

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934  
For quarterly period ended June 30, 2019

or

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 000-53952



Nevada  
(State or other jurisdiction of incorporation or organization)

27-2345075  
(I.R.S. Employer Identification No.)

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

Issuer's telephone Number: (952) 426-1241

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

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

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

Large accelerated filer  Accelerated filer   
Non-accelerated filer (Do not check if a smaller reporting company)  Smaller reporting company   
Emerging growth company

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	ANFC	OTCQB

The number of shares of registrant's common stock outstanding as of August 12, 2019 was 479,844,900.

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**PART I – FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS.**

**BLACK RIDGE OIL & GAS, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS**

	<u>June 30,</u> 2019 (Unaudited)	<u>December 31,</u> 2018
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 268,067	\$ 1,503,500
Accounts receivable	173	13
Prepaid expenses	108,138	53,935
Total current assets	<u>376,378</u>	<u>1,557,448</u>
<b>Property and equipment:</b>		
Property and equipment	128,965	128,156
Less accumulated depreciation	(127,554)	(126,931)
Total property and equipment, net	<u>1,411</u>	<u>1,225</u>
Restricted cash and investments held in trust	142,048,087	141,307,307
Total assets	<u>\$ 142,425,876</u>	<u>\$ 142,865,980</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 165,356	\$ 180,452
Accrued expenses	1,454	5,691
Income tax payable	108,033	472,770
Deferred taxes	–	438
Total current liabilities	<u>274,843</u>	<u>659,351</u>
Long term liabilities	–	–
Total liabilities	<u>274,843</u>	<u>659,351</u>
Commitments and contingencies	–	–
Redeemable non-controlling interest	141,928,564	140,738,954
<b>Stockholders' equity:</b>		
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 shares issued and outstanding	479,845	479,845
Additional paid-in capital	36,531,550	36,475,732
Accumulated deficit	(36,788,926)	(35,487,902)
Total stockholders' equity	<u>222,469</u>	<u>1,467,675</u>
Total liabilities, redeemable non-controlling interest and stockholders' equity	<u>\$ 142,425,876</u>	<u>\$ 142,865,980</u>

*See accompanying notes to unaudited condensed consolidated financial statements.*

**BLACK RIDGE OIL & GAS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Management fee income	\$ —	\$ —	\$ —	\$ —
Total revenues	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Operating expenses:				
General and administrative expenses				
Salaries and benefits	312,460	308,587	630,570	628,327
Stock compensation	27,887	80,930	55,818	166,763
Professional services	128,898	26,384	229,958	111,326
Other general and administrative expenses	<u>191,860</u>	<u>141,281</u>	<u>442,144</u>	<u>293,162</u>
Total general and administrative expenses	661,105	557,182	1,358,490	1,199,578
Depreciation and amortization	180	2,557	623	5,115
Total operating expenses	<u>661,285</u>	<u>559,739</u>	<u>1,359,113</u>	<u>1,204,693</u>
Net operating loss	<u>(661,285)</u>	<u>(559,739)</u>	<u>(1,359,113)</u>	<u>(1,204,693)</u>
Other income (expense):				
Interest income	824,290	628,390	1,635,625	1,046,102
Unrealized gain (loss) on marketable securities held in Trust				
Account	(6,255)	2,806	(1,522)	60,720
Other income	—	569	51	740
Total other income (expense)	<u>818,035</u>	<u>631,765</u>	<u>1,634,154</u>	<u>1,107,562</u>
Income (loss) before provision for income taxes	156,750	72,026	275,041	(97,131)
Provision for income taxes	<u>199,876</u>	<u>148,559</u>	<u>386,455</u>	<u>243,226</u>
Net loss	<u>(43,126)</u>	<u>(76,533)</u>	<u>(111,414)</u>	<u>(340,357)</u>
Less net income attributable to redeemable non-controlling interest	<u>(587,561)</u>	<u>(455,042)</u>	<u>(1,189,610)</u>	<u>(824,247)</u>
Net loss attributable to Black Ridge Oil & Gas, Inc.	<u>\$ (630,687)</u>	<u>\$ (531,575)</u>	<u>\$ (1,301,024)</u>	<u>\$ (1,164,604)</u>
Weighted average common shares outstanding - basic and fully diluted	<u>479,844,900</u>	<u>479,799,900</u>	<u>479,844,900</u>	<u>479,799,900</u>
Net loss per common share - basic and fully diluted	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

*See accompanying notes to unaudited condensed consolidated financial statements.*

**BLACK RIDGE OIL & GAS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
<b>Balance, April 1, 2018</b>	479,799,900	\$ 479,800	\$ 36,250,429	\$ (35,776,917)	\$ 953,312
Common stock options granted for services to employees and directors	-	-	80,930	-	80,930
Net loss attributable to Black Ridge Oil & Gas, Inc.	-	-	-	(531,575)	(531,575)
<b>Balance, June 30, 2018</b>	<u>479,799,900</u>	<u>\$ 479,800</u>	<u>\$ 36,331,359</u>	<u>\$ (36,308,492)</u>	<u>\$ 502,667</u>
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
<b>Balance, April 1, 2019</b>	479,844,900	\$ 479,845	\$ 36,503,663	\$ (36,158,239)	\$ 825,269
Common stock options granted for services to employees and directors	-	-	27,887	-	27,887
Net loss attributable to Black Ridge Oil & Gas, Inc.	-	-	-	(630,687)	(630,687)
<b>Balance, June 30, 2019</b>	<u>479,844,900</u>	<u>\$ 479,845</u>	<u>\$ 36,531,550</u>	<u>\$ (36,788,926)</u>	<u>\$ 222,469</u>
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
<b>Balance, January 1, 2018</b>	479,799,900	\$ 479,800	\$ 36,164,596	\$ (35,143,888)	\$ 1,500,508
Common stock options granted for services to employees and directors	-	-	166,763	-	166,763
Net loss attributable to Black Ridge Oil & Gas, Inc.	-	-	-	(1,164,604)	(1,164,604)
<b>Balance, June 30, 2018</b>	<u>479,799,900</u>	<u>\$ 479,800</u>	<u>\$ 36,331,359</u>	<u>\$ (36,308,492)</u>	<u>\$ 502,667</u>
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
<b>Balance, January 1, 2019</b>	479,844,900	\$ 479,845	\$ 36,475,732	\$ (35,487,902)	\$ 1,467,675
Common stock options granted for services to employees and directors	-	-	55,818	-	55,818
Net loss attributable to Black Ridge Oil & Gas, Inc.	-	-	-	(1,301,024)	(1,301,024)
<b>Balance, June 30, 2019</b>	<u>479,844,900</u>	<u>\$ 479,845</u>	<u>\$ 36,531,550</u>	<u>\$ (36,788,926)</u>	<u>\$ 222,469</u>

*See accompanying notes to unaudited condensed consolidated financial statements.*

**BLACK RIDGE OIL & GAS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	For the Six Months Ended June 30,	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss attributable to Black Ridge Oil & Gas, Inc.	\$ (1,301,024)	\$ (1,164,604)
Adjustments to reconcile net loss attributable to Black Ridge Oil & Gas, Inc. to net cash provided by (used in) operating activities:		
Interest income	(1,635,625)	(1,046,102)
Unrealized loss (gain) on marketable securities held in Trust Account	1,522	(60,720)
Net income attributable to redeemable non-controlling interest	1,189,610	824,247
Depreciation and amortization	623	5,115
Common stock options issued to employees and directors	55,818	166,763
Deferred taxes	(438)	17,452
Decrease (increase) in current assets:		
Accounts receivable	(160)	1,037
Prepaid expenses	(54,203)	(29,852)
Increase (decrease) in current liabilities:		
Accounts payable	(15,096)	1,358
Accrued expenses	(4,237)	(7,797)
Income taxes payable	(364,737)	98,505
Net cash provided by (used in) operating activities	(2,127,947)	(1,194,598)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(809)	-
Withdrawal from Trust Account for taxes and franchise fees	893,323	130,621
Net cash provided by investing activities	892,514	130,621
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash provided by (used in) financing activities	-	-
<b>NET CHANGE IN CASH</b>	(1,235,433)	(1,063,977)
CASH AT BEGINNING OF PERIOD	1,503,500	1,477,089
CASH AT END OF PERIOD	\$ 268,067	\$ 413,112
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest paid	\$ -	\$ -
Income taxes paid	\$ 751,630	\$ 127,269

*See accompanying notes to unaudited condensed consolidated financial statements.*

**BLACK RIDGE OIL & GAS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**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 26, 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 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 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 were not limited to a particular industry or geographic region, but the initial focus of its search was for target businesses in the energy or energy-related industries with an emphasis on opportunities in the upstream oil and gas industry in North America. Following the IPO and over-allotment, the Company owned 22% of the outstanding common stock of BRAC and managed BRAC’s operations via a management services agreement.

On December 19, 2018, BRAC entered into a business combination agreement which is which is outlined in Note 16. The business combination closed on August 9, as discussed in Note 17.

**Note 2 – Basis of Presentation and Significant Accounting Policies**

The interim condensed consolidated financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to not make the information presented misleading.

These statements reflect all adjustments, which in the opinion of management, are necessary for fair presentation of the information contained therein. Except as otherwise disclosed, all such adjustments are of a normal recurring nature. It is suggested that these interim condensed financial statements be read in conjunction with the audited financial statements for the year ended December 31, 2018, which were included in our Annual Report on Form 10-K. The Company follows the same accounting policies in the preparation of interim reports.

**BLACK RIDGE OIL & GAS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

Principles of Consolidation

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

<u>Name of entity</u>	<u>State of Incorporation</u>	<u>Relationship</u>
Black Ridge Oil and Gas, Inc.	Nevada	Parent
Black Ridge Acquisition Corp.	Delaware	Subsidiary <sup>(1)</sup>

<sup>(1)</sup>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 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.

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. Cash equivalents on hand at June 30, 2019 and December 31, 2018 were \$0 and \$2,312, respectively, all held within the trust account.

Restricted cash and securities held in Trust Account

The Company had \$0 of cash equivalents and \$142,048,087 of marketable securities on June 30, 2019 and \$2,312 of cash equivalents and \$141,304,995 of marketable securities on December 31, 2018 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 upon the dissolution of BRAC.

**BLACK RIDGE OIL & GAS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

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) and the Securities Investor Protection Corporation (SIPC) up to \$250,000 and \$500,000, respectively, under current regulations. The Company had approximately \$0 and \$1,119,770 in excess of FDIC and SIPC insured limits at June 30, 2019 and December 31, 2018, respectively. The Company has not experienced any losses in 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.

Basic and Diluted Loss Per Share

The basic net loss per share is computed by dividing the net loss (the numerator) by the weighted average number of common shares outstanding for the period (the denominator). Diluted net loss per common share is computed by dividing the net loss 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. For the periods presented, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

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 non-oil and gas long-lived assets. Depreciation expense was \$623 and \$5,115 for the six months ended June 30, 2019 and 2018, respectively.

Revenue Recognition

The Company recognizes management fee income as services are provided.

Stock-Based Compensation

The Company adopted FASB guidance on stock based compensation upon inception at April 9, 2010. Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, are recognized in the income statement based on their fair values. Expense related to common stock and stock options issued for services and compensation totaled \$55,818 and \$166,763 for the six months ended June 30, 2019 and 2018, respectively, 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.

**BLACK RIDGE OIL & GAS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

Uncertain Tax Positions

Effective upon inception at April 9, 2010, the Company adopted standards for accounting for uncertainty in income taxes. 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 may 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. Black Ridge Oil & Gas, Inc. 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

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 below, management believes there have been no developments to recently issued accounting standards, including expected dates of adoption and estimated effects on our financial statements, from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018.

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 adopted this guidance effective January 1, 2019, and the standard did not have a material impact on the Company's combined financial statements and related disclosures.

**Note 3 – Going Concern**

As shown in the accompanying financial statements, as of June 30, 2019, the Company had an unrestricted cash balance of \$268,067 and total working capital of \$101,535. Liabilities including current income taxes and franchise fees of BRAC totaling \$119,553 may be paid out of the Trust Account Assets. 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.

**BLACK RIDGE OIL & GAS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

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 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").

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. Additionally, as part of the Backstop agreement, the Company issued 435,000 warrants to purchase its common stock at \$0.01 to participants in the Backstop Agreement. The warrants fair value was estimated to be \$10,135. 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. The Company incurred \$130,164 in costs associated with raising capital, which has been netted against stockholders' equity.

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 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 being 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 IPO of 12,000,000 units, generating gross proceeds of \$120,000,000.

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Simultaneous with the closing of the IPO, 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 sold 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.

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").

*Initial Business Combination*

Pursuant to the Nasdaq Capital Markets listing rules, BRAC's initial Business Combination had to be with a target business or businesses whose collective fair market value was at least equal to 80% of the balance in the Trust Account, net of tax obligations, at the time of the execution of a definitive agreement for such Business Combination.

BRAC will provide the holders of the Public Shares ("Public Stockholders") with an opportunity to redeem all or a portion of their Public Shares in connection with a stockholder meeting called to approve the Business Combination, irrespective of whether they vote for or against the proposed Business Combination, 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 approximately \$10.29 per Public Share. The common stock subject to redemption was recorded at a redemption value and classified as 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 a majority of the outstanding shares voted are voted in favor of the Business Combination.

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BROG has agreed to vote its Founder Shares (as described in Note 4) and any Public Shares purchased 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 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.

*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 International, Inc. ("Allied Esports") and WPT Enterprises, Inc. ("WPT"). See Note 16.

*Consolidation of BRAC and Non-controlling Interest*

The Company has determined that BRAC, following its IPO, is a 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 gain (loss) for any period to arrive at the net loss attributable to the Company and the non-controlling interest on the balance sheet is 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 \$60,000 to BROG for such services for the six months ended June 30, 2019. 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.

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**Note 6 – Prepaid Expenses**

Prepaid expenses consist of the following:

	June 30, 2019	December 31, 2018
Prepaid insurance costs	\$ 21,679	\$ 28,751
Prepaid employee benefits	11,822	11,865
Prepaid office and other costs	74,637	13,319
Total prepaid expenses	<u>\$ 108,138</u>	<u>\$ 53,935</u>

**Note 7 – Property and Equipment**

Property and equipment at June 30, 2019 and December 31, 2018, consisted of the following:

	June 30, 2019	December 31, 2018
Property and equipment	\$ 128,965	\$ 128,156
Less: Accumulated depreciation and amortization	(127,554)	(126,931)
Total property and equipment, net	<u>\$ 1,411</u>	<u>\$ 1,225</u>

The Company recognized depreciation expense of \$623 and \$5,115 for the six month periods ended June 30, 2019 and 2018, respectively.

**Note 8 – Related Party Transactions**

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”).

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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 to be 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%

As of June 30, 2019, the Company owned 3,895,000 shares of BRAC common stock and has rights to an additional 44,500 shares that would be issued on the date of the closing of a business combination. Additionally, as a result of convertible loans to BRAC (see below), the Company may receive up to 82,500 additional shares (75,000 units representing 75,000 shares of BRAC common stock and rights to 7,500 shares) upon conversion of the notes. The actual number of shares of BRAC stock granted to the Grantees will be determined on the date of closing of a business combination and will be issued one year from that date. As of June 30, 2019 the Company has recognized no expense related to the plan as the grant of shares is contingent on a future event. As described in Note 17 – Subsequent Events, following the Business Combination, the number of BRAC shares owed by the Company was reduced to 2,685,500. As a result, 537,100 of the 2,685,500 shares of BRAC common stock owned by the company are committed to employees and directors of the Company related to the Plan and Award Agreement discussed above.

BRAC Convertible Loans

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 June 30, 2019, BROG has loaned BRAC, in the form of a convertible promissory notes, an aggregate \$750,000 to cover expenses related to a proposed business combination. The notes are unsecured, non-interest bearing and 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 notes 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 IPO, 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 notes, it would receive 75,000 units. If a Business Combination is not consummated, the notes 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 IPO. The issuance of the notes was exempt pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. See Note 16.

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**Note 9 – Fair Value of Financial Instruments**

The Company adopted FASB ASC 820-10 upon inception at April 9, 2010. 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 had revolving credit facilities that must be measured under the new 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 balance sheets as of June 30, 2019 and December 31, 2018:

	Fair Value Measurements at June 30, 2019		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Restricted cash and investments held in trust	\$ 142,048,087	\$ –	\$ –
Cash and cash equivalents	268,067	–	–
Total assets	<u>142,316,154</u>	<u>–</u>	<u>–</u>
<b>Liabilities</b>			
Total liabilities	–	–	–
	<u>\$ 142,316,154</u>	<u>\$ –</u>	<u>\$ –</u>

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

There were no transfers of financial assets or liabilities between Level 1 and Level 2 inputs for the six months ended June 30, 2019.

**Note 10 – 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. As of June 30, 2019 and December 31, 2018, 479,844,900 shares of common stock have been issued.

**Note 11 – Options**

Options Granted

No options were granted during the six months ended June 30, 2019 and 2018.

The Company recognized a total of \$55,818, and \$166,763 of compensation expense during the six months ended June 30, 2019 and 2018, respectively, related to common stock options issued to Employees and Directors that are being amortized over the implied service term, or vesting period, of the options. The remaining unamortized balance of these options is \$71,966 as of June 30, 2019.

Options Exercised

No options were exercised during the six months ended June 30, 2019 and 2018.

Options Forfeited

A total of 134,000 options expired and were forfeited during the six months ended June 30, 2019. A total of 22,000 options were forfeited during the six months ended June 30, 2018.

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**Note 12 – Warrants**

Warrants Granted

No warrants were granted during the six months ended June 30, 2019 and 2018.

Warrants Exercised

No warrants were exercised during the six months ended June 30, 2019 and 2018.

Outstanding Warrants

The Company issued 435,000 warrants (of which 390,000 are outstanding as of June 30, 2019) 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.

**Note 13 - BRAC Rights and Warrants**

*Initial Public Offering*

Pursuant to its IPO 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 IPO 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 IPO 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 IPO 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.

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*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 IPO. 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 convert 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 IPO, 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 IPO, 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.

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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 IPO 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 IPO. The Units issuable upon exercise of this option are identical to those offered in the IPO. BRAC accounted for the unit purchase option, inclusive of the receipt of \$100 cash payment, as an expense of the IPO 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 IPO except to any underwriter and selected dealer participating in the IPO 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.

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**Note 14 – Income Taxes**

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

BROG and BRAC file returns independently and do not file as a consolidated group. We currently estimate that our effective tax rate for the year ending December 31, 2019 will be 0% for BROG and 36.5% for BRAC.

For BROG, losses incurred during the period from April 9, 2011 (inception) to June 30, 2019 could be used to offset future tax liabilities. Accounting standards require the consideration of a valuation allowance for deferred tax assets if it is “more likely than not” that some component or all of the benefits of deferred tax assets will not be realized. As of June 30, 2019, net deferred tax assets were \$9,960,622, with no deferred tax liability, primarily related to net operating loss carryforwards. A valuation allowance of approximately \$9,960,622 was applied to the net deferred tax assets. Therefore BROG has no tax expense for 2019 to date.

For BRAC, the tax expense of \$386,455 and \$243,226 for the six months ended June 30, 2019 and 2018, respectively, was primarily driven by the Company’s interest income offset by general and administrative expenses resulting in income before provision for income taxes.

In accordance with FASB ASC 740, the Company has evaluated its tax positions and determined there are no significant uncertain tax positions as of any date on, or before June 30, 2019.

**Note 15 – Commitments**

The Company from time to time may be involved in various inquiries, administrative proceedings and litigation relating to matters arising in the normal course of business. The Company is not aware of any inquiries or administrative proceedings and 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.

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 has agreed to 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).

**BLACK RIDGE OIL & GAS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

*Registration rights*

The holders of BROG's shares of BRAC issued and outstanding on the date of BRAC's IPO, 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. This fee was amended to a payment in stock as described in Note 17.

**Note 16 – BRAC's Proposed Business Combination**

*Business Combination Agreement*

On December 19, 2018, BRAC entered into the Business Combination Agreement with Merger Sub, Allied Esports, Ourgame, Noble and Primo. The Business Combination Agreement was amended on August 5, 2019 and the Business Combination Agreement as amended is referred to as the Amended Business Combination Agreement. The merger closed on August 9, 2019 (see Note 17 - Subsequent Events).

Subject to the Amended Business Combination 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 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.

Upon consummation of the Mergers (the "Closing"), the 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 common stock and (ii) an aggregate of 3,800,003 warrants to purchase shares of common stock of the BRAC.

In addition to the consideration described above, the former owners of Allied Esports and WPT will receive their pro rata portion of an aggregate of an additional 3,846,153 shares of the 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").

**BLACK RIDGE OIL & GAS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

The Business Combination Agreement, which original called for a debt repayment to Ourgame of \$35,000,000 was amended to call for BRAC to (i) assume \$10,000,000 of the debt obligations of Ourgame and Noble (including an additional \$1,200,000 of accrued interest) and (ii) repay Ourgame the remaining balance of \$23,800,000 by paying \$3,500,000 in cash to Ourgame and its designees, issuing to Ourgame and its designees 2,928,679 shares of BRAC's common stock and Ourgame retaining \$1,000,000 of the proceeds of such loans to pay its transaction expenses incurred in the Merger. In connection with entering into the Amendment, BROG, as BRAC's founder, agreed to transfer an aggregate of 600,000 shares of BRAC's common stock held by it to Ourgame.

*Conditions to Consummation of the Business Combination*

Consummation of the transactions contemplated by the Amended Business Combination Agreement is subject to certain closing conditions including, among others, (i) approval by the stockholders of BRAC, and (ii) that BRAC have available cash in an amount not less than \$22,000,000 after payment to stockholders who elect to redeem their shares of common stock in accordance with the provisions of BRAC's charter documents. This second condition was waived by Ourgame prior to the close.

*Termination*

The Amended Business Combination Agreement could be terminated at any time prior to the Closing Date (whether before or after BRAC's shareholder vote has been obtained) by mutual written consent of BRAC and Ourgame and Noble and in certain other limited circumstances, including if the proposed Business Combination has not been consummated by August 9, 2019 (as amended in BRAC's charter). The Business Combination closed on August 9, 2019 (see Note 17 - Subsequent Events).

**Note 17 – Subsequent Events**

*The Extension Meeting*

On July 9, 2019, BRAC held a special meeting of its stockholders (the "Meeting"). At the Meeting, BRAC's stockholders considered a proposal to adopt and approve an amendment to BRAC's amended and restated certificate of incorporation (the "Charter") to extend the date that BRAC has to consummate a business combination (the "Extension") to August 10, 2019. The amendment was approved by the stockholders.

In connection with this vote, the holders of 9,246,727 shares of BRAC's common stock properly exercised their right to convert their shares into cash at a conversion price of approximately \$10.29 per share resulting in \$95,125,574 in Trust Account assets being distributed back to shareholders. In connection with the Extension, BROG, loaned \$30,000 to BRAC to be placed in the Trust Account for the benefit of the public shares that were not converted. The loan is non-interest bearing and is evidenced by a promissory note issued by BRAC on the same date.

BRAC filed the amendment to the Charter with the Secretary of State of the State of Delaware on July 9, 2019.

**BLACK RIDGE OIL & GAS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

*Amendment to the Business Combination Agreement*

On August 5, 2019, BRAC entered into an amendment (the “Amendment”) to the Business Combination Agreement. The Amendment reduced the closing condition originally contained in the Business Combination Agreement requiring BRAC to have minimum cash on hand following the proper exercise of conversion rights by the holders of public shares from at least \$80,000,000 to \$22,000,000. This condition was waived by Ourgame prior to the close of the Business Combination. The Business Combination Agreement also originally provided for BRAC to repay \$35,000,000 of indebtedness of Allied Esports and the World Poker Tour owed to Ourgame in cash at the closing of the transactions (the “Closing”). Pursuant to the Amendment, the parties agreed that instead of paying the full \$35,000,000 in cash at the Closing, BRAC would (i) assume \$10,000,000 of the debt obligations of Ourgame and Noble (including an additional \$1,200,000 of accrued interest) and (ii) repay Ourgame the remaining balance of \$23,800,000 by paying \$3,500,000 in cash to Ourgame and its designees, issuing to Ourgame and its designees 2,928,679 shares of BRAC’s common stock and Ourgame retaining \$1,000,000 of the proceeds of such loans to pay its transaction expenses incurred in the Merger. In connection with entering into the Amendment, BROG agreed to transfer an aggregate of 600,000 shares of BRAC’s common stock held by it to Ourgame.

In connection with the execution of the Amendment, the parties entered into an amendment and acknowledgment agreement (“Acknowledgment Agreement”) whereby the terms of the previously issued convertible notes (“Notes”) of Allied Esports and WPT (collectively “AEII/WPT”) whereby bridge holders provided \$14 million to be used for the operations of AEII/WPT were amended. Pursuant to the Acknowledgment Agreement, the bridge holders agreed to defer repayment of the Notes to one year and two weeks following the Closing (the “Maturity Date”). In consideration of agreeing to the deferred repayment, the bridge holders will be paid an additional six months of interest (i.e., a total of 18 months interest) to the extent any bridge holder elects not to convert their Note to equity. BRAC agreed to assume the debt under the Notes as part of the mergers contemplated by the Agreement, and agreed that the debt will be secured by all the assets of BRAC following the Closing. BROG, as the Sponsor, also agreed that it will not make any further transfer of its securities of BRAC, subject to certain exceptions, until the debt is repaid. The Notes are convertible at any time by a holder between the Closing and the Maturity Date at the “Conversion Price.” The “Conversion Price” is the lesser of \$8.50 per share or the price at which shares are issued to Ourgame or its affiliates in connection with the mergers.

In July and August 2019, BRAC and BROG also entered into several share purchase agreements (the “Purchase Agreements”) with several parties (collectively referred to as the “Purchasers”). Pursuant to the Purchase Agreements, the Purchasers agreed to purchase an aggregate of \$18,000,000 of shares of BRAC’s common stock in open market or privately negotiated transactions. If the Purchasers are unable to purchase the full \$18,000,000 of shares of common stock in open market or privately negotiated transactions, BRAC will issue to the Purchasers newly issued shares at the Closing at a per-share price equal to the per-share amount held in BRAC’s trust account (currently approximately \$10.30 per share), and having an aggregate value equal to the difference between \$18,000,000 and the dollar amount of shares purchased by them in the open market or in privately negotiated transactions. One of the agreements also contains certain restrictions on the use of cash from the purchase. At the Closing, BRAC agreed to issue to the Purchasers 1.5 shares of common stock for every 10 shares purchased by them under the Purchase Agreements. Additionally, BROG agreed to transfer an aggregate of 720,000 shares of BRAC common stock held by it to the Purchasers. Pursuant to the Purchase Agreements, BRAC is required to file a registration statement with the SEC as promptly as practicable following Closing to register the resale of any securities purchased by the Purchasers that are not already registered and cause such registration statement to become effective as soon as possible. The Purchasers included a \$3 million investment from Lyle Berman, a member of the board of directors of both BRAC and BROG and the largest shareholder of BROG. Additionally, \$5 million will be held in an escrow account and its usage will be limited to specific capital projects.

*Closing of the Business Combination*

Commensurate with the Business Combination the BROG converted \$600,000 of convertible loans to BRAC into 60,000 units (comprised 66,000 shares after conversion of stock rights and 60,000 warrants with terms similar to the IPO warrants). The remaining \$150,000 in convertible loans were returned in cash by BRAC to BROG. Additionally, the underwriter agreed to an amendment to its agreement, modifying its payment due at the close of the Business Combination to \$4 million, \$2 million on cash and \$2 million in equity. Other advisors used in the transaction agreed to accept payment for \$3.8 million in contingent fees in BRAC equity.

Upon the close of the Business Combination, BROG owned 2,685,500 shares of BRAC stock, representing approximately 11.6% of the outstanding shares of BRAC. As per the Black Ridge Oil & Gas, Inc. 2018 Management Incentive Plan, 20% of the shares, or 537,100 shares, owned by BROG are committed to employees and directors of the Company. Additionally, as the conditions warranting BROG’s treatment of BRAC as a VIE have been eliminated, BROG will no longer be accounted for as a VIE and consolidated for financial statement reporting purposes from the date of the closing of the Business Combination forward.

*Consulting Agreement*

On August 19, 2019, the Company entered into a consulting service agreement with Allied Esports Entertainment, Inc. under which, the Company has agreed to provide certain services required by Allied Esports, including, without limitation, administrative and accounting services through December 31, 2019. Under the Consulting Agreement, the Company is entitled to specified payment for the Consulting Services to be paid on the date of execution and the first day of each following month with expected aggregate total payments of approximately \$349,000 over the term of the Consulting Agreement.

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

### Cautionary 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;
- litigation, disputes and legal claims involving outside parties;
- risks related to our ability to be listed on a national securities exchange and meeting listing requirements; and
- risks related to our new holdings of BRAC common stock.

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.

Readers are urged not to place undue reliance on these forward-looking statements. 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.

## **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"), now that BRAC has completed its Business Combination we will be providing additional management services to BRAC.

## **BRAC 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.

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 on February 15, 2019 (and subsequently amended on April 29, 2019, May 20, 2019, June 5, 2019 and June 12, 2019) 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.

### **The Extension Meeting**

On July 9, 2019, BRAC held a special meeting of its stockholders (the "Meeting"). At the Meeting, BRAC's stockholders considered a proposal to adopt and approve an amendment to BRAC's amended and restated certificate of incorporation (the "Charter") to extend the date that BRAC has to consummate a business combination (the "Extension") to August 10, 2019. The amendment was approved by the stockholders.

In connection with this vote, the holders of 9,246,727 shares of BRAC's common stock properly exercised their right to convert their shares into cash at a conversion price of approximately \$10.29 per share resulting in \$95,125,574 in Trust Account assets being distributed back to shareholders. In connection with the Extension, BROG, loaned \$30,000 to BRAC to be placed in the Trust Account for the benefit of the public shares that were not converted. The loan is non-interest bearing and is evidenced by a promissory note issued by BRAC on the same date.

BRAC filed the amendment to the Charter with the Secretary of State of the State of Delaware on July 9, 2019.

### **Amendment to the Business Combination Agreement**

On August 5, 2019, BRAC entered into an amendment (the "Amendment") to the Business Combination Agreement. The Amendment reduced the closing condition originally contained in the Business Combination Agreement requiring BRAC to have minimum cash on hand following the proper exercise of conversion rights by the holders of public shares from at least \$80,000,000 to \$22,000,000. This condition was waived by Ourgame prior to the close of the Business Combination. The Business Combination Agreement also originally provided for BRAC to repay \$35,000,000 of indebtedness of Allied Esports and the World Poker Tour owed to Ourgame in cash at the closing of the transactions (the "Closing"). Pursuant to the Amendment, the parties agreed that instead of paying the full \$35,000,000 in cash at the Closing, BRAC would (i) assume \$10,000,000 of the debt obligations of Ourgame and Noble (including an additional \$1,200,000 of accrued interest) and (ii) repay Ourgame the remaining balance of \$23,800,000 by paying \$3,500,000 in cash to Ourgame and its designees, issuing to Ourgame and its designees 2,928,679 shares of BRAC's common stock and Ourgame retaining \$1,000,000 of the proceeds of such loans to pay its transaction expenses incurred in the Merger. In connection with entering into the Amendment, BROG agreed to transfer an aggregate of 600,000 shares of BRAC's common stock held by it to Ourgame.

In connection with the execution of the Amendment, the parties entered into an amendment and acknowledgment agreement (“Acknowledgment Agreement”) whereby the terms of the previously issued convertible notes (“Notes”) of Allied Esports and WPT (collectively “AEII/WPT”) whereby bridge holders provided \$14 million to be used for the operations of AEII/WPT were amended. Pursuant to the Acknowledgment Agreement, the bridge holders have agreed to defer repayment of the Notes to one year and two weeks following the Closing (the “Maturity Date”). In consideration of agreeing to the deferred repayment, the bridge holders will be paid an additional six months of interest (i.e., a total of 18 months interest) to the extent any bridge holder elects not to convert their Note to equity. BRAC has agreed to assume the debt under the Notes as part of the mergers contemplated by the Agreement, and agreed that the debt will be secured by all the assets of BRAC following the Closing. BROG, as the Sponsor, has also agreed that it will not make any further transfer of its securities of BRAC, subject to certain exceptions, until the debt is repaid. The Notes are convertible at any time by a holder between the Closing and the Maturity Date at the “Conversion Price.” The “Conversion Price” is the lesser of \$8.50 per share or the price at which shares are issued to Ourgame or its affiliates in connection with the mergers.

In July and August 2019, BRAC and BROG also entered into several share purchase agreements (the “Purchase Agreements”) with several parties (collectively referred to as the “Purchasers”). Pursuant to the Purchase Agreements, the Purchasers have agreed to purchase an aggregate of \$18,000,000 of shares of BRAC’s common stock in open market or privately negotiated transactions. If the Purchasers are unable to purchase the full \$18,000,000 of shares of common stock in open market or privately negotiated transactions, BRAC will issue to the Purchasers newly issued shares at the Closing at a per-share price equal to the per-share amount held in BRAC’s trust account (currently approximately \$10.30 per share), and having an aggregate value equal to the difference between \$18,000,000 and the dollar amount of shares purchased by them in the open market or in privately negotiated transactions. One of the agreements also contains certain restrictions on the use of cash from the purchase. At the Closing, BRAC agreed to issue to the Purchasers 1.5 shares of common stock for every 10 shares purchased by them under the Purchase Agreements. Additionally, BROG has agreed to transfer an aggregate of 720,000 shares held by it of BRAC common stock to the Purchasers. Pursuant to the Purchase Agreements, BRAC is required to file a registration statement with the SEC as promptly as practicable following Closing to register the resale of any securities purchased by the Purchasers that are not already registered and cause such registration statement to become effective as soon as possible. The Purchasers included a \$3 million investment from Lyle Berman, a member of the board of directors of both BRAC and BROG and the largest shareholder of BROG. Additionally, \$5 million will be held in an escrow account and its usage will be limited to specific capital projects.

### **Closing of the Business Combination**

The Business Combination was closed on August 9, 2019. In connection with the closing, the holders of 3,015,124 shares of the Company’s common stock properly exercised their right to convert their shares into cash at a conversion price of approximately \$10.31 per share resulting in \$31,080,410 in Trust Account assets being distributed back to shareholders. Additionally, the Purchasers fulfilled their purchase commitments purchasing approximately \$12.1 million of BRAC’s shares in the open market or through privately negotiated transactions and directly purchasing 479,546 additional shares of BRAC common stock for \$4.9 million directly from BRAC.

Commensurate with the Business Combination the BROG converted \$600,000 of convertible loans to BRAC into 60,000 units (comprised 66,000 shares after conversion of stock rights and 60,000 warrants with terms similar to the IPO warrants). The remaining \$150,000 in convertible loans were returned in cash by BRAC to BROG. Additionally, the underwriter agreed to an amendment to its agreement, modifying its payment due at the close of the Business Combination to \$4 million, \$2 million on cash and \$2 million in equity. Other advisors used in the transaction agreed to accept payment for \$3.8 million in contingent fees in BRAC equity.

Upon, the close of the Business Combination, BROG owned 2,685,500 shares of BRAC stock, representing approximately 11.6% of the outstanding shares of BRAC. As per the Black Ridge Oil & Gas, Inc. 2018 Management Incentive Plan, 20% of the shares, or 537,100 shares, owned by BROG are committed to employees and directors of the Company. Additionally, as the conditions warranting BROG’s treatment of BRAC as a VIE have been eliminated, BROG will no longer be accounted for as a VIE and consolidated for financial statement reporting purposes from the date of the closing of the Business Combination forward.

### **Going Concern Uncertainty**

As of June 30, 2019 our cash balance was \$268,067. After the closing of the Business Combination on August 9, 2019, BROG had cash on hand of \$234,784 after receiving \$180,000 from the partial repayment of loans to BRAC. Additionally, on August 19, 2019, BROG entered into a management fee agreement with Allied Esports Entertainment, Inc. whereby BROG is expected to receive aggregate payments of approximately \$349,000. We will continue to have general and administrative expenses to remain a public company and continue with our business plan. The cash on hand plus the management fee would be insufficient to cover our 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 the Company's 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.

### **Business**

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 have been focused on BRAC's efforts to identify a prospective target business. We will continue to be active in managing BRAC, or its successor entity, through December 31, 2019.

### **Operating Highlights**

General and administrative expenses were \$661,105 for the three month period ended June 30, 2019 as compared to \$557,182 in the three month period ended June 30, 2018.

**Results of Operations for the Three Months Ended June 30, 2019 and 2018.**

The following table summarizes selected items from the statement of operations for the three months ended June 30, 2019 and 2018, respectively.

	Three Months Ended		Increase / (Decrease)
	June 30,		
	2019	2018	
Management fee income	\$ —	\$ —	\$ —
Total revenues:	<u>—</u>	<u>—</u>	<u>—</u>
Operating expenses:			
General and administrative expenses:			
Salaries and benefits	312,460	308,587	3,873
Stock compensation	27,887	80,930	(53,043)
Professional services	128,898	26,384	102,514
Other general and administrative expenses	191,860	141,281	50,579
Total general and administrative expenses	661,105	557,182	103,923
Depreciation and amortization	180	2,557	(2,377)
Total operating expenses	<u>661,285</u>	<u>559,739</u>	<u>101,546</u>
Net operating loss	<u>(661,285)</u>	<u>(559,739)</u>	<u>(101,546)</u>
Other income (expense)	<u>818,035</u>	<u>631,765</u>	<u>186,270</u>
Gain (loss) before provision for income taxes	156,750	72,026	84,724
Provision for income taxes	<u>199,876</u>	<u>148,559</u>	<u>51,317</u>
Net loss	<u>(43,126)</u>	<u>(76,533)</u>	<u>33,407</u>
Less: Net income attributable to redeemable non-controlling interest	<u>(587,561)</u>	<u>(455,042)</u>	<u>(132,519)</u>
Net loss attributable to Black Ridge Oil & Gas, Inc.	<u>\$ (630,687)</u>	<u>\$ (531,575)</u>	<u>\$ (99,112)</u>

**Management Fee Revenue**

The Company earned no management fees during the three months ended June 30, 2019 and 2018.

## **General and Administrative Expenses**

### *Salaries and benefits*

Salaries and benefits for the three months ended June 30, 2019 were \$312,460 compared to \$308,587 for the three months ended June 30, 2018, an increase of \$3,873, or 1%. Base salaries were consistent between the two periods.

### *Stock compensation*

Stock compensation expense for the three months ended June 30, 2019 was \$27,887 compared to \$80,930 for the three months ended June 30, 2018, a decrease of \$53,043 or 66%. No new stock compensation awards were granted in 2019 or 2018 and in 2019 awards from 2014, which had higher valuations relative to awards in more recent years, became fully amortized.

### *Professional services*

General and administrative expenses related to professional services were \$128,898 for the 2019 period compared to \$26,384 for the 2018 period, an increase of \$102,514 or 389%. The increase primarily relates to increased accounting, legal and other acquisition related costs for BRAC's proposed acquisition.

### *Other general and administrative expenses*

Other general and administrative expenses for the three months ended June 30, 2019 were \$191,860 compared to \$141,281 for the three months ended June 30, 2018, an increase of \$50,579, or 36%. The increase is attributable to increased travel and meals as well as other services related to the BRAC's proposed business combination including filing fees, investor relations and stock services.

## **Depreciation**

Depreciation expense for the three months ended June 30, 2019 was \$180, compared to \$2,557 for the three months ended June 30, 2018.

## **Other income (expense)**

In the three months ended June 30, 2019 other income was \$818,035 consisting primarily of activity in the restricted trust account including interest income of \$824,290 offset by unrealized losses of \$6,255.

In the three months ended June 30, 2018 other income was \$631,765 consisting primarily of activity in the restricted trust account including interest income of \$628,390 and unrealized gains of \$2,806.

## Provision for Income Taxes

We had \$199,876 and \$148,559 of tax expense for the three months ended June 30, 2019 and 2018, respectively, representing the tax expense associated with BRAC, which is a stand-alone entity for tax purposes. The Company had no income tax expense for BROG in the 2019 or 2018 periods as the Company continues to reserve against any deferred tax assets of BROG due to the uncertainty of realization of any benefit.

## Results of Operations for the Six Months Ended June 30, 2019 and 2018.

The following table summarizes selected items from the statement of operations for the six months ended June 30, 2019 and 2018, respectively.

	Six Months Ended June 30,		Increase / (Decrease)
	2019	2018	
Management fee income	\$ —	\$ —	\$ —
Total revenues:	—	—	—
Operating expenses:			
General and administrative expenses:			
Salaries and benefits	630,570	628,327	2,243
Stock compensation	55,818	166,763	(110,945)
Professional services	229,958	111,326	118,632
Other general and administrative expenses	442,144	293,162	148,982
Total general and administrative expenses	1,358,490	1,199,578	158,912
Depreciation and amortization	623	5,115	(4,492)
Total operating expenses	1,359,113	1,204,693	154,420
Net operating loss	(1,359,113)	(1,204,693)	(154,420)
Other income (expense)	1,634,154	1,107,562	526,592
Gain (loss) before provision for income taxes	275,041	(97,131)	372,172
Provision for income taxes	386,455	243,226	143,229
Net loss	(111,414)	(340,357)	228,943
Less: Net income attributable to redeemable non-controlling interest	(1,189,610)	(824,247)	(365,363)
Net loss attributable to Black Ridge Oil & Gas, Inc.	<u>\$ (1,301,024)</u>	<u>\$ (1,164,604)</u>	<u>\$ (136,420)</u>

**Management Fee Revenue**

The Company earned no management fees during the six months ended June 30, 2019 and 2018.

**General and Administrative Expenses***Salaries and benefits*

Salaries and benefits for the six months ended June 30, 2019 were \$630,570 compared to \$628,327 for the six months ended June 30, 2018, an increase of \$2,243, or less than 1%. Base salaries were consistent between the two periods.

*Stock compensation*

Stock compensation expense for the six months ended June 30, 2019 was \$55,818 compared to \$166,763 for the six months ended June 30, 2018, a decrease of \$110,945 or 67%. No new stock compensation awards were granted in 2019 or 2018 and in 2019 awards from 2014, which had higher valuations relative to awards in more recent years, became fully amortized.

*Professional services*

General and administrative expenses related to professional services were \$229,958 for the 2019 period compared to \$111,326 for the 2018 period, an increase of \$118,632 or 107%. The increase primarily relates to increased accounting and legal services acquisition related costs for BRAC's proposed acquisition.

*Other general and administrative expenses*

Other general and administrative expenses for the six months ended June 30, 2019 were \$442,144 compared to \$293,162 for the six months ended June 30, 2018, an increase of \$148,982, or 51%. The increase is attributable to increased travel and meals as well as other services related to the BRAC's proposed business combination including filing fees, investor relations and stock services.

**Depreciation**

Depreciation expense for the six months ended June 30, 2019 was \$623, compared to \$5,115 for the six months ended June 30, 2018.

**Other income (expense)**

In the six months ended June 30, 2019 other income was \$1,634,154 consisted primarily of activity in the restricted trust account including interest income of \$1,635,625 and unrealized losses of \$1,522.

In the six months ended June 30, 2018 other income was \$1,107,562 consisting primarily of activity in the restricted trust account including interest income of \$1,046,102 and unrealized gains of \$60,720.

### Provision for Income Taxes

We had \$386,455 and \$243,226 of tax expense for the six months ended June 30, 2019 and 2018, respectively, representing the tax expense associated with BRAC, which is a stand-alone entity for tax purposes. The Company had no income tax expense for BROG in the 2019 or 2018 periods as 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 June 30, 2019 and December 31, 2018, respectively.

	June 30, 2019	December 31, 2018
Current Assets	<u>\$ 376,378</u>	<u>\$ 1,557,448</u>
Current Liabilities	<u>\$ 274,843</u>	<u>\$ 659,351</u>
Working Capital	<u>\$ 101,535</u>	<u>\$ 898,097</u>

As of June 30, 2019 we had positive working capital of \$101,535. Included in current liabilities as of June 30, 2019 are liabilities of BRAC for current income taxes and franchise fees totaling \$119,553 which may be paid from interest earned on the Trust Account assets.

The following table summarizes our cash flows during the six month periods ended June 30, 2019 and 2018, respectively.

	Six Months Ended June 30,	
	2019	2018
Net cash used in operating activities	<u>\$ (2,127,947)</u>	<u>\$ (1,194,598)</u>
Net cash provided by investing activities	<u>892,514</u>	<u>130,621</u>
Net cash provided by financing activities	<u>—</u>	<u>—</u>
Net change in cash and cash equivalents	<u>\$ (1,235,433)</u>	<u>\$ (1,063,977)</u>

Net cash used in operating activities was \$2,127,947 and \$1,194,598 for the six months ended June 30, 2019 and 2018, respectively, a period over period increase of \$933,349. The increase was primarily due to an increase of \$158,912 in general and administrative expenses and changes in working capital accounts. Changes in working capital from operating activities resulted in a decrease in cash of \$438,433 in the six months ended June 30, 2019 as compared to an increase in cash of \$63,251 for the same period in the previous year, the year over year decrease of \$501,684 primarily driven by changes in income taxes payable between periods.

Net cash provided by investing activities was \$892,514 and \$130,621 for the six months ended June 30, 2019 and 2018, respectively. In both periods the cash was provided from withdrawals from the Trust Account to pay for income taxes and franchise fees.

We had no financing activities in either the 2019 period or the 2018 period.

***Satisfaction of our cash obligations for the next 12 months***

As of June 30, 2019, our balance of cash and cash equivalents was \$268,067. Our plan for satisfying our cash requirements for the next twelve months is through additional management service fees generated from new partners and additional financing in the form of equity or debt as needed.

**Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements.

**Critical Accounting Policies and Estimates**

Our management's discussion and analysis of financial conditions and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP. The preparation of these financial statements required us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses. On an ongoing basis, we evaluate these estimates and judgments. We base our estimates on our historical experience and on various other assumptions that we believe to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results and experiences may differ materially from these estimates.

Our critical accounting policies are more fully described in Note 2 of the footnotes to our financial statements appearing elsewhere in this Form 10-Q, and Note 2 of the footnotes to the financial statements provided in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

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

**Interest Rate Risk**

We currently have no long-term debt, but should we take on debt in the future changes in interest rates could impact results of operations and cash flows.

**ITEM 4. CONTROLS AND PROCEDURES.**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by The Company is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

Our management, under the direction of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such terms are defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2019. As part of such evaluation, management considered the matters discussed below relating to internal control over financial reporting. Based on this evaluation our management, including The Company's Chief Executive Officer and Chief Financial Officer, has concluded that The Company's disclosure controls and procedures were effective as of June 30, 2019 to ensure that the information required to be disclosed in our Exchange Act reports was recorded, processed, summarized and reported on a timely basis.

There have been no changes in the Company's internal control over financial reporting during the six month period ended June 30, 2019 that materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS.**

Other than routine legal proceedings incident to our business, there are no material legal proceedings to which we are a party or to which any of our property is subject.

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

As a smaller reporting company, we are not required to provide the information required by this Item.

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

None.

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

None.

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

Not applicable.

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

None.

**ITEM 6. EXHIBITS.**

<u>Exhibit</u>	<u>Description</u>
3.1	Certificate 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)
10.1*	Promissory Note dated May 23 2019, issued by Black Ridge Acquisition Corp. to Black Ridge Oil & Gas, Inc.
31.1*	<a href="#">Section 302 Certification of Chief Executive Officer</a>
31.2*	<a href="#">Section 302 Certification of Chief Financial Officer</a>
32.1*	<a href="#">Section 906 Certification of Chief Executive Officer</a>
32.2*	<a href="#">Section 906 Certification of Chief Financial Officer</a>
101.INS*	XBRL Instance Document
101.SCH*	XBRL Schema Document
101.CAL*	XBRL Calculation Linkbase Document
101.DEF*	XBRL Definition Linkbase Document
101.LAB*	XBRL Labels Linkbase Document
101.PRE*	XBRL Presentation Linkbase Document

\*Filed herewith

**SIGNATURES**

Pursuant to the requirements 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.

BLACK RIDGE OIL & GAS, INC.

Dated: August 19, 2019

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

Dated: August 19, 2019

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

EXHIBIT 31.1  
CERTIFICATION

I, Kenneth DeCubellis, certify that:

1. I have reviewed this report on Form 10-Q 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 our 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 (or 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: August 19, 2019

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

EXHIBIT 31.2  
CERTIFICATION

I, James A. Moe, certify that:

1. I have reviewed this report on Form 10-Q 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 our 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 (or 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.

Date: August 19, 2019

/s/ James A. Moe  
James A. Moe, Chief Financial Officer  
(Principal Financial 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 Quarterly Report of Black Ridge Oil & Gas, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2019 (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: August 19, 2019

/s/ Kenneth DeCubellis  
Kenneth DeCubellis, Chief 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 Quarterly Report of Black Ridge Oil & Gas, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2019 (the "Report") I, James A. 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: August 19, 2019

/s/ James A. Moe

James A. Moe, Chief Financial 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.