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U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2018

Commission file number 000-53952

BLACK RIDGE OIL & GAS

Black Ridge Oil & Gas, Inc.
(Exact name of registrant as specified in its charter)

Nevada	**27-2345075**
(State of Incorporation)	(I.R.S. Employer Identification No.)

110 North 5th Street, Suite 410, Minneapolis, Minnesota 55403
(Address of principal executive offices) (Zip Code)

(952) 426-1241
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Exchange Act: None

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

Title of Each Class	**Name of Each Exchange On Which Registered**
COMMON STOCK	OTCQB

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
Emerging growth company	☐		

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

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

The aggregate market value of voting stock held by non-affiliates of the registrant was approximately $7,128,576 as of June 29, 2018 (computed by reference to the last sale price of a share of the registrant's Common Stock on that date as reported by OTC Bulletin Board).

There were 479,844,900 shares outstanding of the registrant's common stock as of March 15, 2019.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We are including the following discussion to inform our existing and potential security holders generally of some of the risks and uncertainties that can affect our company and to take advantage of the "safe harbor" protection for forward-looking statements that applicable federal securities law affords.

From time to time, our management or persons acting on our behalf may make forward-looking statements to inform existing and potential security holders about our company. All statements other than statements of historical facts included in this report regarding our financial position, business strategy, plans and objectives of management for future operations and industry conditions are forward-looking statements. When used in this report, forward-looking statements are generally accompanied by terms or phrases such as "estimate," "project," "predict," "believe," "expect," "anticipate," "target," "plan," "intend," "seek," "goal," "will," "should," "may" or other words and similar expressions that convey the uncertainty of future events or outcomes. Items making assumptions regarding actual or potential future sales, market size, collaborations, trends or operating results also constitute such forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond our control) that could cause actual results to differ materially from those set forth in the forward-looking statements include the following:

- volatility or decline of our stock price;
- low trading volume and illiquidity of our common stock, and possible application of the SEC's penny stock rules;
- potential fluctuation in quarterly results;
- our failure to collect payments owed to us;
- material defaults on monetary obligations owed us, resulting in unexpected losses;
- inadequate capital of our clients to acquire working interests in oil and gas prospects and to participate in the drilling and production of oil and other hydrocarbons;
- inability to maintain adequate liquidity to meet our financial obligations;
- unavailability of oil and gas prospects to acquire for our clients;
- failure to acquire or grow new business ourselves
- failure of our sponsored special purpose acquisition company to acquire a business;
- litigation, disputes and legal claims involving outside parties; and
- risks related to our ability to be traded on the OTCQB and meeting trading requirements

We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. Accordingly, results actually achieved may differ materially from expected results in these statements. Forward-looking statements speak only as of the date they are made. You should consider carefully the statements in "Item 1A. Risk Factors" and other sections of this report, which describe factors that could cause our actual results to differ from those set forth in the forward-looking statements.

Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. We assume no obligation to update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this report, other than as may be required by applicable law or regulation. Readers are urged to carefully review and consider the various disclosures made by us in our reports filed with the United States Securities and Exchange Commission (the "SEC") which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operation and cash flows. If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, our actual results may vary materially from those expected or projected.

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PART I

ITEM 1. BUSINESS

Overview

Effective April 2, 2012, we changed our name to Black Ridge Oil & Gas, Inc. ("BROG"). Our common stock is traded on the OTCQB under the trading symbol "ANFC".

The Company is focused on acquiring, investing in, and managing the oil and gas assets for our partners. We continue to pursue asset acquisitions in all major onshore unconventional shale formations that may be acquired with capital from our existing joint venture partners or other capital providers. Additionally, as the sponsor and manager of Black Ridge Acquisition Corp. ("BRAC"), we are focused on assisting BRAC in its efforts to identify a prospective target business for a merger, share exchange, asset acquisition or other similar business combination.

Rights Offering and BRAC IPO

The Company filed a Registration Statement on Form S-1 (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") to register the issuance of 431,819,910 shares of common stock in a Rights Offering that was declared effective by the SEC on August 3, 2017 (the "Rights Offering"). Pursuant to the Rights Offering, the Company distributed, on a pro rata basis, one right for each share of common stock owned by shareholders on August 2, 2017 (the "Record Date"). Each right permitted a shareholder to purchase up to nine shares of common stock at a subscription price of $0.012 per share. The Rights Offering expired on September 8, 2017 (the "Expiration Date").

Associated with the Rights Offering the Company also entered into a Standby Purchase Agreement (the "Backstop Agreement") with a consortium of investors, including members of the Company's board of directors and our Chief Executive Officer (collectively, the "Backstop Purchasers"), who agreed to purchase up to $2.9 million of the unsubscribed shares following the completion of the rights offering.

On September 26, 2017, the Company finalized the Rights Offering and Backstop Agreement, and issued 431,819,910 shares raising gross proceeds of $5,181,839. Under the Rights Offering the Company's current shareholders exercised rights to purchase 199,811,421 shares of stock for a total of $2,397,737. Under the Backstop Agreement, the Backstop Purchasers purchased 232,008,489 shares of stock for a total of $2,784,102. Additionally, as part of Backstop Agreement, the Company issued 435,000 warrants to purchase its common stock at $0.01 to participants in the Backstop Agreement. We incurred $130,164 in costs associated with raising the capital in Rights Offering and Backstop Agreement which were charged directly to stockholder's equity. In October 2017, the Company used $4,450,000 of the net proceeds of the Rights Offering and Backstop Agreement to fulfill its obligation as sponsor of a special purpose acquisition company, BRAC, simultaneous with BRAC's initial public offering (IPO) described below. BRAC was formed on May 9, 2017 with the purpose of becoming the special acquisition company as a wholly owned subsidiary of the Company. The remaining proceeds from the Rights Offering are used for general corporate purposes which may include other investments and acquisitions.

On October 10, 2017, BRAC completed its IPO raising $138,000,000 of gross proceeds (including proceeds from the exercise of an over-allotment option by the underwriters on October 18, 2017). BRAC is a blank check company formed for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities. BRAC's efforts to identify a prospective target business are not limited to a particular industry or geographic region. Following the IPO and exercise of the over-allotment, the Company owns 22% of the outstanding common stock of BRAC and manages BRAC's operations via a management services agreement.

The Company has determined that BRAC, following its IPO, is a variable interest entity ("VIE") and that the Company is the primary beneficiary of the VIE. The Company determined that, due to the redemption feature associated with the IPO shares, that the IPO shareholders are indirectly protected from the operating expenses of BRAC and it has the power to direct the activities of BRAC through the date at which BRAC affords the stockholders the opportunity to vote to approve a proposed business combination. Therefore, the consolidated financial statements contain the operations of the BRAC from its inception on May 9, 2017. BRAC's IPO shareholders are reflected in our financial statements as a non-controlling interest. The non-controlling interest was recorded at fair value on October 10, 2017, with an addition on October 18, 2017 as a result of the underwriters' exercise of their over-allotment option. Hereafter the term "the Company" refers to the consolidated entity including BRAC.

Proposed Business Combination

On December 19, 2018, BRAC entered into an Agreement and Plan of Reorganization (the "Merger Agreement") with Black Ridge Merger Sub, Corp., a Delaware corporation and wholly-owned subsidiary of BRAC ("Merger Sub"), Allied Esports Entertainment, Inc. ("Allied Esports"), Ourgame International Holdings Ltd. ("Ourgame"), Noble Link Global Limited, a wholly-owned subsidiary of Ourgame ("Noble"), and Primo Vital Ltd., also a wholly-owned subsidiary of Ourgame ("Primo").

Subject to the Agreement, (i) Noble will merge with and into Allied Esports (the "Redomestication Merger") with Allied Esports being the surviving entity in such merger and (ii) immediately after the Redomestication Merger, Merger Sub will merge with and into Allied Esports with Allied Esports being the surviving entity of such merger (the "Transaction Merger" and together with the Redomestication Merger, the "Mergers" or the "Proposed Business Combination") and becoming a wholly-owned subsidiary of BRAC.

The Mergers will result in BRAC acquiring two of Ourgame's global esports and entertainment assets, Allied Esports and WPT Enterprises, Inc. ("WPT"). Allied Esports is a premier esports entertainment company with a global network of dedicated esports properties and content production facilities. WPT is the creator of the World Poker Tour® (WPT®) – the premier name in internationally televised gaming and entertainment with brand presence in land-based tournaments, television, online and mobile. The proposed transaction will seek to strategically combine the globally recognized Allied Esports brand with the three-pronged business model of the iconic World Poker Tour, featuring in-person experiences, multiplatform content and interactive services, to leverage the high-growth opportunities in the global esports industry.

Upon consummation of the Mergers (the "Closing"), BRAC will issue to the former owners of Allied Esports and WPT (i) an aggregate of 11,602,754 shares of BRAC's common stock and (ii) an aggregate of 3,800,003 warrants to purchase shares of BRAC's common stock.

In addition to the consideration described above, the former owners of Allied Esports and WPT will be entitled to receive their pro rata portion of an aggregate of an additional 3,846,153 shares of BRAC's common stock if the last sales price of BRAC's common stock equals or exceeds $13.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for thirty (30) consecutive days at any time during the five (5) year period commencing on the date of the Closing (the "Closing Date").

Consummation of the transactions contemplated by the Merger Agreement is subject to customary conditions and covenants of the respective parties, including approval of BRAC's stockholders and BRAC having cash on hand of at least $80 million. Further information regarding the Proposed Business Combination, the proposed business of the combined company following consummation of the Proposed Business Combination and the risks related to the proposed business of the combined company following consummation of the Proposed Business Combination can be found in BRAC's Current Report on Form 8-K filed with the SEC on December 20, 2018, the preliminary proxy statement filed by BRAC with the SEC and the definitive proxy statement to be filed by BRAC with the Securities and Exchange Commission. Unless otherwise indicated, the information in this Report assumes BRAC will not consummate the Proposed Business Combination and will be forced to seek an alternative target with which to consummate an initial business combination.

Cancelation of Management Services Agreement and Sale of BRHC Investment

On April 3, 2017, we were notified by Black Ridge Holding Company, LLC ("BRHC"), of its termination of our Management Services Agreement and that they had finalized the sale of BRHC's oil and gas assets to a third party. BRHC was formed by the Company in 2016 to contribute and assign to BRHC, all of the Company's oil and gas assets and related debt as part of a debt restructuring and was managed by the Company under a management services agreement. On April 3, 2017, BRHC signed a Contribution Agreement that provided for the transfer of ownership and title of all oil and gas assets held by BRHC in exchange for preferred membership interest in the acquiring LLC (the "BRHC Sale"). Consistent with the terms of the Management Services Agreement, we were paid for our management services through June 30, 2017.

The Company, Chambers Energy Capital II, LP and CEC II TE, LLC (together with Chambers Energy Capital II, LP the "Chambers Affiliates") as the members of BRHC agreed to dissolve and wind up BRHC and filed a Certificate of Cancellation under the Delaware Limited Liability Company Act as of October 3, 2017. On October 2, 2017, the Company entered into an agreement with the Chambers Affiliates whereby certain assets distributed to the Company upon the dissolution and winding up of BRHC effective as of October 2, 2017, were sold to the Chambers Affiliates in exchange for cash consideration of $1,078,394. Additionally, cash and receivables totaling $4,645 in value were distributed directly to the Company from BRHC.

Business

We believe we create value through identifying and targeting acreage positions or other assets with attractive returns on the capital employed by evaluating, amongst other factors, reserve potential, operator performance, anticipated well costs and anticipated operating expenses. Our management team has significant access to both publicly available and proprietary business combination opportunities and has collectively bid on over $2.4 billion of opportunities with private equity sponsors since June 2015.

With the experience and connections of our personnel across a variety of onshore unconventional oil and gas plays or other assets, we believe that we are able to create value for our partners through opportunistic acquisitions development and subsequent divestitures. We believe our experience and relationships enhance our ability to identify and acquire high value prospects and manage them effectively.

As the sponsor and manager of BRAC, we will be focused on BRAC's efforts to identify a prospective target business.

Principal Agreements Affecting Our Ordinary Business

Our principal agreements for our continuing operations take the form of management service agreements, whereby our partners pay a fee to us for managing the business operations and day-to-day transactions of the business, and joint venture agreements, whereby joint ventures are funded by our partners and we are paid a fee to identify prospective oil and gas related investments for purchase and manage the day-to-day operations of those assets once purchased. Under the joint venture agreements, after certain investor hurdles are met, the Company will generally receive a share of profits in the joint venture.

Employees

We currently have 7 full time employees. We may hire additional technical or administrative personnel as appropriate. However, we do not expect a significant change in the number of full time employees over the next 12 months based upon our currently-projected business plan. We are using and will continue to use the services of independent consultants and contractors to perform various professional services for us or on behalf of our partners. We believe that this use of third-party service providers enhances our ability to contain general and administrative expenses.

Office Locations

Our executive offices are located at 110 North Fifth Street, Suite 410, Minneapolis, Minnesota 55403. Our office space consists of approximately 2,786 square feet leased pursuant to an annual lease agreement that commenced on July 1, 2016 and continued on a month-to-month basis beginning July 1, 2017.

Financial Information about Segments and Geographic Areas

We have not segregated our operations into segments or geographic areas.

Available Information – Reports to Security Holders

Our website address is www.blackridgeoil.com. We make available on this website, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports after we electronically file those materials with, or furnish those materials to, the SEC. Electronic filings with the SEC are also available on the SEC internet website at www.sec.gov.

We also post to our website our Audit Committee Charter and our Code of Ethics, in addition to all pertinent company contact information.

ITEM 1A. RISK FACTORS

If we are unable to obtain the additional capital or joint venture partners that we need to implement our business plan, we may be unable to continue as a going concern.

As of December 31, 2018 our cash balance was $1,503,500. We will continue to have general and administrative expenses to remain a public company and continue with our business plan. The cash on hand would be insufficient to cover our current cash needs over the next year.

We continue to pursue sources of additional capital through various financing transactions or arrangements, including joint venturing of projects, equity financing or other means. We may not be successful in identifying suitable funding transactions in a sufficient time period or at all, and we may not obtain the capital we require by other means. If we do not succeed in raising additional capital, our resources may not be sufficient to fund our business.

We may incur substantial costs in pursuing future capital financing, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. We may also be required to recognize non-cash expenses in connection with certain securities we may issue, which may adversely impact our financial condition.

The report of the Company's independent registered public accounting firm that accompanies its audited consolidated financial statements in this Annual Report on Form 10-K contains an explanatory paragraph regarding the substantial doubt about the Company's ability to continue as a going concern.

We are subject to risks inherent in our partners' businesses

Our partners, and ourselves to the extent we take or receive an equity position in our partners' investments, experience the risks and volatility inherent with ownership of oil and gas operations and other businesses. All of these risks could adversely affect their financial condition and the results of their operations and potentially limit their ability to meet their financial obligations to us and other parties. Those risks, when our partners are investing in the oil gas industry, include, but are not limited to, the following:

- Crude oil, natural gas and natural gas liquid (NGL's) prices are very volatile;
- Estimates of crude oil and natural gas reserves are based on many assumptions that may prove inaccurate;
- Drilling for oil, natural gas and NGLs are high risk activities with many uncertainties;
- Sustained decreases in oil and natural gas prices may result in writedowns in the valuation of oil and natural gas property values;
- An inability to replace reserves produced;
- As a non-operator, the development of successful operations relies on third-party operators who, if not successful, could have a materially adverse effect on the results of operations;
- Derivative activities could result in financial losses or could reduce cash flows;
- Derivative activities could result in exposure to potential regulatory risks;
- Oil and gas operations rely on transportation and processing facilities and other assets that are owned by third parties;
- Seasonal weather conditions may adversely affect third-party operators' ability to conduct operations and drilling activities in areas where properties are located;
- Significant capital expenditures will be required to develop properties and replace reserves;
  The timing of development of any undeveloped reserves is in the hands of third party operators;
- The inability of one or more of the operating partners to meet their obligations to us may adversely affect financial results;
- Decommissioning costs are unknown and may be substantial, and unplanned costs could divert resources from other projects; and
  Federal income tax deductions currently available with respect to oil and gas exploration and development may be eliminated or deferred as a result of future legislation.

Our net operating loss carryforwards may be limited under Section 382 of the Internal Revenue Code by certain changes in the ownership of our company.

We have net operating loss ("NOL") carryforwards that we may use to offset against taxable income for U.S. federal income tax purposes. At December 31, 2018, we had an estimated NOL carryforward of approximately $25.8 million for United States federal tax return purposes. However, Section 382 of the Internal Revenue Code of 1986, as amended, may limit the NOLs that we may use in any year for U.S. federal income tax purposes in the event of certain changes in ownership of our company. Any limitation on our ability to use NOLs could, depending on the extent of such limitation, result in higher U.S. federal income taxes being paid (and therefore a reduction in cash) than if such NOLs were available as an offset against such income for U.S. federal income tax reporting purposes. In addition, if the limitation under Section 382 is triggered, it could result in a significant charge to earnings in the period in which it is triggered.

We are highly dependent on Kenneth DeCubellis, our chief executive officer, and our other executive officers and employees. The loss of one or more of them, upon whose knowledge, leadership and technical expertise we rely, would harm our ability to execute our business plan.

Our success depends heavily upon the continued contributions of Kenneth DeCubellis, our chief executive officer, whose knowledge, leadership and technical expertise would be difficult to replace, with the support of James Moe, our chief financial officer, and Michael Eisele, our chief operating officer. If we were to lose their services, our ability to execute our business plan would be harmed and we may be forced to cease operations until such time as we are able to suitably replace them. Any of our executive officers may terminate their employment with our company at any time.

Strategic relationships upon which we may rely are subject to change, which may diminish our ability to conduct business.

Our ability to successfully develop additional assets for our partners under the umbrella that we manage will depend on developing and maintaining close working relationships with industry participants. Our success will also depend on our ability to select and evaluate suitable properties for our partners and to consummate transactions in a highly competitive environment. These realities are subject to change and our inability to maintain close working relationships with industry participants or continue to identify suitable properties may impair our ability to execute our business plan.

To continue to develop our business, we will use the business relationships of our management and develop new relationships to enter into strategic relationships. These relationships may take the form of joint ventures, joint operating agreements, referral agreements and other contractual arrangements with outside individuals and crude oil and natural gas companies. We may not be able to establish these strategic relationships, or if established, we may not be able to maintain them. In addition, the dynamics of our relationships with strategic partners may require us to incur expenses or undertake activities that we would not otherwise be inclined to do independent of these strategic relationships. If sufficient strategic relationships are not established and maintained, our business prospects, financial condition and results of operations may be materially adversely affected.

We may not be able to effectively manage our growth, which may harm our profitability.

Our strategy envisions the expansion of our business. If we fail to effectively manage our growth, our financial results could be adversely affected. Growth may place a strain on our management systems and resources. We must continue to refine and expand our business capabilities, our systems and processes and our access to financing sources. As we grow, we must continue to hire, train, supervise and manage new employees. We cannot assure that we will be able to:

- meet our capital needs;
- expand our systems effectively or efficiently or in a timely manner;
- allocate our human resources optimally;
- identify and engage qualified employees and consultants, or retain valued employees and consultants; or
- incorporate effectively the components of any business that we may acquire in our effort to achieve growth.

If we are unable to manage our growth, our financial condition and results of operations may be materially adversely affected.

The Company may become subject to the requirements of the Investment Company Act of 1940, which would limit the Company's business operations and require the Company to spend significant resources to comply with such act.

The Investment Company Act of 1940 (the "Investment Company Act") defines an "investment company" as an issuer that is engaged in the business of investing, reinvesting, owning, holding or trading in securities and owns investment securities having a value exceeding 40 percent of the issuer's unconsolidated assets, excluding cash items and securities issued by the federal government. While we believe that a reasonable investor would not conclude that we are engaged primarily in investing in securities based on our continued focus on acquiring, investing in, and managing oil and gas assets, the current composition of our assets, including our ownership of BRAC shares, could contribute to a conclusion that we meet the threshold definition of an investment company. While the Investment Company Act also has several exclusions and exceptions that we would seek to rely upon to avoid being deemed an investment company, our reliance on any such exclusions or exceptions may be misplaced resulting in violation of the Investment Company Act, the consequences of which can be significant. For example, investment companies that fail to register under the Investment Company Act are prohibited from conducting business in interstate commerce, which includes selling securities or entering into other contracts in interstate commerce. Section 47(b) of the Investment Company Act provides that a contract made, or whose performance involves, a violation of the Investment Company Act is unenforceable by either party unless a court finds that enforcement would produce a more equitable result than non-enforcement. Similarly, a court may not deny rescission to any party seeking to rescind a contract that violates the Investment Company Act, unless the court finds that denial of rescission would produce more equitable result than granting rescission.

If we are be deemed to be an investment company under the Investment Company Act, Rule 3a-2 of the Investment Company Act provides that inadvertent or transient investment companies will not be treated as investment companies subject to the provisions of the Investment Company Act provided the issuer has the requisite intent to be engaged in a non-investment business, evidenced by the issuer's business activities and an appropriate resolution of the issuer's board of directors, within one year from the commencement of the earlier of (1) the date on which the issuer owns securities and/or cash having a value exceeding 50% of the value of such issuer's total assets on either a consolidated or unconsolidated basis, or (2) the date on which an issuer owns or proposes to acquire investment securities (as defined in section 3(a) of the Act) having a value exceeding 40% of the value of such issuer's total assets (exclusive of government securities and cash items) on an unconsolidated basis. If the Company becomes an inadvertent investment company, and fails to meet the requirements of the transient investment company exemption under Rule 3a-2 of the Investment Company Act, then we will be required to register as an investment company with the SEC.

The ramifications of becoming an investment company, both in terms of the restrictions it would have on our company and the cost of compliance, would be significant. For example, in addition to expenses related to initially registering as an investment company, the Investment Company Act also imposes various restrictions with regard to our ability to enter into affiliated transactions, the diversification of our assets and our ability to borrow money. If we became subject to the Investment Company Act at some point in the future, our ability to continue pursuing our business plan would be severely limited.

Risks in Connection with Sponsorship of BRAC

Our officers and directors will allocate a portion of their time to BRAC which could cause conflicts of interest in their determination as to how much time to devote to our affairs. This could have a negative impact on our ability to effectuate our operational business plan.

Our officers and directors are officers and/or directors BRAC and as a result may not be able to commit their full time to our affairs. We presently expect each of our employees to devote such amount of time as they reasonably believe is necessary to our business. The foregoing could have a negative impact on our ability to effectuate our operational business plan.

Our officers and directors may have a conflict of interest in determining whether a particular target business for BRAC is appropriate for a business combination.

Each of our officers and directors is an officer and/or director of BRAC. As described elsewhere in this annual report, we are an oil and gas company that pursues asset acquisitions in the energy industry, an industry within which BRAC could search for a target business. However, we will continue to focus on acquiring assets from businesses with private equity backing that are seeking to sell such assets for cash without retaining any equity interest in them, whereas BRAC intends to acquire a target business from a seller that wishes to retain a significant equity interest in the combined company. Accordingly, our management team does not believe that there will be a meaningful conflict between us and BRAC in relation to consummating a business combination. Nevertheless, we cannot assure you of this fact and it is possible that a suitable business opportunity could be presented to BRAC prior to its presentation to our company.

Risks Related to our Common Stock

The market price of our common stock is, and is likely to continue to be, highly volatile and subject to wide fluctuations.

The market price of our common stock is likely to continue to be highly volatile and could be subject to wide fluctuations in response to a number of factors, some of which are beyond our control, including but not limited to:

- dilution caused by our issuance of additional shares of common stock and other forms of equity securities, which we expect to make in connection with future capital financings to fund our operations and growth, to attract and retain valuable personnel and in connection with future strategic partnerships with other companies;
- fluctuations in revenue from management services business;
- quarterly variations in our revenues and operating expenses;
- changes in the valuation of similarly situated companies, both in our industry and in other industries;
- challenges associated with timely SEC filings;
- illiquidity and lack of marketability by being an OTC traded stock;
- changes in analysts' estimates affecting our company, our competitors and/or our industry;
- changes in the accounting methods used in or otherwise affecting our industry;
- additions and departures of key personnel;
- fluctuations in interest rates and the availability of capital in the capital markets; and
- significant sales of our common stock, including sales by selling shareholders following the registration of shares under a prospectus.

These and other factors are largely beyond our control, and the impact of these risks, singly or in the aggregate, may result in material adverse changes to the market price of our common stock and our results of operations and financial condition.

Our operating results may fluctuate significantly, and these fluctuations may cause the price of our common stock to decline.

Our operating results will likely vary in the future primarily as the result of fluctuations in our revenues and operating expenses, including the expenses that we incur and other factors. If our results of operations do not meet the expectations of current or potential investors, the price of our common stock may decline.

Shareholders will experience dilution upon the exercise of outstanding warrants and options and issuance of common stock under our incentive plans.

As of December 31, 2018, we had options for 7,020,000 shares of common stock outstanding under our 2012 Amended and Restated Stock Incentive Plan and options for an additional 3,763,500 shares of common stock outstanding under our 2016 Non-Qualified Stock Option Plan. If the holders of outstanding options exercise those options or our compensation committee or full board of directors determines to grant additional stock awards under our incentive plan, shareholders may experience dilution in the net tangible book value of our common stock. Further, the sale or availability for sale of the underlying shares in the marketplace as a result of the exercise of existing options and the grant of additional options could depress our stock price.

We do not expect to pay dividends in the foreseeable future.

We do not intend to declare dividends for the foreseeable future, as we anticipate that we will reinvest any future earnings in the development and growth of our business. In addition, debt arrangements we may enter into in the future will likely preclude us from paying dividends. Therefore, investors will not receive any funds unless they sell their common stock, and shareholders may be unable to sell their shares on favorable terms or at all. Investors cannot be assured of a positive return on investment or that they will not lose the entire amount of their investment in our common stock.

We may issue additional stock without shareholder consent.

Our board of directors has authority, without action or vote of the shareholders, to issue all or part of our authorized but unissued shares. Additional shares may be issued in connection with future financing, acquisitions, employee stock plans, or otherwise. Any such issuance will dilute the percentage ownership of existing shareholders. We are also currently authorized to issue up to 20,000,000 shares of preferred stock. The board of directors can issue preferred stock in one or more series and fix the terms of such stock without shareholder approval. Preferred stock may include the right to vote as a series on particular matters, preferences as to dividends and liquidation, conversion and redemption rights and sinking fund provisions. The issuance of preferred stock could adversely affect the rights of the holders of common stock and reduce the value of the common stock. In addition, specific rights granted to holders of preferred stock could discourage, delay or prevent a transaction involving a change in control of our company, even if doing so would benefit our shareholders. Such issuance could also discourage proxy contests and make it more difficult for you and other shareholders to elect directors of your choosing and to cause us to take other corporate actions you desire.

There is currently a limited trading market for our common stock and we cannot ensure that one will ever develop or be sustained.

To date there has not been a significant liquid trading market for our common stock. We cannot predict how liquid the market for our common stock might become. We currently do not satisfy the initial listing standards for any major securities exchange, although we intend to apply for such an exchange listing when we are able. Currently our common stock is traded on the OTCQB. Should we fail to remain traded on the OTCQB or not be able to be traded on the OTCQB, the trading price of our common stock could suffer, the trading market for our common stock may be less liquid and our common stock price may be subject to increased volatility. Furthermore, for companies whose securities are quoted on the OTCQB, it may be more difficult (i) to obtain accurate quotations, (ii) to obtain coverage for significant news events because major wire services generally do not publish press releases about such companies and (iii) to obtain needed capital.

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, or upon the expiration of any statutory holding period under Rule 144, or issued upon the exercise of outstanding options or 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 hinder 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.

Risks Related to BRAC and its Common Stock

BRAC is a recently formed company with no operating history and no revenues, and its investors have no basis on which to evaluate BRAC's ability to achieve BRAC's business objective.

BRAC is a newly formed company with no operating results to date. Therefore, BRAC's ability to commence operations is dependent upon completing a business combination. Since BRAC does not have an operating history, its investors will have no basis upon which to evaluate BRAC's ability to achieve BRAC's business objective, which is to acquire an operating business. BRAC will not generate any revenues until, at the earliest, after the consummation of a business combination.

If BRAC is unable to consummate a business combination, BRAC's public stockholders may be forced to wait more than 21 months from the completion of BRAC's IPO (July 10, 2019) before receiving distributions from the trust account.

BRAC has until July 10, 2019 to complete a business combination. BRAC has no obligation to return funds to investors prior to such date unless BRAC consummates a business combination prior thereto and only then in cases where its investors have sought to convert or sell their shares to BRAC. Only after the expiration of this full time period will BRAC's public security holders be entitled to distributions from the trust account if BRAC is unable to complete a business combination. Accordingly, BRAC's investors' funds may be unavailable to them until after such date and to liquidate their investment, public security holders may be forced to sell their public shares, rights or warrants, potentially at a loss.

BRAC's public stockholders may not be afforded an opportunity to vote on BRAC's proposed business combination, which means BRAC may complete BRAC's initial business combination even if a majority of BRAC's public stockholders do not support such a combination.

BRAC will either (1) seek stockholder approval of BRAC's initial business combination at a meeting called for such purpose at which public stockholders may seek to convert their shares, regardless of whether they vote for or against the proposed business combination, into their pro rata share of the aggregate amount then on deposit in the trust account (net of franchise and income taxes payable), or (2) provide BRAC's public stockholders with the opportunity to sell their shares to BRAC by means of a tender offer (and thereby avoid the need for a stockholder vote) for an amount equal to their pro rata share of the aggregate amount then on deposit in the trust account (net of franchise and income taxes payable), in each case subject to the limitations described elsewhere in this report. Accordingly, it is possible that BRAC will consummate BRAC's initial business combination even if holders of a majority of BRAC's public shares do not approve of the business combination BRAC consummates. The decision as to whether BRAC will seek stockholder approval of a proposed business combination or will allow stockholders to sell their shares to BRAC in a tender offer will be made by us, solely in BRAC's discretion, and will be based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would otherwise require BRAC to seek stockholder approval. For instance, NASDAQ rules currently allow BRAC to engage in a tender offer in lieu of a stockholder meeting but would still require BRAC to obtain stockholder approval if BRAC were seeking to issue more than 20% of BRAC's outstanding shares to a target business as consideration in any business combination. Therefore, if BRAC were structuring a business combination that required BRAC to issue more than 20% of BRAC's outstanding shares, BRAC would seek stockholder approval of such business combination instead of conducting a tender offer.

Because of BRAC's structure, other companies may have a competitive advantage and BRAC may not be able to consummate an attractive business combination.

BRAC expects to encounter intense competition from entities other than blank check companies having a business objective similar to BRAC's, including venture capital funds, leveraged buyout funds and operating businesses competing for acquisitions. Many of these entities are well established and have extensive experience in identifying and effecting business combinations directly or through affiliates. Many of these competitors possess greater technical, human and other resources than BRAC does and BRAC's financial resources will be relatively limited when contrasted with those of many of these competitors. While BRAC believes that there are numerous potential target businesses that BRAC could acquire with the net proceeds of this offering, BRAC's ability to compete in acquiring certain sizable target businesses will be limited by BRAC's available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses. Additionally, BROG, as BRAC's sponsor, is an oil and gas company that pursues distressed asset acquisitions in the energy industry, an industry within which BRAC may focus its search for a target business. While BROG intends to acquire assets from businesses with private equity backing that are seeking to sell such assets for cash without retaining any equity interest in them (as opposed to BRAC's intent to acquire a target business from a seller that wishes to retain a significant equity interest in the combined company), it is not limited to this type of acquisition and BRAC therefore could nevertheless be subject to competition for acquisitions with BROG and its other interests. Furthermore, seeking stockholder approval or engaging in a tender offer in connection with any proposed business combination may delay the consummation of such a transaction. Additionally, BRAC's outstanding rights and warrants, and the future dilution they potentially represent, may not be viewed favorably by certain target businesses. Any of the foregoing may place BRAC at a competitive disadvantage in successfully negotiating a business combination.

The ability of BRAC's stockholders to exercise their conversion rights or sell their shares to BRAC in a tender offer may not allow BRAC to effectuate the most desirable business combination or optimize BRAC's capital structure.

If BRAC's business combination requires BRAC to use substantially all of its cash to pay the purchase price, because it will not know how many stockholders may exercise conversion rights or seek to sell their shares to it in a tender offer, it may either need to reserve part of the trust account for possible payment upon such conversion, or it may need to arrange third party financing to help fund its business combination. In the event that the acquisition involves the issuance of its stock as consideration, BRAC may be required to issue a higher percentage of its stock to make up for a shortfall in funds. Raising additional funds to cover any shortfall may involve dilutive equity financing or incurring indebtedness at higher than desirable levels. This may limit BRAC's ability to effectuate the most attractive business combination available to us.

In connection with any vote to approve a business combination, BRAC will offer each public stockholder the option to vote in favor of a proposed business combination and still seek conversion of his, her or its shares.

In connection with any vote to approve a business combination, BRAC will offer each public stockholder (but not BROG, as BRAC's sponsor, or BROG's officers or directors) the right to have his, her or its shares of common stock converted to cash (subject to the limitations described elsewhere in this annual report) regardless of whether such stockholder votes for or against such proposed business combination. This ability to seek conversion while voting in favor of BRAC's proposed business combination may make it more likely that BRAC will consummate a business combination.

The ability of BRAC's public stockholders to exercise redemption rights with respect to a large number of BRAC's shares could increase the probability that BRAC's initial business combination is not consummated and that its investors would have to wait for liquidation in order to redeem their stock.

If the definitive agreement for BRAC's business combination requires it to use a portion of the cash in the trust account to pay the purchase price, or requires it to have a minimum amount of cash at closing, the probability that BRAC's initial business combination would not be consummated is increased. If BRAC's initial business combination is not consummated, its investors would not receive their pro rata portion of the trust account until BRAC liquidates the trust account in connection with BRAC's liquidation. If its investors are in need of immediate liquidity, its investors could attempt to sell their stock in the open market; however, at such time BRAC's stock may trade at a discount to the pro rata amount per share in the trust account. In either situation, its investors may suffer a material loss on their investment or lose the benefit of funds expected in connection with BRAC's redemption until BRAC liquidates or its investors are able to sell their stock in the open market.

The requirement that BRAC complete its initial business combination within the prescribed time frame may give potential target businesses leverage over BRAC in negotiating a business combination and may decrease its ability to conduct due diligence on potential business combination targets as BRAC approaches its dissolution deadline, which could undermine its ability to complete its business combination on terms that would produce value for its stockholders.

Any potential target business with which BRAC enters into negotiations concerning a business combination will be aware that BRAC must complete its initial business combination by July 10, 2019. Consequently, such target business may obtain leverage over BRAC in negotiating a business combination, knowing that if BRAC does not complete its initial business combination with that particular target business, BRAC may be unable to complete its initial business combination with any target business. This risk will increase as BRAC get closer to the timeframe described above. In addition, BRAC may have limited time to conduct due diligence and may enter into its initial business combination on terms that it would have rejected upon a more comprehensive investigation.

BRAC may not obtain a fairness opinion with respect to the target business that BRAC seeks to acquire and therefore its investors may be relying solely on the judgment of BRAC's board of directors in approving a proposed business combination.

BRAC will only be required to obtain a fairness opinion with respect to the target business that it seeks to acquire if it is an entity that is affiliated with any of BRAC's officers, directors or BROG as its sponsor. In all other instances, BRAC will have no obligation to obtain an opinion. Accordingly, investors will be relying solely on the judgment of BRAC's board of directors in approving a proposed business combination.

BRAC may not be able to complete its initial business combination within the prescribed time frame, in which case BRAC would cease all operations except for the purpose of winding up and BRAC would redeem its public shares and liquidate.

BROG, as BRAC's sponsor, and BROG's executive officers and directors have agreed that BRAC must complete its initial business combination by July 10, 2019. If BRAC has not completed BRAC's initial business combination by July 10, 2019, BRAC will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest (which interest shall be net of franchise and income taxes payable) divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of BRAC's remaining stockholders and BRAC's board of directors, dissolve and liquidate, subject in the case of clauses (ii) and (iii) to BRAC's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

If the net proceeds of BRAC's initial public offering not being held in the trust account are insufficient, it could limit the amount available to fund BRAC's search for a target business or businesses and complete its initial business combination and BRAC will depend on loans from its sponsor or management team to fund its search, to pay its income taxes and to complete its business combination.

BRAC's has none of the funds from its initial public offering remaining available to BRAC outside the trust account to fund its working capital requirements. BRAC has borrowed $350,000 from BROG, as its sponsor, as of December 31, 2018 to fund its operating activities. If BRAC is required to seek additional capital, it would need to borrow additional funds from BROG, BROG's management team or other third parties to operate or may be forced to liquidate. Neither BROG, as BRAC's sponsor, or members of BRAC's management team nor any of their affiliates is under any obligation to advance funds to it in such circumstances. Any such advances would be repaid only from funds held outside the trust account or from funds released to BRAC upon completion of its initial business combination. If BRAC is unable to complete its initial business combination because BRAC does not have sufficient funds available to it, BRAC will be forced to cease operations and liquidate the trust account. Consequently, BRAC's public stockholders may only receive, without taking into account, interest earned on the trust account, approximately $10.05 per share on BRAC's redemption of its public shares, and BRAC's warrants will expire worthless.

Since BRAC has not yet selected a particular industry or target business with which to complete a business combination, BRAC is unable to currently ascertain the merits or risks of the industry or business in which BRAC may ultimately operate.

BRAC may consummate a business combination with a company in any industry BRAC chooses and are not limited to any particular industry or type of business. Accordingly, there is no current basis for its investors to evaluate the possible merits or risks of the particular industry in which BRAC may ultimately operate or the target business which BRAC may ultimately acquire. To the extent BRAC completes a business combination with a financially unstable company or an entity in its development stage, BRAC may be affected by numerous risks inherent in the business operations of those entities. If BRAC completes a business combination with an entity in an industry characterized by a high level of risk, BRAC may be affected by the currently unascertainable risks of that industry. Although BRAC's management will endeavor to evaluate the risks inherent in a particular industry or target business, BRAC cannot assure its investors that BRAC will properly ascertain or assess all of the significant risk factors. BRAC also cannot assure its investors that an investment in BRAC's units will not ultimately prove to be less favorable to investors in this offering than a direct investment, if an opportunity were available, in a target business.

BRAC may seek acquisition opportunities in industries or sectors outside the energy sector, which may or may not be outside of BRAC's management's area of expertise.

BRAC will consider an initial business combination outside the energy sector (which sectors may or may not be outside BRAC's management's areas of expertise) if a business combination candidate is presented to it and BRAC determines that such candidate offers an acquisition opportunity for BRAC's company. Although BRAC's management will endeavor to evaluate the risks inherent in any particular business combination candidate, BRAC cannot assure its investors that BRAC will adequately ascertain or assess all of the significant risk factors. BRAC also cannot assure its investors that an investment in BRAC's securities will not ultimately prove to be less favorable to investors than a direct investment, if an opportunity were available, in a business combination candidate. In the event BRAC elects to pursue an acquisition outside of the areas of BRAC's management's expertise, BRAC's management's expertise may not be directly applicable to its evaluation or operation, and the information contained herein regarding the areas of BRAC's management's expertise would not be relevant to an understanding of the business that BRAC elects to acquire.

Although BRAC identified general criteria and guidelines that BRAC believes are important in evaluating prospective target businesses, BRAC may enter into BRAC's initial business combination with a target that does not meet such criteria and guidelines, and as a result, the target business with which BRAC enter into BRAC's initial business combination may not have attributes entirely consistent with BRAC's general criteria and guidelines.

Although BRAC has identified general criteria and guidelines for evaluating prospective target businesses, it is possible that a target business with which BRAC enters into BRAC's initial business combination will not have all of these positive attributes. If BRAC completes BRAC's initial business combination with a target that does not meet some or all of these guidelines, such combination may not be as successful as a combination with a business that does meet all of BRAC's general criteria and guidelines. In addition, if BRAC announces a prospective business combination with a target that does not meet BRAC's general criteria and guidelines, a greater number of stockholders may exercise their redemption rights, which may make it difficult for it to meet any closing condition with a target business that requires it to have a minimum net worth or a certain amount of cash. In addition, if stockholder approval of the transaction is required by law, or BRAC decides to obtain stockholder approval for business or other legal reasons, it may be more difficult for it to attain stockholder approval of BRAC's initial business combination if the target business does not meet BRAC's general criteria and guidelines. If BRAC is unable to complete BRAC's initial business combination, BRAC's public stockholders may receive, without taking into account, interest, if any, earned on the trust account, only approximately $10.05 per share on the liquidation of BRAC's trust account and BRAC's warrants will expire worthless.

BRAC may seek investment opportunities with a financially unstable business or an entity lacking an established record of revenue or earnings.

To the extent BRAC complete BRAC's initial business combination with a financially unstable business or an entity lacking an established record of sales or earnings, BRAC may be affected by numerous risks inherent in the operations of the business with which BRAC combines. These risks include volatile revenues or earnings and difficulties in obtaining and retaining key personnel. Although BRAC's executive officers and directors will endeavor to evaluate the risks inherent in a particular target business, BRAC may not be able to properly ascertain or assess all of the significant risk factors and BRAC may not have adequate time to complete due diligence. Furthermore, some of these risks may be outside of BRAC's control and leave it with no ability to control or reduce the chances that those risks will adversely impact a target business.

BRAC may issue shares of BRAC's capital stock or debt securities to complete a business combination, which would reduce the equity interest of BRAC's stockholders and likely cause a change in control of BRAC's ownership.

BRAC's amended and restated certificate of incorporation authorizes the issuance of up to 35,000,000 shares of common stock, par value $.0001 per share, and 1,000,000 shares of preferred stock, par value $.0001 per share. The issuance of additional shares of common stock or preferred stock:

- may significantly reduce the equity interest of BRAC's shareholders;
- may subordinate the rights of holders of shares of common stock if BRAC issues shares of preferred stock with rights senior to those afforded to BRAC's shares of common stock;
- may cause a change in control if a substantial number of shares of common stock are issued, which may affect, among other things, BRAC's ability to use BRAC's net operating loss carry forwards, if any, and could result in the resignation or removal of BRAC's present officers and directors; and
- may adversely affect prevailing market prices for BRAC's shares of common stock.

Similarly, if BRAC issues debt securities, it could result in:

- default and foreclosure on BRAC's assets if BRAC's operating revenues after a business combination are insufficient to repay BRAC's debt obligations;
- acceleration of BRAC's obligations to repay the indebtedness even if BRAC makes all principal and interest payments when due if BRAC breaches certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- BRAC's immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand; and
- BRAC's inability to obtain necessary additional financing if the debt security contains covenants restricting BRAC's ability to obtain such financing while the debt security is outstanding.

If BRAC incur indebtedness, BRAC's lenders will not have a claim on the cash in the trust account and such indebtedness will not decrease the per-share conversion amount in the trust account.

Resources could be spent researching acquisitions that are not consummated, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business.

It is anticipated that the investigation of each specific target business and the negotiation, drafting, and execution of relevant agreements, disclosure documents, and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys and others. If a decision is made not to complete a specific business combination, the costs incurred up to that point for the proposed transaction likely would not be recoverable. Furthermore, even if an agreement is reached relating to a specific target business, BRAC may fail to consummate the business combination for any number of reasons including those beyond BRAC's control. Any such event will result in a loss to BRAC of the related costs incurred which could materially adversely affect subsequent attempts to locate and acquire or merge with another business.

BRAC is dependent upon BRAC's executive officers and directors and their departure could adversely affect BRAC's ability to operate.

BRAC's operations are dependent upon a relatively small group of individuals and, in particular, Kenneth DeCubellis and BRAC's other executive officers and directors. BRAC believes that BRAC's success depends on the continued service of BRAC's executive officers and directors, at least until BRAC has completed BRAC's business combination. In addition, BRAC's executive officers and directors are not required to commit any specified amount of time to BRAC's affairs and, accordingly, will have conflicts of interest in allocating management time among various business activities, including identifying potential business combinations and monitoring the related due diligence. BRAC does not have key-man insurance on the life of any of BRAC's directors or executive officers. The unexpected loss of the services of one or more of BRAC's directors or executive officers could have a detrimental effect on us.

BRAC's ability to successfully effect a business combination and to be successful thereafter will be totally dependent upon the efforts of BRAC's key personnel, some of whom may join it following a business combination. While BRAC intends to closely scrutinize any individuals BRAC engages after a business combination, BRAC cannot assure its investors that BRAC's assessment of these individuals will prove to be correct.

BRAC's ability to successfully effect a business combination is dependent upon the efforts of BRAC's key personnel. BRAC believe that BRAC's success depends on the continued service of BRAC's key personnel, at least until BRAC has consummated BRAC's initial business combination. BRAC cannot assure its investors that any of BRAC's key personnel will remain with it for the immediate or foreseeable future. In addition, none of BRAC's officers are required to commit any specified amount of time to BRAC's affairs and, accordingly, BRAC's officers will have conflicts of interest in allocating management time among various business activities, including identifying potential business combinations and monitoring the related due diligence. BRAC does not have employment agreements with, or key-man insurance on the life of, any of BRAC's officers. The unexpected loss of the services of BRAC's key personnel could have a detrimental effect on us.

The role of BRAC's key personnel after a business combination, however, cannot presently be ascertained. Although some of BRAC's key personnel serve in senior management or advisory positions following a business combination, it is likely that most, if not all, of the management of the target business will remain in place. While BRAC intends to closely scrutinize any individuals BRAC engages after a business combination, BRAC cannot assure its investors that BRAC's assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a public company which could cause it to have to expend time and resources helping them become familiar with such requirements. This could be expensive and time-consuming and could lead to various regulatory issues which may adversely affect BRAC's operations.

BRAC's officers and directors may not have significant experience or knowledge regarding the jurisdiction or industry of the target business BRAC may seek to acquire.

BRAC may consummate a business combination with a target business in any geographic location or industry BRAC chooses. BRAC cannot assure its investors that BRAC's officers and directors will have enough experience or have sufficient knowledge relating to the jurisdiction of the target or its industry to make an informed decision regarding a business combination.

None of BRAC's executive officers or directors has ever been associated with a special purpose acquisition corporation and such lack of experience could adversely affect BRAC's ability to consummate a business combination.

None of BRAC's executive officers or directors has ever been associated with a special purpose acquisition corporation. BRAC's management's lack of experience in operating a special purpose acquisition corporation could adversely affect BRAC's ability to consummate a business combination and could result in BRAC's not completing a business combination in the prescribed time frame.

BRAC's key personnel may negotiate employment or consulting agreements with a target business in connection with a particular business combination. These agreements may provide for them to receive compensation following a business combination and as a result, may cause them to have conflicts of interest in determining whether a particular business combination is the most advantageous.

BRAC's key personnel will be able to remain with the company after the consummation of a business combination only if they are able to negotiate employment or consulting agreements or other appropriate arrangements in connection with the business combination. Such negotiations would take place simultaneously with the negotiation of the business combination and could provide for such individuals to receive compensation in the form of cash payments and/or BRAC's securities for services they would render to the company after the consummation of the business combination. The personal and financial interests of such individuals may influence their motivation in identifying and selecting a target business.

BRAC may have a limited ability to assess the management of a prospective target business and, as a result, may effect BRAC's initial business combination with a target business whose management may not have the skills, qualifications or abilities to manage a public company.

When evaluating the desirability of effecting BRAC's initial business combination with a prospective target business, BRAC's ability to assess the target business's management may be limited due to a lack of time, resources or information. BRAC's assessment of the capabilities of the target's management, therefore, may prove to be incorrect and such management may lack the skills, qualifications or abilities BRAC suspected. Should the target's management not possess the skills, qualifications or abilities necessary to manage a public company, the operations and profitability of the post-combination business may be negatively impacted. Accordingly, any stockholders who choose to remain stockholders following the business combination could suffer a reduction in the value of their shares. Such stockholders are unlikely to have a remedy for such reduction in value unless they are able to successfully claim that the reduction was due to the breach by BRAC's executive officers or directors of a duty of care or other fiduciary duty owed to them, or if they are able to successfully bring a private claim under securities laws that the tender offer or proxy statement materials relating to the business combination contained an actionable material misstatement or material omission.

The officers and directors of an acquisition candidate may resign upon completion of BRAC's initial business combination. The departure of a business combination target's key personnel could negatively impact the operations and profitability of BRAC's post-combination business. The role of an acquisition candidate's key personnel upon the completion of BRAC's initial business combination cannot be ascertained at this time. Although BRAC contemplates that certain members of an acquisition candidate's management team will remain associated with the acquisition candidate following BRAC's initial business combination, it is possible that members of the management of an acquisition candidate will not wish to remain in place.

BRAC may engage in a business combination with one or more target businesses that have relationships with entities that may be affiliated with BRAC's executive officers, directors or existing holders which may raise potential conflicts of interest.

In light of the involvement of BROG, as BRAC's sponsor, and BROG's executive officers and directors with other entities, BRAC may decide to acquire one or more businesses affiliated with BROG or its executive officers and directors. BRAC's directors also serve as officers and board members for other entities. Such entities may compete with it for business combination opportunities. Although BRAC is not specifically focusing on, or targeting, any transaction with any affiliated entities, BRAC could pursue such a transaction if BRAC determined that such affiliated entity met BRAC's criteria for a business combination and such transaction was approved by a majority of BRAC's disinterested directors. Despite BRAC's agreement to obtain an opinion from an independent accounting firm or independent investment banking firm regarding the fairness to BRAC's company from a financial point of view of a business combination with one or more domestic or international businesses affiliated with BRAC's executive officers, directors or existing holders, potential conflicts of interest still may exist and, as a result, the terms of the business combination may not be as advantageous to BRAC's public stockholders as they would be absent any conflicts of interest.

BRAC may only be able to complete one business combination with the proceeds of BRAC's initial public offering, which will cause it to be solely dependent on a single business which may have a limited number of products or services.

It is likely BRAC will consummate a business combination with a single target business, although BRAC has the ability to simultaneously acquire several target businesses. By consummating a business combination with only a single entity, BRAC's lack of diversification may subject it to numerous economic, competitive and regulatory developments. Further, BRAC would not be able to diversify BRAC's operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business combinations in different industries or different areas of a single industry. Accordingly, the prospects for BRAC's success may be:

- solely dependent upon the performance of a single business, or
- dependent upon the development or market acceptance of a single or limited number of products, processes or services.

This lack of diversification may subject it to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which BRAC may operate subsequent to a business combination.

Alternatively, if BRAC determines to simultaneously acquire several businesses and such businesses are owned by different sellers, BRAC will need for each of such sellers to agree that BRAC's purchase of its business is contingent on the simultaneous closings of the other business combinations, which may make it more difficult for us, and delay BRAC's ability, to complete the business combination. With multiple business combinations, BRAC could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating business. If BRAC is unable to adequately address these risks, it could negatively impact BRAC's profitability and results of operations.

BRAC may attempt to simultaneously complete business combinations with multiple prospective targets, which may hinder BRAC's ability to complete BRAC's business combination and give rise to increased costs and risks that could negatively impact BRAC's operations and profitability.

If BRAC determines to simultaneously acquire several businesses that are owned by different sellers, BRAC will need for each of such sellers to agree that BRAC's purchase of its business is contingent on the simultaneous closings of the other business combinations, which may make it more difficult for us, and delay BRAC's ability, to complete BRAC's initial business combination. With multiple business combinations, BRAC could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating business. If BRAC is unable to adequately address these risks, it could negatively impact BRAC's profitability and results of operations.

If BRAC's security holders exercise their registration rights, it may have an adverse effect on the market price of BRAC's shares of common stock and the existence of these rights may make it more difficult to effect a business combination.

BRAC's sponsor is entitled to make a demand that BRAC register the resale of the founders' shares at any time commencing three months prior to the date on which their shares may be released from escrow. Additionally, the holders of the private units and any units BRAC's sponsor, officers, directors, or their affiliates may be issued in payment of working capital loans made to it are entitled to demand that BRAC register the resale of the private units and any other units BRAC issues to them (and the underlying securities) commencing at any time after BRAC consummates an initial business combination. The presence of these additional shares of common stock trading in the public market may have an adverse effect on the market price of BRAC's securities. In addition, the existence of these rights may make it more difficult to effectuate a business combination or increase the cost of acquiring the target business, as the stockholders of the target business may be discouraged from entering into a business combination with it or will request a higher price for their securities because of the potential effect the exercise of such rights may have on the trading market for BRAC's shares of common stock.

EarlyBirdCapital may have a conflict of interest in rendering services to it in connection with BRAC's initial business combination.

BRAC has engaged EarlyBirdCapital to assist it in connection with BRAC's initial business combination. BRAC will pay EarlyBirdCapital a cash fee of $4,080,000 for such services upon the consummation of BRAC's initial business combination. This financial interest may result in EarlyBirdCapital having a conflict of interest when providing the services to it in connection with an initial business combination.

Because BRAC must furnish BRAC's stockholders with target business financial statements prepared in accordance with U.S. generally accepted accounting principles or international financial reporting standards, BRAC will not be able to complete a business combination with prospective target businesses unless their financial statements are prepared in accordance with U.S. generally accepted accounting principles.

The federal proxy rules require that a proxy statement with respect to a vote on a business combination meeting certain financial significance tests include historical and/or pro forma financial statement disclosure in periodic reports. These financial statements may be required to be prepared in accordance with, or be reconciled to, accounting principles generally accepted in the United States of America, or GAAP, or international financial reporting standards as issued by the International Accounting Standards Board, or IFRS, depending on the circumstances, and the historical financial statements may be required to be audited in accordance with the standards of the Public Company Accounting Oversight Board (United States), or PCAOB. BRAC will include the same financial statement disclosure in connection with any tender offer documents BRAC use, whether or not they are required under the tender offer rules. Additionally, to the extent BRAC furnishes BRAC's stockholders with financial statements prepared in accordance with IFRS, such financial statements will need to be audited in accordance with U.S. GAAP at the time of the consummation of the business combination. These financial statement requirements may limit the pool of potential target businesses BRAC may acquire.

BRAC is an emerging growth company within the meaning of the Securities Act, and if BRAC takes advantage of certain exemptions from disclosure requirements available to emerging growth companies, this could make BRAC's securities less attractive to investors and may make it more difficult to compare BRAC's performance with other public companies.

BRAC is an "emerging growth company," as defined in the JOBS Act. BRAC will remain an "emerging growth company" for up to five years. However, if BRAC's non-convertible debt issued within a three year period or revenues exceeds $1.07 billion, or the market value of BRAC's shares of common stock that are held by non-affiliates exceeds $700 million on the last day of the second fiscal quarter of any given fiscal year, BRAC would cease to be an emerging growth company as of the following fiscal year. As an emerging growth company, BRAC is not required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, BRAC has reduced disclosure obligations regarding executive compensation in BRAC's periodic reports and proxy statements and BRAC is exempt from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. Additionally, as an emerging growth company, BRAC has elected to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As such, BRAC's financial statements may not be comparable to companies that comply with public company effective dates. BRAC cannot predict if investors will find BRAC's shares of common stock less attractive because BRAC may rely on these provisions. If some investors find BRAC's shares of common stock less attractive as a result, there may be a less active trading market for BRAC's shares and BRAC's share price may be more volatile.

Provisions in BRAC's amended and restated certificate of incorporation and bylaws and Delaware law may inhibit a takeover of us, which could limit the price investors might be willing to pay in the future for BRAC's common stock and could entrench management.

BRAC's amended and restated certificate of incorporation and bylaws contain provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. BRAC's board of directors is divided into three classes, each of which will generally serve for a term of three years with only one class of directors being elected in each year. As a result, at a given annual meeting only a minority of the board of directors may be considered for election. Since BRAC's "staggered board" may prevent BRAC's stockholders from replacing a majority of BRAC's board of directors at any given annual meeting, it may entrench management and discourage unsolicited stockholder proposals that may be in the best interests of stockholders. Moreover, BRAC's board of directors has the ability to designate the terms of and issue new series of preferred stock.

BRAC is also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for BRAC's securities.

If BRAC effects a business combination with a company located outside of the United States, BRAC would be subject to a variety of additional risks that may negatively impact BRAC's operations.

BRAC may effect a business combination with a company located outside of the United States. If BRAC did, BRAC would be subject to any special considerations or risks associated with companies operating in the target business' home jurisdiction, including any of the following:

- rules and regulations or currency conversion or corporate withholding taxes on individuals;
- tariffs and trade barriers;
- regulations related to customs and import/export matters;
- longer payment cycles;
- tax issues, such as tax law changes and variations in tax laws as compared to the United States;
- currency fluctuations and exchange controls;
- challenges in collecting accounts receivable;
- cultural and language differences;
- employment regulations;
- crime, strikes, riots, civil disturbances, terrorist attacks and wars; and
- deterioration of political relations with the United States.

BRAC cannot assure its investors that BRAC would be able to adequately address these additional risks. If BRAC were unable to do so, BRAC's operations might suffer.

If BRAC effects a business combination with a company located outside of the United States, the laws applicable to such company will likely govern all of BRAC's material agreements and BRAC may not be able to enforce BRAC's legal rights.

If BRAC effects a business combination with a company located outside of the United States, the laws of the country in which such company operates will govern almost all of the material agreements relating to its operations. BRAC cannot assure its investors that the target business will be able to enforce any of its material agreements or that remedies will be available in this new jurisdiction. The system of laws and the enforcement of existing laws in such jurisdiction may not be as certain in implementation and interpretation as in the United States. The inability to enforce or obtain a remedy under any of BRAC's future agreements could result in a significant loss of business, business opportunities or capital. Additionally, if BRAC acquires a company located outside of the United States, it is likely that substantially all of BRAC's assets would be located outside of the United States and some of BRAC's officers and directors might reside outside of the United States. As a result, it may not be possible for investors in the United States to enforce their legal rights, to effect service of process upon BRAC's directors or officers or to enforce judgments of United States courts predicated upon civil liabilities and criminal penalties of BRAC's directors and officers under federal securities laws.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect BRAC's business, investments and results of operations.

BRAC is subject to laws and regulations enacted by national, regional and local governments. In particular, BRAC will be required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on BRAC's business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on BRAC's business and results of operations.

BRAC's amended and restated certificate of incorporation will provide, subject to limited exceptions, that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters, which could limit BRAC's stockholders' ability to obtain a favorable judicial forum for disputes with it or BRAC's directors, officers, employees or stockholders.

BRAC's amended and restated certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions brought in BRAC's name, actions against directors, officers and employees for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder's counsel. Any person or entity purchasing or otherwise acquiring any interest in shares of BRAC's capital stock shall be deemed to have notice of and consented to the forum provisions in BRAC's amended and restated certificate of incorporation.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of BRAC's directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in BRAC's amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, BRAC may incur additional costs associated with resolving such action in other jurisdictions, which could harm BRAC's business, operating results and financial condition.

If BRAC consummates a business combination with a target business in the energy industry, BRAC would be subject to the risks attendant to such industry.

If BRAC is successful in consummating a business combination with a target business in the energy industry, BRAC would be subject to all of the risks attendant to such industry, including, among others:

- fluctuations in energy prices causing a reduction in the demand or profitability of the products or services BRAC may ultimately produce or offer;
- fluctuations in energy prices causing a reduction in the demand or profitability of the products or services BRAC may ultimately produce or offer;
- changes in technology rendering BRAC's products or services obsolete following a business combination;
- increasing governmental regulation; and
- failure to comply with governmental regulations resulting in the imposition of penalties, fines or restrictions on operations and remedial liabilities.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Executive Offices

Our executive offices are located at 110 North Fifth Street, Suite 410, Minneapolis, Minnesota 55403. Our office space consists of approximately 2,786 square feet leased pursuant to an annual lease agreement that commenced on July 1, 2016 and continued on a month-to-month basis beginning July 1, 2017.

Research and Development

We do not anticipate performing any significant product research and development under our plan of operation.

Delivery Commitments

We do not currently have any delivery commitments under our plan of operation.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are not presently a party to any material litigation, nor to the knowledge of management is any litigation threatened against us, which may materially affect us.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock

Our common stock is currently quoted on the OTCQB under the symbol "ANFC."

Quotations on the OTCQB reflect inter-dealer prices, without retail markup, mark-down, or commission and may not necessarily represent actual transactions.

As of March 15, 2019, there were approximately 1,900 record holders of our common stock, not including shares held in "street name" in brokerage accounts which is unknown. As of March 15, 2019, there were 479,844,900 shares of common stock outstanding on record.

Equity Compensation Plan Information

Effective March 2, 2012, the 2012 Amended and Restated Stock Incentive Plan (the 2012 Plan) was approved by our Board and the holders of a majority of our outstanding shares, replacing the Ante5, Inc. 2010 Stock Incentive Plan. Amongst other things, the 2012 Plan increased the number of shares reserved under the Plan to a total of 7,500,000 shares of our common stock. The following table sets forth certain information regarding the 2012 Plan as of December 31, 2018:

Number of securities to be issued upon exercise of outstanding stock options	Weighted-average exercise price of outstanding stock options	Number of securities remaining available for future issuance under the 2012 Plan
7,020,000	$0.42	420,000

For the fiscal years ended December 31, 2018 and 2017, we issued no stock options pursuant to the 2012 Plan. There were 73,800 and 49,700 options cancelled during the years ended December 31, 2018 and 2017, respectively.

Effective December 12, 2016, the 2016 Non-Qualified Stock Option Plan ("the 2016 Plan") was approved by our Board. Amongst other things, the 2016 Plan authorized a total of 3,813,500 shares of our common stock. The following table sets forth certain information regarding our 2016 Plan as of December 31, 2018:

Number of securities to be issued upon exercise of outstanding stock options	Weighted-average exercise price of outstanding stock options	Number of securities remaining available for future issuance under the 2016 Plan
3,763,500	$0.04	50,000

For the fiscal years ended December 31, 2018 and 2017, we issued no stock options pursuant to the 2016 Plan.

Warrants

We issued warrants to purchase -0- and 435,000 shares of registered or unregistered common stock for the fiscal years ended December 31, 2018 and 2017, respectively. There were no warrants forfeited or expired during the years ended December 31, 2018 and 2017. There were 45,000 and -0- warrants exercised during the years ended December 31, 2018 and 2017, respectively. A total of 390,000 warrants are outstanding as of December 31, 2018.

Unregistered Issuance of Equity Securities

In connection with the Company's registered distribution of subscription rights to shareholders for the purchase of shares of common stock (the "Rights Offering"), the Company entered into a Standby Purchase Agreement (the "Backstop Agreement") with a consortium of investors, including members of the Company's board of directors and our Chief Executive Officer (collectively, the "Backstop Purchasers"). On September 26, 2017, the Company closed the backstop offering transaction pursuant to which the Backstop Purchasers purchased 232,008,489 shares (the "Backstop Shares") at a purchase price of $0.012 per share for total proceeds of $2,784,102. In addition, the Backstop Purchasers received 435,000 five-year warrants to purchase shares of common stock at an exercise price of $0.01 per share (the "Backstop Warrants") in exchange for their participation in the Backstop Agreement. The Backstop Shares and Backstop Warrants were issued to the Backstop Purchasers by the Company in a private placement transaction not involving any public offering in reliance on the exemption available under Section 4(a)(2) and Rule 506 of Regulation D of the Securities Act of 1933, as amended (the "Securities Act"). The Company filed a registration statement on Form S-1 with the SEC to register the resale of the Backstop Shares and the shares underlying the Backstop Warrants (the "Resale Registration Statement") which was declared effective by the SEC on February 9, 2018.

ITEM 6. SELECTED FINANCIAL DATA.

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our financial statements and notes to those statements. In addition to historical information, the following discussion and other parts of this annual report contain forward-looking information that involves risks and uncertainties.

Overview and Outlook

Effective April 2, 2012, we changed our name to Black Ridge Oil & Gas, Inc. Our common stock is still quoted on the OTCQB under the trading symbol "ANFC."

The Company is focused on acquiring, investing in, and managing the oil and gas assets for our partners. We continue to pursue asset acquisitions in all major onshore unconventional shale formations that may be acquired with capital from our existing joint venture partners or other capital providers. Additionally, as the sponsor and manager of Black Ridge Acquisition Corp. ("BRAC"), we are focused on BRAC's efforts to identify a prospective target business for merger, share exchange, asset acquisition or other similar business combination.

Rights Offering and BRAC IPO

The Company filed a Registration Statement on Form S-1 (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") to register the issuance of 431,819,910 shares of common stock in the Rights Offering that was declared effective by the SEC on August 3, 2017. Pursuant to the Rights Offering, the Company distributed, on a pro rata basis, one right for each share of common stock owned by shareholders on August 2, 2017 (the "Record Date"). Each right permitted a shareholder to purchase up to nine shares of common stock at a subscription price of $0.012 per share. The Rights Offering expired on September 8, 2017 (the "Expiration Date").

Associated with the Rights Offering the Company also entered into the Backstop Agreement with the Backstop Purchasers, who agreed to purchase up to $2.9 million of the unsubscribed shares following the completion of the rights offering.

On September 26, 2017, the Company finalized the Rights Offering and Backstop Agreement, and issued 431,819,910 shares raising gross proceeds of $5,181,839. Under the Rights Offering the Company's current shareholders exercised rights to purchase 199,811,421 shares of stock for a total of $2,397,737. Under the Backstop Agreement, the Backstop Purchasers purchased 232,008,489 shares of stock for a total of $2,784,102. Additionally as part of Backstop Agreement; the Company issued 435,000 warrants to purchase its common stock at $0.01 for participants in the Backstop Agreement. We incurred $130,164 in costs associated with raising the capital in Rights Offering and Backstop Agreement which were charged directly to stockholder's equity.

On October 10 and October 18, 2017 the Company used $4,450,000 of the net proceeds of the Rights Offering to fulfill its obligation as sponsor of BRAC as part of BRAC's initial public offering (IPO). BRAC was formed on May 9, 2017 with the purpose of becoming the special acquisition company as a wholly owned subsidiary of the Company. After the IPO, the Company retained ownership of 22% of BRAC's common stock. The remaining proceeds from the Rights Offering following the sponsorship are intended to be used for general corporate purposes which may include other investments and acquisitions.

The Company has determined that BRAC, following its IPO, is a variable interest entity ("VIE") and that the Company is the primary beneficiary of the VIE. The Company determined that, due to the redemption feature associated with the IPO shares, that the IPO shareholders are indirectly protected from the operating expenses of BRAC and it has the power to direct the activities of BRAC through the date at which BRAC affords the stockholders the opportunity to vote to approve a proposed business combination. Therefore, the financial statements contain the operations of the BRAC from its inception on May 9, 2017. BRAC's IPO shareholders are reflected as a non-controlling interest. All significant inter-company transactions have been eliminated.

BRAC Proposed Business Combination

On December 19, 2018, BRAC entered into an Agreement and Plan of Reorganization (the "Merger Agreement") with Black Ridge Merger Sub, Corp., a Delaware corporation and wholly-owned subsidiary of BRAC's ("Merger Sub"), Allied Esports Entertainment, Inc. ("Allied Esports"), Ourgame International Holdings Ltd. ("Ourgame"), Noble Link Global Limited, a wholly-owned subsidiary of Ourgame ("Noble"), and Primo Vital Ltd., also a wholly-owned subsidiary of Ourgame ("Primo").

Subject to the Agreement, (i) Noble will merge with and into Allied Esports (the "Redomestication Merger") with Allied Esports being the surviving entity in such merger and (ii) immediately after the Redomestication Merger, Merger Sub will merge with and into Allied Esports with Allied Esports being the surviving entity of such merger (the "Transaction Merger" and together with the Redomestication Merger, the "Mergers" or the "Proposed Business Combination") and becoming a wholly-owned subsidiary of BRAC.

Upon consummation of the Mergers (the "Closing"), BRAC will issue to the former owners of Allied Esports and WPT Enterprises, Inc. ("WPT") (i) an aggregate of 11,602,754 shares of BRAC's common stock and (ii) an aggregate of 3,800,003 warrants to purchase shares of BRAC's common stock.

In addition to the consideration described above, the former owners of Allied Esports and WPT will be entitled to receive their pro rata portion of an aggregate of an additional 3,846,153 shares of BRAC's common stock if the last sales price of BRAC's common stock equals or exceeds $13.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for thirty (30) consecutive days at any time during the five (5) year period commencing on the date of the Closing (the "Closing Date").

The Mergers will result in BRAC acquiring two of Ourgame's global esports and entertainment assets, Allied Esports and WPT. Allied Esports is a premier esports entertainment company with a global network of dedicated esports properties and content production facilities. WPT is the creator of the World Poker Tour® (WPT®) – the premier name in internationally televised gaming and entertainment with brand presence in land-based tournaments, television, online and mobile. The proposed transaction will seek to strategically combine the globally recognized Allied Esports brand with the three-pronged business model of the iconic World Poker Tour, featuring in-person experiences, multiplatform content and interactive services, to leverage the high-growth opportunities in the global esports industry.

Consummation of the transactions contemplated by the Merger Agreement is subject to customary conditions and covenants of the respective parties, including approval of BRAC's stockholders and BRAC having cash on hand of at least $80 million. Further information regarding the Proposed Business Combination, the proposed business of the combined company following consummation of the Proposed Business Combination and the risks related to the proposed business of the combined company following consummation of the Proposed Business Combination can be found in BRAC's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 20, 2018, the preliminary proxy statement filed by BRAC with the Securities and Exchange Commission and the definitive proxy statement to be filed by BRAC with the Securities and Exchange Commission. Unless otherwise indicated, the information in this Report assumes BRAC will not consummate the Proposed Business Combination and will be forced to seek an alternative target with which to consummate an initial business combination.

Settlement Income

On August 21, 2018, the Company entered into an agreement to modify the terms of the Settlement Agreement and Release entered into as of September 27, 2012 between the Company, Peerless Media, Ltd. and ElectraWorks, Ltd.. Based on the new agreement, the Company received $2.25 million and agreed to terminate its rights to any additional payments under the original Settlement Agreement. The Company also paid a 5% fee of $112,500 to a former officer as part of an agreement with the former officer related to the 2012 settlement agreement.

Going Concern Uncertainty

As of December 31, 2018 our cash balance was $1,503,500. We will continue to have general and administrative expenses to remain a public company and continue with our business plan. The cash on hand would be insufficient to cover our current cash needs over the next year.

We continue to pursue sources of additional capital through various financing transactions or arrangements, including joint venturing of projects, equity financing or other means. We may not be successful in identifying suitable funding transactions in a sufficient time period or at all, and we may not obtain the capital we require by other means. If we do not succeed in raising additional capital, our resources may not be sufficient to fund our business.

The report of the Company's independent registered public accounting firm that accompanies its audited consolidated financial statements in this Annual Report on Form 10-K contains an explanatory paragraph regarding the substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of the going concern uncertainty.

Cancellation of Management Services Agreement and Sale of BRHC Assets

On April 3, 2017, we were notified by Black Ridge Holding Company, LLC ("BRHC") of their termination of our Management Services Agreement and that they had finalized the sale of BRHC's oil and gas assets to a third party. BRHC was formed by the Company in 2016 to contribute and assign to BRHC, all of the Company's oil and gas assets and related debt as part of a debt restructuring and was managed by the Company under a management services agreement. On April 3, BRHC signed a Contribution Agreement that provides for the transfer of ownership and title of all oil and gas assets held by BRHC in exchange for preferred membership interest in the acquiring LLC (the "BRHC Sale"). Consistent with the terms of the Management Services Agreement, we were paid for our management services through June 30, 2017.

The Company, Chambers Energy Capital II, LP and CEC II TE, LLC (together with Chambers Energy Capital II, LP the "Chambers Affiliates") as the members of BRHC agreed to dissolve and wind up BRHC and filed a Certificate of Cancellation under the Delaware Limited Liability Company Act as of October 3, 2017. On October 2, 2017, the Company entered into an agreement with the Chambers Affiliates whereby certain assets distributed to the Company upon the dissolution and winding up of BRHC effective as of October 1, 2017, were sold to the Chambers Affiliates in exchange for cash consideration of $1,078,394. Additionally, cash and receivables totaling $4,645 in value were distributed directly to the Company from BRHC.

Overview of 2018 results

Our 2018 results were largely dominated by managing BRAC. Our attention was focused on managing BRAC and our search for potential business combination candidates for BRAC.

Our general and administrative expenses remained relatively consistent throughout 2018, driven primarily by salaries and benefits amounting to $1,199,729, with an increase toward the end of 2018 due to legal and consulting costs within BRAC related to its proposed business combination.

In 2018, we received settlement income, net of related settlement expenses, of $2,137,500 related to the settlement of the contingent portion of a 2012 settlement agreement.

Additionally in 2018, we had income within BRAC's Trust Account of interest and unrealized gains totaling $2,540,851.

Application of Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. 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 disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to impairment of property, plant and equipment, intangible assets, deferred tax assets and fair value computation using the Black Scholes option pricing model. We base our estimates on historical experience and on various other assumptions, such as the trading value of our common stock and estimated future undiscounted cash flows, that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that our estimates, including those for the above-described items, are reasonable.

Critical Accounting Policies

The establishment and consistent application of accounting policies is a vital component of accurately and fairly presenting our financial statements in accordance with generally accepted accounting principles in the United States (GAAP), as well as ensuring compliance with applicable laws and regulations governing financial reporting. While there are rarely alternative methods or rules from which to select in establishing accounting and financial reporting policies, proper application often involves significant judgment regarding a given set of facts and circumstances and a complex series of decisions.

Income Taxes

Deferred tax assets are recognized for temporary differences in financial statement and tax basis amounts that will result in deductible amounts and carry-forwards in future years. Deferred tax liabilities are recognized for temporary differences that will result in taxable amounts in future years. Deferred tax assets and liabilities are measured using enacted tax law and tax rate(s) for the year in which we expect the temporary differences to be deducted or settled. The effect of a change in tax law or rates on the valuation of deferred tax assets and liabilities is recognized in income in the period of enactment. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Significant future taxable income would be required to realize this net tax asset.

Estimating the amount of the valuation allowance is dependent on estimates of future taxable income, alternative minimum tax income, and changes in shareholder ownership that would trigger limits on use of net operating losses under Internal Revenue Code Section 382.

Fair Value of Financial Instruments

Our cash and cash equivalents, investments, accounts receivable and accounts payable are stated at cost which approximates fair value due to the short-term nature of these instruments. In January 2010, the FASB issued an amendment to the accounting standards related to the disclosures about an entity's use of fair value measurements. Among these amendments, entities are required to provide enhanced disclosures about transfers into and out of the Level 1 (fair value determined based on quoted prices in active markets for identical assets and liabilities) and Level 2 (fair value determined based on significant other observable inputs) classifications, provide separate disclosures about purchases, sales, issuances and settlements relating to the tabular reconciliation of beginning and ending balances of the Level 3 (fair value determined based on significant unobservable inputs) classification and provide greater disaggregation for each class of assets and liabilities that use fair value measurements.

Use of Estimates

In accordance with accounting principles generally accepted in the United States, management utilizes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Results of Operations for the Years Ended December 31, 2018 and 2017.

The following table summarizes selected items from the statement of operations for the years ended December 31, 2018 and 2017.

	Years Ended December 31,		Increase/
	2018	2017	Decrease
Management fee income	$ –	$ 1,000,000	$ (1,000,000)
Operating expenses:			
General and administrative:			
Salaries and benefits	1,199,729	1,321,995	(122,266)
Stock compensation	310,731	574,851	(264,120)
Professional services	473,074	176,155	296,919
Other general and administrative	586,588	368,647	217,941
Total general and administrative	2,570,122	2,441,648	128,474
Depreciation and amortization	9,472	10,848	(1,376)
Total operating expenses:	2,579,594	2,452,496	127,098
Net operating loss	(2,579,594)	(1,452,496)	(1,127,098)
Other income:			
Interest income	2,474,344	355,338	2,119,006
Unrealized gain (loss) on marketable securities held in trust account	66,507	(64,985)	131,492
Settlement income	2,250,000	–	2,250,000
Settlement expense	(112,500)	–	(112,500)
Loss on sale of property and equipment	–	(4,714)	4,714
Interest expense	–	(8,713)	8,713
Gain on sale of investment in Black Ridge Holding Company	–	1,030,145	(1,030,145)
Other income	1,996	–	1996
Total other income	4,680,347	1,307,071	3,373,276
Income (loss) before provision for income taxes	2,100,753	(145,425)	2,246,178
Provision for income taxes	(575,873)	(67,044)	(508,829)
Net income (loss)	1,524,880	(212,469)	1,737,349
Less: Net income attributable to redeemable non-controlling interest	(1,868,894)	(180,060)	(1,688,834)
Net income (loss) attributable to Black Ridge Oil & Gas, Inc.	$ (344,014)	$ (392,529)	$ 48,515

Management Fee Revenue

The Company earned no management fees in 2018. The 2017 management fees represent fees of $1,000,000 that were from BRHC prior to the cancellation of the BRHC Management Services Agreement effective June 30, 2017.

General and Administrative Expenses

Salaries and benefits

Salaries and benefits for the year ended December 31, 2018 were $1,199,729 compared to $1,321,995 for the year ended December 31, 2017, a decrease of $122,266 or 9%. The decrease in salaries and benefits was primarily due to a headcount decrease towards the latter part of 2017 and another employee went to half time in the last half of 2018, offset by increased health benefit costs. There were no base salary changes in 2018 or 2017.

Stock compensation

Stock compensation expense for the year ended December 31, 2018 was $310,731 compared to $574,851 for year ended December 31, 2017, a decrease of $264,120 or 8%. The decrease was attributed to options issued in previous years reaching the end of their amortization period. No options were issued in 2017 or 2018.

Professional services

General and administrative expenses related to professional services from continuing operations were $473,074 for 2018 compared $176,155 for 2017, an increase of $296,919 or 169%. The increase primarily relates to professional service costs associated with BRAC which are up $342,693. BRAC incorporated May 9, 2017 and was a public company for less than three months in 2017. Further, professional service costs accelerated in the fourth quarter at BRAC due to legal and other cost related to its proposed business combination. Professional service expenses were down $45,774 at BROG, comparing 2018 to 2017, as legal and accounting costs associated with the sale of Black Ridge Holding Company and becoming a Sponsor of BRAC in 2017 were not incurred in 2018.

Other general and administrative expenses

Other general and administrative expenses for the year ended December 31, 2018 were $586,588 compared to $368,647 for year ended December 31, 2017, an increase of $217,941, or 59%. The increase is again attributable to increased expenses at BRAC which was operating for a full year as a public company in 2018 as compared to 2017 when the Company was incorporated May 9, 2017 and had its IPO on October 10, 2017.

Depreciation

Depreciation expense for the year ended December 31, 2018 was $9,472, compared to $10,848 for year ended December 31, 2017, the decrease attributable to certain equipment becoming fully amortized.

Other income and expense

Interest income

Interest income was $2,474,344 and $355,338 for the years ended December 31, 2018 and 2017 representing interest income on the restricted cash and marketable securities in the trust account of BRAC. The increase primarily due to the length of time the IPO proceeds were deposited in the trust account and supplemented by increasing yields on treasury securities throughout 2018. The trust account was funded in October of 2017 and the funds have remained there for the balance of 2017 and all of 2018.

Unrealized gain (loss) on marketable securities

The trust account assets of BRAC had an unrealized gain on marketable securities of $66,507 in 2018 and an unrealized loss on marketable securities of $64,985 in 2017 representing fluctuations on the mark-to-market value of the marketable securities held in the trust fund of BRAC.

Settlement income, net

The company had settlement income, net of related settlement expense of $2,137,500 resulting from the final settlement of the contingent portion of a 2012 settlement agreement.

Loss on sale of property and equipment

The loss on sale of property and equipment in 2017 relates to the sale of equipment used for trade shows with a basis of $6,874 for net proceeds of $2,160, resulting in a loss of $4,714.

Interest expense

There was no interest expense in 2018. Interest expense in 2017 was $8,713 related to $500,000 promissory note to our lender for the period from July 7 to September 14, including loan origination fees and related costs charged directly to interest expense.

Provision for Income Taxes

We had $575,873 and $67,044 of tax expense for the years ended December 31, 2018 and 2017, respectively, representing the tax expense associated with BRAC, which is a stand-alone entity for tax purposes and has net taxable income primarily resulting from income on the trust account assets. The Company continues to reserve against any deferred tax assets of BROG due to the uncertainty of realization of any benefit.

Liquidity and capital resources

The following table summarizes our total current assets, liabilities and working capital at December 31, 2018 and 2017.

	December 31,	
	2018	2017
Current Assets	$ 1,557,448	$ 1,566,195
Current Liabilities	$ 659,351	$ 186,677
Working Capital	$ 898,097	$ 1,379,518

As of December 31, 2018 we had positive working capital of $898,097.

The following table summarizes our cash flows during the years ended December 31, 2018 and 2017, respectively.

	Years Ended December 31,	
	2018	2017
Net cash used in operating activities	$ (187,936)	$ (792,276)
Net cash provided by (used in) investing activities	213,897	(137,606,453)
Net cash provided by financing activities	450	139,809,549
Net change in cash and cash equivalents	$ 26,411	$ 1,410,820

Net cash used in operating activities was $187,936 and $792,276 for the years ended December 31, 2018 and 2017, respectively, a year over year decrease of $604,340. Cash generated from management fee income decreased $1,000,000 from $1,000,000 in 2017 to $-0- in 2018. The primary offset to the management fee income was the difference in the increase in the income tax payable of $301,126 ($387,048 in 2018 versus $85,722 in 2017). The increase in general and administrative expenses of $128,474 accounts for the majority of the remaining difference.

Net cash provided by investing activities was $213,897 and net cash used in investing activities was $137,606,453 for the years ended December 31, 2018 and 2017, respectively. In 2018, we withdrew $213,897 from BRAC's restricted trust account to pay for income taxes and franchise fees. In 2017, we deposited $138,690,000 into BRAC's restricted trust account to be held for potential redeeming IPO shareholders in BRAC's IPO offset by the receipt of cash proceeds of $1,081,387 from the sale of our interest in Black Ridge Holding Company, LLC.

Net cash provided from financing activities was $450 and $139,809,549 for the years ended December 31, 2018 and 2017, respectively. In 2018 we received $450 from warrant exercises. In 2017, we received $134,757,874, net of offering costs, from BRAC's IPO and we received $5,051,675, net of $130,164 of offering costs, from the sale of stock in the Rights Offering and related Backstop Agreement. In 2017, the Company borrowed, and subsequently repaid, $500,000 under a promissory note.

Cancellation of Management Services Agreement and Sale of BRHC Assets

On April 3, 2017, we were notified by Black Ridge Holding Company, LLC ("BRHC") of its termination of our Management Services Agreement and that they had finalized the sale of BRHC's oil and gas assets to a third party. On April 3, BRHC signed a Contribution Agreement that provides for the transfer of ownership and title of all oil and gas assets held by BRHC in exchange for preferred membership interest in the acquiring LLC (the "BRHC Sale"). Consistent with the terms of the Management Services Agreement, we were paid for our management services through June 30, 2017. BRHC was formed by the Company in 2016 to contribute and assign to BRHC, all of the Company's oil and gas assets and related debt as part of a debt restructuring and was managed by the Company under a management services agreement.

The Company, Chambers Energy Capital II, LP and CEC II TE, LLC (together with Chambers Energy Capital II, LP the "Chambers Affiliates") as the members of BRHC agreed to dissolve and wind up BRHC and filed a Certificate of Cancellation under the Delaware Limited Liability Company Act as of October 3, 2017. On October 2, 2017, the Company entered into an agreement with the Chambers Affiliates whereby certain assets distributed to the Company upon the dissolution and winding up of BRHC effective as of October 1, 2017 were sold to the Chambers Affiliates in exchange for cash consideration of $1,078,394. Additionally, cash and receivables totaling $4,645 in value were distributed directly to the Company from BRHC.

Satisfaction of our cash obligations for the next 12 months

As of December 31, 2018, our balance of cash and cash equivalents was $1,503,500. We expect to incur significant costs related to a potential business combination which will put a strain on our cash resources. Our plan for satisfying our cash requirements for the next twelve months is through cash on hand, additional management service fees generated from new partners and additional financing in the form of equity or debt as needed.

Effects of inflation and pricing

We do not expect any significant effects from inflation and pricing.

Contractual obligations and commitments

We have no significant obligations and commitments as of December 31, 2018 to make future payments under contracts.

Summary of product and research and development that we will perform for the term of our plan

We are not anticipating significant research and development expenditures in the future.

Expected purchase or sale of plant and significant equipment

We do not anticipate the purchase or sale of any plant or significant equipment as such items are not required by us at this time.

Significant changes in the number of employees

As of December 31, 2018, we had seven employees, our chief executive officer, Kenneth DeCubellis, our chief financial officer, James Moe, our chief operating officer, Michael Eisele and four other employees. Currently, there are no organized labor agreements or union agreements and we do not anticipate any in the future.

Assuming we are able to replace and expand the assets we have under management, we may need to hire additional employees. In the interim, we intend to use the services of independent consultants and contractors to perform various professional services when appropriate. We believe the use of third-party service providers may enhance our ability to control general and administrative expenses and operate efficiently.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues, expenses, results of operations liquidity, capital expenditures or capital resources that are material to investors.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk

We do not expect any significant effects from commodity price risk.

Interest Rate Risk

We do not anticipate entering into any transactions that would expose us to any direct interest rate risk.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA OF BLACK RIDGE OIL & GAS, INC.

BLACK RIDGE OIL & GAS, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Black Ridge Oil & Gas, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Black Ridge Oil & Gas, Inc. (the Company) as of December 31, 2018 and 2017, and the related statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes and schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company suffered a net loss from operations and negative cash flows from operations, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

M&K CPAS, PLLC

We have served as the Company's auditor since 2010.

Houston, TX

March 22, 2019

BLACK RIDGE OIL & GAS, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,503,500	$ 1,477,089
Accounts receivable	13	1,611
Prepaid expenses	53,935	68,817
Deferred taxes	–	18,678
Total current assets	1,557,448	1,566,195
Property and equipment:		
Property and equipment	128,156	128,156
Less accumulated depreciation	(126,931)	(117,459)
Total property and equipment, net	1,225	10,697
Restricted cash and investments held in trust	141,307,307	138,980,353
Total assets	$ 142,865,980	$ 140,557,245
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	180,452	91,186
Accrued expenses	5,691	9,769
Income tax payable	472,770	85,722
Deferred taxes	438	–
Total current liabilities	659,351	186,677
Total liabilities	659,351	186,677
Commitments and contingencies	–	–
Redeemable non-controlling interest	140,738,954	138,870,060
Stockholders' equity:		
Preferred stock, $0.001 par value, 20,000,000 shares authorized, no shares issued and outstanding	–	–
Common stock, $0.001 par value, 500,000,000 shares authorized, 479,844,900 and 479,799,900 shares issued and outstanding as of December 31, 2018 and 2017, respectively	479,845	479,800
Additional paid-in capital	36,475,732	36,164,596
Accumulated deficit	(35,487,902)	(35,143,888)
Total stockholders' equity	1,467,675	1,500,508
Total liabilities, stockholders' equity and redeemable non-controlling interest	$ 142,865,980	$ 140,557,245

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

BLACK RIDGE OIL & GAS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31, 2018	2017
Management fee income	$ –	$ 1,000,000
Total revenues	–	1,000,000
Operating expenses:		
General and administrative expenses		
Salaries and benefits	1,199,729	1,321,995
Stock compensation	310,731	574,851
Professional services	473,074	176,155
Other general and administrative	586,588	368,647
Total general and administrative expenses	2,570,122	2,441,648
Depreciation and amortization	9,472	10,848
Total operating expenses	2,579,594	2,452,496
Net operating loss	(2,579,594)	(1,452,496)
Other income:		
Interest income	2,474,344	355,338
Unrealized gain (loss) on marketable securities held in trust account	66,507	(64,985)
Settlement income	2,250,000	–
Settlement expense	(112,500)	–
Loss on sale of property and equipment	–	(4,714)
Interest expense	–	(8,713)
Gain on sale of investment in Black Ridge Holding Company	–	1,030,145
Other income	1,996	–
Total other income	4,680,347	1,307,071
Income (loss) before provision for income taxes	2,100,753	(145,425)
Provision for income taxes	(575,873)	(67,044)
Net income (loss)	1,524,880	(212,469)
Less: Net income attributable to redeemable non-controlling interest	(1,868,894)	(180,060)
Net loss attributable to Black Ridge Oil & Gas, Inc.	$ (344,014)	$ (392,529)
Weighted average common shares outstanding - basic and fully diluted	479,816,790	160,970,732
Net income (loss) per common share - basic and fully diluted	$ (0.00)	$ (0.00)

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

BLACK RIDGE OIL & GAS, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Preferred Stock		Common Stock		Additional Paid-In	Retained Earnings (Accumulated	Total Stockholders'	Non-controlling
	Shares	Amount	Shares	Amount	Capital	Deficit)	Equity	Interest
Balance, December 31, 2016	–	$ –	47,979,990	$ 47,980	$ 34,902,016	$ (34,751,359)	$ 198,637	$ –
Common stock options granted for services to employees and directors	–	–	–	–	574,851	–	574,851	–
Common stock sold in rights offering, net of offering costs	–	–	199,811,421	199,811	2,067,762	–	2,267,573	–
Common stock sold in private placement	–	–	232,008,489	232,009	2,552,093	–	2,784,102	–
Change in ownership of subsidiary resulting from subsidiary initial public offering	–	–	–	–	(3,932,126)	–	(3,932,126)	138,690,000
Net income (loss) for the year ended December 31, 2017	–	–	–	–	–	(392,529)	(392,529)	180,060
Balance, December 31, 2017	–	$ –	479,799,900	$ 479,800	$ 36,164,596	$ (35,143,888)	$ 1,500,508	$ 138,870,060
Common stock options granted for services to employees and directors	–	–	–	–	310,731	–	310,731	–
Exercise of stock warrants	–	–	45,000	45	405	–	450	–
Net income (loss) for the year ended December 31, 2018	–	–	–	–	–	(344,014)	(344,014)	1,868,894
Balance, December 31, 2018	–	$ –	479,844,900	$ 479,845	$ 36,475,732	$ (35,487,902)	$ 1,467,675	$ 140,738,954

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

BLACK RIDGE OIL & GAS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss attributable to Black Ridge Oil & Gas, Inc.	$ (344,014)	$ (392,529)
Adjustments to reconcile net loss attributable to Black Ridge Oil & Gas, Inc. to net cash used in operating activities:		
Depreciation and amortization	9,472	10,848
Gain on sale of Black Ridge Holding Company, LLC	–	(1,030,145)
Loss on sale of property and equipment	–	4,714
Amortization of common stock options issued to employees and directors	310,731	574,851
Interest income	(2,474,344)	(355,338)
Unrealized (gain) loss on marketable securities held in trust account	(66,507)	64,985
Deferred taxes	19,116	(18,678)
Net income attributable to redeemable non-controlling interest	1,868,894	180,060
Decrease (increase) in operating assets:		
Accounts receivable	1,598	–
Prepaid expenses	14,882	18,075
Due from affiliates	–	765
Increase (decrease) in operating liabilities:		
Accounts payable	89,266	69,623
Accrued expenses	(4,078)	(5,229)
Income taxes payable	387,048	85,722
Net cash used in operating activities	(187,936)	(792,276)
CASH FLOWS FROM INVESTING ACTIVITIES		
Principal deposited in trust account	–	(138,690,000)
Proceeds from sale of investment in Black Ridge Holding Company, LLC	–	1,081,387
Withdrawal from Trust Account to pay for taxes and franchise fees	213,897	–
Proceeds from sale of equipment	–	2,160
Net cash provided by (used in) investing activities	213,897	(137,606,453)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of stock warrants	450	–
Proceeds from sale of stock, net of offering costs	–	2,965,555
Proceeds from sale of stock to related parties, net of offering costs	–	2,086,120
Proceeds from sale of stock in Black Ridge Acquisition Corp. IPO, net of offering costs	–	134,757,874
Proceeds from promissory note	–	500,000
Repayment of promissory note	–	(500,000)
Net cash provided by financing activities	450	139,809,549
NET CHANGE IN CASH	26,411	1,410,820
CASH AT BEGINNING OF PERIOD	1,477,089	66,269
CASH AT END OF PERIOD	$ 1,503,500	$ 1,477,089
SUPPLEMENTAL INFORMATION:		
Interest paid	$ –	$ 8,713
Income taxes paid	$ 169,709	$ –
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Adjustment to additional paid-in capital to reflect redeemable non-operated interest	$ –	$ 3,932,126
Accounts receivable received in dissolution of Black Ridge Holding Company, LLC	$ –	$ 1,611

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

Note 1 – Organization and Nature of Business

Effective April 2, 2012, Ante5, Inc. changed its corporate name to Black Ridge Oil & Gas, Inc., and continues to be quoted on the OTCQB under the trading symbol "ANFC". Black Ridge Oil & Gas, Inc. (formerly Ante5, Inc.) (the "Company") became an independent company in April 2010. We became a publicly traded company when our shares began trading on July 1, 2010. Since October 2010, we had been engaged in the business of acquiring oil and gas leases and participating in the drilling of wells in the Bakken and Three Forks trends in North Dakota and Montana.

The Company is focused on acquiring, investing in, and managing the oil and gas assets for our partners. We continue to pursue asset acquisitions in all major onshore unconventional shale formations that may be acquired with capital from our existing joint venture partners or other capital providers.

On September 25, 2017, the Company finalized an equity raise utilizing a rights offering and backstop agreement, raising net proceeds of $5,051,675 and issuing 431,819,910 shares. The proceeds were used to sponsor the Company's obligations in sponsoring a special purpose acquisition company, discussed below, with the remainder for general corporate purposes.

On October 10, 2017, the Company's sponsored special purpose acquisition company, Black Ridge Acquisition Corp. ("BRAC"), completed an initial public offering ("IPO") raising $138,000,000 of gross proceeds (including proceeds from the exercise of an over-allotment option by the underwriters on October 18, 2017). In addition, the Company purchased 445,000 BRAC units at $10.00 per unit in a private placement transaction for a total contribution of $4,450,000 in order to fulfill its obligations in sponsoring BRAC. BRAC is a blank check company formed for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities. BRAC's efforts to identify a prospective target business will not be limited to a particular industry or geographic region. Following the initial public offering and over-allotment, the Company owns 22% of the outstanding common stock of BRAC and manages BRAC's operations via a management services agreement.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting
Our financial statements are prepared using the accrual method of accounting as generally accepted in the United States of America (U.S. GAAP) and the rules of the Securities and Exchange Commission (SEC).

Principles of Consolidation
The accompanying consolidated financial statements include the accounts of the following entities:

Name of entity	State of Incorporation	Relationship
Black Ridge Oil and Gas, Inc.	Nevada	Parent
Black Ridge Acquisition Corp. ("BRAC")	Delaware	Subsidiary[(1)]

[(1)]Wholly-owned subsidiary through October 10, 2017, the date of BRAC's IPO, following which it is consolidated as a variable interest entity.

The Company has determined that BRAC, following its IPO, is a variable interest entity ("VIE") and that the Company is the primary beneficiary of the VIE. The Company determined that, due to the redemption feature associated with the IPO shares, that the IPO shareholders are indirectly protected from the operating expenses of BRAC and it has the power to direct the activities of BRAC through the date at which BRAC affords the stockholders the opportunity to vote to approve a proposed business combination. Therefore, these consolidated financial statements herein contain the operations of the BRAC from its inception on May 9, 2017. BRAC's IPO shareholders are reflected in our Consolidated Financial Statements as a non-controlling interest. The non-controlling interest was recorded at fair value on October 10, 2017, with an addition on October 18, 2017 as a result of the underwriters' exercise of their over-allotment option. All significant inter-company transactions have been eliminated in the preparation of these financial statements.

The parent company, Black Ridge Oil & Gas, Inc. and Black Ridge Acquisition Corp. will be collectively referred to herein as the "Company" or "Black Ridge". The Company's headquarters is in Minneapolis, Minnesota and substantially all of its operations are in the United States.

Segment Reporting

FASB ASC 280-10-50 requires annual and interim reporting for an enterprise's operating segments and related disclosures about its products, services, geographic areas and major customers. An operating segment is defined as a component of an enterprise that engages in business activities from which it may earn revenues and expenses, and about which separate financial information is regularly evaluated by the chief operating decision maker in deciding how to allocate resources. The Company operates as a single segment and will evaluate additional segment disclosure requirements as it expands its operations.

Use of Estimates

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

Environmental Liabilities

The Company was formerly a direct owner of assets in the oil and gas industry. The oil and gas industry is subject, by its nature, to environmental hazards and clean-up costs. At this time, management knows of no substantial losses from environmental accidents or events which would have a material effect on the Company.

Cash and Cash Equivalents

Cash equivalents include money market accounts which have maturities of three months or less. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. Cash equivalents are stated at cost plus accrued interest, which approximates market value. The Company had no cash equivalents on hand as of December 31, 2018 and December 31, 2017.

Restricted cash and securities held in Trust Account

As of December 31, 2018 and 2017, $2,312 and $39,742 of cash, respectively, and $141,304,995 and $138,940,611, respectively, of marketable securities were held in the Trust Account which is restricted for the benefit of the BRAC's IPO shareholders to be available for those shareholders in the event they elect to redeem their shares following an approved business combination or the upon dissolution of BRAC. The Company may withdraw funds from the trust account to pay for BRAC's income taxes and franchise fees.

Cash in Excess of FDIC Insured Limits

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 under current regulations. The Company had approximately $1,119,770 and $977,089 in excess of FDIC insured limits at December 31, 2018 and 2017, respectively. As of December 31, 2018, the Company had not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Income Taxes

The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

On December 22, 2017 the U.S. Tax Cuts and Jobs Act of 2017 ("Tax Reform") was signed into law. As a result of Tax Reform, the U.S. statutory rate was lowered from 35% to 21% effective January 1, 2018, among other changes. ASC Topic 740 requires companies to recognize the effect of tax law changes in the period of enactment; therefore, the Company was required to value its deferred tax assets and liabilities at December 31, 2017 at the new rate. The SEC issued Staff Accounting Bulletin No. 118 ("SAB 108") to address the application of GAAP in situations when a registrant does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain effects of Tax Reform. The ultimate impact may differ from the provisional amount, possibly materially, as a result of additional analysis, changes in interpretations and assumptions the Company has made, additional regulatory guidance that may be issued and actions the Company may take as a result of Tax Reform.

Fair Value of Financial Instruments

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, accounts payable and accrued expenses reported on the balance sheets are estimated by management to approximate fair value primarily due to the short term nature of the instruments. The Company had no items that required fair value measurement on a recurring basis.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives of three to seven years. Expenditures for replacements, renewals, and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Long-lived assets are evaluated for impairment to determine if current circumstances and market conditions indicate the carrying amount may not be recoverable. The Company has not recognized any impairment losses on long-lived assets related to continuing operations. Depreciation expense was $9,472 and $10,848 for the years ended December 31, 2018 and 2017, respectively.

Revenue Concentration

All of the Company's revenue earned came from management fees earned through its management services agreement with Black Ridge Holding Company, LLC ("BRHC"). Revenues were earned prior to June 30, 2017 from its management services agreement with BRHC, which was cancelled by BRHC effective June 30, 2017.

Revenue Recognition

The Company recognizes management fee income as services are provided.

Basic and Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share ("EPS") are computed by dividing net income (the numerator) by the weighted average number of common shares outstanding for the period (the denominator). Diluted EPS is computed by dividing net income by the weighted average number of common shares and potential common shares outstanding (if dilutive) during each period. Potential common shares include stock options, warrants and restricted stock. The number of potential common shares outstanding relating to stock options, warrants and restricted stock is computed using the treasury stock method.

The reconciliation of the denominators used to calculate basic EPS and diluted EPS for the years ended December 31, 2018 and 2017 are as follows:

	Years Ended December 31,	
	2018	2017
Weighted average common shares outstanding – basic	479,816,790	160,970,732
Plus: Potentially dilutive common shares:		
Stock options and warrants	–	–
Weighted average common shares outstanding – diluted	479,816,790	160,970,732

For 2018 and 2017, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share. Stock options and warrants excluded from the calculation of diluted EPS because their effect was anti-dilutive were 11,173,500 and 11,292,300 of December 31, 2018 and 2017, respectively.

Stock-Based Compensation

Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, are to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. Amortization of the fair values of stock options issued for services and compensation totaled $310,731 and $574,851 for the years ended December 31, 2018 and 2017, respectively. The fair values of stock options were determined using the Black-Scholes options pricing model and an effective term of 6 to 6.5 years based on the weighted average of the vesting periods and the stated term of the option grants and the discount rate on 5 to 7 year U.S. Treasury securities at the grant date and are being amortized over the related implied service term, or vesting period.

Uncertain Tax Positions

In accordance with ASC 740, “Income Taxes” (“ASC 740”), the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be capable of withstanding examination by the taxing authorities based on the technical merits of the position. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities can periodically audit the Company’s income tax returns. These audits include questions regarding the Company’s tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

The assessment of the Company’s tax position relies on the judgment of management to estimate the exposures associated with the Company’s various filing positions.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") that are adopted by the Company as of the specified effective date. If not discussed, management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company's financial statements upon adoption.

In August, 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* (a consensus of the Emerging Issues Task Force). This guidance provides guidance of eight specific cash flow issues. This amendment is effective for periods beginning after December 15, 2017, with early adoption permitted. The Company adopted this standard on January 1, 2018 and anticipates it will not have a material impact on its financial statements and related disclosures.

In November 2016, the FASB issued ASU No. 2016-18, *Restricted Cash*. This guidance standardizes the presentation of changes to restricted cash on the statement of cash flows by requiring that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amount generally described as restricted cash or restricted cash equivalents. The provisions of this standard are effective for annual reporting periods, and interim reporting periods contained therein, beginning after December 15, 2017, and early adoption is permitted. The Company adopted this guidance effective January 1, 2018 and applied it retrospectively, and the standard did not have a material impact on the Company’s combined financial statements and related disclosures

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations* (Topic 805): Clarifying the Definition of a Business, which clarifies the definition of a business to provide guidance in evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. ASU 2017-01 provides a screen to determine when a set of assets is not a business, requiring that when substantially all fair value of gross assets acquired (or disposed of) is concentrated in a single identifiable asset or group of similar identifiable assets, the set of assets is not a business. A framework is provided to assist in evaluating whether both an input and a substantive process are present for the set to be a business. ASU 2017-01 is effective for periods beginning after December 15, 2017, including interim periods within those annual periods. No disclosures are required at transition and early adoption is permitted. The Company adopted this standard on January 1, 2018 and will apply this guidance to future business combinations.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation — Stock Compensation* (Topic 718); Scope of Modification Accounting. The amendments in this ASU provide guidance that clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. If the value, vesting conditions or classification of the award changes, modification accounting will apply. The guidance is effective for fiscal years beginning after December 15, 2017 and interim periods within those fiscal years. The Company adopted this guidance effective January 1, 2018, and the standard did not have a material impact on the Company's combined financial statements and related disclosures.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation — Stock Compensation* (Topic 718) - Improvements to Nonemployee Share-Based Payment Accounting, which simplifies accounting for share-based payment transactions resulting for acquiring goods and services from nonemployees. ASU 2018-07 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating ASU 2018-07 and its impact on its combined financial statements or disclosures.

In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases*. The amendments in ASU 2018-10 provide additional clarification and implementation guidance on certain aspects of the previously issued ASU No. 2016-02, Leases (Topic 842) ("ASU 2016-02") and have the same effective and transition requirements as ASU 2016-02. Upon the effective date, ASU 2018-10 will supersede the current lease guidance in ASC Topic 840, Leases. Under the new guidance, lessees will be required to recognize for all leases, with the exception of short-term leases, a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis. Concurrently, lessees will be required to recognize a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2018-10 is effective for private companies and emerging growth public companies for interim and annual reporting periods beginning after December 15, 2019, with early adoption permitted. The guidance is required to be applied using a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative periods presented in the financial statements. The Company is currently assessing the impact this guidance will have on its combined financial statements.

In July 2018, the FASB issued ASU No. 2018-09, *Codification Improvements*. These amendments provide clarifications and corrections to certain ASC subtopics including the following: Income Statement - Reporting Comprehensive Income – Overall (Topic 220-10), Debt - Modifications and Extinguishments (Topic 470-50), Distinguishing Liabilities from Equity – Overall (Topic 480-10), Compensation - Stock Compensation - Income Taxes (Topic 718-740), Business Combinations - Income Taxes (Topic 805-740), Derivatives and Hedging – Overall (Topic 815-10), and Fair Value Measurement – Overall (Topic 820-10). The majority of the amendments in ASU 2018-09 will be effective in annual periods beginning after December 15, 2019. The Company is currently evaluating and assessing the impact this guidance will have on its combined financial statements.

In July 2018, the FASB issued ASU No. 2018-11, "Leases (Topic 842): *Targeted Improvements.* The amendments in ASU 2018-11 related to transition relief on comparative reporting at adoption affect all entities with lease contracts that choose the additional transition method and separating components of a contract affect only lessors whose lease contracts qualify for the practical expedient. The amendments in ASU 2018-11 are effective for private companies and emerging growth public companies for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The Company is currently assessing the impact this guidance will have on its combined financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in ASU 2018-13 modify the disclosure requirements associated with fair value measurements based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The amendments are effective for all entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The Company is currently evaluating ASU 2018-13 and its impact on its combined financial statements.

Note 3 – Going Concern

As shown in the accompanying financial statements, as of December 31, 2018 the Company had a cash balance of $1,503,500 and total working capital of $898,097 The Company has no revenue source presently. Based on projections of cash expenditures in the Company's current business plan, the cash on hand would be insufficient to fund the Company's general and administrative expenses over the next year.

The Company continues to pursue sources of additional capital through various management fee agreements and financing transactions or arrangements, including joint venturing of projects, equity financing or other means. We may not be successful in identifying suitable funding transactions in a sufficient time period or at all, and we may not obtain the capital we require by other means. If we do not succeed in raising additional capital, our resources may not be sufficient to fund our business.

The financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. These financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 4 – Rights Offering and Formation of Black Ridge Acquisition Corp.

The Company filed a Registration Statement on Form S-1 (the "Registration Statement") with the SEC to register the issuance of 431,819,910 shares of common stock in the Rights Offering that was declared effective by the SEC on August 3, 2017. Pursuant to the Rights Offering, the Company distributed, on a pro rata basis, one right for each share of common stock owned by shareholders on August 2, 2017 (the "Record Date"). Each right permitted a shareholder to purchase up to nine shares of common stock at a subscription price of $0.012 per share. The Rights Offering expired on September 8, 2017 (the "Expiration Date").

In connection with the Rights Offering, the Company also entered into a Standby Purchase Agreement (the "Backstop Agreement") with a consortium of investors, including members of the Company's board of directors and our Chief Executive Officer (collectively, the "Backstop Purchasers"), who agree to purchase up to $2.9 million of the unsubscribed shares following the completion of the rights offering.

On September 26, 2017, the Company completed the Rights Offering, raising gross proceeds of $5,181,839 and issued 431,819,910 shares in connection with the exercise of rights in connection with the Rights Offering and related Backstop Agreement. Under the Rights Offering the Company's current shareholders exercised rights to purchase 199,811,421 shares of stock for a total of $2,397,737. Under the Backstop Agreement, the Backstop Purchasers purchased 232,008,489 shares of stock for a total of $2,784,102. Officers and directors of the Company purchased 173,843,308 shares between the Rights Offering and as participants of the Backstop Agreement for $2,086,120 and received 179,376 warrants to purchase shares of common stock at $0.01 per share for their participation in the Backstop Agreement. The remaining 257,976,602 shares were purchased by non-related parties for proceeds of $2,965,555. The warrants issued to related parties fair value was estimated to be $4,179 (see Note 15). The Company incurred $130,164 in costs associated with raising capital, which has been netted against stockholders' equity. Additionally as part of Backstop agreement, the Company issued 435,000 warrants to purchase its common stock at $0.01 for participants in the Backstop Agreement. The warrants fair value was estimated to be $10,135 (see Note 15).

On October 10, 2017 and October 18, 2017, in connection with the underwriter exercising its over-allotment option, the Company used $4,450,000 of the net proceeds of the Rights Offering to fulfill its obligation as sponsor of a special purpose acquisition company, BRAC, as part of BRAC's IPO. BRAC was formed on May 9, 2017 with the purpose of becoming the special acquisition company as a wholly owned subsidiary of the Company with an initial equity contribution of $25,000. After the IPO, the Company retained ownership of 22% of BRAC's common stock. The remaining proceeds from the Rights Offering following the sponsorship are intended to be used for general corporate purposes.

Note 5 – BRAC's IPO, Consolidation of BRAC and Non-controlling Interest

BRAC's IPO

The registration statement for the BRAC's IPO was declared effective on October 4, 2017. The registration statement was initially declared effective for 10,000,000 units ("Units" and, with respect to the common stock included in the Units being offered, the "Public Shares"), but the offering was increased to 12,000,000 Units pursuant to Rule 462(b) under the Securities Act of 1933, as amended. On October 10, 2017, the Company consummated the Initial Public Offering of 12,000,000 units, generating gross proceeds of $120,000,000.

Simultaneous with the closing of the Initial Public Offering, BRAC sold 400,000 units (the "Placement Units") at a price of $10.00 per Unit in a private placement to BROG, generating gross proceeds of $4,000,000. BROG's investment in BRAC's common stock is eliminated in consolidation.

Transaction costs relating to the IPO amounted to $2,882,226, consisting of $2,400,000 of underwriting fees and $482,226 of other costs.

Following the closing of the IPO on October 10, 2017, an amount of $120,600,000 ($10.05 per Unit) from the net proceeds of the sale of the Units in the IPO and the Placement Units was placed in a trust account ("Trust Account") and is invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of paragraphs (d)(2), (d)(3) and (d)(4) of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the consummation of a Business Combination or (ii) the distribution of the Trust Account, as described below.

On October 18, 2017, in connection with the underwriters' exercise of their over-allotment option in full, BRAC sold an additional 1,800,000 Units and the sale of an additional 45,000 Placement Units to BROG at $10.00 per Unit, generating total proceeds of $18,450,000. Transaction costs for underwriting fees on the sale of the over-allotment units were $360,000. Following the closing, an additional $18,090,000 of the net proceeds ($10.05 per Unit) was placed in the Trust Account, bringing the total aggregate proceeds held in the Trust Account to $138,690,000 ($10.05 per Unit). BROG's investment in BRAC's common stock is eliminated in consolidation.

BRAC's management has broad discretion with respect to the specific application of the net proceeds of the IPO and private placement, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. There is no assurance that the BRAC will be able to complete a Business Combination successfully. Upon the closing of the IPO, $10.05 per Unit sold in the IPO, including some of the proceeds of the Private Placements was deposited in a trust account ("Trust Account") to be held until the earlier of (i) the consummation of its initial Business Combination or (ii) BRAC's failure to consummate a Business Combination within 21 months from the consummation of the IPO (the "Combination Period"). Placing funds in the Trust Account may not protect those funds from third party claims against BRAC. Although BRAC will seek to have all vendors, service providers, prospective target businesses or other entities it engages, execute agreements with BRAC waiving any claim of any kind in or to any monies held in the Trust Account, there is no guarantee that such persons will execute such agreements. The Trust Account is maintained by a third party trustee. The remaining net proceeds (not held in the Trust Account) may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses. Additionally, the interest earned on the Trust Account balance may be released to BRAC for any amounts that are necessary to pay BRAC's income and other tax obligations and up to $50,000 that may be used to pay for the costs of liquidating BRAC. BROG has agreed that it will be liable to ensure that the proceeds in the Trust Account are not reduced below $10.05 per share by the claims of target businesses or claims of vendors or other entities that are owed money by BRAC for services rendered or contracted for or products sold to BRAC, but there is no assurance that BROG will be able to satisfy its indemnification obligations if it is required to do so. Additionally, the agreement entered into by BROG specifically provides for two exceptions to the indemnity it has given: it will have no liability (1) as to any claimed amounts owed to a target business or vendor or other entity who has executed an agreement with BRAC waiving any right, title, interest or claim of any kind they may have in or to any monies held in the Trust Account, or (2) as to any claims for indemnification by the underwriters of the IPO against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

Initial Business Combination

Pursuant to the Nasdaq Capital Markets listing rules, BRAC's initial Business Combination must be with a target business or businesses whose collective fair market value is at least equal to 80% of the balance in the Trust Account at the time of the execution of a definitive agreement for such Business Combination, although this may entail simultaneous acquisitions of several target businesses. The fair market value of the target will be determined by BRAC's board of directors based upon one or more standards generally accepted by the financial community (such as actual and potential sales, earnings, cash flow and/or book value). The target business or businesses that BRAC acquires may have a collective fair market value substantially in excess of 80% of the Trust Account balance. In order to consummate such a Business Combination, BRAC may issue a significant amount of its debt or equity securities to the sellers of such business and/or seek to raise additional funds through a private offering of debt or equity securities. If BRAC's securities are not listed on NASDAQ after the IPO, BRAC would not be required to satisfy the 80% requirement. However, BRAC intends to satisfy the 80% requirement even if BRAC's securities are not listed on NASDAQ at the time of the initial Business Combination.

BRAC will provide the public stockholders, who are the holders of the common stock which was sold as part of the Units in the IPO, whether they are purchased in the IPO or in the aftermarket, or "Public Shares", including BROG to the extent that it purchases such Public Shares ("Public Stockholders"), with an opportunity to redeem all or a portion of their Public Shares of BRAC's Common stock, irrespective of whether they vote for or against the proposed transaction or if BRAC conducts a tender offer, upon the completion of the initial Business Combination either (1) in connection with a stockholder meeting called to approve the Business Combination, or (ii) by means of a tender offer, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest (net of franchise and income taxes payable, divided by the number of then outstanding Public Shares. The amount in the Trust Account, net of franchise and income taxes payable, currently amounts to $10.06 per Public Share. The common stock subject to redemption will be recorded at a redemption value and classified a temporary equity upon the completion of the IPO, in accordance with Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity". BRAC will proceed with a Business Combination only if BRAC has net tangible assets of at least $5,000,001 upon such consummation of a Business Combination and in the case of a stockholder vote, a majority of the outstanding shares voted are voted in favor of the Business Combination. The decision as to whether BRAC will seek stockholder approval of a proposed Business Combination or conduct a tender offer will be made by BRAC, solely in its discretion, based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would otherwise require it to seek stockholder approval under the law or stock exchange listing requirement. If a stockholder vote is not required and BRAC decides not to hold a stockholder vote for business or other legal reasons, BRAC will, pursuant to the proposed amended and restated certificate of incorporation, (i) conduct the redemptions pursuant to Rule 13e-4 and Regulation 14E of the Exchange Act, which regulate issuer tender offers, and (ii) file tender offer documents with the SEC prior to completing the initial Business Combination which contain substantially the same financial and other information about the initial Business Combination and the redemption rights as is required under Regulation 14A of the Exchange Act, which regulates the solicitation of proxies.

BROG has agreed to vote its Founder Shares and any Public Shares purchased during or after the IPO in favor of the initial Business Combination, and BRAC's executive officers and directors have also agreed to vote any Public Shares purchased during or after the IPO in favor of the Initial Business Combination. BROG entered into a letter agreement, pursuant to which it agreed to waive its redemption rights with respect to the Founder Shares, shares included in the Placement Units and Public Shares in connection with the completion of the initial Business Combination. In addition, BROG has agreed to waive its rights to liquidating distributions from the Trust Account with respect to the Founder Shares and shares included in the Placement Units if BRAC fails to complete the initial Business Combination within the prescribed time frame. However, if BROG (or any of BRAC's executive officers, directors or affiliates) acquires Public Shares in or after the IPO, it will be entitled to liquidating distributions from the Trust Account with respect to such Public Shares in the event BRAC does not complete the initial Business Combination within such applicable time period.

Proposed Business Combination

On December 19, 2018, BRAC entered into a business combination agreement (the "Business Combination Agreement") with Allied Esports Entertainment, Inc. ("Allied Esports"), Ourgame International Holdings Ltd. ("Ourgame"), Noble Link Global Limited, a wholly-owned subsidiary of Ourgame ("Noble"), and Primo Vital Ltd., also a wholly-owned subsidiary of Ourgame ("Primo"), pursuant to which BRAC will acquire two of Ourgame's global esports and entertainment assets, Allied Esports and WPT Enterprises, Inc. ("WPT") . See Note 19.

Failure to Consummate a Business Combination

If BRAC is unable to complete the initial Business Combination within the Combination Period, BRAC must: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest (which interest shall be net of franchise and income taxes payable divided by the number of then outstanding Public Shares, which redemption will completely extinguish Public Stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of BRAC's remaining stockholders and BRAC's Board of Directors, dissolve and liquidate, subject in the case of clauses (ii) and (iii) to BRAC's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

Consolidation of BRAC and Non-controlling Interest

The Company has determined that BRAC, following its IPO, is a variable interest entity ("VIE") and that the Company is the primary beneficiary of the VIE. The Company determined that, due to the redemption feature associated with the IPO shares, that the IPO shareholders are indirectly protected from the operating expenses of BRAC and BROG has the power to direct the activities of BRAC through the date at which BRAC affords the stockholders the opportunity to vote to approve a proposed business combination. Therefore, these consolidated financial statements contain the operations of the BRAC from its inception on May 9, 2017. BRAC's IPO shareholders are reflected in our Consolidated Financial Statements as a redeemable non-controlling interest. The non-controlling interest was recorded at fair value on October 10, 2017, with an addition on October 18, 2017 as a result of the underwriters' exercise of their over-allotment option. The net earnings attributable to the IPO shareholders are subtracted from the net loss for the year ended December 31, 2017 to arrive at the net loss attributable to the Company and the non-controlling interest on the balance sheet was adjusted to include the net earnings attributable to the IPO shareholders.

Intercompany transactions and eliminations

BROG is paid a management fee by BRAC of $10,000 per month as part of an administrative services agreement, which commenced October 5, 2017, for general and administrative services including the cost of office space and personnel dedicated to BRAC. BROG is reimbursed for any out-of-pocket expenses, particularly travel, incurred in connection with activities on BRAC's behalf, including but not limited to identifying potential target businesses and performing due diligence on suitable business combinations. There is no cap or ceiling on the reimbursement of out-of-pocket expenses incurred by BRAC. BRAC paid a total of $28,710 to BROG for such services during the year ended December 31, 2017. The management services income of BROG and the management services expense of BRAC as well as any balances due between the companies for such services or reimbursements were eliminated in consolidation.

BROG's investment in BRAC and the resulting equity recorded by BRAC have been eliminated upon consolidation. Additionally, as a result of recognizing the fair value of upon redemption of the redeemable shares held by the BRAC IPO shareholders as a non-controlling interest as per ASC 810-10-45-23, BROG has recognized an adjustment of $3,932,126 to additional paid-in capital. The non-controlling interest in BRAC held by the BRAC's IPO shareholders is presented on the balance sheet as temporary equity.

Note 6 – Settlement Income

On August 21, 2018, the Company entered into an agreement to modify the terms of the Settlement Agreement and Release entered into as of September 27, 2012 between the Company, Peerless Media, Ltd. and ElectraWorks, Ltd.. Based on the new agreement, the Company received $2.25 million and agreed to terminate its rights to any additional payments under the original Settlement Agreement. The Company also paid a 5% fee of $112,500 to a former officer as part of an agreement with the former officer related to the 2012 settlement agreement.

Note 7 – Prepaid Expenses

Prepaid expenses consist of the following:

	December 31,	
	2018	2017
Prepaid insurance costs	$ 28,751	$ 24,999
Prepaid employee benefits	11,865	11,716
Prepaid office and other costs	13,319	32,102
Total prepaid expenses	$ 53,935	$ 68,817

Note 8 – Related Party

As described in Note 4, officers and directors of the Company purchased 173,843,308 shares between the Rights Offering and as participants of the Backstop Agreement for $2,086,120 and received 179,376 warrants to purchase shares of common stock at $0.01 per share for their participation in the Backstop Agreement.

On March 1, 2018, the Board of Directors (the "Board") of the Company approved and adopted the Black Ridge Gas, Inc. 2018 Management Incentive Plan (the "Plan") and the form of 2018 Management Incentive Plan Award Agreement (the "Award Agreement").

In connection with the approval of the Plan and Award Agreement, the Board approved the issuance of awards (the "Awards") to certain individuals including officers and directors (the "Grantees"), representing a percentage of the shares of BRAC held by the Company as of the date of closing of a business combination for the acquisition of a target business as described in the BRAC prospectus dated October 4, 2017, as follows:

Name	Percentage of BRAC Shares Owned by the Company Granted to the Grantee
Bradley Berman	1.6%
Lyle Berman	1.6%
Benjamin Oehler	1.6%
Joe Lahti	1.6%
Kenneth DeCubellis	4.0%
Michael Eisele	2.8%
James Moe	2.1%

The Company has recognized no expense related to the plan as the grant of shares is contingent on a future event.

BRAC Loan

In order to finance transaction costs in connection with an intended initial business combination, BROG, and its officers, directors or their affiliates may, but are not obligated to, loan BRAC funds as may be required. If BRAC consummates an initial business combination, BRAC would repay such loaned amounts. In the event that the initial business combination does not close, BRAC may use a portion of the working capital held outside the trust account to repay such loaned amounts, but no proceeds from BRAC's trust account would be used for such repayment. Up to $1,500,000 of such loans may be convertible into units of the post business combination entity at a price of $10.00 per unit at the option of the lender. The units would be identical to the Placement Units.

As of December 31, 2018, BROG has loaned BRAC, in the form of a convertible promissory note, an aggregate of $350,000 to cover expenses related to a proposed business combination. This note, issued on December 10, 2018, is unsecured, non-interest bearing and is payable at the consummation by BRAC of a merger, share exchange, asset acquisition, or other similar business combination, with one or more businesses or entities (a "Business Combination"). Upon consummation of a Business Combination, the principal balance of the note may be converted, at BROG's option, to units at a price of $10.00 per unit. The terms of the units are identical to the units issued by BRAC in its initial public offering, except the warrants included in such units will be non-redeemable and may be exercised on a cashless basis, in each case so long as they continue to be held by BROG or its permitted transferees. If BROG converts the entire principal balance of the convertible promissory note, it would receive 35,000 units. If a Business Combination is not consummated, the note will not be repaid by BRAC and all amounts owed thereunder by BRAC will be forgiven except to the extent that BRAC has funds available to it outside of its trust account established in connection with the initial public offering. The issuance of the note was exempt pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

Note 9 – Investment in Black Ridge Holding Company, LLC

An investment in Black Ridge Holding Company, LLC as of December 31, 2016 represented our equity interest in Black Ridge Holding Company, LLC ("BRHC") following a debt restructuring and related activity.

Dissolution of BRHC

The Company and the other members of BRHC agreed to dissolve and wind up BRHC and filed a Certificate of Cancellation under the Delaware Limited Liability Company Act as of October 3, 2017. On October 2, 2017, the Company entered into an agreement with the other members whereby certain assets distributed to the Company upon the dissolution and winding up of BRHC, effective as of October 1, 2017, were sold to the assignees in exchange for cash consideration of $1,078,394. Additionally, cash and receivables totaling to $4,645 in value, were distributed directly to the Company from BRHC. As a result of the transactions, eliminating the Company's basis in its investment in BRHC and deducting certain transaction related expenses, the Company recorded a gain of $1,030,145.

Note 10 – Property and Equipment

Property and equipment at December 31, 2018 and December 31, 2017, consisted of the following:

	December 31, 2018	December 31, 2017
Property and equipment	$ 128,156	$ 128,156
Less: Accumulated depreciation and amortization	(126,931)	(117,459)
Total property and equipment, net	$ 1,225	$ 10,697

During the year ended December 31, 2017 we sold certain assets with a book value of $6,874 for proceeds of $2,160, resulting in a loss on disposal of $4,714.

Depreciation of property and equipment was $9,472 and $10,848, respectively, for the years ended December 31, 2018 and 2017.

Note 11 – Fair Value of Financial Instruments

Under FASB ASC 820-10-5, fair value is defined 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 (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company has cash and cash equivalents and a revolving credit facility that must be measured under the fair value standard. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 - Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balances sheet as of December 31, 2018 and 2017:

	Fair Value Measurements at December 31, 2018		
	Level 1	Level 2	Level 3
Assets			
Cash and cash equivalents	$ 1,503,500		
Restricted cash and investments held in trust	141,307,307	$ –	$ –
Total assets	142,810,807	–	–
Liabilities			
Total Liabilities	–	–	–
	$ 142,810,807	$ –	$ –

	Fair Value Measurements at December 31, 2017		
	Level 1	Level 2	Level 3
Assets			
Cash and cash equivalents	$ 1,477,089	$ –	$ –
Restricted cash and investments held in trust	138,980,353	–	–
Total assets	140,457,442	–	–
Liabilities			
Total Liabilities	–	–	–
	$ 140,457,442	$ –	$ –

There were no transfers of financial assets or liabilities between Level 1 and Level 2 inputs for the years ended December 31, 2018 and 2017.

Note 12 – Promissory Note

Promissory Note

On July 7, 2017 the Company entered into a $500,000 Promissory Note (the Note) issued to Cadence Bank, N.A. (Cadence) and a Security Agreement by the Company in favor of Cadence. The Note bore interest at 4.5% per annum payable monthly and was due on October 7, 2017. The Note was repaid in full on September 14, 2017. The Note was secured by the Company's deposit account at Cadence and all of the Company's rights, title and interests in and to the contractual rights of the Company to receive payment from Chambers Energy Management for the purchase of the Company's interest in Black Ridge Holding Company, LLC. The Company incurred and paid $4,313 in interest on the Note and paid $4,400 in origination fees and other set up costs that are included in interest expense on the statement of operations for the year ended December 31, 2017.

Note 13 – Stockholders' Equity

Preferred Stock
The Company has 20,000,000 authorized shares of $0.001 par value preferred stock. No shares have been issued to date.

Common Stock
The Company has 500,000,000 authorized shares of $0.001 par value common stock.

On September 26, 2017 the Company issued 199,811,421 shares of common stock in a Rights Offering, raising gross proceeds of $2,397,737, and issued an additional 232,008,789 shares in a private placement (the Backstop Agreement), raising gross proceeds of $2,784,102. The Company incurred $130,164 in costs associated with the Rights Offering and Backstop Agreement.

During 2018, the Company issues 45,000 shares of common stock as a result of warrant exercises.

Note 14 – Options

No options were granted during the years ended December 31, 2018 and 2017.

Options Cancelled
During the years ended December 31, 2018 and 2017, 61,800 and 87,700 options, respectively, were forfeited by a former employee.

Options Expired
During the years ended December 31, 2018, and 2017, 12,000 and 12,000 options, respectively, with a strike price of $0.08 per share and $0.29 per share, respectively, expired.

Options Exercised
No options were exercised during the years ended December 31, 2018 and 2017.

The following is a summary of information about the Stock Options outstanding at December 31, 2018.

Shares Underlying Options Outstanding				Shares Underlying Options Exercisable	
Range of Exercise Prices	Shares Underlying Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Shares Underlying Options Exercisable	Weighted Average Exercise Price
$0.03 - $1.00	10,783,500	5.75 years	$0.29	8,989,067	$0.32

The following is a summary of activity of outstanding stock options:

	Number of Shares	Weighted Average Exercise Prices
Balance, December 31, 2016	10,957,000	0.29
Options expired	(12,000)	(0.29)
Options cancelled	(87,700)	(0.17)
Options granted	–	–
Options exercised	–	–
Balance, December 31, 2017	10,857,300	0.29
Options expired	(12,000)	(0.08)
Options cancelled	(61,800)	(0.51)
Options granted	–	–
Options exercised	–	–
Balance, December 31, 2018	10,783,500	0.29
Exercisable, December 31, 2018	8,989,067	$ 0.32

The Company expensed $310,731 and $574,851 from the amortization of common stock options during the years ended December 31, 2018 and 2017, respectively.

Note 15 – Warrants

Warrants Granted
No warrants were granted during the year ended December 31, 2018.

The Company issued 435,000 warrants to purchase shares at $0.01 per share to participants of the Backstop Agreement on September 22, 2017. The Company accounted for the warrants as an expense of the Rights Offering which resulted in a charge directly to stockholders' equity. The Company estimated the fair value of these warrants to be approximately $10,135 (or $.0233 per warrant) using the Black-Scholes option-pricing model. The fair value of the warrants was estimated as of the date of grant using the following assumptions: (1) expected volatility of 388%, (2) risk-free interest rate of 1.89% and (3) expected life of five years.

Warrants Cancelled
No warrants were cancelled during the years ended December 31, 2018 and 2017.

Warrants Expired
No warrants were expired during the years ended December 31, 2018 and 2017.

Warrants Exercised
45,000 warrants were exercised during the year ended December 31, 2018 for $.01 per share resulting in proceeds of $450.

No warrants were exercised during the year ended December 31, 2017.

The following is a summary of activity of outstanding warrants:

	Number of Shares	Weighted Average Exercise Prices
Balance, December 31, 2016	–	$ –
Warrants expired	–	–
Warrants cancelled	–	–
Warrants granted	435,000	0.01
Warrants exercised	–	–
Balance, December 31, 2017	435,000	0.01
Warrants expired	–	–
Warrants cancelled	–	–
Warrants granted	–	–
Warrants exercised	(45,000)	0.01
Balance, December 31, 2018	390,000	$ 0.01
Exercisable, December 31, 2018	390,000	$ 0.01

Note 16 - BRAC Rights and Warrants

Initial Public Offering

Pursuant to the its Initial Public Offering and including the subsequent over-allotment option exercised by the underwriter, BRAC sold 13,800,000 Units at a purchase price of $10.00 per Unit. Each Unit consists of one share of common stock, one right ("Public Right") and one warrant ("Public Warrant"). Each Public Right will convert into one-tenth (1/10) of one share of common stock upon consummation of a Business Combination. Each Public Warrant entitles the holder to purchase one share of common stock at an exercise price of $11.50.

Private Placement

Simultaneous with the its Initial Public Offering and over-allotment option exercise, BROG purchased an aggregate of 445,000 Placement Units at a price of $10.00 per Unit (or an aggregate purchase price of $4,450,000). Each Placement Unit consists of one share of common stock ("Placement Share"), one right ("Placement Right") and one warrant (each, a "Placement Warrant") to purchase one share of the common stock at an exercise price of $11.50 per share. The proceeds from the Placement Units were added to the proceeds from the Initial Public Offering held in the Trust Account. If BRAC does not complete a Business Combination within the Combination Period, the proceeds of the sale of the Placement Units will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law) and the Placement Rights and Placement Warrants will expire worthless.

The Placement Units are identical to the Units sold in the Initial Public Offering except that the Placement Warrants (i) are not redeemable by BRAC and (ii) may be exercised for cash or on a cashless basis, so long as they are held by BROG or any of its permitted transferees. In addition, the Placement Units and their component securities may not be transferable, assignable or salable until after the consummation of a Business Combination, subject to certain limited exceptions.

Rights

Each holder of a right will receive one-tenth (1/10) of one share of common stock upon consummation of a Business Combination, even if a holder of such right converted all ordinary shares held by it in connection with a Business Combination. No fractional shares will be issued upon exchange of the rights. No additional consideration will be required to be paid by a holder of rights in order to receive its additional shares upon consummation of a Business Combination as the consideration related thereto has been included in the Unit purchase price paid for by investors in the Initial Public Offering. If BRAC enters into a definitive agreement for a Business Combination in which BRAC will not be the surviving entity, the definitive agreement will provide for the holders of rights to receive the same per share consideration the holders of the shares of common stock will receive in the transaction on an as-converted into shares of common stock basis and each holder of rights will be required to affirmatively covert its rights in order to receive 1/10 of a share of common stock underlying each right (without paying additional consideration). The shares of common stock issuable upon exchange of the rights will be freely tradable (except to the extent held by affiliates of BRAC).

If BRAC is unable to complete a Business Combination within the Combination Period and BRAC liquidates the funds held in the Trust Account, holders of rights will not receive any of such funds with respect to their rights, nor will they receive any distribution from BRAC's assets held outside of the Trust Account with respect to such rights, and the rights will expire worthless. Further, there are no contractual penalties for failure to deliver securities to the holders of the rights upon consummation of a Business Combination. Additionally, in no event will BRAC be required to net cash settle the rights. Accordingly, the rights may expire worthless.

The rights included in the Private Units sold in the Private Placement are identical to the rights included in the Units sold in the Initial Public Offering, except that, among others, the rights including the shares issuable upon exchange of such rights, are being purchased pursuant to an exemption from the registration requirements of the Securities Act and will become tradable only after certain conditions are met or the resale of such rights (including underlying securities) is registered under the Securities Act.

Warrants

Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Warrants. The Warrants will become exercisable on the later of (a) 30 days after the consummation of a Business Combination or (b) October 10, 2018. No Warrants will be exercisable for cash unless BRAC has an effective and current registration statement covering the shares of common stock issuable upon exercise of the Warrants and a current prospectus relating to such shares. Notwithstanding the foregoing, if a registration statement covering the shares of common stock issuable upon the exercise of the Warrants is not effective within 30 days from the consummation of a Business Combination, the holders may, until such time as there is an effective registration statement and during any period when BRAC shall have failed to maintain an effective registration statement, exercise the Warrants on a cashless basis pursuant to an available exemption from registration under the Securities Act. If an exemption from registration is not available, holders will not be able to exercise their Warrants on a cashless basis. The Warrants will expire five years from the consummation of a Business Combination or earlier upon redemption or liquidation.

The Private Warrants will be identical to the Warrants underlying the Units sold in the Initial Public Offering, except the Private Warrants will be exercisable for cash (even if a registration statement covering the shares of common stock issuable upon exercise of such Private Warrants is not effective) or on a cashless basis, at the holder's option, and will not be redeemable by BRAC, in each case so long as they are still held by BROG or its affiliates.

BRAC may call the Warrants for redemption (excluding the Private Warrants but including any outstanding Warrants issued upon exercise of the unit purchase option issued to EarlyBirdCapital), in whole and not in part, at a price of $.01 per Warrant:

- at any time while the Warrants are exercisable,
- upon not less than 30 days' prior written notice of redemption to each Warrant holder,
- if, and only if, the reported last sale price of the shares of common stock equals or exceeds $18.00 per share, for any 20 trading days within a 30 trading day period ending on the third business day prior to the notice of redemption to Warrant holders, and
- if, and only if, there is a current registration statement in effect with respect to the shares of common stock underlying such Warrants at the time of redemption and for the entire 30-day redemption period and continuing each day thereafter until the date of redemption.

If BRAC calls the Warrants for redemption, management will have the option to require all holders that wish to exercise the Warrants to do so on a "cashless basis," as described in the warrant agreement.

The exercise price and number of shares of common stock issuable upon exercise of the Warrants may be adjusted in certain circumstances including in the event of a stock dividend, extraordinary dividend or recapitalization, reorganization, merger or consolidation. However, the Warrants will not be adjusted for issuances of shares of common stock at a price below its exercise price. Additionally, in no event will BRAC be required to net cash settle the Warrants. If BRAC is unable to complete a Business Combination within the Combination Period and BRAC liquidates the funds held in the Trust Account, holders of Warrants will not receive any of such funds with respect to their Warrants, nor will they receive any distribution from BRAC's assets held outside of the Trust Account with respect to such Warrants. Accordingly, the Warrants may expire worthless.

Unit Purchase Option

On October 10, 2017, BRAC sold to the underwriter and its designees, for $100, an option to purchase up to 600,000 Units exercisable at $11.50 per Unit (or an aggregate exercise price of $6,900,000) commencing on the later of the first anniversary of the effective date of the registration statement related to the Initial Public Offering and the consummation of a Business Combination. The unit purchase option may be exercised for cash or on a cashless basis, at the holder's option, and expires five years from the effective date of the registration statement related to the Initial Public Offering. The Units issuable upon exercise of this option are identical to those offered in the Initial Public Offering. BRAC accounted for the unit purchase option, inclusive of the receipt of $100 cash payment, as an expense of the Initial Public Offering resulting in a charge directly to stockholders' equity. BRAC estimated the fair value of this unit purchase option to be approximately $1,778,978 (or $2.97 per Unit) using the Black-Scholes option-pricing model. The fair value of the unit purchase option granted to the underwriters was estimated as of the date of grant using the following assumptions: (1) expected volatility of 35%, (2) risk-free interest rate of 1.94% and (3) expected life of five years. The option and such units purchased pursuant to the option, as well as the common stock underlying such units, the rights included in such units, the common stock that is issuable for the rights included in such units, the warrants included in such units, and the shares underlying such warrants, have been deemed compensation by FINRA and are therefore subject to a 180-day lock-up pursuant to Rule 5110(g)(1) of FINRA's NASDAQ Conduct Rules. Additionally, the option may not be sold, transferred, assigned, pledged or hypothecated for a one-year period (including the foregoing 180-day period) following the date of Initial Public Offering except to any underwriter and selected dealer participating in the Initial Public Offering and their bona fide officers or partners. The option grants to holders demand and "piggy back" rights for periods of five and seven years, respectively, from the effective date of the registration statement with respect to the registration under the Securities Act of the securities directly and indirectly issuable upon exercise of the option. BRAC will bear all fees and expenses attendant to registering the securities, other than underwriting commissions which will be paid for by the holders themselves. The exercise price and number of units issuable upon exercise of the option may be adjusted in certain circumstances including in the event of a stock dividend, or BRAC's recapitalization, reorganization, merger or consolidation. However, the option will not be adjusted for issuances of ordinary shares at a price below its exercise price.

Note 17 – Income Taxes

We account for income taxes under the provisions of ASC Topic 740, *Income taxes,* which provides for an asset and liability approach for income taxes. Under this approach, deferred tax assets and liabilities are recognized based on anticipated future tax consequences, using currently enacted tax laws, attributable to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts calculated for income tax purposes.

The Company will not consolidate income tax returns for Black Ridge Oil & Gas, Inc. and Black Ridge Acquisition Corp. For the years ended December 31, 2018 the impact of both returns are combined in the presentation.

Our provision for income taxes for the years ended December 31, 2018 and 2017 consisted of the following:

	December 31,	
	2018	2017
Current taxes	$ 556,757	$ 85,722
Deferred taxes	19,116	(18,678)
Net income tax provision (benefit)	$ 575,873	$ 67,044

The effective income tax rate for the years ended December 31, 2018 and 2017 consisted of the following:

	December 31, 2018		
	BROG	BRAC	Combined
Federal statutory income tax rate	21.0%	21.0%	21.0%
State income taxes	7.7%	7.7%	7.7%
Permanent differences	0.1%	4.8%	3.9%
Change in valuation allowance	(28.8%)	0.0%	(5.2%)
Net effective income tax rate	0.0%	33.5%	27.4%

	December 31, 2017		
	BROG	BRAC	Combined
Federal statutory income tax rate	35.0%	30.8%	39.6%
State income taxes	3.6%	6.8%	0.1%
Effect of current statutory rate change on deferred taxes	38.2%	0.0%	80.2%
Effect of 2018 federal rate change on deferred taxes	(1469.2%)	4.0%	(3092.1%)
Permanent differences	(0.3%)	0.2%	(0.7%)
Change in valuation allowance	1392.7%	0.0%	2926.8%
Net effective income tax rate	0.0%	41.8%	(46.1%)

The 2018 and 2017 combined reconciliations above are weighted averages of the two separate taxable entities as such we have presented the individual entity reconciliations. When one entity has a loss and the other has income, the weighted average produces results that are skewed higher or lower than the individual components. BROG's state income tax rate as of December 31, 2018 increased by 4.1% from 3.6% as of December 31, 2017, to 7.7%. This increase in the effective tax rate is attributable to changes in the federal rate. BRAC's state income tax rate as of December 31, 2018 increased by 0.9% from 6.8% as of December 31, 2017, to 7.7%.

The components of the deferred tax assets and liabilities as of December 31, 2018 and 2017 are as follows:

	December 31,	
	2018	2017
Deferred tax assets:		
Federal and state net operating loss carryovers	$ 7,402,252	$ 6,712,288
Stock compensation	2,294,552	1,947,147
Property and equipment	459	501
Unrealized loss on marketable equity securities held in trust account	–	18,678
Reorganization costs	38,508	34,001
Total deferred tax assets	$ 9,735,771	$ 8,712,615
Deferred tax liabilities:		
Unrealized gain on marketable equity securities held in trust account	(438)	–
Total deferred liabilities	(438)	–
Net deferred tax assets (liabilities)	9,735,333	8,712,615
Less: valuation allowance	(9,735,771)	(8,693,937)
Deferred tax assets (liabilities)	$ (438)	$ 18,678

As of December 31, 2018, the Company has net operating loss carryover of approximately $25,754,131. Under existing Federal law, the net operating loss may be utilized to offset taxable income through the year ended December 31, 2035. A portion of the net operating loss carryover begins to expire in 2030.

ASC Topic 740 provides that a valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized. In 2018, BROG increased its valuation allowance from $8,693,937 to $9,735,771 to adjust for the increase in net deferred tax assets primarily increased federal operating loss carryovers. The Company believes it is more likely than not that the benefit of these remaining assets will not be realized by BROG. The company did not place a valuation allowance on deferred tax asset for BRAC related to the capitalized merger and acquisition costs. The Company believes it is more likely than not that the benefit of these remaining assets will be realized by BRAC.

The Company files annual US Federal income tax returns and annual income tax returns for the states of Minnesota, North Dakota and Montana. We are not subject to income tax examinations by tax authorities for years before 2013 for all returns. Income taxing authorities have conducted no formal examinations of our past federal or state income tax returns and supporting records.

The Company adopted the provisions of ASC Topic 740 regarding uncertainty in income taxes. The Company has found no significant uncertain tax positions as of any date on or before December 31, 2018.

Note 18 – Commitments and Contingencies

The Company is involved in various inquiries, administrative proceedings and litigation relating to matters arising in the normal course of business. The Company is not currently a defendant in any material litigation and is not aware of any threatened litigation that could have a material effect on the Company. Management is not able to estimate the minimum loss to be incurred, if any, as a result of the final outcome of the matters arising in the normal course of business but believes they are not likely to have a material adverse effect upon the Company's financial position or results of operations and, accordingly, no provision for loss has been recorded.

The Company periodically maintains cash balances at banks in excess of federally insured amounts. The extent of loss, if any, to be sustained as a result of any future failure of a bank or other financial institution is not subject to estimation at this time.

BRAC's agreements with underwriters

BRAC engaged the underwriters as advisors in connection with its Initial Business Combination to assist it in holding meetings with its shareholders to discuss the potential business combination and the target business' attributes, introduce it to potential investors that are interested in purchasing its securities, assist it in obtaining shareholder approval for the business combination and assist it with its press releases and public filings in connection with the business combination. BRAC will pay its underwriters a cash fee for such services upon the consummation of its initial business combination in an amount equal to 3.5% of the gross proceeds of its offering (exclusive of any applicable finders' fees which might become payable).

Registration rights

The holders of BROG's shares of BRAC issued and outstanding on the date of BRAC's Initial Public Offering, as well as the holders of the private units and any units BROG, and its officers, directors or their affiliates may be issued in payment of working capital loans made to BRAC (and all underlying securities), are entitled to registration rights pursuant to a registration rights agreement dated October 4, 2017. The holders of a majority of these securities are entitled to make up to two demands that BRAC register such securities. The holders of the majority of the BROG's shares can elect to exercise these registration rights at any time commencing three months prior to the date on which these shares of BRAC's common stock are to be released from escrow. The holders of a majority of the private units and units issued to BROG, and its officers, directors or their affiliates in payment of working capital loans made to us (or underlying securities) can elect to exercise these registration rights at any time after BRAC consummates a business combination. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to our consummation of a business combination. The Company would bear the expenses incurred in connection with the filing of any such registration statements.

Note 19 – BRAC's Proposed Business Combination

Business Combination Agreement

On December 19, 2018, BRAC entered into an Agreement and Plan of Reorganization (the "Agreement") by and among BRAC, Black Ridge Merger Sub, Corp., a Delaware corporation and wholly-owned subsidiary of BRAC formed on December 19, 2018 ("Merger Sub"), Allied Esports Entertainment, Inc. (the "Allied Esports"), Ourgame International Holdings Ltd. ("Ourgame"), Noble Link Global Limited, a wholly-owned subsidiary of Ourgame ("Noble"), and Primo Vital Ltd., also a wholly-owned subsidiary of Ourgame ("Primo").

Subject to the Agreement, (i) Noble will merge with and into Allied Esports (the "Redomestication Merger") with Allied Esports being the surviving entity in such merger and (ii) immediately after the Redomestication Merger, Merger Sub will merge with and into Allied Esports with Allied Esports being the surviving entity of such merger (the "Transaction Merger" and together with the Redomestication Merger, the "Mergers").

The Mergers will result in BRAC acquiring two of Ourgame's global esports and entertainment assets, Allied Esports International, Inc. ("Allied Esports") and WPT Enterprises, Inc. ("WPT"). Allied Esports is a premier esports entertainment company with a global network of dedicated esports properties and content production facilities. WPT is the creator of the World Poker Tour® (WPT®) – the premier name in internationally televised gaming and entertainment with brand presence in land-based tournaments, television, online and mobile. The proposed transaction will seek to strategically combine the globally recognized Allied Esports brand with the three-pronged business model of the iconic World Poker Tour, featuring in-person experiences, multiplatform content and interactive services, to leverage the high-growth opportunities in the global esports industry.

Upon consummation of the Mergers (the "Closing"), BRAC will issue to the former owners of Allied Esports and WPT (i) an aggregate of 11,602,754 shares of common stock, par value $0.0001 per share, of BRAC's common stock and (ii) an aggregate of 3,800,003 warrants to purchase shares of common stock of BRAC.

In addition to the consideration described above, the former owners of Allied Esports and WPT will be entitled to receive their pro rata portion of an aggregate of an additional 3,846,153 shares of BRAC's common stock if the last sales price of BRAC's common stock equals or exceeds $13.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for thirty (30) consecutive days at any time during the five (5) year period commencing on the date of the Closing (the "Closing Date").

Proposed Changes to the Capital Structure

BRAC is seeking shareholder approval to amend its charter to increase the authorized shares of BRAC's common stock to 65,000,000 shares.

Conditions to Consummation of the Business Combination

Consummation of the transactions contemplated by the Agreement is subject to certain closing conditions including, among others, (i) approval by the stockholders of BRAC and Ourgame, and (ii) that BRAC have available cash in an amount not less than $80,000,000 after payment to stockholders who elect to redeem their shares of common stock in accordance with the provisions of BRAC's Charter Documents.

Termination

The Agreement may be terminated at any time prior to the consummation of the Agreement (whether before or after the Company's shareholder vote has been obtained) by mutual written consent of the Company and Ourgame, Noble and the Acquired Company and in certain other limited circumstances, including if the Proposed Business Combination has not been consummated by July, 10, 2019.

Note 20 – Subsequent Events

The Company evaluates events that have occurred after the balance sheet date through the date hereof, which these financial statements were issued. No events occurred of a material nature that would have required adjustments to or disclosure in these financial statements except as follows:

On February 20, 2019, BRAC issued a $100,000 convertible promissory note to the BROG. After issuing the promissory note, the total amount of convertible promissory notes issued to BROG is $450,000. The loan is unsecured, non-interest bearing and is payable at the consummation of a Business Combination. Upon consummation of a Business Combination, the principal balance of the note may be converted, at the Sponsor's option, to units at a price of $10.00 per unit. The terms of the units will be identical to the units issued by BRAC in its initial public offering, except the warrants included in such units will be non-redeemable and may be exercised on a cashless basis, in each case so long as they continue to be held by BROG or its permitted transferees. If BROG converts the entire principal balance of the convertible promissory note, it would receive an additional 10,000 units. If a Business Combination is not consummated, the note will not be repaid by BRAC and all amounts owed thereunder by BRAC will be forgiven except to the extent that BRAC has funds available to it outside of its trust account established in connection with the initial public offering. The issuance of the note was exempt pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain a system of disclosure controls and procedures that is designed to ensure that information required to be disclosed by us in the reports we file or furnish to the SEC under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

As of December 31, 2018 we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined) in Exchange Act Rules 13a –15(e). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Our Chief Executive Officer and Chief Financial Officer do not expect that our disclosure controls or internal controls will prevent all error and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives and our Chief Executive Officer and Chief Financial Officer have determined that our disclosure controls and procedures are effective at doing so, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Management's Annual Report on Internal Control over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. All internal control systems, no matter how well designed, have inherent limitations. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

We carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our internal controls over financial reporting as of December 31, 2018. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control — Integrated Framework (2013)." Based on this assessment, management believes that, as of December 31, 2018, our internal control over financial reporting was effective based on those criteria.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting through the date of this report or during the quarter ended December 31, 2018, that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Independent Registered Accountant's Internal Control Attestation

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to applicable law.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The following table lists our executive officers and directors as of April 3, 2019:

Name	Age	Position
Kenneth DeCubellis	52	Chief Executive Officer
Michael Eisele	36	Chief Operating Officer
James Moe	61	Chief Financial Officer
Bradley Berman	48	Chairman of the Board of Directors
Benjamin S. Oehler[(1)(2)]	70	Director
Joseph Lahti[(1)(2)]	58	Director
Lyle Berman[(1)]	77	Director

[(1)]Member of audit committee.

[(2)]Member of compensation committee.

Kenneth DeCubellis has been our chief executive officer since November 9, 2011. Prior to joining Black Ridge, Mr. DeCubellis was the president and chief executive officer of Altra Inc. [1], a venture capital backed biofuels company based in Los Angeles, California. He joined Altra in June 2006 as vice president, business development and was promoted to president in November of 2007 and chief executive officer in February 2008. From 1996 to 2006, he was an executive with Exxon Mobil Corp in Houston, Texas. Mr. DeCubellis also previously served as the chairman of KD Global Energy Belize Ltd., a company that provides technical and business services for petroleum lease holders in Belize. Mr. DeCubellis holds a B.S. in Mechanical Engineering from Rensselaer Polytechnic Institute, an MBA from Northwestern University's JL Kellogg Graduate School of Management, and a Masters of Engineering Management from Northwestern University's McCormick School of Engineering.

Mr. DeCubellis's qualifications:

- Leadership experience – Mr. DeCubellis has been our chief executive officer since November 9, 2011, chief executive officer of Altra Inc. (2008 to 2011), vice president- president of Altra Inc. (2006 to 2011), and an executive with Exxon Mobil Corp in Houston, Texas. (1996 to 2006). Mr. DeCubellis has been chief executive officer and chairman of the board of directors of Black Ridge Acquisition Corp. since May 2017.
- Industry experience - Mr. DeCubellis has been our chief executive officer from November 9, 2011 and has broad energy experience as, chief executive officer of Altra Inc., a biofuel company, and executive experience with Exxon Mobil Corp.
- Education experience - Mr. DeCubellis holds a Bachelor of Science degree from Rensselaer Polytechnic Institute (1990), an MBA from Northwestern University's JL Kellogg Graduate School of Management (1996), and a Masters of Engineering Management from Northwestern University's McCormick School of Engineering (1996).

Michael Eisele has been the chief operating officer of Black Ridge since August 1, 2013, and prior to that had served as the Company's vice president of land since August 2012, overseeing the Company's acreage portfolio and managing acquisitions and divestitures. Mr. Eisele brings over ten years of oil and gas lease experience in the Williston Basin and greater Rocky Mountain region. Prior to joining the Company, Mr. Eisele was the co-owner and landman of High West Resources, Ltd. from 2011 to 2012, the owner of Eisele Resources LLC from 2009 to 2012, and a self-employed landman from 2007 to 2009. Mr. Eisele is a graduate of Luther College (B.A.).

Mr. Eisele's qualifications:

- Leadership experience – Mr. Eisele has been our chief operating officer since August 1, 2013, and our vice president of land from August 2012 to July 2013, co-owner and landman of High West Resources, Ltd. (2011 to 2012), owner of Eisele Resources LLC (2009 to 2012) and a self-employed landman (2007 to 2009). Mr. Eisele has been chief operating officer of Black Ridge Acquisition Corp. since May 2017.
- Industry experience - Mr. Eisele has been our chief operating officer from August 1, 2013 and has over ten years of oil and gas lease experience in the Williston Basin and greater Rocky Mountain region.
- Education experience - Mr. Eisele holds a Bachelor of Arts degree from Luther College in 2005.

[1] When Mr. DeCubellis became CEO of Altra Inc in 2008, the company was in deep financial distress. Mr. DeCubellis implemented a comprehensive corporate wide restructuring effort that was completed in 2009. This included restructuring and eliminating all of the debt at Altra Inc, raising capital at Altra Inc and refocusing the strategy of the company on a technology license. As part of this restructuring, certain wholly-owned subsidiaries of Altra, Inc. surrendered assets to lenders or entered in receivership.

James Moe has been the chief financial officer of Black Ridge since March 14, 2011. Mr. Moe had previously been the chief financial officer of Northern Contours Inc., a multi-state manufacturing company located in Mendota Heights, Minnesota specializing in cabinet doors and work surfaces, since August 2005. From January 2004 to August 2005, he was the chief financial officer of Trimodal Inc., a trucking and container handling company located in Bloomington, Minnesota, which operated in seven cities in the Midwest and East Coast. From April 2000 to December 2003, Mr. Moe was the corporate controller of Simondelivers.com, a venture capital backed start-up company located in Golden Valley, Minnesota providing home delivery of groceries ordered over the internet. From October 1994 to April 2000, he was the corporate controller of Recovery Engineering Inc., a high growth publicly traded manufacturer and distributor of small-scale water filters located in Brooklyn Park, Minnesota. From November 1989 to October 1994, Mr. Moe was the controller of Standard Iron and Wire Works, a privately held multi-division metal fabricator operating three plants in Minnesota. Upon graduating from the University of Minnesota with a Bachelor of Science degree in accounting in 1985, Mr. Moe worked as a senior accountant until November 1989 for Boulay, Heutmaker, Zibell & Company.

Mr. Moe's qualifications:

- Leadership experience – Mr. Moe has been our chief financial officer since March 14, 2011, chief financial officer of Northern Contours Inc. (2005 to 2011), and chief financial officer of Trimodal Inc. (2004 to 2005). Mr. Eisele has been chief financial officer of Black Ridge Acquisition Corp. since May 2017.
- Industry experience - Mr. Moe has been our chief financial officer since March 14, 2011 and has served as a chief financial officer for businesses in other industries. Black Ridge is the first oil and gas company for which Mr. Moe has provided management services.
- Education experience - Mr. Moe holds a Bachelor of Science degree in accounting from the University of Minnesota (1985).

Bradley Berman has been a director of Black Ridge since our inception and our chairman since November 12, 2010. He was our chief executive officer from November 12, 2010 to November 9, 2011, our chief financial officer between November 12, 2010 and November 15, 2010, and our corporate secretary from November 12, 2010 to February 22, 2011. Mr. Berman has been a director of Black Ridge Acquisition Corp. since May 2017. Mr. Berman is the president of King Show Games, Inc., a company he founded in 1998. Mr. Berman has worked in various capacities in casino gaming from 1992 to 2004 for Grand Casinos, Inc. and then Lakes Entertainment, Inc., achieving the position of Vice President of Gaming, after which he assumed a lesser role in that company. Mr. Berman was a director of Voyager Oil and Gas, Inc. (formerly Ante4 and WPT) from August 2004 to November 2010.

Mr. Lyle Berman, who is one of our directors, is Mr. Brad Berman's father.

Mr. Berman's qualifications:

- Leadership experience – Mr. Berman has been our chairman since November 12, 2010 and was our chief executive officer from November 12, 2010 to November 9, 2011 and he is the founder and president of King Show Games, Inc.
- Finance experience – Mr. Berman is the founder and president of King Show Games, Inc.
- Industry experience – Mr. Berman was a director of Voyager Oil & Gas, Inc. until November 2010 and has been a director of Black Ridge Acquisition Corp. since May 2017.
- Education experience - Mr. Berman attended Mankato State University in Minnesota and University of Nevada at Las Vegas in Nevada concentrating in business and computer science.

Benjamin S. Oehler has been a director of Black Ridge since November 16, 2010, and chairman of our audit committee and compensation committee since February 22, 2011. Mr. Oehler is a Founding Partner of Windward Mark, LLC which advises business owners with regard to strategic planning, owner governance and education, business continuity, legacy, philanthropy and liquidity. Windward Mark LLC is a continuation of Mr. Oehler's consulting practice at Bashaw Group, Inc., which he founded in 2007, and served as president from 2007 to 2017. Bashaw Group is also affiliated with a similar company, Linea Capital, LLC. Prior to founding Bashaw Group, Mr. Oehler was from 1999 to 2007 the president and chief executive officer of Waycrosse, Inc., a financial advisory firm for the family owners of Cargill Incorporated. While at Waycrosse, Mr. Oehler was the primary advisor to the five family members who were serving on the Cargill Incorporated board of directors from 1999 to 2006. Mr. Oehler played a key role in two major growth initiatives for Cargill: the merger of Cargill's fertilizer business into a public company which is now Mosaic, Inc., and the transformation of Cargill's proprietary financial markets trading group into two major investment management companies: Black River Asset Management, LLC and CarVal Investors, LLC. An investment banker for 20 years, Mr. Oehler's transaction experience includes public offerings and private placements of debt and equity securities, mergers and acquisitions, fairness opinions and valuations of private companies. Prior to joining Waycrosse, Mr. Oehler was an investment banker for Piper Jaffray. By the time he left Piper Jaffray in 1999, he was group head for Piper's Industrial Growth Team. He has also played a leadership role in a number of corporate buy-outs and venture stage companies, served on corporate and non-profit boards of directors, and has been involved in the creation and oversight of foundations and charitable organizations, as well as U.S. trusts and off-shore entities. Mr. Oehler has been a director of Black Ridge Acquisition Corp. since May 2017.

Mr. Oehler has been a board member and founder of many non-profit organizations including the Minnesota Zoological Society, Minnesota Landscape Arboretum, The Lake Country Land School, Greencastle Tropical Study Center, Park Nicollet Institute, Afton Historical Society Press, United Theological Seminary and University of Minnesota Investment Advisor, Inc. He has been a director of Waycrosse, Inc., WayTrust Inc., Dain Equity Partners, Inc., Time Management, Inc., BioNIR, Inc. and Agricultural Solutions, Inc. In September 2007, Mr. Oehler completed the Stanford University Law School Directors Forum, a three-day update on key issues facing corporate directors presented by the Stanford Business School and Stanford Law School. From 1984 through 1999, Mr. Oehler was registered with the National Association of Securities Dealers ("NASD") as a financial principal. Mr. Oehler is a graduate of the University of Minnesota College of Liberal Arts and has completed all course work at the University of Minnesota Business School with a concentration in finance.

Mr. Oehler's qualifications:

- Leadership experience – Mr. Oehler is the Founding Partner of Windward Mark, LLC (2017 to present), was the president of Bashaw Group, Inc. (2007 to 2017), was the president and chief executive officer of Waycrosse, Inc. (1999 to 2007). He served as an investment banker for Piper Jaffray until 1999, achieving the position of group head of its Industrial Growth Team.
- Industry experience – Mr. Oehler has been a director of Waycrosse, Inc., WayTrust Inc., Dain Equity Partners, Inc., Time Management, Inc., BioNIR, Inc. and Agricultural Solutions, Inc.
- Education experience - Mr. Oehler is a graduate of the University of Minnesota College of Liberal Arts.

Joseph Lahti was appointed as a director of the Company to fill a newly-created directorship seat on August 31, 2012. Mr. Lahti is a Minneapolis native and leader in numerous Minnesota business and community organizations. As principal of JL Holdings since 1989, Mr. Lahti has provided funding and management leadership to several early-stage or distressed companies. From 1993 to 2002, he held the positions of chief operating officer, president, chief executive officer and chairman at Shuffle Master, Inc., a company that provided innovative products to the gaming industry. Mr. Lahti served as Chairman of the Board of PokerTek, Inc., a publicly traded company sold in October 2014. and he also served as an independent director and Chairman of AFAM Capital until October of 2018 and then as Chairman of the Board of Innealta, an investment manager. Within the past five years Mr. Lahti served on the board of directors of Voyager Oil & Gas, Inc., and more than five years ago Mr. Lahti served as the Chairman of the Board of directors of Shuffle Master, Inc. and served on the board of directors of Zomax, Inc. Through his public company Board experience, he has participated on, and chaired, both Audit and Compensation Committees. Mr. Lahti has been a director of Black Ridge Acquisition Corp. since May 2017.

Mr. Lahti's qualifications:

- Leadership experience – Mr. Lahti is a principal of JL Holdings (1989 to present). Mr. Lahti serves as Chairman of AFAM Capital. He recently served as Chairman of the Board of PokerTek, Inc., a publicly traded company. He served as chief executive officer and chairman of Shuffle Master, Inc., a publicly traded company (1997-2002).
- Industry experience – Mr. Lahti has participated as an independent director in several public companies in a variety of other industries, including serving as an independent director of Voyager Oil & Gas, Inc. and serving as the compensation committee chair for Voyager Oil & Gas, Inc. and Poker Tek, Inc. and compensation committee member of Zomax Inc. and several private companies.
- Education experience – Mr. Lahti holds Bachelor of Arts degree in economics from Harvard University.

Lyle Berman was appointed as a director of the Company to fill a newly-created directorship seat on October 26, 2016 and was appointed to our audit committee on December 12, 2016. Mr. Berman began his career with Berman Buckskin, his family's leather business. He helped grow the business into a major specialty retailer with 27 outlets. After selling Berman Buckskin to WJL Grace in 1979, Mr. Berman continued as President and Chief Executive Officer and led the company to become one the county's largest retail leather chains, with over 200 stores nationwide. In 1990, Mr. Berman participated in the founding of Grand Casinos, Inc. Mr. Berman is credited as one of the early visionaries in the development of casinos outside of the traditional gaming markets of Las Vegas and Atlantic City. In less than five years, the company opened eight casino resorts in four states. In 1994, Mr. Berman financed the initial development of Rainforest Cafe. He served as the Chairman and CEO from 1994 unti1 2000. In October 1995, Mr. Berman was honored with the B'nai B'rith "Great American Traditions Award." In April 1996, he received the Gaming Executive of the Year Award; in 2004, Mr. Berman was inducted into the Poker Hall of Fame; and in 2009, he received the Casino Lifetime Achievement Award from Raving Consulting & Casino Journal. In 1998, Lakes Entertainment, Inc. was formed.

In 2002, as Chairman of the Board and CEO of Lakes Entertainment, Inc., Mr. Berman was instrumental in creating the World Poker Tour. Mr. Berman served as the Executive Chairman of the Board of WPT Enterprises, Inc. (later known as Voyager Oil & Gas, Inc. and Emerald Oil, Inc.) from its inception in February 2002 until July 2013. Mr. Berman also served as a director of PokerTek, Inc. from January 2005 until October 2014, including serving as Chairman of the Board from January 2005 until October 2011. Mr. Berman has been a director of Black Ridge Acquisition Corp. since May 2017.

Mr. Bradley Berman, who is the chairman of our Board of Directors, is Mr. Lyle Berman's son.

Mr. Berman's qualifications:

- Leadership experience – Mr. Berman served as Chairman of the Board and CEO of Lakes Entertainment, Inc. (1999-2015). He served as the Chairman of the Board of Directors of Grand Casinos, Inc. (the predecessor to Lakes) (1991-1998). He served as the Executive Chairman of the Board of WPT Enterprises, Inc. (later known as Voyager Oil & Gas, Inc. and Emerald Oil, Inc.) (2002-2013). He served as Chairman of the Board of PokerTek, Inc. (2005-2011). He served as Chairman of the Board and Chief Executive Officer of Rainforest Café, Inc. (1994-2000). Mr. Berman currently serves on the Board of Directors of Golden Entertainment, Inc., Redstone American Grill, Inc., Black Ridge Acquisition Corp., Augeo Affinity Marketing, Inc., Poker52, LLC, LubeZone, Inc., and Mill City Ventures, Ltd.
- Industry experience – He served as the Executive Chairman of the Board of Voyager Oil & Gas, Inc. (later known as Emerald Oil, Inc.) (2010-2013).
- Education experience – Mr. Berman holds a degree in Business Administration from the University of Minnesota.

No director is required to make any specific amount or percentage of his business time available to us. Each of our officers intends to devote such amount of his or her time to our affairs as is required or deemed appropriate.

CORPORATE GOVERNANCE

Director Selection Process

The Company does not have a standing nominating committee, but rather the Board of Directors as a whole considers director nominees. The Board of Directors has determined this is appropriate given the size of the Board of Directors and the Company's current size. The Board will consider candidates suggested by its members, other directors, senior management and stockholders in anticipation of upcoming elections and actual or expected board vacancies. The Board of Directors has not adopted a formal diversity policy or established specific minimum criteria or qualifications because from time to time the needs of the Board and the Company may change. All candidates, including those recommended by stockholders, are evaluated on the same basis in light of the entirety of their credentials and the needs of the Board of Directors and the Company. Of particular importance is the candidate's wisdom, integrity, ability to make independent analytical inquiries, understanding of the business environment in which the Company operates, as well as his or her potential contribution to the diversity of the Board of Directors and his or her willingness to devote adequate time to fulfill his or her duties as a director. The Board of Directors will consider director candidates recommended by the Company's stockholders. Stockholders may recommend director candidates by contacting the Chairman of the Board as provided under the heading "Communications with the Board of Directors." The Company did not employ a search firm or pay fees to other third parties in connection with seeking or evaluating board nominee candidates.

Board and Committee Meetings

During the year ended December 31, 2018, the Board of Directors held four meetings, the Audit Committee held four meetings, and the Compensation Committee held no meetings. Each of our elected Directors attended at least 75% of all meetings of the Board of Directors and the committees on which he served during the year.

Annual Meeting Attendance

The Company did not hold an annual meeting of stockholders in 2018. If the Company holds an annual meeting of stockholders in the future, the Board of Directors will encourage Directors to attend such annual meeting.

Board Leadership Structure

Our Board of Directors has no formal policy with respect to separation of the positions of Chairman and Chief Executive Officer or with respect to whether the Chairman should be a member of management or an independent director, and believes that these are matters that should be discussed and determined by the Board from time to time based on the position and direction of the Company and the membership of the Board. The Board has determined that having Bradley Berman serve as Chairman is in the best interest of the Company's stockholders at this time due to his extensive knowledge of the Company. Further, the separation of the Chairman and Chief Executive Officer positions allows the Chief Executive Officer to focus on the management of the Company's day-to-day operations.

Risk Management

Our Board of Directors believes that risk management is an important component of the Company's corporate strategy. The Board, as a whole, oversees our risk management process, and discusses and reviews with management major policies with respect to risk assessment and risk management. The Board is regularly informed through its interactions with management and committee reports about risks we currently face, as well as the most likely areas of future risk, in the course of our business including economic, financial, operational, legal and regulatory risks.

Communications with the Board of Directors

Stockholders and other interested persons seeking to communicate directly with the Board of Directors, the independent directors as a group or any of the Audit or Compensation Committees of the Board of Directors, should submit their written comments c/o Corporate Secretary at our principal executive offices at 110 North Fifth Street, Suite 410, Minneapolis MN 55403 and should indicate in the address whether the communication is intended for the Chairman of the Board, the Independent Directors or a Committee Chair. The Chairman of the Board will review any such communication at the next regularly scheduled Board of Directors meeting unless, in his or her judgment, earlier communication to the Board of Directors is warranted.

At the direction of the Board of Directors, we reserve the right to screen all materials sent to its directors for potential security risks, harassment purposes or routine solicitations.

Code of Ethics

Our Board of Directors has adopted a Code of Ethics which applies to our directors, Chief Executive Officer, Chief Financial Officer and other Company employees who perform similar functions.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who own more than 10% of a registered class of the Company's securities to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Directors, executive officers and greater than 10% stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) reports they file. To our knowledge, based solely on the review of the copies of these forms furnished to us and representations that no other reports were required, the Company believes that all forms required to be filed under Section 16 of the Exchange Act for the year ended December 31, 2018 were filed timely.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Overview

We currently qualify as a "smaller reporting company" as such term is defined in Rule 405 of the Securities Act and Item 10 of Regulation S-K. Accordingly, and in accordance with relevant SEC rules and guidance, we have elected, with respect to the disclosures required by Item 402 (Executive Compensation) of Regulation S-K, to comply with the disclosure requirements applicable to smaller reporting companies. The following Compensation Overview is not comparable to the "Compensation Discussion and Analysis" that is required of SEC reporting companies that are not smaller reporting companies.

The following Compensation Overview describes the material elements of compensation for our executive officers identified in the Summary Compensation Table ("Named Executive Officers"), and executive officers that we may hire in the future. As more fully described below, our board's compensation committee reviews and recommends policies, practices, and procedures relating to the total direct compensation of our executive officers, including the Named Executive Officers, and the establishment and administration of certain of our employee benefit plans to our board of directors.

Compensation Program Objectives and Rewards

Our compensation philosophy is based on the premise of attracting, retaining, and motivating exceptional leaders, setting high goals, working toward the common objectives of meeting the expectations of customers and stockholders, and rewarding outstanding performance. Following this philosophy, we consider all relevant factors in determining executive compensation, including the competition for talent, our desire to link pay with performance, the use of equity to align executive interests with those of our stockholders, individual contributions, teamwork, and each executive's total compensation package. We strive to accomplish these objectives by compensating all executives with compensation packages consisting of a combination of competitive base salary and incentive compensation.

The compensation received by our Named Executive Officers is based primarily on the levels at which we can afford to retain them and their responsibilities and individual contributions. Our compensation policy also reflects our strategy of minimizing general and administration expenses and utilizing independent professional consultants. Our compensation committee and board of directors apply the compensation philosophy and policies described below to determine the compensation of Named Executive Officers.

The primary purpose of the compensation and benefits we consider is to attract, retain, and motivate highly talented individuals who will engage in the behavior necessary to enable us to succeed in our mission, while upholding our values in a highly competitive marketplace. Different elements are designed to engender different behaviors, and the actual incentive amounts which may be awarded to each Named Executive Officer are subject to the annual review of our compensation committee who will make recommendations regarding compensation to our board of directors. The following is a brief description of the key elements of our planned executive compensation structure.

- Base salary and benefits are designed to attract and retain employees over time.
- Incentive compensation awards are designed to focus employees on the business objectives for a particular year.
- Equity incentive awards, such as stock options and non-vested stock, focus executives' efforts on the behaviors within the recipients' control that they believe are designed to ensure our long-term success as reflected in increases to our stock prices over a period of several years, growth in our profitability and other elements.
- Severance and change in control plans are designed to facilitate a company's ability to attract and retain executives as we compete for talented employees in a marketplace where such protections are commonly offered.

Benchmarking

We have not yet adopted benchmarking but may do so in the future. When making compensation decisions, our compensation committee and board of directors may compare each element of compensation paid to our Named Executive Officers against a report showing comparable compensation metrics from a group that includes both publicly-traded and privately-held companies. Our board believes that while such peer group benchmarks are a point of reference for measurement, they are not necessarily a determining factor in setting executive compensation. Each executive officer's compensation relative to the benchmark varies based on the scope of responsibility and time in the position. We have not yet formally established our peer group for this purpose.

The Elements of The Company's Compensation Program

Base Salary

Executive officer base salaries are based on job responsibilities and individual contribution. Our compensation committee and board of directors review the base salaries of our executive officers, including our Named Executive Officers, considering factors such as corporate progress toward achieving objectives (without reference to any specific performance-related targets) and individual performance experience and expertise. Other than the Change of Control Agreements described below, none of our Named Executive Officers have employment agreements with us. Additional factors reviewed by our compensation committee and board of directors in determining appropriate base salary levels and raises include subjective factors related to corporate and individual performance. For the year ended December 31, 2018, all executive officer base salary decisions were approved by the board of directors.

Our compensation committee determines and then recommends to the whole board base salaries for the Named Executive Officers at the beginning of each fiscal year. The compensation committee proposes new base salary amounts, if appropriate, based on its evaluation of individual performance and expected future contributions. The board of directors then approves base salary amounts for the fiscal year. In 2014, we did not have a 401(k) Plan. We put our 401K Plan in place for 2015, but suspended matching contributions for 2016 and thereafter, except those mandated by IRS rules. Compensation paid in cash is the only element of compensation that will be used in determining the amount of contributions permitted under the 401(k) Plan.

Incentive Compensation Awards

No bonuses were granted in 2018 or 2017.

If our revenue grows, industry conditions improve, and bonuses become affordable and justifiable, we expect to use the following parameters in justifying and quantifying bonuses for our Named Executive Officers and other officers of the Company: (1) the growth in our revenue, (2) the growth in our earnings before interest, taxes, depreciation and amortization, as adjusted ("EBITDA"), and (3) our stock price. The board has not adopted specific performance goals and target bonus amounts, but may do so in the future.

Equity Incentive Awards

Effective June 10, 2010, as amended on February 22, 2011 and March 2, 2012, our board of directors adopted the Amended and Restated 2012 Stock Incentive Plan (the 2012 Plan) under which a total of 7,500,000 shares of our common stock have been reserved for issuance as restricted stock or pursuant to the grant and exercise of stock options. The 2012 Plan has been approved by the holders of a majority of our outstanding shares.

Effective December 12, 2016, our board of directors adopted the 2016 Non-Qualified Stock Option Plan (the 2016 Plan) under which a total of 3,813,500 shares of our common stock have been reserved for issuance pursuant to the grant and exercise of non-qualified stock options.

On March 1, 2018, the Board of Directors (the "Board") of the Company approved and adopted the Black Ridge Oil & Gas, Inc. 2018 Management Incentive Plan (the "Plan") and the form of 2018 Management Incentive Plan Award Agreement (the "Award Agreement").

In connection with the approval of the Plan and Award Agreement, the Board approved the issuance of awards (the "Awards") to certain individuals including officers and directors (the "Grantees"), representing a percentage of the shares of BRAC held by the Company as of the date of closing of a business combination for the acquisition of a target business as described in the BRAC prospectus dated October 4, 2017, as follows:

Name	Percentage of BRAC Shares Owned by the Company Granted to the Grantee
Bradley Berman	1.6%
Lyle Berman	1.6%
Benjamin Oehler	1.6%
Joe Lahti	1.6%
Kenneth DeCubellis	4.0%
Michael Eisele	2.8%
James Moe	2.1%

We believe equity incentive awards motivate our employees to work to improve our business and stock price performance, thereby further linking the interests of our senior management and our stockholders. The board considers several factors in determining whether awards are granted to an executive officer, including those previously described, as well as the executive's position, his or her performance and responsibilities, and the amount of options or other awards, if any, currently held by the officer and their vesting schedule. Our policy prohibits backdating options or granting them retroactively.

Benefits and Prerequisites

At this stage of our business we have benefits that are generally comparable to those offered by other small private and public companies and no prerequisites for our employees. Other than a 401(k) Plan that we put in place at the beginning of 2015, we do not have any other retirement plan for our Named Executive Officers. We may adopt these plans and confer other fringe benefits for our executive officers in the future.

Separation and Change in Control Arrangements

We do not have any employment agreements with our Named Executive Officers or any other executive officer or employee of the Company. However, as of the date of this filing, we have entered into Change of Control Agreements (the "CIC Agreements") with executives, Ken DeCubellis, James Moe, and Michael Eisele. The CIC Agreements provide that, in the event that (i) the executive is terminated, other than for cause, disability, or death, or (ii) there is a "Change in Circumstances", in either case within 12 months of a "Change in Control," then the executive is entitled to receive his annual salary in regular distributions over the course of the next 12 months, to take part in the Company's health and dental group policies, and to receive the same employer contributions for health and dental coverage that the Company provides to its other executive employees as of the executive's last day of employment with the Company.

For purposes of the CIC Agreements, a "Change in Control" is broadly defined to include the acquisition by any person, entity, or group of at least 33% of the Company's outstanding voting securities entitled to vote for the election of directors (excluding equity offerings), a turnover of at least a majority of the board seats from the date of the Change in Control Agreement (subject to exceptions for new board members who are approved by a majority of incumbent directors), and approval by our stockholders of a major corporate transaction such as a sale of substantially all of the Company's assets, liquidation or dissolution of the Company, or a merger or consolidation in which our stockholders hold 50% or less of the equity in the surviving entity.

A "Change in Circumstances" is defined by the Change in Control Agreements to include demotions or substantial changes in material duties, salary reductions that are not applied equally to other similarly situated executives, required relocation to a destination more than 50 miles away, a substantial reduction in benefits and perquisites, or any other material change in the terms and conditions of the applicable executive's employment. In order for a Change in Circumstances to give rise to the Company's obligation to provide severance and the benefits described above to an executive, the executive must object to the Change in Circumstances within 30 days of its occurrence.

Executive Officer Compensation

The following table sets forth the total compensation paid in all forms to our named executive officers of the Company during the periods indicated:

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Option Awards	Non-Equity Incentive Plan Compensation	Non-Qualified Deferred Compensation Earnings	All Other Compensation	Total
Kenneth T. DeCubellis, Chief Executive Officer	2018	$ 275,000	$ –	$ –	$ –	$ –	$ –	$ 275,000
	2017	$ 275,000	$ –	$ –	$ –	$ –	$ –	$ 275,000
Michael Eisele, Chief Operating Officer	2018	$ 187,000	$ –	$ –	$ –	$ –	$ –	$ 187,000
	2017	$ 187,000	$ –	$ –	$ –	$ –	$ –	$ 187,000
James Moe, Chief Financial Officer	2018	$ 192,500	$ –	$ –	$ –	$ –	$ –	$ 192,500
	2017	$ 192,500	$ –	$ –	$ –	$ –	$ –	$ 192,500

Employment Agreements

Other than the Change in Control Agreements described above, we have not entered into any employment agreements with our executive officers to date. We may enter into employment agreements with them in the future.

Outstanding Equity Awards

The following table sets forth information with respect to unexercised stock options, stock that has not vested, and equity incentive plan awards held by our executive officers at December 31, 2018.

Outstanding Option Awards at Fiscal Year-End

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date
Kenneth T. DeCubellis, Chief Executive Officer	802,667	401,333[1]	$0.040	December 11, 2026
	120,000	80,000[2]	$0.172	September 29, 2025
	46,400	11,600[3]	$0.280	December 21, 2024
	750,000	-0-[4]	$0.650	December 11, 2023
	400,000	-0-[5]	$0.560	January 23, 2023
	1,000,000	-0-[6]	$0.270	September 24, 2022
Michael Eisele, Chief Operating Officer	333,333	166,667[1]	$0.040	December 11, 2026
	120,000	80,000[2]	$0.172	September 29, 2025
	32,000	8,000[3]	$0.280	December 21, 2024
	250,000	-0-[4]	$0.650	December 11, 2023
	165,000	-0-[7]	$0.640	July 31, 2023
	165,000	-0-[5]	$0.560	January 23, 2023
	150,000	-0-[8]	$0.280	August 9, 2022
James Moe, Chief Financial Officer	300,000	150,000[1]	$0.040	December 11, 2026
	90,000	60,000[2]	$0.172	September 29, 2025
	32,000	8,000[3]	$0.280	December 21, 2024
	200,000	-0-[4]	$0.650	December 11, 2023
	115,000	-0-[5]	$0.560	January 23, 2023
	500,000	-0-[6]	$0.270	September 24, 2022
	200,000	-0-[9]	$1.000	November 1, 2021

[1]Options granted on December 12, 2016, vest in three equal annual installments, commencing one year from the date of grant, and continuing on the next two anniversaries thereof until fully vested.

[2]Options granted on September 30, 2015, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.

[3]Options granted on December 22, 2014, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.

[4]Options granted on December 12, 2013, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.

[5]Options granted on January 24, 2013, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.

(6)Options granted on September 25, 2012, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.

(7)Options granted on August 1, 2013, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.

(8)Options granted on August 10, 2012, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.

(9)Options granted on November 2, 2011, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.

Option Exercises and Stock Vested

None of our executive officers exercised any stock options or acquired stock through vesting of an equity award during the year ended December 31, 2018.

Director Compensation

No compensation was paid or accrued by us to our directors for the year ended December 31, 2018.

Our compensation committee has not yet recommended policy for board compensation, however option awards have been granted to independent directors upon joining the board. The Company has not paid cash fees to directors and has no formal compensation arrangements with its directors. While there is no set policy regarding board compensation, this may be subject to change by the directors.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding beneficial ownership of our common stock as of March 15, 2019, based on information obtained from the persons named below or as filed with the SEC, with respect to the beneficial ownership of shares of our common stock by: (i) each person who is known by us to own beneficially more than 5% of our common stock; (ii) each director; (iii) each named executive officer; and (iv) all of our directors and executive officers as a group. On March 15, 2019, we had 479,844,900 shares of common stock outstanding.

As used in the table below and elsewhere in this form, the term “beneficial ownership” with respect to a security consists of sole or shared voting power, including the power to vote or direct the vote and/or sole or shared investment power, including the power to dispose or direct the disposition, with respect to the security through any contract, arrangement, understanding, relationship, or otherwise, including a right to acquire such power(s) during the next 60 days following March 15, 2019. Inclusion of shares in the table does not, however, constitute an admission that the named stockholder is a direct or indirect beneficial owner of those shares. Unless otherwise indicated, (i) each person or entity named in the table has sole voting power and investment power (or shares that power with that person’s spouse) with respect to all shares of capital stock listed as owned by that person or entity, and (ii) the address of each person or entity named in the table is c/o Black Ridge Oil & Gas, Inc., 110 Fifth Street North, Suite 410, Minneapolis, Minnesota 55403.

Name, Title and Address of Beneficial Owner	Number of Shares Beneficially Owned[1]	Percentage of Ownership
Bradley Berman, Chairman of Board and Director[2]	59,166,893	12.3%
Ken DeCubellis, Chief Executive Officer[3]	47,359,350	9.8%
Michael Eisele, Chief Operating Officer[4]	1,215,333	*
James Moe, Chief Financial Officer and Corporate Secretary[5]	1,437,000	*
Joseph Lahti, Director[6]	7,351,469	1.5%
Benjamin Oehler, Director[7]	8,755,293	1.8%
Lyle Berman, Director[8]	65,571,997	13.7%
All Directors and Executive Officers as a Group (7 persons)	190,857,335	39.8%
Neil Sell[9] 3300 Wells Fargo Center 90 South 7th Street Minneapolis, MN 55402	46,788,643	9.8%
Sheldon Fleck[10] 1400 International Centre 900 Second Ave. South Minneapolis, MN 55402	46,385,143	9.7%
Gary Raimist[11] 10932 Snow Cloud Court Las Vegas, NV 89135	37,173,130	7.7%
Perkins Capital Management, Inc.[12] 730 Lake Street E. Wayzata, MN 55391	30,021,032	6.3%
Ernest W. Moody Revocable Trust 175 East Reno Avenue, Suite C6 Las Vegas, NV 89119	25,000,000	5.2%
Morris and Arlene Goldfarb 21 Fairway Drive Mamaroneck, NY 10543	24,045,878	5.0%

*Indicates beneficial ownership of less than 1%.

[1]Except as pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned. The total number of issued and outstanding shares and the total number of shares owned by each person does not include unexercised warrants and stock options owned by parties other than for whom the calculation is presented, and is calculated as of March 15, 2019.

[2]Includes 480,000 shares which may be purchased pursuant to stock options exercisable within 60 days of March 15, 2019, 7,122,290 shares held by certain trusts for the children of Mr. Bradley Berman, and 1,858,980 shares owned by Mr. Bradley Berman's spouse.

[3]Includes 3,197,817 shares which may be purchased pursuant to stock options and warrants exercisable within 60 days of March 15, 2019, 10,550,383 shares owned by Mr. Ken DeCubellis' spouse and 19,687 shares which may be purchased pursuant to stock warrants exercisable within 60 days of March 15, 2019.

[4]Includes 1,215,333 shares which may be purchased pursuant to stock options exercisable within 60 days of March 15, 2019.

[5]Includes 1,437,000 shares which may be purchased pursuant to stock options exercisable within 60 days of March 15, 2019.

[6]Includes 651,250 shares which may be purchased pursuant to stock options and warrants exercisable within 60 days of March 15, 2019 and 200,000 shares held by Mr. Lahti's spouse.

[7]Includes 755,000 shares which may be purchased pursuant to stock options exercisable within 60 days of March 15, 2019 and 8,000,293 shares held by Mr. Oehler's spouse and 15,000 shares which may be purchased pursuant to warrants held by Mr. Oehler's spouse.

[8]Includes 345,043 shares which may be purchased pursuant to stock options and warrants exercisable within 60 days of March 15, 2019. Does not include 37,173,130 shares held by trusts for the children of Mr. Lyle Berman, for which Mr. Neil Sell and Mr. Gary Raimist are co-trustees.

[9]Includes 15,000 shares which may be purchased pursuant to stock warrants exercisable within 60 days of March 15, 2019 and includes an aggregate of 37,173,130 shares owned by certain trusts for the benefit of Mr. Lyle Berman's children, for which Mr. Sell is a co-trustee with Mr. Raimist. Does not include 180,000 shares held by Mr. Sell's spouse, for which Mr. Sell disclaims beneficial ownership.

[10]Includes 75,000 shares which may be purchased pursuant to stock warrants exercisable within 60 days of March 15, 2019 and 2,000,000 shares of common stock owned by Mr. Fleck's spouse.

[11])Includes 37,173,130 shares owned by certain trusts for the benefit of Mr. Lyle Berman's children, for which Mr. Raimist is a co-trustee with Mr. Sell.

[12]Perkins Capital Management, Inc. is an investment advisor with sole power dispose or to direct the disposition of the shares including 45,000 shares which may be purchased pursuant to stock warrants exercisable within 60 days of March 15, 2019.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related Party Transactions

Office Lease

Officers and directors of the Company purchased 173,843,308 shares between the Rights Offering and as participants in the Backstop Agreement for $2,086,120 and received 179,376 warrants to purchase shares of common stock at $0.01 per share for their participation in the Backstop Agreement.

In connection with the approval of the Plan and Award Agreement, the Board approved the issuance of awards (the "Awards") to certain individuals including officers and directors (the "Grantees"), representing a percentage of the shares of BRAC held by the Company as of the date of closing of a business combination for the acquisition of a target business as described in the BRAC prospectus dated October 4, 2017, as follows:

Name	Percentage of BRAC Shares Owned by the Company Granted to the Grantee
Bradley Berman	1.6%
Lyle Berman	1.6%
Benjamin Oehler	1.6%
Joe Lahti	1.6%
Kenneth DeCubellis	4.0%
Michael Eisele	2.8%
James Moe	2.1%

BRAC Loan

In order to finance transaction costs in connection with an intended initial business combination, BROG, and its officers, directors or their affiliates may, but are not obligated to, loan BRAC funds as may be required. If BRAC consummates an initial business combination, BRAC would repay such loaned amounts. In the event that the initial business combination does not close, BRAC may use a portion of the working capital held outside the trust account to repay such loaned amounts, but no proceeds from BRAC's trust account would be used for such repayment. Up to $1,500,000 of such loans may be convertible into units of the post business combination entity at a price of $10.00 per unit at the option of the lender. The units would be identical to the Placement Units.

As of December 31, 2018, BROG has loaned BRAC, in the form of a convertible promissory note, an aggregate of $350,000 to cover expenses related to a proposed business combination. This note, issued on December 10, 2018, is unsecured, non-interest bearing and is payable at the consummation by BRAC of a merger, share exchange, asset acquisition, or other similar business combination, with one or more businesses or entities (a "Business Combination"). Upon consummation of a Business Combination, the principal balance of the note may be converted, at BROG's option, to units at a price of $10.00 per unit. The terms of the units are identical to the units issued by BRAC in its initial public offering, except the warrants included in such units will be non-redeemable and may be exercised on a cashless basis, in each case so long as they continue to be held by BROG or its permitted transferees. If BROG converts the entire principal balance of the convertible promissory note, it would receive 35,000 units. If a Business Combination is not consummated, the note will not be repaid by BRAC and all amounts owed thereunder by BRAC will be forgiven except to the extent that BRAC has funds available to it outside of its trust account established in connection with the initial public offering. The issuance of the note was exempt pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

Review and Approval of Transactions with Related Persons

The Audit Committee has adopted a related party transaction policy whereby any proposed transaction between the Company and any officer or director, any stockholder owning in excess of 5% of the Company's stock, immediate family member of an officer or director, or an entity that is substantially owned or controlled by one of these individuals, must be approved by a majority of the disinterested members of the Audit Committee. The only exceptions to this policy are for transactions that are available to all employees of the Company generally or involve less than $25,000. If the proposed transaction involves executive or director compensation, it must be approved by the Compensation Committee. Similarly, if a significant opportunity is presented to any of the Company's officers or directors, such officer or director must first present the opportunity to the Board for consideration.

At each meeting of the Audit Committee, the Audit Committee meets with the Company's management to discuss any proposed related party transactions. A majority of disinterested members of the Audit Committee must approve a transaction for the Company to enter into it. If approved, management will update the Audit Committee with any material changes to the approved transaction at its regularly scheduled meetings.

Director Independence

Our Common Stock is currently quoted on the OTC Bulletin Board. As such, we are not currently subject to corporate governance standards of listed companies, which require, among other things, that the majority of the board of directors be independent. We are not currently subject to corporate governance standards defining the independence of our directors, and we have chosen to define an "independent" director in accordance with the NASDAQ Global Market's requirements for independent directors. Our Board of Directors has determined that each of our directors is "independent" in accordance with the NASDAQ Global Market's requirements. Thus, a majority of the current Board of Directors is independent.

Our Board of Directors will review at least annually the independence of each director. During these reviews, our Board of Directors will consider transactions and relationships between each director (and his or her immediate family and affiliates) and us and our management to determine whether any such transactions or relationships are inconsistent with a determination that the director was independent. The Board of Directors will conduct its annual review of director independence and to determine if any transactions or relationships exist that would disqualify any of the individuals who then served as a director under the rules of the NASDAQ Stock Market, or require disclosure under SEC rules.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

M&K CPAS, PLLC ("M&K") was the Company's independent registered public accounting firm for the years ended December 31, 2018 and 2017 and has served the Company as its independent registered public accounting firm since our inception.

Audit and Non-Audit Fees

The following table presents fees for professional services rendered by M&K for the audit of the Company's annual financial statements for the years ended December 31, 2018 and 2017.

	Years Ended December 31,	
	2018	2017
Audit fees[1]	$ 38,500	$ 28,750
Audit related fees	–	–
Tax fees	–	–
All other fees	–	4,700
Total	$ 38,500	$ 33,450

[1] Audit fees were principally for audit services and work performed in the preparation and review of the Company's quarterly reports on Form 10-Q.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of the Independent Registered Public Accounting Firm

The Audit Committee is responsible for appointing, setting compensation for, and overseeing the work of the Company's independent registered public accounting firm. The Audit Committee has established a policy regarding pre-approval of all audit and permissible non-audit services provided by the independent registered public accounting firm, and all such services were approved by the Audit Committee in the years ended December 31, 2018 and 2017.

The Audit Committee assesses requests for services by the independent registered public accounting firm using several factors. The Audit Committee will consider whether such services are consistent with the Public Company Accounting Oversight Board's and SEC's rules on auditor independence. In addition, the Audit Committee will determine whether the independent registered public accounting firm is best positioned to provide the most effective and efficient service based upon the members' familiarity with the Company's business, people, culture, accounting systems, risk profile and whether the service might enhance the Company's ability to manage or control risk or improve audit quality.

Report of the Audit Committee

The primary purpose of the Audit Committee is to assist the Board of Directors in its general oversight of the Company's financial reporting process. The Audit Committee's function is more fully described in its charter, which can be found on the Company's website at www.blackridgeoil.com. The Committee reviews the charter on an annual basis. The Board of Directors has determined that each member of the Committee is independent in accordance with the NASDAQ Global Market's requirements for independent directors. The Board of Directors has also determined that Benjamin Oehler qualifies as an "audit committee financial expert" within the meaning of Item 407(d)(5) of Regulation S-K. Management has the primary responsibility for the financial statements and reporting process. The independent registered public accounting firm is responsible for auditing those financial statements and expressing an opinion on the fairness of the audited financial statements based on the audit conducted in accordance with the standards of the Public Company Accounting Oversight Board.

In connection with the Audit Committee's responsibilities set forth in its charter, the Audit Committee has:

Reviewed and discussed the audited financial statements for the year ended December 31, 2018 with management and M&K CPAS, PLLC, the Company's independent auditors;

Discussed with M&K CPAS, PLLC the matters required to be discussed by Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 16 (Communication with Audit Committee); and

Received the written disclosures and the letter from M&K CPAS, PLLC required by the applicable requirements of the PCAOB regarding M&K CPAS, PLLC's communications with the audit committee concerning independence, and has discussed with M&K CPAS, PLLC its independence.

The Audit Committee also considered, as it determined appropriate, tax matters and other areas of financial reporting and the audit process over which the Audit Committee has oversight.

Based on the Audit Committee's review and discussions described above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for filing with the SEC.

THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Benjamin Oehler, *Chairman*
Joseph Lahti
Lyle Berman

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibits

Exhibit No	Description
2.1	Distribution Agreement by and between Ante4, Inc. (now Voyager Oil & Gas, Inc.) and Ante5, Inc. (now Black Ridge Oil & Gas, Inc.), dated April 16, 2010 (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commissioner by Voyager Oil & Gas, Inc. on April 19, 2010)
2.2	Certificate of Ownership and Merger (incorporated by reference to Exhibit 3.3 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 3, 2012)
2.3	Plan and Agreement of Merger by and between Black Ridge Oil & Gas, Inc. and Black Ridge Oil & Gas, Inc., dated December 10, 2012 (incorporated by reference to Exhibit 2.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 12, 2012)
3.1	Articles of Incorporation (incorporated by reference to Exhibit 3.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 12, 2012)
3.2	Bylaws (incorporated by reference to Exhibit 3.2 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 12, 2012)
4.1	Black Ridge Oil & Gas, Inc. 2012 Amended and Restated Stock Incentive Plan (incorporated by reference from Schedule 14C filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on March 26, 2012)
4.2	Black Ridge Oil & Gas Amendment of 2012 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on September 27, 2012)
4.3	Form of Stock Option Agreement (incorporated by reference to Exhibit 10.2 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on September 27, 2012)
4.4	2016 Non-Qualified Stock Option Plan (incorporated by reference to Exhibit 99.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 14, 2016)
4.5	Form of Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 99.2 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 14, 2016)
4.6	2018 Stock Management Incentive Plan (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on March 6, 2018)
4.7	Form of 2018 Management Incentive Plan Award Agreement (incorporated by reference to Exhibit 10.2 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on March 6, 2018)

9.1	Form of Voting Agreement used in connection with our private placement which closed on December 16, 2010 (incorporated by reference to Exhibit 9.1 of the Form S-1 filed with the Securities and Exchange Commission by Ante5, Inc. on August 22, 2011)
10.1	Subscription Agreement dated April 13, 2010, by and between Ante4, Inc. and Ante5, Inc. (incorporated by reference to Exhibit 10.1 of the Form 10-12G Registration Statement filed by the Company with the Securities and Exchange Commission on April 23, 2010)
10.2	Agreement and Plan of Merger by and between Ante4, Inc. (now Voyager Oil & Gas, Inc.), Plains Energy Acquisition Corp. and Plains Energy Investments, Inc. (incorporated by reference to Exhibit 2.1 of the Form 8-K filed with the Securities and Exchange Commissioner by Voyager Oil & Gas, Inc. on April 19, 2010)
10.3	Asset Purchase Agreement dated August 24, 2009 by and among Peerless Media, Ltd. and WPT Enterprises, Inc. (incorporated by reference to Exhibit 2.1 of the Form 8-K filed with the Securities and Exchange Commission by Voyager Oil & Gas, Inc. on August 24, 2009)
10.4	Guaranty Agreement dated August 24, 2009 made by ElectraWorks Ltd. In favor of WPT Enterprises, Inc. (incorporated by reference to Exhibit 2.2 of the Form 8-K filed with the Securities and Exchange Commission by Voyager Oil & Gas, Inc. on August 24, 2009)
10.5	Form of Indemnification Agreement with Officers and Directors (incorporated by reference to Exhibit 10.16 of the Form 10-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on March 24, 2013)
10.6	Change of Control Agreement, dated April 5, 2013, by and between Black Ridge Oil & Gas, Inc. and Ken DeCubellis (incorporated by reference to Exhibit 10.1 of the Report on Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 5, 2013)
10.7	Change of Control Agreement, dated April 5, 2013, by and between Black Ridge Oil & Gas, Inc. and James Moe (incorporated by reference to Exhibit 10.2 of the Report on Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 5, 2013)
10.8	Change of Control Agreement, dated August 1, 2013, by and between Black Ridge Oil & Gas, Inc. and Michael Eisele (incorporated by reference to Exhibit 10.3 of the Report on Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on August 1, 2013)
10.9 Ω	Limited Liability Company Agreement of Merced Black Ridge, LLC dated July 21, 2015 (incorporated by reference to Exhibit 10.1 of the Report on Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on November 12, 2015)
10.10 Ω	Management Services Agreement dated July 21, 2015 by and between Black Ridge Oil & Gas, Inc. and Merced Black Ridge, LLC (incorporated by reference to Exhibit 10.2 of the Report on Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on November 12, 2015)
10.11	Limited Liability Company Agreement of Black Ridge Holding Company, LLC dated June 21, 2016 (incorporated by reference to Exhibit 10.3 of the Report on Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on August 15, 2016)
10.12	Management Services Agreement dated June 21, 2016 by and between Black Ridge Oil & Gas, Inc. and Black Ridge Holding Company, LLC (incorporated by reference to Exhibit 10.4 of the Report on Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on August 15, 2016)
10.13	Standby Purchase Agreement, dated as of May 23, 2017, by and among Black Ridge Oil and Gas, Inc. and the Investors named therein (incorporated by reference to Exhibit 10.10 of the Report on Form S-1 filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on May 23, 2017)

10.14	Amendment to Standby Purchase Agreement, dated as of September 22, 2017 by and among Black Ridge Oil & Gas, Inc. and the Investors named therein (incorporated by reference to Exhibit 10.1 of the Report on Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on September 22, 2017)
10.15	Assignment Agreement, dated October 2, 2017, by and among Black Ridge Oil & Gas, Inc., Chambers Energy Capital II, LP and CEC II TE, LLC (Incorporated by reference to Exhibit 10.12 on Form S-1 filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 12, 2017)
10.16	Black Ridge Oil & Gas, Inc. 2018 Management Incentive Plan (incorporated by reference to Exhibit 10.1 of the Report on Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on March 6, 2018)
10.17	Form of 2018 Incentive Plan Award Agreement (incorporated by reference to Exhibit 10.2 of the Report on Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on March 6, 2018)
10.18	Registration Rights Agreement, dated October 4, 2017, by and among Black Ridge Acquisition Corp. and Black Ridge Oil & Gas, Inc. (incorporated by reference to Exhibit 10.18 of the Report on Form 10-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 12, 2018)
10.19	Administrative Services Agreement, dated October 4, 2017, by and among Black Ridge Acquisition Corp. and Black Ridge Oil & Gas, Inc. (incorporated by reference to Exhibit 10.19 of the Report on Form 10-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 12, 2018)
10.20	Warrant Agreement, dated October 4, 2017, between Black Ridge Acquisition Corp. and Continental Stock Transfer & Trust Company. (incorporated by reference to Exhibit 10.20 of the Report on Form 10-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 12, 2018)
10.21	Rights Agreement, dated October 4, 2017, between Black Ridge Acquisition Corp. and Continental Stock Transfer & Trust Company. (incorporated by reference to Exhibit 10.21 of the Report on Form 10-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 12, 2018)
10.22	Form of Unit Purchase Option between Black Ridge Acquisition Corp. and EarlyBirdCapital, Inc. (incorporated by reference to Exhibit 10.22 of the Report on Form 10-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 12, 2018)
10.23	Form of Letter Agreement from each of Black Ridge Acquisition Corp.'s sponsor, officers and directors. (incorporated by reference to Exhibit 10.23 of the Report on Form 10-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 12, 2018)
10.24	Investment Management Trust Account Agreement, dated October 4, 2017, between Black Ridge Acquisition Corp. and Continental Stock Transfer & Trust Company. (incorporated by reference to Exhibit 10.24 of the Report on Form 10-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 12, 2018)
10.25	Stock Escrow Agreement, dated October 4, 2017, by and among Black Ridge Acquisition Corp., Continental Stock Transfer & Trust Company and Black Ridge Oil & Gas, Inc. (incorporated by reference to Exhibit 10.25 of the Report on Form 10-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 12, 2018)

10.26	Form of Promissory Note issued by Black Ridge Acquisition Corp. to Black Ridge Oil & Gas, Inc. (incorporated by reference to Exhibit 10.26 of the Report on Form 10-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 12, 2018)
10.27	Settlement Agreement and Release, dated August 21, 2018 (incorporated by reference to Exhibit 10.1 of the Report on Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on September 30, 2018)
10.28*	Promissory Note, dated December 10, 2018, issued by Black Ridge Acquisition Corp. to Black Ridge Oil & Gas, Inc.
24.1*	Power of Attorney (including on signature pages)
31.1*	Section 302 Certification of Principal Executive Officer
31.2*	Section 302 Certification of Principal Accounting Officer
32.1*	Section 906 Certification of Principal Executive Officer
32.2*	Section 906 Certification of Principal Accounting Officer
101*	Interactive Data Files

* Filed herewith.
Ω Filed subject to confidential treatment request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 22, 2019

BLACK RIDGE OIL & GAS, INC.

By: */s/ Kenneth DeCubellis*
Kenneth DeCubellis, Chief Executive Officer (Principal Executive Officer)

POWER OF ATTORNEY

Each of the undersigned members of the Board of Directors of BLACK RIDGE OIL & GAS, Inc., whose signature appears below hereby constitutes and appoints each of James Moe or Kenneth DeCubellis, such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution for such person and in such name, place and stead, in any and all capacities, to sign the Form 10-K for the year ended December 31, 2018 (the "Annual Report") of Black Ridge Oil & Gas, Inc. and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto and other documents in connection therewith, 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 intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, and Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed by the following persons in the capacities indicated on the dates indicated.

By: */s/ Kenneth DeCubellis*
Kenneth DeCubellis, Chief Executive Officer
(Principal Executive Officer)

Dated: March 22, 2019

By: */s/ James Moe*
James Moe, Chief Financial Officer
(Principal Accounting Officer)

Dated: March 22, 2019

By: */s/ Bradley Berman*
Bradley Berman, Director

Dated: March 22, 2019

By: */s/ Lyle Berman*
Lyle Berman, Director

Dated: March 22, 2019

By: */s/ Joseph Lahti*
Joseph Lahti, Director

Dated: March 22, 2019

By: */s/ Benjamin Oehler*
Benjamin Oehler, Director

Dated: March 22, 2019

Exhibit 10.28

PROMISSORY NOTE

$350,000 As of December 10, 2018

Black Ridge Acquisition Corp. ("Maker") promises to pay to the order of Black Ridge Oil & Gas, Inc. or its successors or assigns ("Payee") the principal sum of Three Hundred Fifty Thousand Dollars and No Cents ($350,000) in lawful money of the United States of America, on the terms and conditions described below.

1. Principal. The principal balance of this Note shall be repayable on the consummation of the Maker's initial merger, capital stock exchange, asset acquisition or other similar business combination with one or more businesses or entities (a "Business Combination"). Payee understands that if a Business Combination is not consummated, this Note will not be repaid and all amounts owed hereunder will be forgiven except to the extent that the Maker has funds available to it outside of its trust account established in connection with its initial public offering.

2. Interest. No interest shall accrue on the unpaid principal balance of this Note.

3. Application of Payments. All payments shall be applied first to payment in full of any costs incurred in the collection of any sum due under this Note, including (without limitation) reasonable attorneys' fees, then to the payment in full of any late charges and finally to the reduction of the unpaid principal balance of this Note.

4. Events of Default. The following shall constitute Events of Default:

(a) Failure to Make Required Payments. Failure by Maker to pay the principal of this Note within five (5) business days following the date when due.

(b) Voluntary Bankruptcy, Etc. The commencement by Maker of a voluntary case under the Federal Bankruptcy Code, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency, reorganization, rehabilitation or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of Maker or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of Maker generally to pay its debts as such debts become due, or the taking of corporate action by Maker in furtherance of any of the foregoing.

(c) Involuntary Bankruptcy, Etc. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of maker in an involuntary case under the Federal Bankruptcy Code, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Maker or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days.

5. Remedies.

(a) Upon the occurrence of an Event of Default specified in Section 4(a), Payee may, by written notice to Maker, declare this Note to be due and payable, whereupon the principal amount of this Note, and all other amounts payable thereunder, shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the documents evidencing the same to the contrary notwithstanding.

(b) Upon the occurrence of an Event of Default specified in Sections 4(b) and 4(c), the unpaid principal balance of, and all other sums payable with regard to, this Note shall automatically and immediately become due and payable, in all cases without any action on the part of Payee.

6. Conversion. Upon consummation of a Business Combination, the Payee shall have the option, but not the obligation, to convert the principal balance of this Note, in whole or in part at the option of the Payee, into units ("Units") of the Maker at a price of $10.00 per Unit, each Unit being identical to the "private units" (as defined in Maker's final prospectus dated October 4, 2017). As promptly after notice by Payee to Maker to convert the principal balance of this Note, which must be made at least 24 hours prior to the consummation of the Business Combination, as reasonably practicable and after Payee's surrender of this Note, Maker shall have issued and delivered to Payee, without any charge to Payee, a certificate or certificates (issued in the name(s) requested by Payee) for the number of Units of Maker issuable upon the conversion of this Note.

7. Waivers. Maker and all endorsers and guarantors of, and sureties for, this Note waive presentment for payment, demand, notice of dishonor, protest, and notice of protest with regard to the Note, all errors, defects and imperfections in any proceedings instituted by Payee under the terms of this Note, and all benefits that might accrue to Maker by virtue of any present or future laws exempting any property, real or personal, or any part of the proceeds arising from any sale of any such property, from attachment, levy or sale under execution, or providing for any stay of execution, exemption from civil process, or extension of time for payment; and Maker agrees that any real estate that may be levied upon pursuant to a judgment obtained by virtue hereof, on any writ of execution issued hereon, may be sold upon any such writ in whole or in part in any order desired by Payee.

8. Unconditional Liability. Maker hereby waives all notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note, and agrees that its liability shall be unconditional, without regard to the liability of any other party, and shall not be affected in any manner by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Payee, and consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by Payee with respect to the payment or other provisions of this Note, and agree that additional makers, endorsers, guarantors, or sureties may become parties hereto without notice to them or affecting their liability hereunder.

9. Notices. Any notice called for hereunder shall be deemed properly given if (i) sent by certified mail, return receipt requested, (ii) personally delivered, (iii) dispatched by any form of private or governmental express mail or delivery service providing receipted delivery, (iv) sent by telefacsimile or (v) sent by e-mail, to the following addresses or to such other address as either party may designate by notice in accordance with this Section:

If to Maker:

Black Ridge Acquisition Corp.
c/o Black Ridge Oil & Gas, Inc.
110 North 5th Street, Suite 410
Minneapolis, MN 55403

If to Payee:

Black Ridge Oil & Gas, Inc.
110 North 5th Street, Suite 410
Minneapolis, MN 55403

Notice shall be deemed given on the earlier of (i) actual receipt by the receiving party, (ii) the date shown on a telefacsimile transmission confirmation, (iii) the date on which an e-mail transmission was received by the receiving party's on-line access provider (iv) the date reflected on a signed delivery receipt, or (vi) two (2) Business Days following tender of delivery or dispatch by express mail or delivery service.

10. Construction. This Note shall be construed and enforced in accordance with the domestic, internal law, but not the law of conflict of laws, of the State of New York.

11. Severability. Any provision contained in this Note which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

IN WITNESS WHEREOF, Maker, intending to be legally bound hereby, has caused this Note to be duly executed the day and year first above written.

BLACK RIDGE ACQUISITION CORP.

By: /s/ James A. Moe
Name: James A. Moe
Title: CFO

EXHIBIT 31.1

SECTION 302 CERTIFICATION

I, Kenneth DeCubellis, certify that:

1. I have reviewed this Annual Report on Form 10-K of Black Ridge Oil & Gas, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

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

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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

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

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

Dated: March 22, 2019

By: /s/ Kenneth DeCubellis
Kenneth DeCubellis, Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

SECTION 302 CERTIFICATION

I, James Moe, certify that:

1. I have reviewed this Annual Report on Form 10-K of Black Ridge Oil & Gas, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

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

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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

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

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

Dated: March 22, 2019

By: /s/ James Moe
James Moe, Chief Financial Officer
(Principal Accounting Officer)

Exhibit 32.1

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

In connection with the Annual Report of Black Ridge Oil & Gas, Inc. (the "Company") on Form 10-K for the period ending December 31, 2018 (the "Report"), I, Kenneth DeCubellis, Chief Executive Officer of the Company, certify, pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 22, 2019

By: /s/ Kenneth DeCubellis
Kenneth DeCubellis, Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 32.2

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

In connection with the Annual Report of Black Ridge Oil & Gas, Inc. (the "Company") on Form 10-K for the period ending December 31, 2018 (the "Report") I, James Moe, Chief Financial Officer of the Company, certify, pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 22, 2019

By: /s/ James Moe
James Moe, Chief Financial Officer
(Principal Accounting Officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.