, each beneficial owner has sole power to vote and dispose of its shares.

(2) Held by LVL Patent Group LLC, over which Mr. Croxall holds voting and dispositive power.

(3) Represents options to purchase 96,150 shares of common stock at an exercise price of \$6.50 per share and options to purchase 51,280 shares of common stock at an exercise price of \$5.265 per share and excludes options to purchase 57,696 shares of common stock at an exercise price of \$6.50 per share and options to purchase 102,566 shares of common stock at an exercise price of \$5.265 per share that are not exercisable within 60 days.

(4) Represents 121,786 shares held by Mr. Stetson individually, 5,769 shares held by HS Contrarian Investments LLC and 53,269 shares held by Stetson Capital Investments, Inc. Mr. Stetson is the President of Stetson Capital Investments, Inc. and the manager of HS Contrarian Investments LLC and in such capacities is deemed to have voting and dispositive power over shares held by such entities.

(5) Represents options to purchase 12,820 shares of common stock at an exercise price of \$6.50 per share and options to purchase 25,642 shares of common stock at an exercise price of \$6.50 per share that do not vest and are not exercisable within 60 days.

(6) Represents a warrant to purchase 3,201 shares of common stock at an exercise price of \$7.80 per share.

(7) Represents options to purchase 12,816 shares of common stock at an exercise price of \$4.94 per share and excludes options to purchase 25,646 shares of common stock that do not vest and are not exercisable within 60 days of the date of this Prospectus.

(8) Represents a warrant to purchase 14,423 shares of common stock at an exercise price of \$6.50 per share and a warrant to purchase 9,616 shares of common stock at an exercise price of \$7.80 per share.

(9) Represents options to purchase 3,840 shares of common stock at an exercise price of \$5.265 per share and excludes options to purchase 7,692 shares of common stock at an exercise price of \$11.05 per share and options to purchase 7,698 shares of common stock at an exercise price of \$5.265 per share that do not vest and are not exercisable within 60 days of the date of this Prospectus.

(10) Represents options to purchase 3,840 shares of common stock at an exercise price of \$5.265 per share and excludes options to purchase 7,692 shares of common stock at an exercise price of \$11.05 per share and options to purchase 7,698 shares of common stock at an exercise price of \$5.265 per share that do not vest and are not exercisable within 60 days of the date of this Prospectus.

(11) Represent a warrant to purchase 216,346 shares of common stock at an exercise price of \$6.50 per share.

(12) Acclaim Financial Group, LLC ("AFG") is the sole member of TechDev Holdings LLC. Accordingly, AFG may be deemed to beneficially own all of the shares that are owned by TechDev Holdings LLC. Audrey Spangenberg is the sole managing member of AFG, and accordingly may be deemed to beneficially own all of the shares that are owned by TechDev. Ms. Spangenberg disclaims beneficial ownership of these securities.

(13) Jeffrey Feinberg is the trustee of The Feinberg Family Trust and holds voting and dispositive power over shares held by The Feinberg Family Trust.

(14) Represents options to purchase 14,373 shares of common stock at an exercise price of \$5.70 per share and excludes options to purchase 100,627 shares of common stock that do not vest and are not exercisable within 60 days of the date of this Prospectus.

(15) Represents 72,578 shares of common stock directly, 40,997 shares of common stock held by GRQ Consultants, Inc. (“GRQ”), 109,300 shares of common stock held by GRQ Consultants, Inc. 401k Plan (“GRQ 401k Plan”), 63,030 shares of common stock held by GRQ Consultants, Inc. Defined Benefit Plan (“GRQ Defined Plan”), 66,849 shares of common stock held by GRQ Consultants, Inc. Roth 401k Plan (“GRQ Roth 401k Plan”). Mr. Honig is the President of GRQ and the trustee of GRQ 401k Plan, GRQ Defined Plan and GRQ Roth 401k Plan and is deemed to hold voting and dispositive power over shares held by such entities.

(16) Represents 9,616 shares of common stock underlying warrants with an exercise price of \$6.50 per share held directly, 14,423 shares of common stock underlying warrants with an exercise price of \$6.50 per share held by GRQ 401k Plan, 8,654 shares of common stock underlying warrants with an exercise price of \$7.80 per share held by GRQ Roth 401k Plan and 2,848 shares of common stock underlying warrants with an exercise price of \$6.50 per share held by GRQ Roth 401k Plan.

DESCRIPTION OF SECURITIES

Authorized Capital Stock

We have 250,000,000 authorized shares of capital stock, par value \$0.0001 per share, of which 200,000,000 shares are common stock and 50,000,000 shares are “blank-check” preferred stock.

Capital Stock Issued and Outstanding

On July 18, 2013, we effectuated a Reverse Split at a ratio of 1-for-13. As of December 27, 2013, after giving effect to the Reverse Split, we have issued and outstanding securities as follows:

- 5,489,602 shares of common stock;
- Warrants to purchase 708,260 shares of common stock;
- Options to purchase 1,347,692 shares of common stock, and
- 100,000 shares of common stock reserved for issuance on future vesting of restricted stock unit awards granted as of December 27, 2013.

Common Stock

As of December 27, 2013, 5,489,602 shares of common stock were issued and outstanding. The holders of our common stock have equal ratable rights to dividends from funds legally available therefore, when, as and if declared by the Board of Directors and are entitled to share ratably in all of our assets available for distribution to holders of common stock upon the liquidation, dissolution or winding up of our affairs. Holders of shares of common stock do not have preemptive, subscription or conversion rights.

Holders of shares of common stock are entitled to one vote per share on all matters which shareholders are entitled to vote upon at all meetings of shareholders. The holders of shares of common stock do not have cumulative voting rights, which means that the holders of more than 50% of our outstanding voting securities can elect all of our directors.

The payment of dividends, if any, in the future rests within the discretion of our Board of Directors and will depend, among other things, upon our earnings, capital requirements and financial condition, as well as other relevant factors. We have not paid any dividends since our inception and do not intend to pay any cash dividends in the foreseeable future, but intend to retain all earnings, if any, for use in our business.

Warrants

On May 31, 2013, we sold an aggregate of 1,153,844 units representing gross proceeds of \$6,000,000 to certain accredited investors pursuant to a securities purchase agreement, among which, 999,998 units representing \$5,200,000 were funded. Each unit was subscribed for a purchase price of \$5.20 per unit and consists of: (i) one share of our common stock, and (ii) a three (3) year warrant to purchase one half share of our common stock at an exercise price of \$6.50 per share, subject to adjustment upon the occurrence of certain events such as stock splits and stock dividends and similar events. The warrants contain limitations on the holders' ability to exercise the warrants in the event such exercise causes the holder to beneficially own in excess of 9.99% of our issued and outstanding common stock. The Company paid placement agent fees of \$170,000 to two broker-dealers in connection with the sale of the units of which \$30,000 was previously paid by us as a retainer. On July 29, 2013, we converted legal fees of \$29,620 into 5,696 units. In August 2013, two investors who had subscribed for an aggregate of 153,846 units for an aggregate purchase price of \$800,000 on May 31, 2013 assigned their subscriptions to other investors. Such other investors each funded their subscriptions and such additional units were issued. Additionally, we paid placement agent fees of \$35,029 and legal fees of \$42,375 in connection with the sale of units.

Trading

Our common shares currently trade on the OTC Bulletin Board under the symbol "MARA".

Transfer Agent and Registrar

The transfer agent and registrar for our common shares is Equity Stock Transfer.

Indemnification of Directors and Officers

Neither our articles of incorporation nor bylaws prevent us from indemnifying our officers, directors and agents to the extent permitted under the Nevada Revised Statute ("NRS"). NRS Section 78.7502, provides that a corporation may indemnify any director, officer, employee or agent of a corporation against expenses, including fees, actually and reasonably incurred by him in connection with any defense to the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to Section 78.7502(1) or 78.7502(2), or in defense of any claim, issue or matter therein.

NRS 78.7502(1) provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he: (a) is not liable pursuant to NRS 78.138; or (b) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

NRS Section 78.7502(2) provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he: (a) is not liable pursuant to NRS 78.138; or (b) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals there from, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

NRS Section 78.747 provides that except as otherwise provided by specific statute, no director or officer of a corporation is individually liable for a debt or liability of the corporation, unless the director or officer acts as the alter ego of the corporation. The court as a matter of law must determine the question of whether a director or officer acts as the alter ego of a corporation.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed hereby in the Securities Act and we will be governed by the final adjudication of such issue.

PLAN OF DISTRIBUTION

The Company will solicit offers to purchase the shares of common stock in this offering. No placement agent nor any broker-dealer or FINRA member has been retained for this offering.

In connection with the Company's selling efforts in the offering, the Company will not register as a broker-dealer pursuant to Section 15 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), but rather will rely upon the "safe harbor" provisions of SEC Rule 3a4-1, promulgated under the Exchange Act. Generally speaking, Rule 3a4-1 provides an exemption from the broker-dealer registration requirements of the Exchange Act for persons associated with an issuer that participate in an offering of the issuer's securities. Each of our officers and directors is not subject to a statutory disqualification, as that term is defined in Section 3(a)(39) of the Exchange Act. Each of our officers and directors will not be compensated in connection with his participation in the offering by payment of commissions or other remuneration based either directly or indirectly on transactions in our securities. Each of our officers and directors is not now, nor have they been within the past 12 months, a broker or dealer, and they have not been, within the past 12 months, an associated person of a broker or dealer. At the end of the offering, each of our officers and directors will continue to primarily perform substantial duties for the Company or on its behalf otherwise than in connection with transactions in securities. Each of our officers and directors will not and has not participated in selling an offering of securities for any issuer more than once every 12 months other than in reliance on Exchange Act Rule 3a4-1(a)(4)(i) or (iii).

In order to comply with the applicable securities laws of certain states, the securities will be offered or sold in those states only if they have been registered or qualified for sale, exempted from such registration or if a qualification requirement is available and with which the Company has complied. In addition, and without limiting the foregoing, the Company will be subject to applicable provisions, rules and regulations under the Exchange Act with regarding to security transactions during the period of time when this Registration Statement is effective.

We are subject to Regulation M of the Exchange Act. Regulation M governs activities of underwriters, issuers, selling security holders and others in connection with offerings of securities. Regulation M prohibits distribution participants and their affiliated purchasers from bidding for, purchasing or attempting to induce any person to bid for or purchase the securities being distributed.

The Company proposes to arrange for the sale of the shares it is offering pursuant to this registration statement to one or more investors through a securities purchase agreement directly between the investors and the Company. All of the shares will be sold at the same price and, we expect, at a single closing. We established the price following negotiations with prospective investors and with reference to the prevailing market price of our common stock, recent trends in such price and other factors. It is possible that not all of the shares we are offering pursuant to this registration statement will be sold at the closing, in which case our net proceeds would be reduced. We expect that the sale of the shares will be completed on the date indicated on the cover page of this prospectus.

In connection with this offering, the Company may distribute this registration statement and the accompanying prospectus electronically.

The estimated offering expenses payable by us are approximately \$55,782.80, which includes legal and printing costs and various other fees associated with registering the common stock. After deducting our estimated offering expenses, we expect the net proceeds from this offering to be approximately \$5,944,227.20.

LEGAL MATTERS

Sichenzia Ross Friedman Ference LLP will pass upon the validity of the shares of common stock sold in this offering.

EXPERTS

The financial statements of Marathon Patent Group Inc. for the fiscal years ended December 31, 2012 and 2011 have been audited by KBL, LLP, an independent registered public accounting firm as set forth in its report, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1, together with any amendments and related exhibits, under the Securities Act, with respect to our shares of common stock offered by this prospectus. The registration statement contains additional information about us and our shares of common stock that we are offering in this prospectus.

We file annual, quarterly and current reports and other information with the Securities and Exchange Commission under the Securities Exchange Act. Our Securities and Exchange Commission filings are available to the public over the Internet at the Securities and Exchange Commission's website at <http://www.sec.gov>. Access to these electronic filings is available as soon as practicable after filing with the Securities and Exchange Commission. You may also read and copy any document we file at the Securities and Exchange Commission's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the public reference rooms and their copy charges. You may also request a copy of those filings, excluding exhibits, from us at no cost. Any such request should be addressed to us at: 2331 Mill Road, Suite 100, Alexandria, VA 22314, Attention: CFO.

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
DECEMBER 31, 2012

Index to Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	F-1
CONSOLIDATED BALANCE SHEETS	F-2
CONSOLIDATED STATEMENTS OF OPERATIONS	F-3
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)	F-4
CONSOLIDATED STATEMENTS OF CASH FLOWS	F-5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	F-6

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Marathon Patent Group, Inc.
(Formerly American Strategic Minerals Corporation)
(Development Stage Company)

We have audited the accompanying consolidated balance sheets of Marathon Patent Group, Inc. (formerly American Strategic Minerals Corporation) (Development Stage Company) as of December 31, 2012 and 2011 and the related consolidated statements of operations, changes in stockholders' equity (deficit), and cash flows for the year ended December 31, 2012, for the period from April 30, 2011 (Inception) to December 31, 2011 and for the period from April 30, 2011 (Inception) to December 31, 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Marathon Patent Group, Inc. (formerly American Strategic Minerals Corporation) (Development Stage Company) as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the year ended December 31, 2012, for the period from April 30, 2011 (Inception) to December 31, 2011 and for the period from April 30, 2011 (Inception) to December 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company had a net loss and net cash used in operations of \$6,938,308 and \$1,261,404, respectively, in 2012, had a deficit accumulated during the development stage of \$7,037,134 at December 31, 2012. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans as to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ KBL, LLP
New York, NY
March 26, 2013

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS

December 31, 2012 December 31, 2011

ASSETS			
Current assets:			
Cash	\$	2,354,169	\$ 129,152
Marketable securities - available for sale securities		12,500	-
Prepaid expenses		40,333	-
Assets of discontinued operations - current portion		82,145	20,000
Total current assets		2,489,147	149,152
Other assets:			
Intangible assets, net		492,152	-
Assets of discontinued operations - long term portion		1,035,570	3,500
Total other assets		1,527,722	3,500
Total Assets	\$	4,016,869	\$ 152,652
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)			
Current liabilities:			
Accounts payable and accrued expenses	\$	57,158	\$ 4,000
Notes payable - related party		-	152,974
Advances payable		-	100,000
Liabilities of discontinued operations		30,664	-
Total liabilities		87,822	256,974
Stockholders' Equity (deficit):			
Preferred stock, \$.0001 par value, 50,000,000 shares authorized: none issued and outstanding		-	-
Common stock, (\$.0001 par value; 200,000,000 shares authorized; 45,546,345 and 10,000,000 issued and outstanding at December 31, 2012 and 2011		4,555	1,000
Additional paid-in capital		10,972,122	4,000
Deficits accumulated during the development stage		(7,037,134)	(109,322)
Total Marathon Patent Group, Inc. equity (deficit)		3,939,543	(104,322)
Non-controlling interest in subsidiary		(10,496)	-

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

Total stockholders' equity (deficit)	3,929,047	(104,322)
Total liabilities and stockholders' equity (deficit)	\$ 4,016,869	\$ 152,652

See accompanying notes to consolidated financial statements.

F-3

(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
 (DEVELOPMENT STAGE COMPANY)
 CONSOLIDATED STATEMENTS OF OPERATIONS

	FOR THE YEAR ENDED DECEMBER 31, 2012	PERIOD FROM INCEPTION (APRIL 30, 2011) TO DECEMBER 31, 2011	PERIOD FROM INCEPTION (APRIL 30, 2011) TO DECEMBER 31, 2012
Revenues	\$ -	\$ -	\$ -
Expenses			
Compensation and related taxes	2,676,462	-	2,676,462
Consulting fees	2,042,144	-	2,042,144
Professional fees	510,112	4,605	514,717
General and administrative	312,244	5,243	317,487
Total operating expenses	5,540,962	9,848	5,550,810
Operating loss from continuing operations	(5,540,962)	(9,848)	(5,550,810)
Other income (expenses)			
Other income	125,000	-	125,000
Realized loss other than temporary decline - available for sale	(112,500)	-	(112,500)
Interest expense	(153)	-	(153)
Interest income	978	-	978
Total other income	13,325	-	13,325
Loss from continuing operations before provision for income taxes	(5,527,637)	(9,848)	(5,537,485)
Provision for income taxes	-	-	-
Loss from continuing operations	(5,527,637)	(9,848)	(5,537,485)

Discontinued operations:			
Loss from discontinued operations, net of tax	(1,410,671)	(99,474)	(1,510,145)
Net loss	(6,938,308)	(109,322)	(7,047,630)
Less: Net loss attributable to non-controlling interest	10,496	-	10,496
Net loss attributable to Marathon Patent Group, Inc.	\$ (6,927,812)	\$ (109,322)	\$ (7,037,134)
Loss per common share, basic and diluted:			
Loss from continuing operations	\$ (0.15)	\$ (0.00)	(0.22)
Loss from discontinued operations	(0.04)	(0.01)	(0.06)
	\$ (0.19)	(0.01)	\$ (0.28)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING			
- Basic and Diluted	36,238,712	7,469,388	24,948,719

See accompanying notes to consolidated financial statements.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS'
EQUITY (DEFICIT)
FOR THE PERIOD FROM INCEPTION (APRIL 30, 2011) TO DECEMBER 31,
2012

	Common Stock No Par Value		Additional Paid-in Capital	Accumulated Deficit During Exploration Stage	Non-Controlling Interest	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balance from inception (April 30, 2011)	-	-	-	-	-	-
Common stock issued to officers for cash	10,000,000	1,000	4,000	-	-	5,000
Net loss for the period ended December 31, 2011	-	-	-	(109,322)	-	(109,322)
Balance at December 31, 2011	10,000,000	1,000	4,000	(109,322)	-	(104,322)
Recapitalization of the Company	7,500,000	750	2,650	-	-	3,400
Common stock issued for cash	13,449,965	1,345	6,510,620	-	-	6,511,965
Common stock issued for advance payable	200,000	20	99,980	-	-	100,000
Common stock issued for legal services	375,000	38	164,962	-	-	165,000
	10,000,000	1,000	-	-	-	1,000

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

Common stock issued pursuant to an option agreement						
Common stock issued for compensation	83,218	9	33,278	-	-	33,287
Common stock issued for exercise of warrants on a cashless basis	4,494,829	449	(449)	-	-	-
Common stock issued for acquisition of patents	9,250,000	925	-	-	-	925
Stock-based compensation in connection with warrants granted to employees and consultants	-	-	\$ 4,238,100	-	-	4,238,100
Cancellation of common stock in connection with rescission agreement	(9,806,667)	(981)	(131,019)	-	-	(132,000)
Proceeds from disgorgement of former officer short swing profits	-	-	50,000	-	-	50,000
Net loss	-	-	-	(6,927,812)	(10,496)	(6,938,308)
Balance at December 31, 2012	45,546,345	\$ 4,555	\$ 10,972,122	\$ (7,037,134)	\$ (10,496)	\$ 3,929,047

See accompanying notes to consolidated financial statements.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE YEAR ENDED DECEMBER 31, 2012	PERIOD FROM INCEPTION (APRIL 30, 2011) TO DECEMBER 31, 2011	PERIOD FROM INCEPTION (APRIL 30, 2011) TO DECEMBER 31, 2012
Cash flows from operating activities:			
Net loss attributable to Marathon Patent Group, Inc.	\$ (6,927,812)	\$ (109,322)	\$ (7,037,134)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization expense	8,773	-	8,773
Stock based compensation on warrants granted	2,723,162	-	2,723,162
Stock based compensation on options granted	1,514,938	-	1,514,938
Common stock issued for services	198,287	-	198,287
Non-controlling interest	(10,496)	-	(10,496)
Non-cash other income	(125,000)	-	(125,000)
Realized loss other than temporary decline - available for sale	112,500	-	112,500
Impairment of mineral rights	1,256,000	99,474	1,355,474
Impairment of assets of discontinued operations	30,248	-	30,248

Changes in
operating assets
and liabilities

Assets of discontinued operations - current portion	(62,145)	-	(62,145)
Prepaid expenses	(36,933)	(20,000)	(56,933)
Deposits	-	(3,500)	(3,500)
Assets of discontinued operations - long term portion	3,915	-	3,915
Accounts payable and accrued expenses	53,159	4,000	57,159

Net cash used in operating activities	(1,261,404)	(29,348)	(1,290,752)
---------------------------------------	-------------	----------	-------------

Cash flows from
investing
activities:

Acquisition of mineral rights	(325,000)	-	(325,000)
Acquisition of patents	(500,000)	-	(500,000)
Note receivable - related party	(147,708)	-	(147,708)
Collection on note receivable - related party	147,708	-	147,708
Sale of real estate property	576,477	-	576,477
Acquisition of real estate property	(1,366,627)	-	(1,366,627)
Capitalized cost related to improvements of real estate property	(245,420)	-	(245,420)
Net cash used in investing activities	(1,860,570)	-	(1,860,570)

Cash flows from
financing
activities:

Payment on note payable	(930,000)	-	(930,000)
Payment on note payable - related party	(152,974)	-	(152,974)

Payment in connection with the cancellation of stock and rescission agreement	(132,000)	-	(132,000)
Proceeds from disgorgement of former officer short swing profits	50,000	-	50,000
Proceeds from advances payables	-	100,000	100,000
Proceeds from promissory note - related party	-	53,500	53,500
Proceeds from sale of common stock, net of issuance costs	6,511,965	5,000	6,516,965
Net cash provided by financing activities	5,346,991	158,500	5,505,491
Net increase in cash	2,225,017	129,152	2,354,169
Cash at beginning of year	129,152	-	-
Cash at end of year	\$ 2,354,169	\$ 129,152	\$ 2,354,169

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid for:

Interest	\$	-	\$	-	\$	-
Income taxes	\$	-	\$	-	\$	-

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

Issuance of a note payable to a related party in connection with the purchase of mining rights	\$	-	\$	99,474	\$	99,474
--	----	---	----	--------	----	--------

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

Issuance of common stock for advances payable	\$	100,000	\$	-	\$	100,000
Assumption of prepaid assets upon exercise of option agreement	\$	43,157	\$	-	\$	43,157
Assumption of accounts payable upon exercise of option agreement	\$	30,664	\$	-	\$	30,664
Issuance of a note payable in connection with an option agreement	\$	930,000	\$	-	\$	930,000
Issuance of common stock in connection with an option agreement	\$	1,000	\$	-	\$	1,000
Common stock issued for acquisition of patents	\$	925	\$	-	\$	925

See accompanying notes to consolidated financial statements.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Organization

Marathon Patent Group, Inc. (“the Company”), formerly American Strategic Minerals Corporation, was incorporated under the laws of the State of Nevada on February 23, 2010.

On December 7, 2011, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of the State of Nevada in order to change its name to “American Strategic Minerals Corporation” from “Verve Ventures, Inc.”, and increase the Company’s authorized capital to 200,000,000 shares of common stock, par value \$0.0001 per share, and 50,000,000 shares of preferred stock, par value \$0.0001 per share. During June 2012, the Company decided to discontinue its exploration and potential development of uranium and vanadium minerals business. Additionally, in November 2012, the Company decided to discontinue its real estate business.

On August 1, 2012, the shareholders holding a majority of the Company’s voting capital voted in favor of (i) changing the name of the Company to “Fidelity Property Group, Inc.” and (ii) the adoption the 2012 Equity Incentive Plan and reserving 10,000,000 shares of common stock for issuance thereunder (the “2012 Plan”). The Board of Directors of the Company approved the name change and the adoption of the 2012 Plan on August 1, 2012. The Company did not file an amendment to its Articles of Incorporation with the Secretary of State of Nevada and subsequently abandoned the decision to adopt the “Fidelity Property Group, Inc.” name.

On October 1, 2012, the shareholders holding a majority of the Company’s voting capital voted and authorized the Company to (i) change the name of the Company to Marathon Patent Group, Inc. (the “Name Change”) and (ii) effectuate a reverse stock split of the Company’s common stock by a ratio of 3-for-2 (the “Reverse Split”) within one year from the date of approval of the stockholders of the Company. The Board of Directors of the Company approved the Name Change and the Reverse Split on October 1, 2012. The Company’s Board of Directors determined the name “Marathon Patent Group, Inc.” better reflects the long-term strategy in exploring other opportunities and the identity of the Company going forward. On February 15, 2013, the Company filed the Certificate with the Secretary of State of the State of Nevada in order to effectuate the Name Change. Currently, the Reverse Split has been authorized by the Company’s shareholders but has not been effectuated.

On January 26, 2012, the Company entered into a Share Exchange Agreement (the “Exchange Agreement”) with American Strategic Minerals Corporation, a Colorado corporation (“Amicor”) and the shareholders of Amicor (the “Amicor Shareholders”). Upon closing of the transaction contemplated under the Exchange Agreement (the “Share Exchange”), on January 26, 2012, the Amicor Shareholders transferred all of the issued and outstanding capital stock of Amicor to the Company in exchange for an aggregate of 10,000,000 shares of the common stock of the Company. The Share Exchange caused Amicor to become a wholly-owned subsidiary of the Company. Additionally, as further consideration for entering into the Exchange Agreement, certain Amicor Shareholders received ten-year warrants to purchase an aggregate of 6,000,000 shares of the Company’s common stock with an exercise price of 0.50 per share. Prior to acquisition by the Company, Amicor owned certain mining and mineral rights.

Amicor, formerly Nuclear Energy Corporation, was incorporated under the laws of the State of Colorado on April 30, 2011. Amicor owns mining leases of federal unpatented mining claims and leases private lands in the states of Utah and Colorado for the purpose of exploration and potential development of uranium and vanadium minerals.

Prior to the Share Exchange, the Company was a shell company with no business operations.

The Share Exchange was accounted for as a reverse-merger and recapitalization. Amicor was the acquirer for financial reporting purposes and the Company was the acquired company. Consequently, the assets and liabilities and the operations reflected in the historical financial statements prior to the Share Exchange were those of Amicor and was recorded at the historical cost basis of Amicor, and the consolidated financial statements after completion of the Share Exchange included the assets and liabilities of the Company and Amicor, historical operations of Amicor and operations of the Company from the closing date of the Share Exchange.

F-7

On June 11, 2012, the Company terminated various leases related to its uranium mining claims (the "Claims"), consisting of: the Cutler King Property (3 unpatented mining claims); "Centennial-Sun Cup" (42 unpatented mining claims); "Bull Canyon" (2 unpatented mining claims); "Martin Mesa" (51 unpatented mining claims); "Avalanche/Ajax" (8 unpatented mining claims) and "Home Mesa" (9 unpatented mining claims). The Company had acquired the Claims through the acquisition of Amicor on January 26, 2012. The decision by the Company to terminate these leases followed changes in management and direction of the Company, a review of the uranium market, and the timing and costs expected to pursue the business.

On June 11, 2012, the Company entered into a rescission agreement (the "Rescission Agreement") with Amicor, and the Amicor Shareholders. Each of the Amicor Shareholders had previously received shares of the Company's common stock (and certain of the Amicor Shareholders also received warrants to purchase shares of the Company's common stock) (collectively, the "Shareholder Securities") pursuant to the Rescission Agreement. Each of the Amicor Shareholders, with the exception of one, agreed to return the Shareholder Securities to the Company for cancellation and to enter into joint mutual releases with the Company. Furthermore, pursuant to the terms of the Rescission Agreement, George Glasier resigned from his position as President, Chief Executive Officer and Chairman of the Company; Kathleen Glasier resigned from her position as Secretary of the Company, Michael Moore resigned from his position as Chief Operating Officer and Vice President of the Company and each of David Andrews and Kyle Kimmerle resigned from their position as a director of the Company. As a result of the foregoing, the Company cancelled 9,806,667 shares of the Company's common stock and 4,800,000 warrants and terminated the mining leases entered into with the Amicor Shareholders. Additionally, the Company paid an aggregate of \$132,000 to Amicor Shareholders upon the execution of the Rescission Agreement.

Under the terms of the Rescission Agreement, the Company's employment agreement with Mr. Glasier was terminated and all options, warrants and rights to acquire any shares of the Company's common stock, whether vested or unvested, were terminated as of the date of the Rescission Agreement. Additionally, under the terms of the Rescission Agreement, the Company's lease for certain office space, dated as of January 26, 2012 with Silver Hawk Ltd., an entity owned and controlled by George Glasier and Kathleen Glasier, was terminated.

On June 11, 2012, the Company and Pershing Gold Corporation ("Pershing") exercised its right under the Option Agreement executed in January 2012, through the assignment of Pershing's wholly owned subsidiary, Continental Resources Acquisition Sub, Inc. ("Acquisition Sub"), (see Note 5). As a result of the assignment, Acquisition Sub became a wholly owned subsidiary of the Company and the Company acquired all of Pershing's uranium assets.

On November 14, 2012, the Company entered into a Share Exchange Agreement (the "Sampo Exchange Agreement") with Sampo IP LLC, a Virginia limited liability company ("Sampo"), a company that holds certain intellectual property rights, and the members of Sampo (the "Sampo Members"). Upon closing of the transaction contemplated under the Sampo Exchange Agreement (the "Sampo Share Exchange"), on November 14, 2012, the Sampo Members (6 members) transferred all of the issued and outstanding membership interests of Sampo to the Company in exchange for an aggregate of 9,250,000 shares of the common stock of the Company. Additionally, the Company made a cash payment to Sampo of \$500,000 pursuant to the terms of the Sampo Exchange Agreement.

Upon the closing of the Sampo Share Exchange, Mark Groussman resigned as the Company's Chief Executive Officer and John Stetson resigned as the Company's President and Chief Operating Officer and simultaneously with the effectiveness of the Sampo Share Exchange, Doug Croxall was appointed as the Company's Chief Executive Officer and Chairman and John Stetson was appointed as the Company's Chief Financial Officer and Secretary. LVL Patent Group LLC, of which Mr. Croxall is the Chief Executive Officer, and John Stetson, were former members of Sampo and received 4,000,000 and 500,000 shares of the Company's common stock, respectively, in connection with the Sampo Share Exchange.

F-8

Through the Company's wholly owned subsidiary, Sampo, the Company intends to engage in the acquisition, development and monetization of intellectual property through both the prosecution and licensing of its own patent portfolio, the acquisition of additional intellectual property or partnering with others to defend and enforce their patent rights. Consequently, the Company decided to discontinue its real estate business and intends to sell and dispose its remaining real estate holdings during fiscal 2013.

Going Concern

The consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception resulting in a deficit accumulated during the development stage of \$7,037,134 as of December 31, 2012, negative cash flows from operating activities and net loss of \$1,261,404 and \$6,938,308, respectively, for the year ended December 31, 2012. The Company anticipates further losses in the development of its business raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The ability to successfully resolve these factors raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

Based on current operating plans, the current resources of the Company, after taking into account the net funds received subsequent to balance sheet date from the sales and disposal of the remaining real estate properties, are expected to be sufficient for at least the next twelve months. The Company may choose to raise additional funds in connection with any future acquisition of additional intellectual property assets, operating businesses or other assets that it may choose to pursue. There can be no assurance, however, that any such opportunities will materialize. Moreover, any potential financing would likely be dilutive to the Company's stockholders.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principle of Consolidation

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP") and present the consolidated financial statements of the Company and its wholly-owned subsidiaries as of December 31, 2012. In the preparation of consolidated financial statements of the Company, intercompany transactions and balances were eliminated.

Development Stage Company

The Company is presented as a development stage company. Activities during the development stage include organizing the business, raising capital and acquiring additional intellectual property. The Company is a development stage company with no revenues and no profits. The Company has not commenced significant operations and, in accordance with Accounting Standards Codification ("ASC") Topic 915 "Development Stage Entities", is considered a development stage company.

Use of Estimates and Assumptions

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 consolidated 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, the assumptions used to calculate fair value of warrants granted, common stock issued for services, common stock issued in connection with an option agreement, common stock issued for acquisition of patents, and the valuation of mineral rights.

F-9

Intangible assets

Intangible assets include patents purchased and recorded based on the cost to acquire them. These assets are amortized over their remaining estimated useful lives. Useful lives of intangible assets are periodically evaluated for reasonableness and the assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and other short-term investments with maturity of three months or less, when purchased, to be cash equivalents. The Company maintains cash and cash equivalent balances at one financial institution that is insured by the Federal Deposit Insurance Corporation. The Company's account at this institution is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. In addition to the basic insurance deposit coverage, the FDIC was providing temporary unlimited coverage for non-interest bearing transaction accounts through December 31, 2012. For the year ended December 31, 2012, the Company has reached bank balances exceeding the FDIC insurance limit of approximately \$958,000. To reduce its risk associated with the failure of such financial institution, the Company evaluates at least annually the rating of the financial institution in which it holds deposits.

Marketable Securities

Marketable securities that the Company invests in publicly traded equity securities and are generally restricted for sale under Federal securities laws. The Company's policy is to liquidate securities received when market conditions are favorable for sale. Since these securities are often restricted, the Company is unable to liquidate them until the restriction is removed. Pursuant to ASC Topic 320, "Investments – Debt and Equity Securities" the Company's marketable securities have a readily determinable and active quoted price, such as from NASDAQ, NYSE Euronext, the Over the Counter Bulletin Board, and the OTC Markets Group.

Available for sale securities are carried at fair value, with changes in unrealized gains or losses are recognized as an element of comprehensive income based on changes in the fair value of the security. Once liquidated, realized gains or losses on the sale of marketable securities available for sale are reflected in the net income (loss) for the period in which the security was liquidated.

Comprehensive Income

Accounting Standards Update ("ASU") No. 2011-05 amends Financial Accounting Standards Board ("FASB") Codification Topic 220 on comprehensive income (1) to eliminate the current option to present the components of other comprehensive income in the statement of changes in equity, and (2) to require presentation of net income and other comprehensive income (and their respective components) either in a single continuous statement or in two separate but consecutive statements. These amendments do not alter any current recognition or measurement requirements in respect of items of other comprehensive income. The amendments in this Update are to be applied prospectively.

Fair Value of Financial Instruments

The Company adopted FASB ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"), for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing generally accepted accounting principles that require the use of fair value measurements,

establishes a framework for measuring fair value and expands disclosure about such fair value measurements. The adoption of ASC 820 did not have an impact on the Company's financial position or operating results, but did expand certain disclosures.

F-10

ASC 820 defines fair value as 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. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

- 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.

Investment measured at fair value on a recurring basis:

	Fair Value Measurements Using:		
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable securities – available for sale, net of discount for effect of restriction	\$ -	\$ -	\$ 12,500

The Company classifies the investments in marketable securities available for sale as Level 3, adjusted for the effect of restriction. The securities are restricted and cannot be readily resold by the Company absent a registration of those securities under the Securities Act of 1933, as amended (the "Securities Act") or the availabilities of an exemption from the registration requirements under the Securities Act. As these securities are often restricted, the Company is unable to liquidate them until the restriction is removed. Unrealized gains or losses on marketable securities available for sale are recognized as an element of comprehensive income based on changes in the fair value of the security. Once liquidated, realized gains or losses on the sale of marketable securities available for sale are reflected in our net income for the period in which the security was liquidated.

The carrying amounts reported in the balance sheet for cash, prepaid expenses, accounts payable, and accrued expenses, approximate their estimated fair market value based on the short-term maturity of this instrument.

In addition, FASB ASC 825-10-25 "Fair Value Option" was effective for January 1, 2008. ASC 825-10-25 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value.

Prepaid Expenses

Prepaid expenses of \$40,333 and \$0 at December 31, 2012 and 2011, respectively, consist primarily of costs paid for future services and expenses which will occur within a year. Prepaid expenses include prepayments in cash of public relation, consulting services and prepaid insurance which are being amortized over the terms of their respective agreements.

Income Taxes

The Company accounts for income taxes pursuant to the provision of ASC 740-10, "Accounting for Income Taxes" which requires, among other things, an asset and liability approach to calculating deferred income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred asset will not be realized.

F-11

The Company follows the provision of the ASC 740-10 related to Accounting for Uncertain Income Tax Position. When tax returns are filed, it is highly certain that some positions taken would be situated upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is most likely that not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions.

Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above should be reflected as a liability for uncertain tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The Company believes its tax positions are all highly certain of being upheld upon examination. As such, the Company has not recorded a liability for uncertain tax benefits.

The Company has adopted ASC 740-10-25 Definition of Settlement, which provides guidance on how an entity should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits and provides that a tax position can be effectively settled upon the completion and examination by a taxing authority without being legally extinguished. For tax position considered effectively settled, an entity would recognize the full amount of tax benefit, even if the tax position is not considered more likely that not to be sustained based solely on the basis of its technical merits and the statute of limitations remains open. The federal and state income tax returns of the Company are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

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. The Company has 2,000,000 options and 2,589,109 warrants outstanding at December 31, 2012 and was excluded from the computation of diluted shares outstanding as they would have had an anti-dilutive impact on the Company’s net loss.

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

	For the Year ended December 31, 2012	For the period from inception, April 30, 2011 to December 31, 2011
Numerator:		
Loss from continuing operations	\$ (5,527,637)	\$ (9,848)
Loss from discontinued operations	\$ (1,410,671)	\$ (99,474)
Denominator:		
Denominator for basic and diluted loss per share (weighted-average shares)	36,238,712	7,469,388

Loss per common share, basic and diluted:			
Loss from continuing operations	\$	(0.15)	\$ (0.00)
Loss from discontinued operations	\$	(0.04)	\$ (0.01)

F-12

Impairment of Long-lived Assets

The Company accounts for the impairment or disposal of long-lived assets according to the ASC 360 “Property, Plant and Equipment”. The Company continually monitors events and changes in circumstances that could indicate that the carrying amounts of long-lived assets, including mineral rights, may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated future net undiscounted cash flows expected to be generated by the asset. When necessary, impaired assets are written down to estimated fair value based on the best information available. Estimated fair value is generally based on either appraised value or measured by discounting estimated future cash flows. Considerable management judgment is necessary to estimate discounted future cash flows. Accordingly, actual results could vary significantly from such estimates. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset.

Stock-based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the “measurement date.” The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company initially records compensation expense based on the fair value of the award at the reporting date.

Mineral Property Acquisition and Exploration Costs

Costs of lease, exploration, carrying and retaining unproven mineral lease properties were expensed as incurred. The Company expensed all mineral exploration costs as incurred. Such expenses are included in the loss from discontinued operations and prior periods have been restated in the Company’s financial statements and related footnotes to conform to this presentation.

The Company’s remaining claims which include (1) mining lease encompassing 1,520 acres of land owned by J. H. Ranch, Inc. located in San Juan County, Utah (2) certain unpatented lode mining claims acquired on March 9, 2012, located in San Juan County, Utah (3) the Pitchfork Claims, acquired in January 2012 and located in San Miguel County Colorado and (4) the claims acquired on June 11, 2012 from Pershing which include the Coso, Artillery Peak, Blythe and Carnotite properties.

Revenue Recognition

The Company has not generated revenue from the Company’s current patent business. The Company will recognize revenue when all the conditions for revenue recognition are met: (i) persuasive evidence of an arrangement exists, (ii) collection of the fee is probable, (iii) the sales price is fixed and determinable and (iv) delivery has occurred or services have been rendered.

Recent Accounting Pronouncements

In July 2012, the FASB issued ASU 2012-02, Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment, on testing for indefinite-lived intangible assets for impairment. The new guidance provides an entity to simplify the testing for a drop in value of intangible assets such as trademarks, patents, and distribution rights. The amended standard reduces the cost of accounting for indefinite-lived intangible assets, especially in cases where the likelihood of impairment is low. The changes permit businesses and other organizations to first use subjective criteria to determine if an intangible asset has lost value. The amendments to U.S. GAAP will be effective for fiscal years starting after September 15, 2012. The Company's adoption of this accounting guidance does not have a material impact on the consolidated financial statements and related disclosures.

F-13

There were other updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

NOTE 3 - DISCONTINUED OPERATIONS

During June 2012, the Company decided to discontinue its exploration and potential development of uranium and vanadium minerals business and prior periods have been restated in the Company's consolidated financial statements and related footnotes to conform to this presentation. Additionally, in November 2012, the Company decided to discontinue its real estate business and intends to sell and dispose its remaining real estate holdings during fiscal 2013. The Company is now engage in the acquisition, development and monetization of intellectual property through both the prosecution and licensing of its own patent portfolio, the acquisition of additional intellectual property or partnering with others to defend and enforce their patent rights.

The remaining assets and liabilities of discontinued operations are presented in the balance sheet under the caption "Assets and Liabilities of discontinued operation" and relates to the discontinued operations of the uranium and vanadium minerals business and real estate business.

The carrying amounts of the major classes of these assets and liabilities are summarized as follows:

	December 31, 2012	December 31, 2011
Assets:		
Prepaid expenses – current portion	\$ -	\$ 20,000
Deposits in real estate under contract	82,145	-
Deposit	-	3,500
Real estate held for sale	1,035,570	-
Assets of discontinued operations	\$ 1,117,715	\$ 23,500
Liabilities:		
Accounts payables and accrued expenses	\$ 30,664	\$ -
Liabilities of discontinued operations	\$ 30,664	\$ -

The following table indicates selected financial data of the Company's discontinued operations of its uranium and vanadium minerals business and real estate business.

	For the Year Ended December 31, 2012	Period from inception (April 30, 2011) to December 31, 2011
Revenues – real estate	\$ 724,090	\$ -
Cost of sales- real estate	(576,126)	-
Gross profit	147,964	-
Operating and other non-operating expenses	(1,558,635)	(99,474)
Loss from discontinued operations	\$ (1,410,671)	\$ (99,474)

Deposits

Deposits at December 31, 2012 and 2011 were \$82,145 and \$3,500, respectively, which consist of earnest money deposits in connection with real estate properties under contract and are included in assets of discontinued operations. The Company expects to collect these deposits during fiscal 2013.

Real estate held for sale

Real estate held for sale consists of a residential property located in Southern California. Real estate held for sale is initially recorded at the lower of cost or estimated fair market value less the estimated cost to sell. After acquisition, costs incurred relating to the development and improvements of property are capitalized to the extent they do not cause the recorded value to exceed the net realizable value, whereas costs relating to holding and disposition of the property are expensed as incurred. After acquisition, real estate held for sale is analyzed periodically for changes in fair values and any subsequent write down is charged to impairment losses on real estate properties. Whenever events or changes in circumstances suggest that the carrying amount may not be recoverable, management assesses the recoverability of its real estate by comparing the carrying amount with its fair value. The process involved in the determination of fair value requires estimates as to future events and market conditions. This estimation process may assume that the Company has the ability to dispose of its real estate properties in the ordinary course of business based on management's present plans and intentions.

If management determines that the carrying value of a specific real estate investment is impaired, a write-down is recorded as a charge to current period operations. The evaluation process is based on estimates and assumptions and the ultimate outcome may be different.

The Company determined that the carrying value of the remaining real estate properties do not exceed the net realizable value and thus did not consider it necessary to record any impairment charges of real estate held for sale at December 31, 2012. The Company sold 3 real estate properties generating gross profit of \$147,964 during the year ended December 31, 2012 and is included in loss from discontinued operations. As of December 31, 2012 and 2011, real estate held for sale which includes capitalized improvements amounted to \$1,035,570 and \$0 respectively and are included in assets of discontinued operations. The Company intends to sell and dispose its remaining real estate holdings during fiscal 2013.

The Company recorded an impairment charge in connection with its mineral rights of \$1,256,000 and \$99,474 for the year ended December 31, 2012 and for the period from inception, April 30, 2011 to December 31, 2011, respectively, and has been included in loss from discontinued operations.

NOTE 4 – INTANGIBLE ASSETS

Intangible assets were acquired from the acquisition by the Company's wholly owned subsidiary, Sampo and consisted of the following:

	December 31, 2012	December 31, 2011
Patent rights	\$ 500,925	\$ -
Accumulated amortization	(8,773)	-
Intangible assets, net	\$ 492,152	\$ -

The life of the patent rights shall be based on the expiration dates of the patent rights as follows:

US Patent 6,161,149 expires March 13, 2018 or estimated useful life of 5.33 years;

US Patent 6,772,229 expires December 1, 2019 or estimated useful life of 7.05 years; and

US Patent 8,015,495 expires November 16, 2023 or estimated useful life of 11.01 years.

The patent rights are being amortized on a straight-line basis over its respective estimated useful lives. The Company assesses fair market value for any impairment to the carrying values. As of December 31, 2012 and 2011 management concluded that there was no impairment to the acquired assets.

F-15

The weighted average amortization period on total is approximately 7.80 years. Amortization expense for the years ended December 31, 2012 and 2011 was \$8,773 and \$0, respectively. Future amortization of intangible assets, net is as follows:

2013	70,186
2014	70,186
2015	70,186
2016	70,186
2017 and thereafter	211,408
Total	\$ 492,152

NOTE 5 – NOTES PAYABLE – RELATED PARTY

In November 2011, the Company issued a promissory note for \$53,500 to an affiliated company owned by the officers of Amicor. The note was payable in full without interest on or before January 15, 2012.

In December 2011, the Company issued a promissory note for \$99,474 to an affiliated company owned by the officers of Amicor. The note was payable in full without interest on or before January 15, 2012 and was subject to a late charge of 5% per annum if not paid within 15 days after January 15, 2012.

Such note was issued in connection with the execution of a lease assignment agreement between the Company and the affiliated company for certain mineral rights located in San Juan County, Utah.

On January 30, 2012, the Company paid both promissory notes for a total of \$152,974. The affiliated company agreed not to charge the Company a late penalty fee upon satisfaction of the notes.

On November 14, 2012, upon the closing of the Sampo Share Exchange (See Note 1), LVL Patent Group LLC, of which Mr. Croxall is the Chief Executive Officer, and John Stetson, were former members of Sampo, received 4,000,000 and 500,000 shares of the Company's common stock, respectively, in connection with the Sampo Share Exchange.

NOTE 6 - STOCKHOLDERS' EQUITY (DEFICIT)

On November 25, 2011, the Board of Directors of the Company authorized a 1.362612612 for one forward split in the form of a dividend, whereby an additional 0.362612612 shares of common stock, par value \$0.0001 per share, were issued for each one share of common stock held by each shareholder of record on December 9, 2011. All share amounts have been adjusted to reflect the number of shares of common stock on a post-dividend/post-split basis.

On December 7, 2011, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of the State of Nevada in order to increase the Company's authorized capital to 200,000,000 shares of common stock from 75,000,000 shares, change the par value to \$0.0001 per share from \$.001 per share, and authorized new 50,000,000 shares of preferred stock, par value \$0.0001 per share.

Common Stock

On January 26, 2012, the Company entered into the Exchange Agreement with Amicor and Amicor Shareholders (see Note 1). Upon closing of the Share Exchange, on January 26, 2012, the Amicor Shareholders transferred all of the issued and outstanding capital stock of Amicor to the Company in exchange for an aggregate of 10,000,000 shares of

the Company's common stock. Additionally, as further consideration for entering into the Exchange Agreement, certain Amicor Shareholders received ten-year warrants to purchase an aggregate of 6,000,000 shares of the Company's common stock with an exercise price of 0.50 per share.

F-16

Immediately following the closing of the Share Exchange and a private placement of the Company's securities (described below), under an Agreement of Conveyance, Transfer and Assignment of Assets and Assumption of Obligations (the "Conveyance Agreement"), the Company transferred all of the pre-Share Exchange assets and liabilities to a newly formed wholly-owned subsidiary of the Company, Verve Holdings, Inc. ("SplitCo"). Pursuant to a stock purchase agreement, the Company transferred all of the outstanding capital stock of SplitCo to certain former shareholders of the Company in exchange for the cancellation of an aggregate of 4,769,144 (post-split) shares of the Company's common stock that they owned (the "Split-Off"), with 7,500,000 (post split) shares of the Company's common stock held by persons who acquired such shares prior to the Share Exchange remaining outstanding. Accordingly, following the Split-Off, 7,500,000 shares will constitute as the Company's "public float".

On January 26, 2012, the Company sold 10,029,965 shares of the Company's common stock at a purchase price of \$0.50 per share in a private placement to accredited investors, resulting in aggregate net proceeds to the Company of \$4,993,965 (the "Private Placement"), which includes an aggregate of \$100,000 advanced to Amicor for general working capital purposes prior to the closing of the Share Exchange which was converted into an aggregate of 200,000 shares of common stock in the Private Placement and an aggregate of \$75,000 in debt owed in January 2012 for legal fees incurred by Amicor which was converted into an aggregate 150,000 shares of common stock in the Private Placement. On January 30, 2012, the Company sold an additional 600,000 shares of common stock in the Private Placement with gross proceeds to the Company of \$300,000 for total net proceeds to the Company of \$5,293,965. In connection with these private placements, the Company paid legal fees of \$21,000.

On January 26, 2012, contemporaneously with the Share Exchange, the Company also entered into an Option Agreement with Pershing pursuant to which the Company obtained the option (the "Option") to acquire certain uranium exploration rights and properties held by Pershing for a purchase price of \$10.00. In consideration for issuance of the Option, the Company issued to Pershing (i) a \$1,000,000 promissory note payable in installments upon satisfaction of certain conditions, expiring six months following issuance and (ii) 10 million shares of the Company's common stock (collectively, the "Option Consideration"). On January 26, 2012, Pershing held 26.65% of interest in the Company. David Rector and Joshua Bleak were former members of the Company's board of directors. David Rector was a former member of the board of Pershing and Joshua Bleak is the Chief Executive Officer and a director of Continental Resources Group, Inc. (a company which is one of the largest shareholders of Pershing).

Between February 1, 2012 and March 30, 2012, the Company sold 1,300,000 shares of the Company's common stock at a purchase price of \$0.50 per share in a private placement to accredited investors, resulting in aggregate net proceeds to the Company of \$650,000.

As of December 31, 2012, \$930,000 of the principal amount of note has been paid. Under the terms of the note, the Company was required to pay the balance of the note upon completion of a private placement totaling \$1 million or more on or before July 26, 2012. The \$1.0 million private placement was not completed by that date thus the Company was not required to pay the final \$70,000 due under the note and a total of \$930,000 has been paid under the note. On June 11, 2012, the Company and Pershing exercised its right under the Option, through the assignment of Pershing's wholly owned subsidiary, Acquisition Sub, (see Note 1). As a result of the assignment, Acquisition Sub became a wholly owned subsidiary of the Company and the Company acquired all of Pershing's uranium assets. The Company recorded the 10 million shares at par value or \$1,000. Pursuant to ASC 805-50-30-2 "Business Combinations", the Company determined that if the consideration paid is not in the form of cash, the measurement may be based on either (i) the cost which is measured based on the fair value of the consideration given or (ii) the fair value of the assets (or net assets) acquired, whichever is more clearly evident and thus more reliably measurable. The Company determined that the fair value of the net assets acquired was a better indicator thus more reliably measurable than the fair value of the common stock issued.

As a result, on June 11, 2012, the Company recorded the value of the Option Consideration amounting to \$931,000 to mineral rights which was initially recorded as a deposit before the date of exercise as reflected in the first quarter of 2012.

Between March 2012 and August 2012, the Company issued an aggregate of 4,494,829 shares of common stock in connection with the exercise of the 6,200,000 stock warrants on a cashless basis. The Company valued these common shares at par value (see Note – Common Stock Warrants).

F-17

On June 11, 2012, the Company cancelled a total of 9,806,667 shares of common stock and 4,800,000 warrants in connection with the Rescission Agreement (see Note 1). Upon the execution of the Rescission Agreement, the Company paid to Amicor Shareholders an aggregate of \$132,000 and was recorded to additional paid in capital.

In connection with the Sampo Exchange Agreement (see Note 1), on November 14, 2012, the Sampo Members transferred all of the issued and outstanding membership interests of Sampo to the Company in exchange for an aggregate of 9,250,000 shares of the common stock of the Company. Additionally, the Company made a cash payment to Sampo of \$500,000 pursuant to the terms of the Sampo Exchange Agreement. The 9,250,000 shares of common stock were valued at par value or \$925. In accordance with Accounting Standards Codification ("ASC") 805-50-30 "Business Combinations," the Company determined that if the consideration paid is not in the form of cash, the measurement may be based on either (i) the cost which is measured based on the fair value of the consideration given or (ii) the fair value of the assets (or net assets) acquired, whichever is more clearly evident and thus more reliably measurable. The Company determined that the fair value of the net assets acquired was a better indicator thus more reliably measurable than the fair value of the common stock issued.

Therefore the Company has determined, in accordance with ASC 805-50-30, that the value of the net assets acquired is equivalent to \$500,925 which represents the cash consideration paid of \$500,000 and the par value of 9,250,000 shares of the Company's common stock amounting to \$925. No independent valuation was done on the net assets or patents acquired before acquisition. The Company deemed that the fair value of the net asset of Sampo amounting to \$500,925 is more clearly evident and more reliable measurement basis.

On December 27, 2012, the Company sold an aggregate of 1,089,109 units with gross proceeds to the Company of \$866,287 to certain accredited investors pursuant to a subscription agreement. Each unit was sold for a purchase price of \$0.80 per unit and consists of: (i) two shares of the Company's common stock (2,178,218 common stock) and (ii) a five-year warrant to purchase an additional share of common stock at an exercise price of \$0.60 per share, subject to adjustment upon the occurrence of certain events such as stock splits and dividends. The sale of units consists of 1,870,000 shares of common stock issued for cash of \$743,000, 83,218 shares of common stock for the conversion of unpaid salaries of \$33,287 and 225,000 shares of common stock for certain outstanding amounts for legal fees of \$90,000 into units at the per unit offering price totaling \$866,287. The Company paid placement agent fees of \$5,000 in cash to a broker-dealer in connection with the sale of the Units.

Pursuant to a Registration Rights Agreement with the investors, the Company has agreed to file a "resale" registration statement with the SEC covering all shares of the common stock and shares underlying the warrants within 90 days of the final closing date of the sale of units on December 27, 2012 (the "Filing Date") and to maintain the effectiveness of the registration statement until all securities have been sold or are otherwise able to be sold pursuant to Rule 144. The Company has agreed to use its reasonable best efforts to have the registration statement declared effective within 90 days of the Filing Date (the "Effectiveness Date"). The Company is obligated to pay to investors a fee of 1% per month in cash for every thirty day period up to a maximum of 6%, (i) that the registration statement has not been filed and (ii) following the Effectiveness Date that the registration statement has not been declared effective; provided, however, that the Company shall not be obligated to pay any such liquidated damages if the Company is unable to fulfill its registration obligations as a result of rules, regulations, positions or releases issued or actions taken by the SEC pursuant to its authority with respect to "Rule 415", provided the Company registers at such time the maximum number of shares of common stock permissible upon consultation with the staff of the SEC.

Common Stock Warrants

On January 26, 2012, the Company issued to certain Amicor Shareholders ten-year warrants to purchase an aggregate of 6,000,000 shares of the Company's common stock with an exercise price of 0.50 per share in connection with the

Exchange Agreement (see Note 1).

F-18

The Company entered into consulting agreements with Melechdavid Inc. and GRQ Consultants, Inc., pursuant to which such consultants will provide consulting services to the Company in consideration for which the Company sold to the consultants warrants to purchase an aggregate of 3,500,000 shares of the Company's common stock with an exercise price of \$0.50 per share (the "Consulting Warrants"). The services provided by the consultants include introductions to banking relationships, consulting on strategic acquisitions and advice on capital restructuring.

The Consulting Warrants have a term of ten years and were exercisable on a cashless basis after twelve months if the shares of common stock underlying the Consulting Warrants are not registered with the Securities and Exchange Commission. In March 2012, the Company entered into a First Amendment to the Consulting Warrants (the "First Amendment") with such consultants to amend the cashless exercise terms of the warrants. The First Amendment provides for the exercise of the Consulting Warrants on a cashless basis immediately upon the execution of the First Amendment. In March 2012, the Company issued an aggregate of 2,722,222 shares of common stock in connection with the exercise of the 3,500,000 Consulting Warrants on a cashless basis. The Company's former Chief Executive Officer is the President of Melechdavid Inc.

The Company issued warrants to purchase an aggregate of 2,700,000 shares of common stock at an exercise price of \$0.50 per share to Joshua Bleak, David Rector, Stuart Smith and George Glasier, in consideration for their services as directors of the Company (the "Director Warrants"). The Director Warrants have a term of ten years and are exercisable on a cashless basis after twelve months if the shares of common stock underlying the Director Warrants are not registered with the Securities and Exchange Commission. The Director Warrants issued to Mr. Smith, Mr. Rector and Mr. Bleak vest in three equal annual installments with the first installment vesting one year from the date of issuance. The Director Warrant issued to Mr. Glasier is immediately exercisable.

In March 2012, the Company issued an aggregate of 1,166,667 shares of common stock to Mr. Glasier in connection with the exercise of the 1,500,000 stock warrants on a cashless basis. Such 1,166,667 shares were cancelled on June 11, 2012 in connection with the Rescission Agreement (see Note 1).

The Company also issued a ten-year warrant to purchase an aggregate of 300,000 shares of common stock with an exercise price of \$0.50 per share to Daniel Bleak, an outside consultant to the Company, which vests in three equal annual installments with the first installment vesting one year from the date of issuance (the "Additional Consulting Warrant"). The Additional Consulting Warrant is exercisable on a cashless basis after twelve months in the absence of an effective registration statement covering the resale of the shares of common stock underlying the Additional Consulting Warrant. Daniel Bleak is the father of Joshua Bleak, a former member of the Company's board of directors. The Company did not enter into a consulting agreement with Mr. Bleak.

The 6,500,000 warrants were valued on the grant date at approximately \$0.50 per warrant or a total of \$3,242,850 using the Black-Scholes option pricing model used for this valuation had the following assumptions: stock price of \$0.50 per share (based on the per share price of the Company's common stock in the most recent private placements), volatility of 191% (estimated using volatilities of similar companies), expected term of approximately ten years, and a risk free interest rate of 1.96%. For the year ended December 31, 2012, the Company recorded stock-based compensation and stock-based consulting expense of \$931,280 and \$1,791,882, respectively. At December 31, 2012, there was a total of \$519,688 of unrecognized compensation expense related to these non-vested warrant-based compensation arrangements discussed above.

Between July 2012 and August 2012, the Company issued an aggregate of 605,940 shares of common stock to two warrant holders in connection with the exercise of 1,200,000 stock warrants on a cashless basis.

On December 27, 2012, the Company sold an aggregate of 1,089,109 units with gross proceeds to the Company of \$866,287 to certain accredited investors pursuant to a subscription agreement. Each unit was sold for a purchase price of \$0.80 per unit and consists of: (i) two shares of the Company's common stock (2,178,218 common stock) and (ii) a five-year warrant to purchase an additional share of common stock (1,089,109 warrants) at an exercise price of \$0.60 per share, subject to adjustment upon the occurrence of certain events such as stock splits and dividends. The warrants may be exercised on a cashless basis. The warrants contains limitations on the holder's ability to exercise the warrant in the event such exercise causes the holder to beneficially own in excess of 4.99% of the Company's issued and outstanding common stock, subject to a discretionary increase in such limitation by the holder to 9.99% upon 61 days' notice.

F-19

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

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at December 31, 2011	-	\$ -	-
Granted	13,589,109	0.51	8.59
Cancelled	(4,800,000)	0.50	9.80
Forfeited	-	-	-
Exercised	(6,200,000)	0.50	9.70
Balance at December 31, 2012	2,589,109	\$ 0.54	6.52
Warrants exercisable at December 31, 2012	1,089,109	\$ -	-
Weighted average fair value of warrants granted during the year ended December 31, 2012		\$ 0.51	

Common Stock Option

In August 2012, the Company entered into executive employment agreements (the "Employment Agreement") with Mark Groussman, Chief Executive Officer of the Company and John Stetson, President and Chief Operating Officer of the Company (the "Executives"). In connection with the Employment Agreement, the Company granted to Executives an aggregate of 3,000,000 10-year options to purchase shares of common stock at \$0.50 per share which vest in full upon issuance. The Company also granted Mr. Groussman 1,000,000 restricted shares which shall vest as follows: 1/3 after the Company achieves at least \$800,000 in gross profits; 1/3 after the Company achieves at least \$1,200,000 in gross profits and 1/3 after the Company achieves at least \$1,600,000 in gross profits. The Company granted Mr. Stetson 2,000,000 restricted shares which shall vest as follows: 1/3 after the Company achieves at least \$800,000 in gross profits; 1/3 after the Company achieves at least \$1,200,000 in gross profits and 1/3 after the Company achieves at least \$1,600,000 in gross profits. The Company shall account for the restricted shares once vested pursuant to the terms of the Employment Agreement.

The 3,000,000 options were valued on the grant date at approximately \$0.48 per option or a total of \$1,454,400 using a Black-Scholes option pricing model with the following assumptions: stock price of \$0.50 per share (based on the recent selling price of the Company's common stock at private placements), volatility of 192%, expected term of 5 years, and a risk free interest rate of 0.61%. For the year ended December 31, 2012, the Company recorded stock-based compensation of \$1,454,400 in connection with the fully vested options granted above.

On November 14, 2012, in connection with the Sampo Share Exchange and the changes to the Company's Board of Directors and Executive Officers (see Note 1), Mark Groussman agreed to forfeit to the Company for cancellation, an unvested restricted stock grant equal to 1,000,000 shares of common stock and a fully vested option grant to purchase an aggregate of 1,500,000 shares of common stock. Additionally, John Stetson agreed to forfeit to the Company for cancellation, an unvested restricted stock grant equal to 2,000,000 shares of common stock and a fully vested option grant to purchase an aggregate of 1,500,000 shares of common stock, which were issued in connection with their previously executed employment agreements. In January 2013, Mr. Stetson entered into a new employment agreement with the Company in connection with his appointment as the Company's Chief Financial Officer.

On November 14, 2012, the Company entered into an employment agreement with Doug Croxall (the “Croxaall Employment Agreement”), whereby Mr. Croxall agreed to serve as our Chief Executive Officer for a period of two years, subject to renewal, in consideration for an annual salary of \$350,000 and an Indemnification Agreement. Additionally, under the terms of the Croxaall Employment Agreement, Mr. Croxall shall be eligible for an annual bonus if the Company meets certain criteria, as established by the Board of Directors. As further consideration for his services, Mr. Croxall received a ten year option award to purchase an aggregate of 2,000,000 shares of the Company’s common stock with an exercise price of \$0.50 per share, subject to adjustment, which shall vest in 24 equal monthly installments on each monthly anniversary of the date of the Croxaall Employment Agreement. The 2,000,000 options were valued on the grant date at approximately \$0.48 per option or a total of \$968,600 using a Black-Scholes option pricing model with the following assumptions: stock price of \$0.50 per share (based on the recent selling price of the Company’s common stock at private placements), volatility of 192%, expected term of 5 years, and a risk free interest rate of 0.61%. For the year ended December 31, 2012, the Company recorded stock-based compensation of \$60,538. At December 31, 2012, there was a total of \$908,062 of unrecognized compensation expense related to these non-vested warrant-based compensation arrangements discussed above.

A summary of the stock options as of December 31, 2012 and changes during the period are presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at December 31, 2011	-	-	-
Granted	5,000,000	0.50	10.0
Exercised	-	-	-
Forfeited	-	-	-
Cancelled	(3,000,000)	0.50	10.0
Balance outstanding at December 31, 2012	2,000,000	\$ 0.50	9.87
Options exercisable at end of year	83,333	\$ 0.50	
Options expected to vest	1,916,667		
Weighted average fair value of options granted during the period		\$ 0.48	

Stock options outstanding at December 31, 2012 as disclosed in the above table have approximately \$1,000,000 intrinsic value at the end of the year.

NOTE 7 – RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions.

In November 2011, the Company issued a promissory note for \$53,500 to an affiliated company owned by the officers of Amicor. The note was payable in full without interest on or before January 15, 2012. In December 2011, the Company issued a promissory note for \$99,474 to an affiliated company owned by the officers of Amicor. The note was payable in full without interest on or before January 15, 2012. Such note was issued in connection with the execution of a lease assignment agreement between the Company and the affiliated company for certain mineral rights located in San Juan County, Utah. On January 30, 2012, the Company paid both promissory notes above for a total of \$152,974. The affiliated company agreed not to charge the Company a late penalty fee upon satisfaction of the notes.

On January 26, 2012, the Company entered into a 1 year consulting agreement with GRQ Consultants, Inc., pursuant to which such consultant will provide certain services to the Company in consideration for which the Company sold to the consultant warrants to purchase an aggregate of 1,750,000 shares of the Company's common stock with an exercise price of \$0.50. Barry Honig is the owner of GRQ Consultants, Inc. GRQ Consultants, Inc. 401(k), which is also owned by Mr. Honig, purchased an aggregate of \$500,000 of shares of common stock in the Company's Private Placement. In addition, the Company entered into an Option Agreement with Pershing and Mr. Honig is a member of Pershing's board of directors (see Note 6). Additionally, the Company entered into consulting agreement with Melechdavid Inc. in consideration for which the Company sold to Melechdavid Inc. warrants to purchase an aggregate of 1,750,000 shares of the Company's common stock with an exercise price of \$0.50 per share. The Company's former Chief Executive Officer is the President of Melechdavid Inc. (see Note 6).

On January 26, 2012 the Company also issued a ten-year warrant to purchase an aggregate of 300,000 shares of common stock with an exercise price of \$0.50 per share to Daniel Bleak, an outside consultant to the Company, which vests in three equal annual installments with the first installment vesting one year from the date of issuance. Daniel Bleak is the father of Joshua Bleak, a former member of the Company's board of directors. Additionally, in August 2012, the Company paid Daniel Bleak \$50,000 for research and business advisory services rendered pursuant to a Professional Service Agreement executed on August 1, 2012.

On March 19, 2012, the Company entered into an agreement with California Gold Corp. ("California Gold"), pursuant to which the Company agreed to provide California Gold with a geological review on or prior to March 30, 2012, of the Company's certain uranium properties in consideration for \$125,000 (see Note 9). David Rector, the Company's former director, is a member of California Gold's board of directors.

The Company's principal place of business was located in a building owned by Silver Hawk Ltd., a Colorado corporation. George Glasier, the Company's former Chief Executive Officer, is the President and Chief Executive Officer of Silver Hawk Ltd. The Company leased its office space on a month to month basis at a monthly rate of \$850 pursuant to a lease effective January 1, 2012. Under the terms of the Rescission Agreement, the Company's lease for such office space was terminated.

Between June 2012 and July 2012, the Company loaned \$147,708 to an affiliated company in exchange for a secured promissory note. The note bore 6% interest per annum and shall become due and payable on or before June 29, 2013. This note was secured by a real estate property owned by the affiliated company. In November 2012, the Company collected a total of \$218,218 from the affiliated company and such payment was applied towards the principal amount of \$147,708 and interest of \$70,510. The Company recognized interest income of \$70,510 during the year ended December 31, 2012 and is included in the loss from discontinued operations as this transaction relates to the Company's real estate business. Barry Honig, the President of the affiliated company, is a shareholder of the Company. Additionally, in August 2012, the Company issued 302,970 shares of common stock in connection with the exercise of 600,000 stock warrants on a cashless basis. The warrant holder was Barry Honig who purchased 600,000 warrants from a third party in June 2012.

In August 2012, the Company issued 302,970 shares of common stock in connection with the exercise of 600,000 stock warrants on a cashless basis. The warrant holder was Melechdavid Inc. who purchased 600,000 warrants from a third party in June 2012. The Company's former Chief Executive Officer is the President of Melechdavid Inc. Additionally, in November 2012, the Company received a notice from the former Chief Executive Officer that the former Chief Executive Officer had violated Section 16(b) of the Exchange Act as a result of certain purchases and sales of shares of the Company's common stock made by the former Chief Executive Officer within a period of less than six months that generated short-swing profits under Section 16(b). In December 2012, the former Chief Executive Officer made a \$50,000 payment to the Company in disgorgement of the short-swing profits.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Mining Lease Agreements

In November 2011, the Company, through its wholly owned subsidiary, Amicor, entered into several mining lease agreements with certain officers of Amicor and affiliated companies owned by the officers of Amicor (collectively the “Lessors”). Such mining lease agreements granted and leased to the Company mineral properties located in the County of San Juan, Utah, County of Montrose, Colorado and County of San Miguel, Colorado. The term of the mining lease agreements was for the period of 20 years. The Company was required to pay the annual Federal Bureau of Land Management maintenance fees and other fees required to hold the mineral properties. If the Company fails to keep or perform according to the terms of this agreement shall constitute an event of default and as such the Company shall have 10 days after receipt of default notice to make good or cure the default. Upon failure to cure the default, such mining lease agreements shall be terminated by the Lessors. The Company shall be under no further obligation or liability to the Lessors from and after the termination except for the performance of obligations and satisfaction of accrued liabilities to Lessors or third parties prior to such termination. On June 11, 2012, the Company terminated the leases in connection with the Rescission Agreement (see Note 1).

In December 2011, the Company, entered into a Lease Assignment and Acceptance Agreement with an affiliated company owned by the former officers of Amicor whereby the affiliated company agreed to assign its mineral rights and interests to the Company under a Surface and Mineral Lease Agreement dated in October 2011 with J.H. Ranch, Inc. located in San Juan County, Utah. The Company agreed to perform all of the affiliated company’s obligation under the Surface and Mineral Lease Agreement, including the payment of all lease payments, annual rents, advanced royalties, production royalties and other compensation as defined in the 20 year term Agreement.

The following schedule consists of the lease payment to Lessor based from the Agreement:

Due Date of Lease Payments from October 2011	Amount of Lease Payment
On or before the 30th day after the 1st Anniversary - paid	\$ 42,500
On or before the 30th day after the 2nd Anniversary	\$ 70,000
On or before the 30th day after the 3rd Anniversary	\$ 87,500
On or before the 30th day after the 4th Anniversary as the 5th and final payment	\$ 87,500

The Company is required under the terms of the Agreement to make annual rent payments commencing on or before the 30th day after the 5th anniversary and each year thereafter and shall pay \$10 for each acre of land contained within the lease premises.

The following schedule consists of the advance royalty payments to Lessor based from the Agreement:

Due Date of Advance Royalty Payments from October 2011	Amount of Advance Royalty Payment
On or before the 30th day after the 1st Anniversary - paid	\$ 42,500
On or before the 30th day after the 2nd Anniversary	\$ 70,000
On or before the 30th day after the 3rd Anniversary	\$ 87,500
	\$ 87,500

On or before the 30th day after the 4th Anniversary as the 5th and final payment

The Company shall pay a production royalty of 6.25% of the fair market value of all crude ores containing uranium, canadium and associated and related minerals mined and sold from the leased deposits. When production royalty payments from the sales of ores from the leased premises equal the cumulative amount due to Lessor as advanced royalty payment, the Company shall pay Lessor 12.5% of the fair market value as defined in the Agreement. In November 2012, the Company paid the lease payment and advance royalty payment due on the 1st anniversary of the agreement for a total of \$85,000.

F-23

On January 30, 2012, the Company entered into a Mining Claim and Lease Sale/Purchase Agreement with Robert A. Larson whereby Mr. Larson sold and quitclaimed certain claims to the Company under a quitclaim deed and assigned the lease to the Company pursuant to a lease assignment in consideration for an aggregate purchase price One Hundred and Fifty Thousand Dollars (\$150,000). Pursuant to the terms of the agreement and the Quitclaim Deed, the Company shall pay to Mr. Larson a Production Royalty, on a quarterly basis, equal to 5% of the fair market value (calculated pursuant to the terms of the Quitclaim Deed) of all crude ores containing uranium, vanadium and associated and related minerals mined and shipped or sold from the Claims or fed to "Initial Process" defined in the Quitclaim Deed as "any processing or milling procedure to up-grade, concentrate or refine crude ores, including custom milling or other processing arrangement whereby title to the crude ore and all products derived therefrom is retained by the Company. Such property is located in San Miguel County, Colorado consisting of 320 acres more or less. The term of the assigned lease shall be for a period of 10 years and the Company shall have the right to renew and extend for an additional 10 year period. Under the lease, the Company shall pay annual rent payments of \$10 for each acre of land contained within the property. Once development, mining and/or production has commenced and defined areas for mining has been designated, the annual rent payment for that portion shall be \$25 for each acre designated with the remaining acreage shall continue to be paid at \$10 for each acre. The Company shall also pay surface damage as defined in the Lease.

Agreements Purchased from Pershing Gold Corporation

On June 11, 2012, the Company and Pershing executed the exercise of the Option, through the assignment of Pershing's wholly owned subsidiary, Acquisition Sub (see Note 5). As a result of the assignment, Acquisition Sub became a wholly owned subsidiary of the Company and the Company acquired all of Pershing's uranium assets including certain lease agreements in uranium mining claims in Arizona, California and North Dakota.

Uranium Lease Agreements

The Company acquired the following Uranium lease agreements:

- 1) Slope County, North Dakota, Lease 1 and 2

On June 28, 2007, through Acquisition Sub's majority owned subsidiary, Secure Energy, LLC, signed a 20 year mining lease to develop and operate 472.8 acres of uranium mining properties in the Slope County, North Dakota. The Company prepaid the annual payment of \$10 per net acre for eight years amounting to \$36,717 at the date of signing. The Company will pay a production royalty of \$0.75 per pound of all uranium sales.

- 2) Slope County, North Dakota, Lease 3

On November 23, 2007, through Acquisition Sub's majority owned subsidiary, Secure Energy, LLC, the Company signed a 10 year mining lease, with the right to extend an additional 10 years, to develop and operate 554.24 acres of uranium mining properties in the Slope County, North Dakota. The Company prepaid the annual payment of \$10 per net acre for ten years amounting to \$53,775 at the date of signing. The Company will pay a production royalty of \$0.75 per pound of all uranium sales or 5% of net proceeds from the sale of uranium bearing ores.

Royalty agreements

On June 11, 2012, through the assignment of Acquisition Sub, the Company purchased a 100% interest in 86 unpatented lode mining claims located in Mohave County, Arizona. The Company will pay a 3% net smelter returns

royalty on all uranium sales. The Company shall have the right to reduce the royalty from 3% to 0% by paying the aggregate sum of \$1,500,000 (\$500,000 for each 1%).

F-24

On June 11, 2012, through the assignment of Acquisition Sub, the Company assumed the purchase and sale agreement with Absaroka Stone LLC to purchase certain unpatented mining claims commonly known as the “Uinta County (Carnotite) Uranium Prospect” located in the Uinta County of Wyoming. Pursuant to the terms of the agreement, Absaroka Stone LLC agreed not to stake for its own account any additional mining claims within a 15 mile radius of the property. Any additional mining claims to be located within a 15 mile radius of the property (the “Claim Body”) were to be located, staked and filed by the Company, at its expense and held in its name. Such agreement requires a minimum of \$200,000 relating to location, maintenance, exploration, development or equipping any one or more of the mining claims that comprise the Claim Body for commercial production within 24 months from the date of the agreement in May 2011. If the Company fails to incur a minimum of \$200,000 in expenses related to the foregoing within 24 months, the Company shall pay an aggregate sum of \$50,000 to Absaroka Stone LLC. Pursuant to the terms of the agreement, the Company would pay a 1% gross royalty to Absaroka Stone LLC on any revenues derived from the sale of all uranium-vanadium, gold, silver, copper and rare earth ores or concentrates produced from the Claim Body, up to an aggregate of \$1,000,000. The Company has the option to eliminate the royalty obligations by paying Absaroka Stone LLC an aggregate payment of \$1,000,000.

NOTE 9 – MARKETABLE SECURITIES

Marketable securities at December 31, 2012 consisted of the following:

	Cost	Gross Unrealized Gains/(losses)	Gross Realized Gains/(losses)	Fair Value
Publicly traded equity securities – available for sale	\$ 125,000	—	(112,500)	\$ 12,500

Available for sale securities are carried at fair value. Unrealized gains or losses on marketable securities - available for sale are recognized on a periodic basis as an element of comprehensive income based on changes in the fair value of the security. Once liquidated, realized gains or losses on the sale of marketable securities available for sale will be reflected in the Company’s net loss for the period in which the security are liquidated. At the end of each period, the Company evaluates the carrying value of the marketable securities for a decrease in value. The Company evaluates the company underlying these marketable securities to determine whether a decline in fair value below the amortized cost basis is other than temporary. If the decline in fair value is judged to be “other- than- temporary”, the cost basis of the individual security shall be written down to fair value as a new cost basis and the amount of the write-down is charged to earnings.

On March 19, 2012, the Company entered into an agreement with California Gold, pursuant to which the Company agreed to provide California Gold with a geological review (the “Report”) on or prior to March 30, 2012, of the Company’s certain uranium properties pursuant to which California Gold may determine and identify the approximate locations and scope of geologic formations that could contain potential gold deposits on these properties.

In consideration for delivery of the Report, California Gold agreed to pay the Company \$125,000, which payment may, at the election of California Gold, be paid in cash or in unregistered shares of California Gold common stock, par value \$0.001 per share (the “California Gold Common Stock”), issued by California Gold. In the event that California Gold elects to deliver the California Gold Common Stock, it shall deliver such number of shares of California Gold Common Stock that shall be equal to the number which results from dividing \$125,000 by the lesser of: (i) the closing price of a share of the California Gold Common Stock as quoted on the Over the Counter Bulletin Board on March 19, 2012 or (ii) the purchase price per share of California Gold Common Stock paid by investors in California Gold sold

in California Gold's next financing, if any, on or before March 30, 2012. In March 2012, the Company received 1,250,000 restricted shares of California Gold.

At the time of issuance, the Company valued the shares of California Gold and recorded the cost of investment at the fair market value (based on the closing price pursuant to the agreement) of the shares at \$0.10 per share or \$125,000 and was recorded as other income during the year ended December 31, 2012 as reflected in the accompanying consolidated statement of operations.

The Company evaluated these marketable securities and determined that the fair value is deemed to be other- than- temporary, the cost basis of the individual security shall be written down to fair value as a new cost basis and the amount of the write-down is charged to earnings. During the year ended December 31, 2012, as a result of the evaluation, the Company has recorded a realized loss on other than temporary decline of \$112,500.

F-25

NOTE 10 - INCOME TAXES

The Company accounts for income taxes under ASC Topic 740: Income Taxes which requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and the tax basis of assets and liabilities, and for the expected future tax benefit to be derived from tax losses and tax credit carryforwards. ASC Topic 740 additionally requires the establishment of a valuation allowance to reflect the likelihood of realization of deferred tax assets. The Company has a net operating loss carryforward for tax purposes totaling approximately \$1,227,000 at December 31, 2012, expiring through the year 2032. Internal Revenue Code Section 382 places a limitation on the amount of taxable income that can be offset by carryforwards after certain ownership shifts.

The table below summarizes the differences between the Company's effective tax rate and the statutory federal rate as follows for the year ended December 31, 2012 and 2011:

	December 31, 2012	December 31, 2011
Tax benefit computed at "expected" statutory rate	\$ (2,359,025)	\$ (37,169)
State income taxes, net of benefit	(60,884)	(492)
Permanent differences :		
Impairment expense	437,324	33,820
Stock based compensation and consulting	1,508,371	-
Other permanent differences	(681)	-
Increase in valuation allowance	474,895	3,841
Net income tax benefit	\$ -	\$ -

The table below summarizes the differences between the Companies' effective tax rate and the statutory federal rate as follows for the period ended:

	December 31, 2012	December 31, 2011
Computed "expected" tax expense (benefit)	(34.0)%	(34.0)%
State income taxes	(5.0)%	(5.0)%
Permanent differences	31.0%	-
Change in valuation allowance	8.0%	39.0%
Effective tax rate	0.0%	0.0%

The Companies have a deferred tax asset which is summarized as follows at:

Deferred tax assets:	December 31, 2012		December 31, 2011	
Net operating loss carryover	\$	478,736	\$	3,841
Less: valuation allowance		(478,736)		(3,841)
Net deferred tax asset	\$	-	\$	-

After consideration of all the evidence, both positive and negative, management has recorded a full valuation allowance at December 31, 2012, due to the uncertainty of realizing the deferred income tax assets. The valuation

allowance was increased by \$474,895.

F-26

NOTE 11 – SUBSEQUENT EVENTS

On January 28, 2013, the Company entered into an employment agreement with John Stetson, the Company's Chief Financial Officer and Secretary (the "Stetson Employment Agreement") whereby Mr. Stetson agreed to serve as the Company's Chief Financial Officer for a period of one year, subject to renewal, in consideration for an annual salary of \$75,000. Additionally, Mr. Stetson shall be eligible for an annual bonus if the Company meets certain criteria, as established by the Board of Directors, subject to standard "claw-back rights" in the event of any restatement of any prior period earnings or other results as from which any annual bonus shall have been determined. As further consideration for his services, Mr. Stetson shall receive a ten year option award to purchase an aggregate of 500,000 shares of the Company's common stock with an exercise price of \$0.50 per share, subject to adjustment, which shall vest in three (3) equal annual installments on the beginning on the first annual anniversary of the date of the Stetson Employment Agreement, provided Mr. Stetson is still employed by the Company. In the event of Mr. Stetson's termination prior to the expiration of his employment term under his employment agreement, unless he is terminated for Cause (as defined in the Stetson Employment Agreement), or in the event Mr. Stetson resigns without Good Reason (as defined in the Stetson Employment Agreement), the Company shall pay to him a lump sum in an amount equal to the sum of his (i) base salary for the prior 12 months plus (ii) his annual bonus amount during the prior 12 months.

On February 15, 2013, the Company filed the Certificate with the Secretary of State of the State of Nevada in order to effectuate the Name Change to Marathon Patent Group, Inc. (see Note 1). The Name Change will be effective for the principal market for the Shares, the Over-the-Counter Bulletin Board, upon approval by the Financial Industry Regulatory Authority ("FINRA") at which time the new trading symbol "MARA" will also become effective.

On March 1, 2013, Mr. Nathaniel Bradley was appointed as the Company's Chief Technology Officer and President of IP Services. Pursuant to the Employment Agreement between the Company and Mr. Bradley dated March 1, 2013 ("Bradley Employment Agreement"), Mr. Bradley shall serve as the Company's Chief Technology Officer and President of IP Services for two (2) years. The Bradley Employment Agreement shall be automatically renewed for successive one (1) year periods thereafter. Mr. Bradley shall be entitled to a base salary at an annual rate of \$195,000, with such upward adjustments as shall be determined by the Board in its sole discretion. Mr. Bradley shall also be entitled to an annual bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board for earning bonuses. Mr. Bradley shall be awarded five (5) year stock options to purchase an aggregate of one million (1,000,000) shares of the Company's common stock, with a strike price based on the closing price of the Company's common stock on March 1, 2013 as reported by the OTC Bulletin Board, vesting in twenty-four (24) equal installments on each monthly anniversary of March 1, 2013, provided Mr. Bradley is still employed by the Company on each such date.

On March 1, 2013, Mr. James Crawford was appointed as the Company's Chief Operating Officer. Pursuant to the Employment Agreement between the Company and Mr. Crawford dated March 1, 2013 ("Crawford Employment Agreement"), Mr. Crawford shall serve as the Company's Chief Operating Officer for two (2) years. The Crawford Employment Agreement shall be automatically renewed for successive one (1) year periods thereafter. Mr. Crawford shall be entitled to a base salary at an annual rate of \$185,000, with such upward adjustments as shall be determined by the Board in its sole discretion. Mr. Crawford shall also be entitled to an annual bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board for earning bonuses. Mr. Crawford shall be awarded five (5) year stock options to purchase an aggregate of five hundred thousand (500,000) shares of the Company's common stock, with a strike price based on the closing price of the Company's common stock on March 1, 2013 as reported by the OTC Bulletin Board, vesting in twenty-four (24) equal installments on each monthly anniversary of March 1, 2013, provided Mr. Crawford is still employed by the Company on each such date.

On March 8, 2013, Mr. Joshua Bleak and Mr. David Rector tendered their resignations as members of the Board of the Company.

On March 8, 2013, the Board appointed Mr. Craig Nard and Mr. William Rosellini to fill the vacancies created by the resignation of Mr. Bleak and Mr. Rector. Pursuant to the Independent Director Agreement between the Company and Mr. Nard and Mr. Rosellini dated March 8, 2013. Each director shall be granted five (5) year stock options to purchase an aggregate of one hundred thousand (100,000) shares of the Company's common stock, with a strike price based on the closing price of the Company's common stock on March 8, 2013 as reported by the OTC Bulletin Board. The options shall vest as follows: 33% the first anniversary hereof; 33% on the second anniversary and 34% on the third anniversary, and shall be subject to the Company's stock plan as in effect from time to time, including any clawback and termination provisions therein. The option agreements shall provide for cashless exercise features. Such agreement shall be terminated upon resignation or removal of Mr. Nard and Mr. Rosellini as members of the Board.

F-27

In February 2013, the Company sold 2 real estate properties generating revenues of approximately \$440,000. The Company intends to sell and dispose its remaining real estate holdings during fiscal 2013.

On March 6, 2013, the Company entered into an Asset Purchase Agreement (the “Agreement”) with Augme Technologies (“Seller”) whereby Seller agreed to sell to the Company certain office equipment, data, documentation, and business information related to the Seller’s business and assign agreements and prospective clients and business opportunities to the Company. In consideration for the assets and assigned agreements, the Company shall pay \$10,000 at closing and provide litigation assistance as defined in the Agreement. As additional consideration, the Company also entered into a 2 year Service Agreement (the “Service Agreement”) with the Seller whereby the Seller shall engage the Company to provide consulting services including patent litigation matters, sale, license involving the Seller’s intellectual property and general consulting services to continue the Seller’s business operations.

The Company shall provide certain fixed hours of services per month without additional compensation to the Company pursuant to the Service Agreement. In the event the Seller request for additional hours of the Company’s services, the Seller shall be billed \$350 for each additional hour of services provided by the Company. Pursuant to the Agreement, the Company shall also assume certain office lease agreement in connection with an office located in Tucson, Arizona. The term of the office lease is currently set to expire on July 31, 2013 and the base rent of the office lease is \$4,774 per month.

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
SEPTEMBER 30, 2013

Index to Financial Statements

CONSOLIDATED BALANCE SHEETS	F-30
CONSOLIDATED STATEMENTS OF OPERATIONS	F-31
CONSOLIDATED STATEMENTS OF CASH FLOWS	F-32
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	F-33

F-29

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS

	September 30, 2013 (Unaudited)	December 31, 2012
ASSETS		
Current assets:		
Cash	\$ 5,864,388	\$ 2,354,169
Accounts receivable	330,000	\$ -
Marketable securities - available for sale securities	6,250	12,500
Prepaid expenses	321,025	40,333
Assets of discontinued operations - current portion	-	82,145
Total current assets	6,521,663	2,489,147
Other assets:		
Property and equipment, net	8,056	-
Intangible assets, net	3,217,007	492,152
Goodwill	2,144,488	-
Assets of discontinued operations - long term portion	-	1,035,570
Total other assets	5,369,551	1,527,722
Total Assets	\$ 11,891,214	\$ 4,016,869
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 372,552	\$ 57,158
Liabilities of discontinued operations	30,664	30,664
Total liabilities	403,216	87,822
Stockholders' Equity:		
Preferred stock, \$.0001 par value, 50,000,000 shares authorized: none issued and outstanding	-	-
Common stock, (\$.0001 par value; 200,000,000 shares authorized; 5,337,679 and 3,503,565 issued and outstanding at September 30, 2013 and December 31, 2012	534	352
Additional paid-in capital	20,917,699	10,976,325
Subscription receivable	(25,000)	-
Accumulated other comprehensive income - marketable securities available for sale	(6,250)	-
Deficits accumulated during the development stage	(9,388,489)	(7,037,134)
Total Marathon Patent Group, Inc. equity	11,498,494	3,939,543
Non-controlling interest in subsidiary	(10,496)	(10,496)

Total stockholders' equity	11,487,998	3,929,047
Total liabilities and stockholders' equity	\$ 11,891,214	\$ 4,016,869

See accompanying notes to unaudited consolidated financial statements.

F-30

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS

	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013 (Unaudited)	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012 (Unaudited)	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 (Unaudited)	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012 (Unaudited)	PERIOD FROM INCEPTION (APRIL 30, 2011) TO SEPTEMBER 30, 2013 (Unaudited)
Revenues	\$ 710,500	\$ -	\$ 2,235,479	\$ -	\$ 2,235,479
Cost of revenues	403,013	-	687,638	-	687,638
Gross profit	307,487	-	1,547,841	-	1,547,841
Expenses					
Amortization of patents	384,977	-	860,657	-	860,657
Compensation and related taxes	470,786	1,556,790	1,938,814	2,479,182	4,615,276
Consulting fees	269,012	92,473	444,921	1,949,067	2,487,065
Professional fees	116,373	79,608	564,597	449,811	1,079,314
General and administrative	108,278	80,255	315,260	272,793	632,747
Total operating expenses	1,349,426	1,809,126	4,124,249	5,150,853	9,675,059
Operating loss from continuing operations	(1,041,939)	(1,809,126)	(2,576,408)	(5,150,853)	(8,127,218)
Other income (expenses)					
Other income	-	-	-	125,000	125,000
Realized loss - available for sale	(38,819)	-	(38,819)	-	(151,319)
Interest expense	(243)	-	(702)	-	(855)
Interest income	474	2,757	1,114	2,930	2,092
Total other income (expenses)	(38,588)	2,757	(38,407)	127,930	(25,082)
Loss from continuing operations before provision for income taxes	(1,080,527)	(1,806,369)	(2,614,815)	(5,022,923)	(8,152,300)
Provision for income taxes	-	-	-	-	-
Loss from continuing operations	(1,080,527)	(1,806,369)	(2,614,815)	(5,022,923)	(8,152,300)
Discontinued operations:					
Income (loss) from discontinued operations, net of tax	145,207	(96,921)	263,460	(1,426,846)	(1,246,685)

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

Net loss	(935,320)	(1,903,290)	(2,351,355)	(6,449,769)	(9,398,985)
Less: Net loss attributable to non-controlling interest	-	10,395	-	10,496	10,496
Net loss attributable to Marathon Patent Group, Inc.	\$ (935,320)	\$ (1,892,895)	\$ (2,351,355)	\$ (6,439,273)	\$ (9,388,489)
Loss per common share, basic and diluted:					
Loss from continuing operations	\$ (0.21)	\$ (0.69)	\$ (0.60)	\$ (1.85)	\$ (3.02)
Loss from discontinued operations	0.03	(0.04)	0.06	(0.53)	(0.46)
	(0.18)	(0.73)	\$ (0.54)	(2.38)	\$ (3.48)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - Basic and Diluted					
	5,227,840	2,605,776	4,330,208	2,717,610	2,702,318

See accompanying notes to unaudited consolidated financial statements.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 (Unaudited)	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012 (Unaudited)	PERIOD FROM INCEPTION (APRIL 30, 2011) TO SEPTEMBER 30, 2013 (Unaudited)
Cash flows from operating activities:			
Net loss attributable to Marathon Patent Group, Inc.	\$ (2,351,355)	\$ (6,439,273)	\$ (9,388,489)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization expense	860,657	-	869,430
Amortization of prepaid expense in connection with the issuance of common stock issued for prepaid services	121,564	-	121,564
Depreciation expense	1,944	-	1,944
Stock based compensation on warrants granted	94,930	2,660,800	2,818,092
Stock based compensation on options granted	689,424	1,454,400	2,204,362
Common stock issued for services	658,350	75,000	856,637
Non-controlling interest	-	(10,496)	(10,496)
Non-cash revenue	(1,000,000)	-	(1,000,000)
Non-cash other income	-	(125,000)	(125,000)
Realized loss - available for sale	38,819	-	151,319
Gain on sale of assets of discontinued operations	(168,216)	-	(168,216)
Impairment of mineral rights	-	1,256,000	1,355,474
Impairment of assets of discontinued operations	-	30,248	30,248
Changes in operating assets and liabilities			
Accounts receivable	(330,000)	-	(330,000)
Assets of discontinued operations - current portion	82,145	20,000	20,000
Prepaid expenses	39,000	(54,516)	(17,933)
Deposits	-	(235,660)	(3,500)
Assets of discontinued operations - long term portion	-	3,915	3,915
Accounts payable and accrued expenses	315,394	201,193	372,553
Net cash used in operating activities	(947,344)	(1,163,389)	(2,238,096)
Cash flows from investing activities:			
Acquisition of mineral rights	-	(325,000)	(325,000)
Acquisition of patents	(1,450,000)	-	(1,950,000)
Note receivable - related party	-	(147,708)	(147,708)
Collection on note receivable - related party	-	-	147,708
Purchase of property and equipment	(10,000)	-	(10,000)

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

Proceeds received from the sale of marketable securities	129,397	-	129,397
Sale of real estate property (discontinued operations)	1,052,320	-	1,628,797
Acquisition of real estate property	-	(1,366,627)	(1,366,627)
Acquisition of Cyberfone Systems, LLC (cash portion)	(500,000)	-	(500,000)
Capitalized cost related to improvements of real estate property (discontinued operations)	(16,750)	(154,620)	(262,170)
Net cash used in investing activities	(795,033)	(1,993,955)	(2,655,603)
Cash flows from financing activities:			
Payment on note payable	-	(930,000)	(930,000)
Payment on note payable - related party	-	(152,974)	(152,974)
Payment on note payable in connection with the acquisition of Cyberfone Systems, LLC	(500,000)	-	(500,000)
Payment in connection with the cancellation of stock and rescission agreement	-	(132,000)	(132,000)
Proceeds from disgorgement of former officer short swing profits	-	-	50,000
Proceeds from advances payables	-	-	100,000
Proceeds from promissory note - related party	-	-	53,500
Proceeds from sale of common stock, net of issuance costs	5,752,596	5,768,965	12,269,561
Net cash provided by financing activities	5,252,596	4,553,991	10,758,087
Net increase in cash	3,510,219	1,396,647	5,864,388
Cash at beginning of period	2,354,169	129,152	-
Cash at end of period	\$ 5,864,388	\$ 1,525,799	\$ 5,864,388

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid for:			
Interest	\$ 702	\$ -	\$ 855
Income taxes	\$ -	\$ -	\$ -

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

Issuance of a note payable to a related party in connection with the purchase of mining rights	\$ -	\$ -	\$ 99,474
Issuance of common stock for advances payable	\$ -	\$ 100,000	\$ 100,000
Assumption of prepaid assets upon exercise of option agreement	\$ -	\$ 43,157	\$ 43,157
Assumption of accounts payable upon exercise of option agreement	\$ -	\$ 30,664	\$ 30,664
Issuance of a note payable in connection with an option agreement	\$ -	\$ 930,000	\$ 930,000
Issuance of common stock in connection with an option agreement	\$ -	\$ 1,000	\$ 1,000
Common stock issued for acquisition of patents	\$ -	\$ -	\$ 925
Common stock issued in connection with the acquisition of Cyberfone Systems, LLC	\$ 2,280,000	\$ -	\$ 2,280,000
Issuance of common stock issued for prepaid services	\$ 441,256	\$ -	\$ 441,256
Acquisition of patents in connection with a non-cash settlement	\$ 1,000,000	\$ -	\$ 1,000,000

See accompanying notes to unaudited consolidated financial statements.

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Organization

Marathon Patent Group, Inc. (the “Company”), formerly American Strategic Minerals Corporation, was incorporated under the laws of the State of Nevada on February 23, 2010.

The Company is a patent licensing company serving a wide range of patent owners from Fortune 500 companies to independent inventors. The Company provides its clients advice and services that enable them to realize financial and strategic returns on their intellectual property rights. The Company acquires patent assets, partners with patent holders, and monetizes patent portfolios through actively managed patent licensing campaigns.

On December 7, 2011, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of the State of Nevada in order to change its name to “American Strategic Minerals Corporation” from “Verve Ventures, Inc.”, and increase the Company’s authorized capital to 200,000,000 shares of common stock, par value \$0.0001 per share, and 50,000,000 shares of preferred stock, par value \$0.0001 per share. During June 2012, the Company decided to discontinue its exploration and potential development of uranium and vanadium minerals business. Additionally, in November 2012, the Company decided to discontinue its real estate business.

On August 1, 2012, the shareholders holding a majority of the Company’s voting capital voted in favor of (i) changing the name of the Company to “Fidelity Property Group, Inc.” and (ii) the adoption the 2012 Equity Incentive Plan and reserving 10,000,000 shares of common stock for issuance thereunder (the “2012 Plan”). The board of directors of the Company (the “Board of Directors”) approved the name change and the adoption of the 2012 Plan on August 1, 2012. The Company did not file an amendment to its Articles of Incorporation with the Secretary of State of Nevada and subsequently abandoned the decision to adopt the “Fidelity Property Group, Inc.” name.

On October 1, 2012, the shareholders holding a majority of the Company’s voting capital had voted and authorized the Company to (i) change the name of the Company to Marathon Patent Group, Inc. (the “Name Change”) and (ii) effectuate a reverse stock split of the Company’s common stock by a ratio of 3-for-2 (the “Reverse Split”) within one year from the date of approval of the stockholders of the Company. The Board of Directors approved the Name Change and the Reverse Split on October 1, 2012. The Board of Directors determined the name “Marathon Patent Group, Inc.” better reflects the long-term strategy in exploring other opportunities and the identity of the Company going forward. On February 15, 2013, the Company filed the Certificate of Amendment with the Secretary of State of the State of Nevada in order to effectuate the Name Change. On May 31, 2013, shareholders of record holding a majority of the outstanding voting capital of the Company approved a reverse stock split of the Company’s issued and outstanding common stock by a ratio of not less than one-for-five and not more than one-for-fifteen at any time prior to April 30, 2014, with such ratio to be determined by the Company’s Board of Directors, in its sole discretion. On June 24, 2013, the reverse stock split ratio of one (1) for thirteen (13) basis was approved by the Board of Directors. On July 18, 2013, the Company filed a certificate of amendment to its Amended and Restated Articles of Incorporation with the Secretary of State of the State of Nevada in order to effectuate a reverse stock split of the Company’s issued and outstanding common stock, par value \$0.0001 per share on a one (1) for thirteen (13) basis. All share and per share values for all periods presented in the accompanying consolidated financial statements are retroactively restated for the effect of the reverse stock split.

F-33

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

On January 26, 2012, the Company entered into a Share Exchange Agreement (the “Exchange Agreement”) with American Strategic Minerals Corporation, a Colorado corporation (“Amicor”) and the shareholders of Amicor (the “Amicor Shareholders”). Upon closing of the transaction contemplated under the Exchange Agreement (the “Share Exchange”), on January 26, 2012, the Amicor Shareholders transferred all of the issued and outstanding capital stock of Amicor to the Company in exchange for an aggregate of 769,231 post-split (10,000,000 pre-split) shares of the common stock of the Company. The Share Exchange caused Amicor to become a wholly-owned subsidiary of the Company.

Additionally, as further consideration for entering into the Exchange Agreement, certain Amicor Shareholders received ten-year warrants to purchase an aggregate of 461,538 post-split (6,000,000 pre-split) shares of the Company’s common stock with an exercise price of \$6.50 post-split (\$0.50 pre-split) per share. Prior to acquisition by the Company, Amicor owned certain mining and mineral rights.

Amicor, formerly Nuclear Energy Corporation, was incorporated under the laws of the State of Colorado on April 30, 2011. Amicor owns mining leases of federal unpatented mining claims and leases private lands in the states of Utah and Colorado for the purpose of exploration and potential development of uranium and vanadium minerals.

Prior to the Share Exchange, the Company was a shell company with no business operations.

The Share Exchange was accounted for as a reverse-merger and recapitalization. Amicor was the acquirer for financial reporting purposes and the Company was the acquired company. Consequently, the assets and liabilities and the operations reflected in the historical financial statements prior to the Share Exchange were those of Amicor and was recorded at the historical cost basis of Amicor, and the consolidated financial statements after completion of the Share Exchange included the assets and liabilities of the Company and Amicor, historical operations of Amicor and operations of the Company from the closing date of the Share Exchange.

On June 11, 2012, the Company terminated various leases related to its uranium mining claims (the “Claims”), consisting of: the Cutler King Property (3 unpatented mining claims); “Centennial-Sun Cup” (42 unpatented mining claims); “Bull Canyon” (2 unpatented mining claims); “Martin Mesa” (51 unpatented mining claims); “Avalanche/Ajax” (8 unpatented mining claims) and “Home Mesa” (9 unpatented mining claims). The Company had acquired the Claims through the acquisition of Amicor on January 26, 2012. The decision by the Company to terminate these leases followed changes in management and direction of the Company, a review of the uranium market, and the timing and costs expected to pursue the business.

On June 11, 2012, the Company entered into a rescission agreement (the “Rescission Agreement”) with Amicor, and the Amicor Shareholders. Each of the Amicor Shareholders had previously received shares of the Company’s common stock (and certain of the Amicor Shareholders also received warrants to purchase shares of the Company’s common stock) (collectively, the “Shareholder Securities”) pursuant to the Rescission Agreement. Each of the Amicor Shareholders, with the exception of one, agreed to return the Shareholder Securities to the Company for cancellation and to enter into joint mutual releases with the Company. Furthermore, pursuant to the terms of the Rescission Agreement, George Glasier resigned from his position as President, Chief Executive Officer and Chairman of the Company; Kathleen Glasier resigned from her position as Secretary of the Company, Michael Moore resigned from his position as Chief Operating Officer and Vice President of the Company and each of David Andrews and Kyle

Kimmerle resigned from their position as a director of the Company. As a result of the foregoing, the Company cancelled 754,359 post-split (9,806,667 pre-split) shares of the Company's common stock and 369,231 post-split (4,800,000 pre-split) warrants and terminated the mining leases entered into with the Amicor Shareholders. Additionally, the Company paid an aggregate of \$132,000 to Amicor Shareholders upon the execution of the Rescission Agreement.

F-34

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Under the terms of the Rescission Agreement, upon Mr. Glasier's resignation, the Company's employment agreement with Mr. Glasier was terminated and all options, warrants and rights to acquire any shares of the Company's common stock, whether vested or unvested, were terminated as of the date of the Rescission Agreement. Additionally, under the terms of the Rescission Agreement, the Company's lease for certain office space, dated as of January 26, 2012 with Silver Hawk Ltd., an entity owned and controlled by George Glasier and Kathleen Glasier, was terminated.

On June 11, 2012, the Company and Pershing Gold Corporation ("Pershing") exercised its right under the Option Agreement executed in January 2012, through the assignment of Pershing's wholly owned subsidiary, Continental Resources Acquisition Sub, Inc. ("Acquisition Sub"). As a result of the assignment, Acquisition Sub became a wholly owned subsidiary of the Company and the Company acquired all of Pershing's uranium assets.

On November 14, 2012, the Company entered into a Share Exchange Agreement (the "Sampo Exchange Agreement") with Sampo IP LLC, a Virginia limited liability company ("Sampo"), a company that holds certain intellectual property rights, and the members of Sampo (the "Sampo Members"). Upon closing of the transaction contemplated under the Sampo Exchange Agreement (the "Sampo Share Exchange"), on November 14, 2012, the Sampo Members (6 members) transferred all of the issued and outstanding membership interests of Sampo to the Company in exchange for an aggregate of 711,538 post-split (9,250,000 pre-split) shares of the common stock of the Company. Additionally, the Company made a cash payment to Sampo of \$500,000 pursuant to the terms of the Sampo Exchange Agreement.

Upon the closing of the Sampo Share Exchange, Mark Groussman resigned as the Company's Chief Executive Officer and John Stetson resigned as the Company's President and Chief Operating Officer and simultaneously with the effectiveness of the Sampo Share Exchange, Doug Croxall was appointed as the Company's Chief Executive Officer and Chairman and John Stetson was appointed as the Company's Chief Financial Officer and Secretary. LVL Patent Group LLC, of which Mr. Croxall is the Chief Executive Officer, and John Stetson, were former members of Sampo and received 307,692 post-split (4,000,000 pre-split) and 38,462 post-split (500,000 pre-split) shares of the Company's common stock, respectively, in connection with the Sampo Share Exchange.

On March 6, 2013, the Company entered into an Asset Purchase Agreement (the "Augme Agreement") with Augme Technologies ("Seller") whereby Seller agreed to sell to the Company certain office equipment, data, documentation, and business information related to the Seller's business and assign agreements and prospective clients and business opportunities to the Company. In consideration for the assets and assigned agreements, the Company paid \$10,000 at closing and provides litigation assistance as defined in the Agreement. As additional consideration, the Company also entered into a 2 year Service Agreement (the "Service Agreement") with the Seller whereby the Seller shall engage the Company to provide consulting services including patent litigation matters, sale, license involving the Seller's intellectual property and general consulting services to continue the Seller's business operations. The Company recorded the \$10,000 payment which was primarily attributable to property and equipment. Additionally, the Company assumed an office lease agreement that expired in July 2013.

On April 22, 2013, CyberFone Acquisition Corp. ("Acquisition Corp."), a Texas corporation and newly formed wholly owned subsidiary of the Company entered into a merger agreement (the "CyberFone Agreement") with CyberFone Systems LLC, a Texas limited liability company ("CyberFone Systems"), TechDev Holdings LLC ("TechDev") and The Spangenberg Family Foundation for the Benefit of Children's Healthcare and Education ("Spangenberg Foundation"). TechDev and Spangenberg Foundation owned 100% of the membership interests of CyberFone Systems

(collectively, the “CyberFone Sellers”) (see Note 3).

F-35

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Going Concern

The consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception resulting in a deficit accumulated during the development stage of approximately \$9.4 million as of September 30, 2013, and negative cash flows from operating activities and net loss of approximately \$947,000 and \$2.4 million, respectively, for the nine months ended September 30, 2013. The Company anticipates further losses in the development of its business raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The ability to successfully resolve these factors raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

Based on current operating plans, the current resources of the Company, after taking into account the net funds received during the nine months ended September 30, 2013 from the sales and disposal of the remaining real estate properties and the sale of common stock of the Company, are expected to be sufficient for at least the next twelve months. The Company may choose to raise additional funds in connection with any future acquisition of additional intellectual property assets, operating businesses or other assets that it may choose to pursue. There can be no assurance, however, that any such opportunities will materialize. Moreover, any potential financing would likely be dilutive to the Company's stockholders.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP") and present the financial statements of the Company and its wholly-owned subsidiaries. In the preparation of consolidated financial statements of the Company, intercompany transactions and balances were eliminated. All adjustments (consisting of normal recurring items) necessary to present fairly the Company's financial position as of September 30, 2013, and the results of operations and cash flows for the nine months ended September 30, 2013 have been included. The results of operations for the nine months ended September 30, 2013 are not necessarily indicative of the results to be expected for the full year. The accounting policies and procedures employed in the preparation of these condensed consolidated financial statements have been derived from the audited financial statements of the Company for the year ended December 31, 2012, which are contained in Form 10-K as filed with the Securities and Exchange Commission on March 28, 2013. The consolidated balance sheet as of December 31, 2012 was derived from those financial statements.

Development Stage Company

The Company is presented as a development stage company. Activities during the development stage include organizing the business, raising capital, enforcement and development of its intellectual property, and acquiring

additional intellectual property. The Company is a development stage company with insignificant revenues and no profits from its planned principal operations. The Company has not commenced significant operations and, in accordance with Accounting Standards Codification (“ASC”) Topic 915 “Development Stage Entities”, is considered a development stage company.

F-36

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and other short-term investments with maturity of three months or less, when purchased, to be cash equivalents. The Company maintains cash and cash equivalent balances at one financial institution that is insured by the Federal Deposit Insurance Corporation. The Company's account at this institution is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. For the nine months ended September 30, 2013, the Company has reached bank balances exceeding the FDIC insurance limit. To reduce its risk associated with the failure of such financial institution, the Company evaluates at least annually the rating of the financial institution in which it holds deposits.

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, the assumptions used to calculate fair value of warrants and options granted, common stock issued for services, and common stock issued in connection with an option agreement and the valuation of mineral rights.

Accounts Receivable

The Company has a policy of reserving for questionable accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to the bad debt expense after all means of collection have been exhausted and the potential for recovery is considered remote. At September 30, 2013 and 2012, there was no allowance for bad debt. Accounts receivable at September 30, 2013 and December 31, 2012, amounted to \$330,000 and \$0, respectively.

Concentration of Revenue and Geographic Area

Patent license revenue from enforcement activities is considered United States revenue as payments are for licenses for United States operations irrespective of the location of the licensee's or licensee's parent home domicile. As of September 30, 2013, three customers accounted for 100% of the Company's total accounts receivable. Revenues from five customers accounted for approximately 88% of the Company's revenues for the nine months ended September 30, 2013.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 605, "Revenue Recognition". Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) all obligations have been substantially performed, (iii) amounts are fixed or determinable and (iv) collectability of amounts is reasonably assured.

The Company considers its licensing and enforcement activities as one unit of accounting under ASC 605-25, “Multiple-Element Arrangements” as the delivered items do not have value to customers on a standalone basis, there are no undelivered elements and there is no general right of return relative to the license. Under ASC 605-25, the appropriate recognition of revenue is determined for the combined deliverables as a single unit of accounting and revenue is recognized upon delivery of the final elements, including the license for past and future use and the release.

F-37

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Also due to the fact that the settlement element and license element for past and future use are the major central business, the Company does not present these two elements as different revenue streams in its statement of operations. The Company does not expect to provide licenses that do not provide some form of settlement or release. Revenues from patent enforcement activities accounted for 100% of the Company's revenues for the nine months ended September 30, 2013.

Cost of Revenue

Cost of revenues mainly includes expenses incurred in connection with the Company's patent enforcement activities, such as legal fees, consulting costs, patent maintenance, royalty fees for acquired patents and other related expenses. Cost of revenue does not include expenses related to product development, integration or support, as these are included in general and administrative expenses.

Prepaid Expenses

Prepaid expenses of \$321,025 and \$40,333 at September 30, 2013 and December 31, 2012, respectively, consist primarily of costs paid for future services which will occur within a year. Prepaid expenses include prepayments in cash and equity instruments for public relation services, business advisory, consulting and prepaid insurance which are being amortized over the terms of their respective agreements.

Marketable Securities

Marketable securities that the Company invests in publicly traded equity securities and are generally restricted for sale under Federal securities laws. The Company's policy is to liquidate securities received when market conditions are favorable for sale. Since these securities are often restricted, the Company is unable to liquidate them until the restriction is removed. Pursuant to ASC Topic 320, "Investments –Debt and Equity Securities" the Company's marketable securities have a readily determinable and active quoted price, such as from NASDAQ, NYSE Euronext, the Over the Counter Bulletin Board, and the OTC Markets Group.

Available for sale securities are carried at fair value, with changes in unrealized gains or losses are recognized as an element of comprehensive income based on changes in the fair value of the security. Once liquidated, realized gains or losses on the sale of marketable securities available for sale are reflected in the net income (loss) for the period in which the security was liquidated.

Related Party Transaction

Parties are considered to be related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions.

F-38

MARATHON PATENT GROUP, INC.
 (FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
 (DEVELOPMENT STAGE COMPANY)
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 SEPTEMBER 30, 2013

Comprehensive Income

Accounting Standards Update (“ASU”) No. 2011-05 amends Financial Accounting Standards Board (“FASB”) Codification Topic 220 on comprehensive income (1) to eliminate the current option to present the components of other comprehensive income (loss) in the statement of changes in equity, and (2) to require presentation of net income (loss) and other comprehensive income (loss) (and their respective components) either in a single continuous statement or in two separate but consecutive statements. These amendments do not alter any current recognition or measurement requirements in respect of items of other comprehensive income. The amendments in this Update are to be applied prospectively.

Fair Value of Financial Instruments

The Company adopted FASB ASC 820, “Fair Value Measurements and Disclosures” (“ASC 820”), for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing US GAAP that require the use of fair value measurements, establishes a framework for measuring fair value and expands disclosure about such fair value measurements. The adoption of ASC 820 did not have an impact on the Company’s financial position or operating results, but did expand certain disclosures. ASC 820 defines fair value as 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. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

- 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.

Investment measured at fair value on a recurring basis at September 30, 2013:

	Fair Value Measurements Using:		
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable securities – available for sale, net of discount for effect of restriction	\$	-	\$ 6,250

The Company classifies the investments in marketable securities available for sale as Level 3, adjusted for the effect of restriction. The securities are restricted and cannot be readily resold by the Company absent a registration of those

securities under the Securities Act of 1933, as amended (the “Securities Act”) or the availabilities of an exemption from the registration requirements under the Securities Act. As these securities are often restricted, the Company is unable to liquidate them until the restriction is removed. Unrealized gains or losses on marketable securities available for sale are recognized as an element of comprehensive income based on changes in the fair value of the security. Once liquidated, realized gains or losses on the sale of marketable securities available for sale are reflected in our net income for the period in which the security was liquidated.

F-39

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

The carrying amounts reported in the balance sheet for cash, accounts receivable, prepaid expenses, accounts payable, and accrued expenses, approximate their estimated fair market value based on the short-term maturity of this instrument.

In addition, FASB ASC 825-10-25 "Fair Value Option" was effective for January 1, 2008. ASC 825-10-25 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value.

Income Taxes

The Company accounts for income taxes pursuant to the provision of ASC 740-10, "Accounting for Income Taxes" which requires, among other things, an asset and liability approach to calculating deferred income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred asset will not be realized.

The Company follows the provision of the ASC 740-10 related to Accounting for Uncertain Income Tax Position. When tax returns are filed, it is highly certain that some positions taken would be situated upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is most likely that not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions.

Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above should be reflected as a liability for uncertain tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The Company believes its tax positions are all highly certain of being upheld upon examination. As such, the Company has not recorded a liability for uncertain tax benefits.

The Company has adopted ASC 740-10-25 Definition of Settlement, which provides guidance on how an entity should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits and provides that a tax position can be effectively settled upon the completion and examination by a taxing authority without being legally extinguished. For tax position considered effectively settled, an entity would recognize the full amount of tax benefit, even if the tax position is not considered more likely than not to be sustained based solely on the basis of its technical merits and the statute of limitations remains open. The federal and state income tax returns of the Company are subject to examination by the Internal Revenue Service and state taxing authorities, generally for three years after they were filed.

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. The Company has 842,307 post-split options and 708,620 post-split warrants outstanding at September 30, 2013 and was excluded from the computation of diluted shares outstanding as they would have had an anti-dilutive impact on the Company’s net loss.

F-40

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

	For the Three Months ended September 30, 2013	For the Three Months ended September 30, 2012	For the Nine Months ended September 30, 2013	For the Nine Months ended September 30, 2012
Numerator:				
Loss from continuing operations	\$(1,080,527)	\$(1,806,369)	\$(2,614,815)	\$(5,022,923)
Loss from discontinued operations	\$145,207	\$(96,921)	\$263,460	\$(1,426,846)
Denominator:				
Denominator for basic and diluted loss per share (weighted-average shares)	5,227,840	2,605,776	4,330,208	2,717,610
Loss per common share, basic and diluted:				
Loss from continuing operations	\$(0.21)	\$(0.69)	\$(0.60)	\$(1.85)
Loss from discontinued operations	\$0.03	\$(0.04)	\$0.06	\$(0.53)

Intangible Assets

Intangible assets include patents purchased and recorded based on the cost to acquire them. These assets are amortized over their remaining estimated useful lives. Useful lives of intangible assets are periodically evaluated for reasonableness and the assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable.

Goodwill and Other Intangible Assets

In accordance with ASC 350-30-65, "Intangibles - Goodwill and Others", the Company assesses the impairment of identifiable intangibles whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors the Company considers to be important which could trigger an impairment review include the following:

1. Significant underperformance relative to expected historical or projected future operating results;
2. Significant changes in the manner of use of the acquired assets or the strategy for the overall business; and
3. Significant negative industry or economic trends.

When the Company determines that the carrying value of intangibles may not be recoverable based upon the existence of one or more of the above indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge.

The Company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent in the current business model. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows.

F-41

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Impairment of Long-lived Assets

The Company accounts for the impairment or disposal of long-lived assets according to the ASC 360 “Property, Plant and Equipment”. The Company continually monitors events and changes in circumstances that could indicate that the carrying amounts of long-lived assets, including mineral rights, may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated future net undiscounted cash flows expected to be generated by the asset. When necessary, impaired assets are written down to estimated fair value based on the best information available. Estimated fair value is generally based on either appraised value or measured by discounting estimated future cash flows. Considerable management judgment is necessary to estimate discounted future cash flows. Accordingly, actual results could vary significantly from such estimates. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The Company recorded impairment charges on its long-lived assets of \$0 and \$1,256,000 during the nine months ended September 30, 2013 and 2012, respectively, and was included in loss from discontinued operations.

Stock-based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the “measurement date.” The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company initially records compensation expense based on the fair value of the award at the reporting date.

Mineral Property Acquisition and Exploration Costs

Costs of lease, exploration, carrying and retaining unproven mineral lease properties were expensed as incurred. The Company expensed all mineral exploration costs as incurred. Such expenses are included in the loss from discontinued operations and prior periods have been restated in the Company’s financial statements and related footnotes to conform to this presentation. In June 2012, the Company decided to discontinue its exploration stage gold and minerals business and currently does not hold any unpatented mining claims.

Recent Accounting Pronouncements

In April 2013, the FASB ASU 2013-07, “Presentation of Financial Statements: Topic Liquidation Basis of Accounting”. ASU 2013-07 requires an entity to prepare its financial statements using the liquidation basis of accounting when liquidation is imminent. Liquidation is considered imminent when the likelihood is remote that the organization will return from liquidation and either: (a) a plan for liquidation is approved by the person or persons with the authority to

make such a plan effective and the likelihood is remote that the execution of the plan will be blocked by other parties; or (b) a plan for liquidation is being imposed by other forces. ASU 2013-07 will be effective for the Company beginning on January 1, 2014. The Company does not expect the adoption of ASU 2013-07 to have a material impact on its financial position, results of operations nor cash flows.

F-42

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

In July 2013, the FASB issued ASU 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists." ASU 2013-11 provides guidance on the presentation of unrecognized tax benefits related to any disallowed portion of net operating loss carryforwards, similar tax losses, or tax credit carryforwards, if they exist. ASU 2013-11 is effective for fiscal years beginning after December 15, 2013. The adoption of ASU 2013-11 is not expected to have a material impact on the Company's consolidated financial statements.

There were other updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

NOTE 3 – ACQUISITION

On April 22, 2013, Acquisition Corp., a Texas corporation and newly formed wholly owned subsidiary of the Company entered into a merger agreement with CyberFone Systems, TechDev and Spangenberg Foundation. TechDev and Spangenberg Foundation owned 100% of the membership interests of CyberFone Systems.

CyberFone Systems owns a foundational patent portfolio that includes claims that provide specific transactional data processing, telecommunications, network and database inventions, including financial transactions. The portfolio, which has a large and established licensing base, consists of ten United States patents and 27 foreign patents and one patent pending. The patent rights that cover digital communications and data transaction processing are foundational to certain applications in the wireless, telecommunications, financial and other industries. IP Navigation Group LLC ("IP Nav"), a Company founded by Erich Spangenberg and associated with the CyberFone Sellers will continue to support and manage the portfolio of patents and retain a contingent participation interest in all recoveries. IP Nav provides patent monetization and support services under an existing agreement with CyberFone Systems.

Pursuant to the terms of the CyberFone Merger Agreement, CyberFone Systems merged with and into Acquisition Corp with CyberFone Systems surviving the merger as the wholly owned subsidiary of the Company (the "Merger"). The Company (i) issued 461,538 post-split (6,000,000 pre-split) shares of common stock to the CyberFone Sellers (the "Merger Shares"), (ii) paid the CyberFone Sellers \$500,000 cash and (iii) issued a \$500,000 promissory note to TechDev (the "Note"). The Company valued these common shares at the fair market value on the date of grant at \$4.94 post-split (\$0.38 pre-split) per share or \$2,280,000. The Note was non-interest bearing and was due on June 22, 2013, subject to acceleration in the event of default. The Company may prepay the Note at any time without premium or penalty. On June 21, 2013, we paid \$500,000 to TechDev in satisfaction of the note. The transaction resulted in a business combination and caused CyberFone Systems to become a wholly-owned subsidiary of the Company.

In addition to the payments described above, within 30 days following the end of each calendar quarter (commencing with the first full calendar quarter following the calendar quarter in which CyberFone Systems recovers \$4 million from licensing or enforcement activities related to the patents), CyberFone Systems will be required to pay out a certain percentage of such recoveries.

The Company accounted for the acquisition utilizing the purchase method of accounting in accordance with ASC 805 "Business Combinations". The Company is the acquirer for accounting purposes and CyberFone Systems is the acquired

company. Accordingly, the Company applied push-down accounting and adjusted to fair value all of the assets and liabilities directly on the financial statements of the subsidiary.

F-43

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

The net purchase price paid by the Company was allocated to assets acquired and liabilities assumed on the records of the Company as follows:

Intangible assets	\$ 1,135,512
Goodwill	2,144,488
Net purchase price	\$ 3,280,000

Unaudited pro forma results of operations data as if the Company and the subsidiary had occurred are as follows:

	For the nine months ended September 30, 2013	For the nine months ended September 30, 2012
Pro forma revenues	\$ 8,135,479	\$ 7,609,950
Pro forma income (loss) from operations	255,766	(963,396)
Pro forma net income (loss)	480,819	(2,257,312)
Pro forma income (loss) per share	\$ 0.11	\$ (0.83)
Pro forma diluted income (loss) per share	\$ 0.11	\$ (0.83)

Pro forma data does not purport to be indicative of the results that would have been obtained had these events actually occurred and is not intended to be a projection of future results.

NOTE 4 - DISCONTINUED OPERATIONS

During June 2012, the Company decided to discontinue its exploration and potential development of uranium and vanadium minerals business and prior periods have been restated in the Company's consolidated financial statements and related footnotes to conform to this presentation. Additionally, in November 2012, the Company decided to discontinue its real estate business and intends to sell and dispose its remaining real estate holdings during fiscal 2013. The Company is now engaged in the acquisition, development and monetization of intellectual property through both the prosecution and licensing of its own patent portfolio, the acquisition of additional intellectual property or partnering with others to defend and enforce their patent rights.

The remaining assets and liabilities of discontinued operations are presented in the balance sheet under the caption "Assets and Liabilities of discontinued operation" and relates to the discontinued operations of the uranium and vanadium minerals business and real estate business. The carrying amounts of the major classes of these assets and liabilities are summarized as follows:

	September 30, 2013	December 31, 2012
Assets:		
Prepaid expenses – current portion	\$ -	\$ -
Deposits in real estate under contract	-	82,145
Deposit	-	-

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

Real estate held for sale		-	1,035,570
Assets of discontinued operations	\$	-	\$ 1,117,715
Liabilities:			
Accounts payables and accrued expenses	\$	30,664	\$ 30,664
Liabilities of discontinued operations	\$	30,664	\$ 30,664

F-44

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

The following table indicates selected financial data of the Company's discontinued operations of its uranium and vanadium minerals business and real estate business.

	For the Three Months ended September 30, 2013	For the Three Months ended September 30, 2012	For the Nine Months ended September 30, 2013	For the Nine Months ended September 30, 2012
Revenues – real estate	\$ -	\$ -	\$ 1,270,916	\$ -
Cost of sales – real estate	-	-	(1,064,320)	-
Gross profit	-	-	206,596	-
Operating and other non-operating expenses	(23,009)	(96,921)	(111,352)	(1,426,846)
Gain on sale of assets of discontinued operations	168,216	-	168,216	-
Income (loss) from discontinued operations	\$ 145,207	\$ (96,921)	\$ 263,460	\$ (1,426,846)

Deposits

Deposits at September 30, 2013 and December 31, 2012 were \$0 and \$82,145, respectively, which consist of earnest money deposits in connection with real estate properties under contract and were included in assets of discontinued operations – current portion.

Real estate held for sale

Real estate held for sale consisted of residential properties located in Southern California. Real estate held for sale was initially recorded at the lower of cost or estimated fair market value less the estimated cost to sell. After acquisition, costs incurred relating to the development and improvements of property are capitalized to the extent they do not cause the recorded value to exceed the net realizable value, whereas costs relating to holding and disposition of the property are expensed as incurred. After acquisition, real estate held for sale was analyzed periodically for changes in fair values and any subsequent write down is charged to impairment losses on real estate properties. Whenever events or changes in circumstances suggest that the carrying amount may not be recoverable, management assessed the recoverability of its real estate by comparing the carrying amount with its fair value. The process involved in the determination of fair value requires estimates as to future events and market conditions. This estimation process may assume that the Company has the ability to dispose of its real estate properties in the ordinary course of business based on management's present plans and intentions. If management determines that the carrying value of a specific real estate investment is impaired, a write-down is recorded as a charge to current period operations. The evaluation process was based on estimates and assumptions and the ultimate outcome may be different.

The Company determined that the carrying value of the remaining real estate properties do not exceed the net realizable value and thus did not consider it necessary to record any impairment charges of real estate held for sale at September 30, 2013. The Company sold all the remaining real estate properties generating gross profit of \$206,596 during the nine months ended September 30, 2013 and is included in income (loss) from discontinued operations. As

of September 30, 2013 and December 31, 2012, real estate held for sale which includes capitalized improvements amounted to \$0 and \$1,035,570, respectively, and were included in assets of discontinued operations – long term.

F-45

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 5 – INTANGIBLE ASSETS

Intangible assets include patents purchased and are recorded based on their acquisition cost which consisted of the following:

	September 30, 2013 (unaudited)	December 31, 2012	Weighted average amortization period (years)
Patents	\$ 4,086,437	\$ 500,925	3.70
Less: accumulated amortization	(869,430)	(8,773)	
	\$ 3,217,007	\$ 492,152	

Intangible assets are comprised of patents with estimated useful lives between approximately 1 to 11 years. Once placed in service, the Company will amortize the costs of intangible assets over their estimated useful lives on a straight-line basis. Costs incurred to acquire patents, including legal costs, are also capitalized as long-lived assets and amortized on a straight-line basis with the associated patent. Amortization of patents is included in operating expenses as reflected in the accompanying consolidated statements of operations. The Company assesses fair market value for any impairment to the carrying values. As of September 30, 2013 and December 31, 2012 management concluded that there was no impairment to the acquired assets.

Amortization expense for the nine months ended September 30, 2013 and 2012 was \$860,657 and \$0, respectively. Future amortization of intangible assets, net is as follows:

2013	\$ 345,327
2014	991,734
2015	756,690
2016	484,978
2017 and thereafter	638,278
Total	\$ 3,217,007

On April 16, 2013, the Company through its subsidiary, Relay IP, Inc. acquired a US patent for \$350,000.

On April 22, 2013, the Company acquired 10 US patents, 27 foreign patents and 1 patent pending from CyberFone Systems valued at \$1,135,512 (see note 3). In September 2013, the Company acquired 14 US patents for a purchase price of \$1,100,000.

In connection with a settlement and license agreement dated May 6, 2013, the Company agreed to settle and release a certain customer for past and future use of the Company's patents. The customer agreed to assign and transfer 3 US patents and rights valued at \$1,000,000 in lieu of cash payment which has been included in the Company's revenues during the nine months ended September 30, 2013.

NOTE 6 - STOCKHOLDERS' EQUITY

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

On December 7, 2011, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of the State of Nevada in order to increase the Company's authorized capital to 200,000,000 shares of common stock from 75,000,000 shares, change the par value to \$0.0001 per share from \$.001 per share, and authorized new 50,000,000 shares of preferred stock, par value \$0.0001 per share.

F-46

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

On June 24, 2013, the reverse stock split ratio of one (1) for thirteen (13) basis was approved by the Board of Directors. On July 18, 2013, the Company filed a certificate of amendment to its Amended and Restated Articles of Incorporation with the Secretary of State of the State of Nevada in order to effectuate a reverse stock split of the Company's issued and outstanding common stock, par value \$0.0001 per share on a one (1) for thirteen (13) basis. All share and per share values for all periods presented in the accompanying consolidated financial statements are retroactively restated for the effect of the reverse stock split.

Common Stock

In April 2013, the Company sold an aggregate of 2,404 post-split (31,250 pre-split) units with gross proceeds to the Company of \$25,000 to a certain accredited investor pursuant to a subscription agreement. Each unit was sold for a purchase price of \$10.40 post-split (\$0.80 pre-split) per unit and consists of: (i) two shares of the Company's common stock (4,808 post-split common stock) and (ii) a five-year warrant to purchase an additional share of common stock (2,404 post split warrants) at an exercise price of \$7.80 post-split (\$0.60 pre-split) per share, subject to adjustment upon the occurrence of certain events such as stock splits and dividends. The warrants may be exercised on a cashless basis.

On April 17, 2013, the Company executed a consulting agreement with a consultant pursuant to a 12 month consulting agreement for business advisory services. Pursuant to the terms of the agreement, the consultant shall receive a retainer of \$5,000 per month. Additionally, the Company shall issue to the consultant 30,769 post-split (400,000 pre-split) shares of common stock of which 7,692 post-split (100,000 pre-split) shares vest immediately and the remaining 23,077 post-split (300,000 pre-split) shares will vest over a 12 month period. In June 2013, the Company issued 11,538 shares for services rendered and valued these common shares at the fair market value on the date of grant at approximately \$5.03 per share or \$58,000. In third quarter of 2013, the Company issued an aggregate of 5,769 shares of common stock in connection with this consulting agreement. The Company valued the shares at the fair market value on the date of grant at approximately \$6.00 per share or \$34,480.

On May 31, 2013, the Company sold an aggregate of 999,998 post-split (13,000,000 pre-split) units (the "Units") representing gross proceeds to the Company of \$5,200,000 to certain accredited investors (the "Investors") pursuant to a securities purchase agreement (the "Securities Purchase Agreement").

Each Unit was subscribed for a purchase price of \$5.20 post-split (\$0.40 pre-split) per Unit and consists of: (i) one share (the "Shares") of the Company's common stock (999,998 post-split common stock) and (ii) a three (3) year warrant (the "Warrants") to purchase half a share of the common stock (499,999 post-split warrants) at an exercise price of \$6.50 post-split (\$0.50 pre-split) per share, subject to adjustment upon the occurrence of certain events such as stock splits and stock dividends and similar events. The Company paid placement agent fees of \$170,000 to two broker-dealers in connection with the sale of the units, of which \$30,000 was previously paid by the Company as a retainer.

The Warrants may be exercised on a cashless basis at any time that the registration statement to be filed pursuant to the Registration Rights Agreement is not effective after the Effectiveness Date (as defined below). The Warrants contains limitations on the holder's ability to exercise the Warrant in the event such exercise causes the holder to beneficially own in excess of 9.99% of the Company's issued and outstanding Common Stock.

F-47

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Pursuant to a Registration Rights Agreement with the Investors, the Company has agreed to file a “resale” registration statement with the Securities and Exchange Commission (“SEC”) covering the Shares and the Common Stock underlying the Warrants within 45 days of the final closing date of the sale of Units (the “Filing Date”) and to maintain the effectiveness of such registration statement. The Company has agreed to use its best efforts to have the initial registration statement declared effective within 120 days of the Filing Date (or within 135 days of the Filing Date in the event that the registration statement is subject to full review by the SEC) (the “Effectiveness Date”). If (i) a registration statement is (A) not filed with the SEC on or before the Filing Date or (B) not declared effective by the SEC on or before the Effectiveness Date, (ii) other than during an allowable grace period, sales cannot be made pursuant to the registration statement or the prospectus contained therein is not available for use for any reason, or (iii) the Company fails to file with the SEC any required reports under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, then, the Company shall pay to the Investors an amount in cash equal to one percent (1%) of such Investor’s purchase price every thirty (30) days. Notwithstanding the foregoing, however, the Company shall not be obligated to pay any such liquidated damages if the Company is unable to fulfill its registration obligations as a result of rules, regulations, positions or releases issued or actions taken by the SEC pursuant to its authority with respect to “Rule 415”, provided the Company registers at such time the maximum number of shares of common stock permissible upon consultation with the staff of the SEC.

In connection with the acquisition of CyberFone Systems, the Company (i) issued 461,538 post-split (6,000,000 pre-split) shares of common stock to the CyberFone Sellers (see Note 3). The Company valued these common shares at the fair market value on the date of grant at \$4.94 post-split (\$0.38 pre-split) per share or \$2,280,000.

On May 22, 2013, the Company executed a one-year consulting agreement with a consultant for business advisory and capital restructuring services. The Company granted 23,077 post-split shares of common stock in connection with this consulting agreement and was valued at fair market value on the date of grant at approximately \$5.85 post-split per share. In connection with the issuance of these common shares, the Company recorded stock-based consulting expense of \$45,000 and prepaid expense of \$90,000 at September 30, 2013 to be amortized over the remaining consulting agreement term.

On June 11, 2013, the Company granted an aggregate of 96,154 post-split (1,250,000 pre-split) shares of common stock to the Company’s CFO and a director of the Company and which were valued at fair market value on the date of grant at approximately \$5.27 post-split (\$0.41 pre-split) per share. Such shares vested immediately on the date of issuance. Additionally, during the nine months ended September 30, 2013, the Company recorded stock-based compensation expense of \$506,250 in connection with the vested restricted stock grants.

On June 28, 2013, the Company executed a one-year consulting agreements with two consultants for investor communications and public relation services. The Company granted an aggregate of 67,308 post-split (875,000 pre-split) shares of common stock in connection with these consulting agreements and was valued at fair market value on the date of grant at approximately \$4.55 post-split per share. In connection with the issuance of these common shares, the Company recorded stock-based consulting expense of \$76,564 and prepaid expense of \$229,692 at September 30, 2013 to be amortized over the remaining consulting agreement term.

On July 25, 2013, the Company granted 4,380 shares of common stock for legal services rendered. In connection with this transaction, the Company valued the shares at the fair market value on the date of grant at \$6.85 per share or

\$30,000.

On July 29, 2013, the Company converted legal fees of \$29,620 into 5,696 units of securities. Each unit was subscribed for a purchase price of \$5.20 post-split (\$0.40 pre-split) per unit and consists of: (i) one share of the Company's common stock (5,696 post-split common stock) and (ii) a three (3) year warrant to purchase half a share of the common stock (2,848 post-split warrants) at an exercise price of \$6.50 post-split (\$0.50 pre-split) per share, subject to adjustment upon the occurrence of certain events such as stock splits and stock dividends and similar events.

F-48

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

In August 2013, the Company sold an aggregate of 153,846 post-split (2,000,000 pre-split) units representing gross proceeds to the Company of \$800,000 to certain accredited investors pursuant to a securities purchase agreement. Each unit was subscribed for a purchase price of \$5.20 post-split (\$0.40 pre-split) per unit and consists of: (i) one share of the Company's common stock (153,846 post-split common stock) and (ii) a three (3) year warrant to purchase half a share of the common stock (76,923 post-split warrants) at an exercise price of \$6.50 post-split (\$0.50 pre-split) per share, subject to adjustment upon the occurrence of certain events such as stock splits and stock dividends and similar events. Additionally, the Company paid placement agent fees of \$35,029 and legal fees of \$42,375 in connection with the sale of units.

Common Stock Warrants

During the nine months ended September 30, 2013, 73,077 post-split (950,000 pre-split) warrants were forfeited in accordance with the termination of employee and consultant relationships. During the nine months ended September 30, 2013, the Company recorded stock based compensation expense of \$94,930 in connection with vested warrants. At September 30, 2013, there was a total of \$121,954 of unrecognized compensation expense related to this non-vested warrant-based compensation arrangements.

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

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at December 31, 2012	199,162	\$7.02	6.52
Granted	582,175	6.50	3.00
Cancelled	-	-	-
Forfeited	(73,077)	6.50	8.92
Exercised	-	-	-
Balance at September 30, 2013	708,260	\$6.65	4.40
Warrants exercisable at September 30, 2013	680,055	\$6.67	
Weighted average fair value of warrants granted during the period ended		\$6.50	

Common Stock Option

On November 14, 2012, the Company entered into an employment agreement with Doug Croxall (the "Croxall Employment Agreement"), whereby Mr. Croxall agreed to serve as Company's Chief Executive Officer for a period of two years. Mr. Croxall received a ten year option award to purchase an aggregate of 153,846 post-split (2,000,000 pre-split) shares of the Company's common stock with an exercise price of \$6.50 post-split (\$0.50 pre-split) per share, subject to adjustment, which shall vest in 24 equal monthly installments on each monthly anniversary of the date of the Croxall Employment Agreement. The options were valued on the grant date at approximately \$6.24 post-split

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

(\$0.48 pre-split) per option or a total of \$968,600 using a Black-Scholes option pricing model with the following assumptions: stock price of \$6.50 post-split (\$0.50 pre-split) per share (based on the recent selling price of the Company's common stock at private placements), volatility of 192%, expected term of 5 years, and a risk free interest rate of 0.61%.

F-49

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

On January 28, 2013, the Company entered into an employment agreement with John Stetson, the Company's Chief Financial Officer and Secretary (the "Stetson Employment Agreement") whereby Mr. Stetson agreed to serve as the Company's Chief Financial Officer for a period of one year, subject to renewal. Mr. Stetson shall receive a ten year option award to purchase an aggregate of 38,462 post-split (500,000 pre-split) shares of the Company's common stock with an exercise price of \$6.50 post-split (\$0.50 pre-split) per share, subject to adjustment, which shall vest in three (3) equal annual installments on the beginning on the first annual anniversary of the date of the Stetson Employment Agreement, provided Mr. Stetson is still employed by the Company.

On March 1, 2013, Mr. Nathaniel Bradley was appointed as the Company's Chief Technology Officer and President of IP Services. Pursuant to the Employment Agreement between the Company and Mr. Bradley dated March 1, 2013 ("Bradley Employment Agreement"). Mr. Bradley was awarded five (5) year stock options to purchase an aggregate of 76,923 post-split (1,000,000 pre-split) shares of the Company's common stock, with a strike price based on the closing price of the Company's common stock on March 1, 2013 as reported by the OTC Bulletin Board or an exercise price of \$11.05 post-split (\$0.85 pre-split) per share, vesting in twenty-four (24) equal installments on each monthly anniversary of March 1, 2013, provided Mr. Bradley is still employed by the Company on each such date. On June 19, 2013, the Board of Directors accepted resignation of Mr. Nathaniel Bradley from his position of Chief Technology Officer and President of IP Services with the Company. In connection with his resignation, Mr. Bradley entered into a Separation and Release Agreement with the Company, pursuant to which, Mr. Bradley is entitled to 9,615 post-split (125,000 pre-split) options previously granted to him under his employment agreement which have vested and 67,308 post-split (875,000 pre-split) options have been cancelled.

On March 1, 2013, Mr. James Crawford was appointed as the Company's Chief Operating Officer. Pursuant to the Employment Agreement between the Company and Mr. Crawford dated March 1, 2013 ("Crawford Employment Agreement"), Mr. Crawford shall serve as the Company's Chief Operating Officer for two (2) years. Mr. Crawford was awarded five (5) year stock options to purchase an aggregate of 38,462 post-split (500,000 pre-split) shares of the Company's common stock, with a strike price based on the closing price of the Company's common stock on March 1, 2013 as reported by the OTC Bulletin Board or an exercise price of \$11.05 post-split (\$0.85 pre-split) per share, vesting in twenty-four (24) equal installments on each monthly anniversary of March 1, 2013, provided Mr. Crawford is still employed by the Company on each such date. On June 19, 2013, the Company granted 38,462 post-split (500,000 pre-split) options to Mr. Crawford. The stock options granted have an exercise price equal to the fair market value per share on the option grant date, which was \$4.94 post-split (\$0.38 pre-split) per share. The options issued to Mr. Crawford are conditioned upon the cancellation of the stock options granted to him on March 1, 2013 under his employment agreement with the Company and will vest in twenty-four (24) equal installments on each monthly anniversary of the date of grant.

Pursuant to the Independent Director Agreement between the Company and each of Mr. Nard and Mr. Rosellini dated March 8, 2013, each director was granted five (5) year stock options to purchase an aggregate of 7,692 post-split (100,000 pre-split) shares of the Company's common stock, with a strike price based on the closing price of the Company's common stock on March 8, 2013 as reported by the OTC Bulletin Board or an exercise price of \$6.50 post-split (\$0.50 pre-split) per share. The options shall vest as follows: 33% the first anniversary hereof; 33% on the second anniversary and 34% on the third anniversary, and shall be subject to the Company's stock plan as in effect from time to time, including any clawback and termination provisions therein. The option agreements shall provide for cashless exercise features. Such agreement shall be terminated upon resignation or removal of Mr. Nard and Mr.

Rosellini as members of Board of Directors.

On June 11, 2013, the Company granted an aggregate of 176,923 post-split (2,300,000 pre-split) 5-year options to purchase shares of common stock exercisable at \$5.33 post-split (\$0.41 pre-split) per share to the Chief Executive Officer and two directors of the Company. The stock options shall vest pro rata monthly over the following 24-month period.

F-50

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

On June 11, 2013, the Company granted 15,385 post-split (200,000 pre-split) 5-year options to purchase shares of common stock exercisable at \$5.33 post-split (\$0.41 pre-split) per share to a consultant for legal services. The stock options shall vest pro rata monthly over the following 24-month period.

On June 19, 2013, the Company granted an aggregate of 23,077 post-split (300,000 pre-split) 5-year options to purchase shares of common stock exercisable at \$4.94 post-split (\$0.38 pre-split) per share to two employees of the Company. The options shall vest as follows: 33% the first anniversary hereof; 33% on the second anniversary and 34% on the third anniversary.

On July 25, 2013, the Company granted an aggregate of 67,307 five-year options to purchase shares of common stock to four consultants who are employees of IP Nav. Such options shall vest 33% on the first year anniversary, 33% on the second year anniversary and 34% on the third year anniversary. The exercise price was based on the \$6.85 closing price of the Company's common stock on the date of grant. In October 2013, 9,615 of these options were forfeited in accordance with the termination of consultant relationships.

On August 19, 2013, the Company granted an aggregate of 303,846 five-year options to purchase shares of common stock to two consultants who are employees of IP Nav. Such options shall vest 33% on the first year anniversary, 33% on the second year anniversary and 34% on the third year anniversary. The exercise price was based on the \$5.85 closing price of the Company's common stock on the date of grant.

The 794,230 post-split options granted during the nine months ended September 30, 2013 were valued on the grant date at ranging from approximately \$2.86 to \$7.41 post-split (\$0.22 to \$0.57 pre-split) per option or a total of \$1,823,353 using the Black-Scholes option pricing model used for this valuation had the following assumptions: stock price ranging from \$4.94 to \$11.05 post-split (\$0.38 to \$0.85 pre-split) per share, volatility of ranging from 99% to 108%, expected term of ranging from approximately 2.5 to 5 years, and a risk free interest rate ranging from 0.31% to 0.89%.

For the nine months ended September 30, 2013 the Company recorded stock-based compensation expense of \$682,716 and stock-based legal fees of \$6,708. At September 30, 2013, there was a total of \$1,197,835 of unrecognized compensation expense related to these non-vested option-based compensation arrangements discussed above.

A summary of the stock options as of September 30, 2013 and changes during the period are presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at December 31, 2012	153,846	6.50	9.87
Granted	794,230	5.05	4.03
Exercised	-	-	-
Forfeited	-	-	-

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

Cancelled	(105,769)	11.05	4.70
Balance outstanding at September 30, 2013	842,307	\$ 4.91	5.46
Options exercisable at September 30, 2013	102,564	\$ 6.56	
Options expected to vest	739,743		
Weighted average fair value of options granted during the period		\$ 3.54	

F-51

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Stock options outstanding at September 30, 2013 as disclosed in the above table have \$15,385 intrinsic value at the end of the period.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Mining Lease Agreements

In November 2011, the Company, through its wholly owned subsidiary, Amicor, entered into several mining lease agreements with certain officers of Amicor and affiliated companies owned by the officers of Amicor (collectively the “Lessors”). Such mining lease agreements granted and leased to the Company mineral properties located in the County of San Juan, Utah, County of Montrose, Colorado and County of San Miguel, Colorado. The term of the mining lease agreements was for the period of 20 years. The Company was required to pay the annual Federal Bureau of Land Management maintenance fees and other fees required to hold the mineral properties. On June 11, 2012, the Company terminated the leases in connection with the Rescission Agreement (see Note 1).

In December 2011, the Company, entered into a Lease Assignment and Acceptance Agreement with an affiliated company owned by the former officers of Amicor whereby the affiliated company agreed to assign its mineral rights and interests to the Company under a Surface and Mineral Lease Agreement dated in October 2011 with J.H. Ranch, Inc. located in San Juan County, Utah. The Company agreed to perform all of the affiliated company’s obligation under the Surface and Mineral Lease Agreement, including the payment of all lease payments, annual rents, advanced royalties, production royalties and other compensation as defined in the agreement. The term of this agreement was 20 years. In July 2013, the Company assigned its rights and interest in this lease agreement to an unrelated company. In consideration for the assignment, the unrelated company issued 1,293,967 of its shares to the Company (see Note 8).

In June 2012, the Company decided to discontinue its exploration stage gold and minerals business and currently does not hold any unpatented mining claims.

NOTE 8 – MARKETABLE SECURITIES

Marketable securities at September 30, 2013 consisted of the following:

	Cost	Gross Unrealized Gains/(losses) (Comprehensive Income)	Gross Realized Gains/(losses) (Statement of Operations)	Fair Value
Publicly traded equity securities – available for sale	\$ 12,500	(6,250)	(38,819)	\$ 6,250

Available for sale securities are carried at fair value. Unrealized gains or losses on marketable securities - available for sale are recognized on a periodic basis as an element of comprehensive income based on changes in the fair value of the security. Once liquidated, realized gains or losses on the sale of marketable securities available for sale will be reflected in the Company’s net loss for the period in which the security are liquidated. At the end of each period, the

Company evaluates the carrying value of the marketable securities for a decrease in value. The Company evaluates the company underlying these marketable securities to determine whether a decline in fair value below the amortized cost basis is other than temporary. If the decline in fair value is judged to be “other- than- temporary”, the cost basis of the individual security shall be written down to fair value as a new cost basis and the amount of the write-down is charged to earnings.

F-52

MARATHON PATENT GROUP, INC.
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

The Company has recorded unrealized loss of \$6,250 as an element of comprehensive income during the nine months ended September 30, 2013.

In July 2013, the Company assigned its rights and interest in a mining lease agreement to an unrelated company. In consideration for the assignment of lease agreement, the unrelated company issued 1,293,967 of its shares (the “Unrelated Company Shares”) to the Company. At the time of issuance, the Company valued the Unrelated Company Shares and recorded the cost of investment at the fair market value (based on the sale of its shares in a private placement) of the shares at \$0.13 per share or \$168,216 and was recorded as a gain from sale of assets of discontinued operations (see Note 4) during the nine months ended September 30, 2013. In September 2013, the Company sold the Unrelated Company Shares and generated proceeds of \$129,397. The decrease in fair value of \$38,819 has been recorded as realized loss in the statement of operations for the nine months ended September 30, 2013.

NOTE 9 – SUBSEQUENT EVENTS

In October 2013, the Company acquired 4 US patents in consideration for 150,000 restricted shares of the Company’s common stock. The restricted shares shall be subject to forfeiture rights for the benefit of the Company in the event no enforcement action is effected by the lapse of the enforcement period as defined in the patent purchase agreement. In connection with this transaction, the Company valued the shares at the fair market value on the date of grant at \$4.79 per share or \$718,500.

On November 4, 2013, the Company reported that Vantage Point Technology, Inc. (“Vantage Point”), a wholly-owned subsidiary of the Company, had filed patent infringement lawsuits against Samsung Electronics America, Microsoft Corporation and 20 other defendants in the United States District Court for the Eastern District of Texas. Vantage Point is asserting infringement related to U.S. Patent number 5,463,750, owned by Vantage Point, entitled “Method and Apparatus for Translating Virtual Addresses in a Data Processing System Having Multiple Instruction Pipelines and Separate Translation Lookaside Buffers for each Pipeline.”

On November 11, 2013, we entered into a three year consulting agreement with Kairix Analytics, Ltd. (“Kairix”) (the “Kairix Agreement”), pursuant to which we agreed to grant to Kairix an option to purchase 300,000 shares of the Company’s common stock at an exercise price of \$5.70 per share, reflecting the closing price of the Company’s common stock on the date of grant. The option has a term of five (5) years and vests 33% on each of the first and second anniversaries and 34% on the third anniversary of the Kairix Agreement. The Company has valued the option at \$984,447 using the Black-Scholes option pricing model with the following assumptions: an expected life of two and one-half years; volatility of 100% and a risk-free interest rate of 0.65%. In addition, Kairix will be entitled to receive either 2% or 5% of the net revenue derived from the enforcement of patents by either the Company or its subsidiaries and resulting from work performed by Kairix on behalf of the Company, with the percentage applied to be based on the contribution made to the generation of the revenue by Kairix, as further described in the Kairix Agreement. Mr. Craig Nard, one of the principals of Kairix, is a member of our Board of Directors.

On November 12, 2013, the Company received, in cash, the amount of \$25,000 for payment in-full of a subscription for the purchase of 4,808 shares of the Company’s common stock and subsequently issued the shares to the investor.

On November 12, 2013, the Company reported that Sampo IP, LLC (“Sampo”), a wholly-owned subsidiary of the Company, had filed a patent infringement lawsuit against Blackboard and Salesforce.com, civil action case number 2:13CV601, in the United States District Court for the Eastern District of Virginia. Sampo is asserting infringement related to U.S. Patent numbers 6,772,229, 6,161,149 and 8,015,495, each entitled Centrifugal Communication and Collaboration Method.

On November 13, 2013, we entered into a consulting agreement with Jeff Feinberg (the “Feinberg Agreement”), pursuant to which we agreed to grant Mr. Feinberg a restricted stock unit (“RSU”) for 100,000 shares of our restricted common stock. The RSU vests in two installments: 50% on the one-year anniversary of the Feinberg Agreement (the “First Vesting”) and the remaining 50% on the second year anniversary of the Feinberg Agreement (the “Second Vesting”). The shares of common stock will be issued upon Mr. Feinberg’s meeting each of the two vesting requirements. During the first six months, the Feinberg Agreement can be terminated without any vesting under certain circumstances described in the Feinberg Agreement. If the Feinberg Agreement is terminated following the First Vesting but prior to the Second Vesting, the RSU is subject to acceleration of the Second Vesting under certain circumstances also described in the Feinberg Agreement. Mr. Feinberg is the trustee of The Feinberg Family Trust and holds voting and dispositive power over the shares held by The Feinberg Family Trust, which is a 10% beneficial owner of our common stock.

On November 18, 2013, we entered into Amendment No. 1 to the Executive Employment Agreement with our Chief Executive Officer and Chairman, Doug Croxall. As part of Amendment No. 1, we granted Mr. Croxall ten (10) year stock options to purchase an aggregate of 100,000 shares of our common stock, with an exercise price of \$5.93 per share (reflecting the closing price of our common stock on the date of grant) and vesting in twenty-four (24) equal installments on each monthly anniversary date of the grant. The Company has valued the option grant at \$442,692 using the Black-Scholes option pricing model with the following assumptions: an expected life of five years; volatility of 100%; and a risk-free rate of 1.33%.

On November 18, 2013, we entered into a two year Executive Employment Agreement with Richard Raisig (the "Raisig Agreement"), pursuant to which Mr. Raisig shall serve as our Chief Financial Officer, effective December 3, 2013. As part of the Raisig Agreement, we agreed to issue Mr. Raisig ten (10) year stock options to purchase an aggregate of 115,000 shares of common stock, with an exercise price of \$5.70 per share, vesting in twenty-four (24) equal installments on each monthly anniversary of the date of the Raisig Agreement, provided Mr. Raisig is still employed by us on each such date. We have valued the options at \$511,036 using the Black-Scholes option pricing model with the following assumptions: market price on the date of grant of \$5.90; an expected life of five years; volatility of 101%; and a risk-free rate of 1.40%.

On November 26, 2013, the Company reported that Vantage Point Technology Inc. ("Vantage Point"), a wholly-owned subsidiary of the Company, had filed patent infringement lawsuits against Apple, LSI Corporation, MediaTek USA, Panasonic Corporation of North America and Sharp Electronics in the United States District Court for the Eastern District of Texas. Vantage Point is asserting infringement related to U.S. Patent number 5,463,750 entitled "Method and Apparatus for Translating Virtual Addresses in a Data Processing System Having Multiple Instruction Pipelines and Separate Translation Lookaside Buffers for each Pipeline."

On December 16, 2013, we closed a transaction whereby we acquired certain patents from Delphi Technologies, Inc. in an all-cash transaction pursuant to a Patent Purchase Agreement entered into on October 31, 2013 and Amended on December 16, 2013.

MARATHON PATENT GROUP, INC.

Units, Each Consisting of

Shares of Common Stock

Prospectus

, 2014

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

We are paying all of the expenses related to this offering. The fees and expenses payable by us in connection with this Registration Statement are estimated as follows:

Securities and Exchange Commission Registration Fee	\$772.80
Accounting Fees and Expenses	5,000.00
Legal Fees and Expenses	50,000.00
Miscellaneous Fees and Expenses	0.00
Total	\$55,772.80

Item 14. Indemnification of Directors and Officers.

Neither our articles of incorporation nor bylaws prevent us from indemnifying our officers, directors and agents to the extent permitted under the Nevada Revised Statute (“NRS”). NRS Section 78.7502, provides that a corporation may indemnify any director, officer, employee or agent of a corporation against expenses, including attorneys’ fees, actually and reasonably incurred by him in connection with any defense to the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to Section 78.7502(1) or 78.7502(2), or in defense of any claim, issue or matter therein.

NRS 78.7502(1) provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys’ fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he: (a) is not liable pursuant to NRS 78.138; or (b) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

NRS Section 78.7502(2) provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and attorneys’ fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he: (a) is not liable pursuant to NRS 78.138; or (b) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals there from, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

II-1

NRS Section 78.747 provides that except as otherwise provided by specific statute, no director or officer of a corporation is individually liable for a debt or liability of the corporation, unless the director or officer acts as the alter ego of the corporation. The court as a matter of law must determine the question of whether a director or officer acts as the alter ego of a corporation.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed hereby in the Securities Act and we will be governed by the final adjudication of such issue.

Item 15. Recent Sales of Unregistered Securities.

We completed an offering of 230,769 shares of our common stock at a price of \$0.039 per share to 10 purchasers on July 5, 2010. The total amount received from this offering was \$9,000. We completed this offering pursuant to Regulation S of the Securities Act.

We completed an offering of 196,154 shares of our common stock at a price of \$0.065 per share to ten purchasers in September, 2010. The total amount received from this offering was \$12,750. We completed this offering pursuant to Regulation S of the Securities Act.

On January 26, 2012, we entered into a Share Exchange Agreement (the "Amicor Exchange Agreement") with Amicor and the shareholders of Amicor (the "Amicor Shareholders"). Upon closing of the transaction contemplated under the Amicor Exchange Agreement (the "Amicor Share Exchange"), on January 26, 2012, the Amicor Shareholders (nine persons) transferred all of the issued and outstanding capital stock of Amicor to us in exchange for an aggregate of 769,231 shares of our Common Stock. Such exchange caused Amicor to become our wholly-owned subsidiary. Additionally, as further consideration for entering into the Amicor Exchange Agreement, certain Amicor Shareholders received ten-year warrants to purchase an aggregate of 461,538 shares of our Common Stock with an exercise price of \$6.50 per share (the "Amicor Share Exchange Warrants"). The Amicor Share Exchange Warrants are exercisable on a cashless basis after twelve months in the absence of an effective registration statement covering the resale of the shares of Common Stock underlying the Amicor Share Exchange Warrants. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On January 26, 2012, contemporaneously with the Amicor Exchange Agreement, we also entered the Option Agreement with Pershing Gold Corporation, a Nevada corporation ("Pershing"), pursuant to which we obtained the option (the "Pershing Option") to acquire certain uranium exploration rights and properties held by Pershing (the "Pershing Properties"). In consideration for issuance of the Pershing Option, we issued to Pershing (i) a \$1,000,000 promissory note payable in installments upon satisfaction of certain conditions (the "Pershing Note"), expiring six months following issuance and (ii) 769,230 shares of our Common Stock. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of

Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On January 26, 2012, we entered into agreements with certain consultants, pursuant to which such consultants will provide services to us in consideration for which we issued the consultants warrants to purchase an aggregate of 269,231 shares of our common stock with an exercise price of \$6.50 per share (“Consulting Warrants”). The Consulting Warrants have a term of ten years and are exercisable on a cashless basis after twelve months if the shares of Common Stock underlying the Consulting Warrants are not registered with the Securities and Exchange Commission. We also issued a ten-year to purchase an aggregate of 23,077 shares of Common Stock with an exercise price of \$6.50 per share to another outside consultant which vests in three equal annual installments with the first installment vesting one year from the date of issuance (the “Additional Consulting Warrant”). The Additional Consulting Warrant is exercisable on a cashless basis after twelve months if the shares of Common Stock underlying the Additional Consulting Warrants are not registered with the Securities and Exchange Commission. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

II-2

Following the closing of the Amicor Share Exchange, we issued warrants to purchase an aggregate of 207,692 shares at an exercise price of \$6.50 per share to Stuart Smith, David Rector, Joshua Bleak and George Glasier in consideration for their services as directors of the Company (“Director Warrants”). The Director Warrants have a term of ten years and are exercisable on a cashless basis after twelve months if the shares of common stock underlying the Director Warrants are not registered with the Securities and Exchange Commission. The Director Warrants issued to Stuart Smith, David Rector and Joshua Bleak vest in three equal installments over a period of three years with the first installment becoming exercisable one year from the original date of issuance of the Director Warrants. The Director Warrants issued to George Glasier are immediately exercisable. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On January 26, 2012, we entered into subscription agreements with certain investors whereby we sold an aggregate of 771,533 shares of our common stock at a per share price of \$6.50 per share with gross proceeds of \$5,014,965, which includes an aggregate of \$100,000 advanced to Amicor for general working capital purposes prior to the closing of the Amicor Share Exchange which was converted into an aggregate of 15,385 shares of Common Stock in the private placement and an aggregate of \$75,000 in debt owed by Amicor which was converted into an aggregate 11,538 shares of common stock in the private placement. On January 30, 2012, we sold an additional 46,154 shares of common stock in the Private Placement with gross proceeds to us of \$300,000. The above referenced securities were offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act and corresponding provisions of state securities laws.

On February 13, 2012 and February 14, 2012, we entered into subscription agreements with certain investors whereby we sold an aggregate of 66,154 shares of our common stock at a price of \$6.50 per share with gross proceeds of \$430,000. We used the proceeds as payment towards the outstanding principal balance of the promissory note issued to Pershing on January 26, 2012 in the principal amount of \$1,000,000. The above referenced securities were offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act and corresponding provisions of state securities laws.

In March 2012, we issued a total of 299,145 shares of common stock, including 89,744 shares of common stock issued to George Glasier, our former President and Chief Executive Officer, in connection with a cashless exercise of outstanding warrants originally issued on January 26, 2012. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On March 12, 2012 and March 22, 2012, we entered into subscription agreements with certain investors whereby we sold an aggregate of 33,846 shares of our common stock at a price of \$6.50 per share with gross proceeds of \$220,000. The above referenced securities were offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act and corresponding provisions of state securities laws.

Between July 17, 2012 and August 27, 2012, we issued 46,611 shares of common stock as a result of the cashless exercise of outstanding warrants. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On November 14, 2012, we entered into a Share Exchange Agreement with Sampo and the members of Sampo. Upon closing of the transaction contemplated under the Exchange Agreement, on November 14, 2012, the Sampo Members (six members) transferred all of the issued and outstanding membership interests of Sampo to us in exchange for an aggregate of 711,538 shares of our Common Stock. Such exchange caused Sampo to become our wholly-owned subsidiary. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On November 14, 2012, under the terms of the employment agreement with Doug Croxall, our Chief Executive Officer and Chairman, we issued to Mr. Croxall a ten year option award to purchase an aggregate of 153,846 shares of the Company's common stock with an exercise price of \$6.50 per share, which shall vest in twenty-four (24) equal monthly installments on each monthly anniversary of the date of the employment agreement. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On November 14, 2012, we issued 76,923 shares of our common stock to C&H Capital, Inc. ("C&H") pursuant to a consulting agreement with C&H. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

From December 2012 through March 2013, we sold an aggregate of 86,181 units with gross proceeds of \$896,287.20 to certain accredited investors pursuant to a subscription agreement. Each unit was sold for a purchase price of \$10.4 per unit and consists of: (i) two shares of our Common Stock and (ii) a five-year warrant to purchase an additional share of Common Stock at an exercise price of \$7.80 per share, subject to adjustment upon the occurrence of certain events such as stock splits and dividends. The sale of units includes the conversion of unpaid salaries and certain outstanding amounts for unpaid fees and expenses into units at the per unit offering price totaling \$123,287. The warrants may be exercised on a cashless basis. We paid placement agent fees of \$5,000 in cash to a broker-dealer in connection with the sale of the units. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On January 28, 2013, we issued to our Chief Financial Officer and Secretary, Mr. John Stetson a ten (10) year option to purchase an aggregate of 38,462 shares of our common stock with an exercise price of \$6.50 per share, subject to adjustment, which shall vest in three (3) equal annual installments on the beginning on the first annual anniversary of the date of his employment agreement. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On March 1, 2013, we issued to our then Chief Technology Officer, Mr. Nathaniel Bradley, and Chief Operating Officer, Mr. James Crawford, five (5) year stock options to purchase an aggregate of 115,385 shares of our common stock with an exercise price of the options is \$11.05 which shall vest in twenty-four (24) equal installments on each monthly anniversary of March 1, 2013. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

Edgar Filing: Marathon Patent Group, Inc. - Form S-1

On March 8, 2013, we issued to our directors, Mr. Craig Nard and Mr. William Rosellini, five (5) year stock options to purchase an aggregate of 15,385 shares of common stock pursuant to the terms of their independent director agreements. The exercise price of the options is \$6.50 per share and shall vest as follows: 33% the first anniversary hereof; 33% on the second anniversary and 34% on the third anniversary. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

II-4

On April 22, 2013, CyberFone Acquisition Corp., entered into the CyberFone Merger Agreement with CyberFone Systems, TechDev and Spangenberg Foundation. Pursuant to the terms of the Merger Agreement, CyberFone Systems merged with and into CyberFone Acquisition Corp with CyberFone Systems surviving the merger as our wholly owned subsidiary. We (i) issued 461,538 shares of common stock to the CyberFone Sellers (the “CyberFone Merger Shares”), (ii) paid the CyberFone Sellers \$500,000 cash and (iii) issued a \$500,000 promissory note to TechDev (the “TechDev Note”). The TechDev Note is non-interest bearing and becomes due June 22, 2013, subject to acceleration in the event of default. We may prepay the TechDev Note at any time without premium or penalty. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On May 31, 2013, we sold an aggregate of 1,153,844 units representing gross proceeds of \$6,000,000 to certain accredited investors pursuant to a securities purchase agreement, among which, 999,998 units representing \$5,200,000 were funded. Each unit was subscribed for a purchase price of \$5.20 per unit and consists of: (i) one share of our common stock, and (ii) a three (3) year warrant to purchase one half share of our common stock at an exercise price of \$6.50 per share, subject to adjustment upon the occurrence of certain events such as stock splits and stock dividends and similar events. The warrants contain limitations on the holders’ ability to exercise the warrants in the event such exercise causes the holder to beneficially own in excess of 9.99% of our issued and outstanding common stock. The Company paid placement agent fees of \$170,000 to two broker-dealers in connection with the sale of the units of which \$30,000 was previously paid by us as a retainer. On July 29, 2013, we converted legal fees of \$29,620 into 5,696 units. In July 2013, two investors who had subscribed for an aggregate of 153,846 units for an aggregate purchase price of \$800,000 assigned their subscriptions to other investors. The investors each funded their subscriptions and such units were issued in August 2013. The above referenced securities were offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act and corresponding provisions of state securities laws.

On June 11, 2013, we granted options to purchase 15,385 shares of common stock exercisable at \$5.33 post-split per share to a consultant for legal services. The options shall vest pro rata monthly over the following 24 month period. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On June 11, 2013, we issued options to purchase 176,923 shares of common stock and 96,154 shares of restricted stock to certain officers and directors. The options are exercisable at \$5.265 per share. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On June 19, 2013, we issued options to purchase 61,538 shares of our common stock to certain employees, including 38,462 options to Mr. James Crawford, the Company’s Chief Operating Officer. The stock options have an exercise price of \$4.94 per share. The options issued to Mr. Crawford are conditioned upon the cancellation of the stock options granted to him on March 1, 2013 under his employment agreement. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On July 24, 2013, our Board of Directors approved the issuance of 67,308 shares to two consultants in consideration for consulting services. Our Board of Directors also approved the issuance of options to purchase an aggregate of 67,307 shares of our common stock to certain consultants in consideration for consulting services. The options shall vest 33%, 33% and 34% on each annual anniversary of the date of issuance. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of

Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

II-5

On July 30, 2013, we issued 13,462 shares of our common stock to a consultant in consideration for consulting services, of which 7,692 shares of common stock vested immediately and the remaining 23,077 shares of common stock shall vest in increments of 1,923 at the end of each month over a 12 month period. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On July 30, 2013, we issued 23,077 shares of common stock to a consultant in consideration for consulting services. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On July 25, 2013, we issued 4,380 shares of our common stock pursuant to a conversion of \$30,000 cash payment owed to certain legal service provider, based on the \$6.85 closing price as of July 25, 2013. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Regulation S, as a transaction made outside of the United States.

On August 19, 2013, we issued options to purchase an aggregate of 303,846 shares of common stock to two consultants in consideration for their services as members of our Advisory Board. The options shall vest 33%, 33% and 34% on each annual anniversary of the date of issuance. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On October 15, 2013, we entered into a patent purchase agreement with TT IP, LLC, a Texas limited liability company, pursuant to which we acquired a patent portfolio for 150,000 shares of our common stock. The shares are subject to a forfeiture right for our benefit in the event that no enforcement action is effected by the lapse of the enforcement period. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On November 11, 2013, we entered into a consulting agreement with Kairix Analytics, Ltd., an Ohio limited liability company (“Kairix”), pursuant to which we granted options to acquire 300,000 shares of common stock to Kairix in exchange for services. The options shall vest 33%, 33% and 34% on each annual anniversary of the date of the issuance. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On November 18, 2013, we granted our Chief Executive Officer, Doug Croxall, ten year stock options to purchase an aggregate of 100,000 shares of our common stock, with a strike price of \$5.93 per share (representing the closing price on the date of grant), vesting in twenty-four (24) equal installments on each monthly anniversary of the date of grant. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On November 18, 2013, we entered into an executive employment agreement with Richard Raisig (“Raisig Agreement”) pursuant to which Mr. Raisig would serve as our Chief Financial Officer. As part of the consideration, we agreed to grant Mr. Raisig ten year stock options to purchase an aggregate of 115,000 shares of Common Stock, with a strike price of \$5.70 per share, vesting in twenty-four (24) equal installments on each monthly anniversary of the date of the Raisig Agreement. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On November 18, 2013, we entered into a consulting agreement with Jeff Feinberg (“Feinberg Agreement”), pursuant to which we agreed to grant Mr. Feinberg 100,000 shares of our restricted common stock; 50% of which shall vest on the

one-year anniversary of the Feinberg Agreement and the remaining 50% of which shall vest on the second year anniversary of the Feinberg Agreement. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

* All of the above share amounts are adjusted for our 1-for-13 Reverse Split effectuated on July 18, 2013.

II-6

Item 16. Exhibits and Financial Statement Schedules.

The following exhibits are filed as part of this Registration Statement.

Exhibit No. Description

3.1	Amended and Restated Articles of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on December 9, 2011)
3.2	Amended and Restated Bylaws of the Company (Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on December 9, 2011)
3.3	Certificate of Amendment to Articles of Incorporation (Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on February 20, 2013)
3.4	Certificate of Amendment to Amended and Restated Articles of Incorporation (Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on July 19, 2013)
5.1	Opinion of Sichenzia Ross Friedman Ference LLP**
10.1	Form of Option Agreement (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
10.2	Form of Promissory Note (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on January 30, 2012)
10.3	Share Exchange Agreement (Incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
10.4	Form of Warrant (Incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed with the SEC on January 31, 2012)
10.5	Agreement of Conveyance, Transfer and Assignment of Assets and Assumptions of Obligations (Incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed with the SEC on January 31, 2012)
10.6	Stock Purchase Agreement for Split-Off (Incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K filed with the SEC on January 31, 2012)
10.7	Form of Subscription Agreement (Incorporated by reference to Exhibit 10.7 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
10.8	Employment Agreement between the Company and George Glasier (Incorporated by reference to Exhibit 10.7 to the Current Report on Form 8-K filed with the SEC on January 31, 2012)
10.9	Form of Consulting Agreement (Incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed with the SEC on January 31, 2012)
10.10	Form of Director Warrant (with vesting) (Incorporated by reference to Exhibit 10.10 to the Current Report on Form 8-K filed with the SEC on January 31, 2012)
10.11	Form of Directors and Officers Indemnification Agreement (Incorporated by reference to Exhibit 10.11 to the Current Report on Form 8-K filed with the SEC on January 31, 2012)
10.12	Mining Lease Agreement by and between Kyle Kimmerle and the Company, dated November 2, 2011 (Incorporated by reference to Exhibit

- 10.12 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
- 10.13 Mining Lease Agreement by and between Charles Kimmerle and the Company, dated November 2, 2011(Incorporated by reference to Exhibit 10.13 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
- 10.14 Mining Lease Agreement by and between Kimmerle Mining LLC and the Company, dated November 2, 2011(Incorporated by reference to Exhibit 10.14 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
- 10.15 Mining Lease Agreement by and among Kyle Kimmerle, David Kimmerle and Charles Kimmerle and the Company, dated November 2, 2011(Incorporated by reference to Exhibit 10.15 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
- 10.16 Mining Lease Agreement by and among Kyle Kimmerle, Kimmerle Mining LLC and the Company, dated November 2, 2011(Incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on March 16, 2011)
- 10.17 Mining Lease Agreement by and between David Kimmerle and the Company, dated November 2, 2011(Incorporated by reference to Exhibit 10.17 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
- 10.18 Mining Lease Agreement by and between B-Mining Company and the Company, dated November 2, 2011(Incorporated by reference to Exhibit 10.18 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
- 10.19 Mining Lease Agreement by and between Carla Rosas Zepeda and the Company, dated November 2, 2011(Incorporated by reference to Exhibit 10.19 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
- 10.20 Mining Lease Agreement by and between Andrews Mining LLC and the Company, dated November 2, 2011(Incorporated by reference to Exhibit 10.20 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
- 10.21 Lease Assignment/Acceptance Agreement by and between Nuclear Energy Corporation LLC and the Company, dated December 28, 2011(Incorporated by reference to Exhibit 10.21 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
- 10.22 Rental Agreement by and between the Company and Silver Hawk Ltd., dated January 1, 2012 (Incorporated by reference to Exhibit 10.22 to the Current Report on Form 8-K filed with the SEC on March 14, 2011)
- 10.23 Mining Claim & Lease Sale/Purchase Agreement (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on March 14, 2012)
- 10.24 Option Agreement for Purchase of Mining Claims (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on March 15, 2012)
- 10.25 Forms of Quitclaim Deed (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on March 15, 2012)
- 10.26 Agreement with California Gold Corp., dated March 19, 2012 (Incorporated by reference to Exhibit 10.1 to the Current Report on Form

	8-K filed with the SEC on March 23, 2012)
10.27	Consulting Agreement, dated January 26, 2012 (Incorporated by reference to Exhibit 10.23 to the Current Report on Form 8-K filed with the SEC on April 10, 2012)
10.28	Amendment No. 1 to Option Agreement (Incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC on May 15, 2012)
10.29	Amendment No. 2 to Option Agreement (Incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed with the SEC on May 15, 2012)
10.30	Rescission Agreement dated as of June 11, 2012 (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on June 15, 2012)
10.31	Assignment Agreement dated as of June 11, 2012 (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on June 15, 2012)
10.32	Employment Agreement between the Company and John Stetson dated August 3, 2012 (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on August 7, 2012)
10.33	Employment Agreement between the Company and Mark Groussman dated August 3, 2012 (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on August 7, 2012)
10.34	Share Exchange Agreement (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on November 20, 2012)
10.35	Employment Agreement between the Company and Doug Croxall (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on November 20, 2012)
10.36	Consulting Agreement with C&H Capital, Inc. (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on November 20, 2012)
10.37	Form of Indemnification Agreement between the Company and Doug Croxall (Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K, filed with the SEC on November 20, 2012)
10.38	Form of Subscription Agreement (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on December 28, 2012)
10.39	Form of Warrant (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on December 28, 2012)
10.40	Form of Registration Rights Agreement (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on December 28, 2012)
10.41	Employment Agreement between the Company and John Stetson dated January 28, 2013 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 29, 2013)
10.42	Employment Agreement between the Company and Nathaniel Bradley dated March 1, 2013 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 6, 2013)

- 10.43 Employment Agreement between the Company and James Crawford dated March 1, 2013 (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on March 6, 2013)
- 10.44 Independent Director Agreement between the Company and Craig Nard dated March 8, 2013 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 11, 2013)
- 10.45 Independent Director Agreement between the Company and William Rosellini dated March 8, 2013 (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on March 11, 2013)
- 10.46 Merger Agreement dated as of April 22, 2013 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on April 26, 2013)
- 10.47 Form of Promissory Note (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on April 26, 2013)
- 10.48 Form of Registration Rights Agreement (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on April 26, 2013)
- 10.49 License Agreement (Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K, filed with the SEC on April 26, 2013)
- 10.50 Merger Agreement dated as of May 1, 2013 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 3, 2013)
- 10.51 Form of Securities Purchase Agreement (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 3, 2013)
- 10.52 Form of Warrant (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on June 3, 2013)
- 10.53 Form of Registration Rights Agreement (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on June 3, 2013)
- 10.54 Separation and Release Agreement between the Company and Nathaniel Bradley dated June 19, 2013 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 24, 2013)
- 10.55 Patent Purchase Agreement between TeleCommunication Systems, Inc. and CRFD Research, Inc. dated September 26, 2013. ***
- 10.56 Patent Purchase Agreement between Intergraph Corporation and Vantage Point Technology, Inc. dated September 25, 2013. ***
- 21.1 List of Subsidiaries (Incorporated by reference to Exhibit 21.1 to the Company's Registration Statement on Form S-1, filed with the SEC on June 25, 2013)
- 23.1 Consent of KBL LLP*
- 23.2 Consent of Sichenzia Ross Friedman Ference LLP (included in Exhibit 5.1)**

EX-101.INS XBRL Instance Document *

EX-101.SCHXBRL Taxonomy Extension Schema Document *

EX-101.CALXBRL Taxonomy Extension Calculation Linkbase *

EX-101.DEF XBRL Taxonomy Extension Definition Linkbase *

EX-101.LABXBRL Taxonomy Extension Labels Linkbase *

EX-101.PRE XBRL Taxonomy Extension Presentation Linkbase *

* Filed herein.

** To be filed by amendment

*** Portions of the exhibits have been omitted pursuant to a confidential treatment request.

II-7

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of the securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability of the undersigned registrant under the Securities Act to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i)

Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424 (§ 230.424 of this chapter);

- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

For the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A (§ 230.430A of this chapter), shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

II-9

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, on December 31, 2013.

MARATHON PATENT GROUP, INC.

By: /s/ Doug Croxall
Name: Doug Croxall
Title: Chief Executive Officer and
Chairman
(Principal Executive Officer)

By: /s/ Richard Raisig
Name: Richard Raisig
Title: Chief Financial Officer
(Principal Financial and Accounting
Officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officers and directors of Marathon Parent Group, Inc., a Nevada corporation that is filing a registration statement on Form S-1 with the Securities and Exchange Commission under the provisions of the Securities Act of 1933, as amended, hereby constitute and appoint Doug Croxall their true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to the registration statement, including a prospectus or an amended prospectus therein, and all other documents in connection therewith to be filed with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all interests and purposes as they might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof. This Power of Attorney may be signed in several counterparts.

IN WITNESS WHEREOF, each of the undersigned has executed this Power of Attorney. In accordance with the requirements of the Securities Act of 1933, as amended, this registration statement was signed by the following persons in the capacities and on the dates stated:

Signature	Title	Date
/s/ Doug Croxall Doug Croxall	Chief Executive Officer and Chairman (Principal Executive Officer)	December 31, 2013
/s/ Richard Raisig Richard Raisig	Chief Financial Officer (Principal Financial and Accounting Officer)	December 31, 2013
/s/ John Stetson John Stetson	Executive Vice President, Secretary and Director	December 31, 2013
/s/ Stuart Smith Stuart Smith	Director	December 31, 2013
/s/ Craig Nard Craig Nard	Director	December 31, 2013
/s/ William Rosellini William Rosellini	Director	December 31, 2013