

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 September 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

**BLACK RIDGE**  
O I L & G A S

(Exact name of registrant as specified in its charter)

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, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

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

Title of each class

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 November 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

	September 30, 2019 (Unaudited)	December 31, 2018
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 64,613	\$ 1,503,500
Accounts receivable	–	13
Receivable from Allied Esports Entertainment, Inc.	181,211	–
Prepaid expenses	24,822	42,685
Current assets from discontinued operations	–	11,250
Total current assets	<u>270,646</u>	<u>1,557,448</u>
Property and equipment:		
Property and equipment	128,965	128,156
Less accumulated depreciation	(127,685)	(126,931)
Total property and equipment, net	<u>1,280</u>	<u>1,225</u>
Investment in Allied Esports Entertainment, Inc.	14,045,165	–
Non-current assets from discontinued operations	–	141,307,307
Total assets	<u>\$ 14,317,091</u>	<u>\$ 142,865,980</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 48,419	\$ 31,938
Accrued expenses	33,827	5,691
Deferred Compensation	2,809,033	–
Current liabilities of discontinued operations	–	621,722
Total current liabilities	<u>2,891,279</u>	<u>659,351</u>
Long term liabilities	–	–
Total liabilities	<u>2,891,279</u>	<u>659,351</u>
Commitments and contingencies	–	–
Redeemable non-controlling interest	–	140,738,954
Stockholders' equity:		
Preferred stock, \$0.001 par value, 20,000,000 shares authorized, no shares issued and outstanding	–	–
Common stock, \$0.001 par value, 500,000,000 shares authorized, 479,844,900 shares issued and outstanding	479,845	479,845
Additional paid-in capital	36,559,437	36,475,732
Accumulated other comprehensive income	2,094,690	–
Accumulated deficit	(27,708,160)	(35,487,902)
Total stockholders' equity	<u>11,425,812</u>	<u>1,467,675</u>
Total liabilities, redeemable non-controlling interest and stockholders' equity	<u>\$ 14,317,091</u>	<u>\$ 142,865,980</u>

See accompanying notes to financial statements.

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2019	2018	2019	2018
Management fee income	\$ 153,279	\$ –	\$ 153,279	\$ –
Total revenues	<u>153,279</u>	<u>–</u>	<u>153,279</u>	<u>–</u>
Operating expenses:				
General and administrative expenses				
Salaries and benefits	279,621	285,839	910,191	914,166
Stock-based compensation and deferred compensation	2,836,920	77,901	2,892,738	244,664
Professional services	40,287	39,348	79,978	80,001
Other general and administrative expenses	69,157	58,289	185,035	194,530
Total general and administrative expenses	<u>3,225,985</u>	<u>461,377</u>	<u>4,067,942</u>	<u>1,433,361</u>
Depreciation and amortization	131	2,535	754	7,650
Total operating expenses	<u>3,226,116</u>	<u>463,912</u>	<u>4,068,696</u>	<u>1,441,011</u>
Net operating loss	<u>(3,072,837)</u>	<u>(463,912)</u>	<u>(3,915,417)</u>	<u>(1,441,011)</u>
Other income (expense):				
Gain on deconsolidation of subsidiary	26,322,687	–	26,322,687	–
Merger incentive expense	(5,874,000)	–	(5,874,000)	–
Settlement income	–	2,250,000	–	2,250,000
Settlement expense	–	(112,500)	–	(112,500)
Other income	–	200	51	940
Total other income (expense)	<u>20,448,687</u>	<u>2,137,700</u>	<u>20,448,738</u>	<u>2,138,440</u>
Net profit before provision for income taxes	17,375,850	1,673,788	16,533,321	697,429
Provision for income taxes	–	–	–	–
Net profit from continuing operations, net of tax	17,375,850	1,673,788	16,533,321	697,429
Net profit (loss) from discontinued operations	(8,152,165)	442,487	(7,421,050)	1,078,489
Net profit before non-controlling interest	9,223,685	2,116,275	9,112,271	1,775,918
Less net profit attributable to redeemable non-controlling interest	(142,919)	(513,240)	(1,332,529)	(1,337,487)
Net income attributable to Black Ridge Oil & Gas, Inc.	<u>\$ 9,080,766</u>	<u>\$ 1,603,035</u>	<u>\$ 7,779,742</u>	<u>\$ 438,431</u>
Other comprehensive income:				
Unrealized gain on investments	\$ 2,094,690	\$ –	\$ 2,094,690	\$ –
Net other comprehensive income attributed to Black Ridge Oil & Gas, Inc.	<u>\$ 11,175,456</u>	<u>\$ 1,603,035</u>	<u>\$ 9,874,432</u>	<u>\$ 438,431</u>
Weighted average common shares outstanding - basic	<u>479,844,900</u>	<u>479,821,911</u>	<u>479,844,900</u>	<u>479,807,318</u>
Weighted average common shares outstanding - fully diluted	<u>480,089,919</u>	<u>480,042,964</u>	<u>480,118,829</u>	<u>480,045,271</u>
Net income per common share - basic	<u>\$ 0.02</u>	<u>\$ –</u>	<u>\$ 0.02</u>	<u>\$ –</u>
Net income per common share - fully diluted	<u>\$ 0.02</u>	<u>\$ –</u>	<u>\$ 0.02</u>	<u>\$ –</u>

See accompanying notes to financial statements.

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

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
<b>Balance, July 1, 2018</b>	479,799,900	\$ 479,800	\$ 36,331,360	\$ -	\$ (36,308,492)	\$ 502,668
Common stock options granted for services to employees and directors	-	-	77,901	-	-	77,901
Exercise of warrants	45,000	45	405	-	-	450
Net income attributable to Black Ridge Oil & Gas, Inc.	-	-	-	-	1,603,035	1,603,035
<b>Balance, September 30, 2018</b>	479,844,900	\$ 479,845	\$ 36,409,666	\$ -	\$ (34,705,457)	\$ 2,184,054

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
<b>Balance, July 1, 2019</b>	479,844,900	\$ 479,845	\$ 36,531,550	\$ -	\$ (36,788,926)	\$ 222,469
Common stock options granted for services to employees and directors	-	-	27,887	-	-	27,887
Net income attributable to Black Ridge Oil & Gas, Inc.	-	-	-	-	9,080,766	9,080,766
Other Comprehensive income	-	-	-	2,094,690	-	2,094,690
<b>Balance, September 30, 2019</b>	479,844,900	\$ 479,845	\$ 36,599,437	\$ 2,094,690	\$ (27,708,160)	\$ 11,425,812

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
<b>Balance, January 1, 2018</b>	479,799,900	\$ 479,800	\$ 36,164,597	\$ -	\$ (35,143,888)	\$ 1,500,509
Common stock options granted for services to employees and directors	-	-	244,664	-	-	244,664
Exercise of warrants	45,000	45	405	-	-	450
Net income attributable to Black Ridge Oil & Gas, Inc.	-	-	-	-	438,431	438,431
<b>Balance, September 30, 2018</b>	479,844,900	\$ 479,845	\$ 36,409,666	\$ -	\$ (34,705,457)	\$ 2,184,054

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	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	-	-	83,705	-	-	83,705
Net income attributable to Black Ridge Oil & Gas, Inc.	-	-	-	-	7,779,742	7,779,742
Other Comprehensive income	-	-	-	2,094,690	-	2,094,690
<b>Balance, September 30, 2019</b>	479,844,900	\$ 479,845	\$ 36,559,437	\$ 2,094,690	\$ (27,708,160)	\$ 11,425,812

See accompanying notes to financial statements.

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

	For the Nine Months Ended September 30,	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income attributable to Black Ridge Oil & Gas, Inc.	\$ 7,779,742	\$ 438,431
Net loss (profit) from discontinued operations	7,421,050	(1,078,489)
Net income attributable to redeemable non-controlling interest	1,332,529	1,337,487
Adjustments to reconcile net loss attributable to Black Ridge Oil & Gas, Inc. to net cash provided by (used in) operating activities:		
Gain on deconsolidation of subsidiary	(26,322,687)	-
Merger incentive expense	5,874,000	-
Depreciation and amortization	754	7,650
Amortization of stock options	83,705	244,664
Deferred compensation	2,809,033	-
Decrease (increase) in current assets:		
Accounts receivable	13	1,611
Accounts receivable, related party	(181,211)	-
Prepaid expenses	17,863	(9,417)
Increase (decrease) in current liabilities:		
Accounts payable	16,481	(15,486)
Accrued expenses	28,136	12,074
Net cash provided by (used in) operating activities of continuing operations	(1,140,592)	938,525
Net cash used in operating activities of discontinued operations	(8,618,568)	(465,159)
Net cash provided by (used in) operating activities	(9,759,160)	473,366
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash disposed in deconsolidation	(9,991,684)	-
Purchase of property and equipment	(809)	-
Net cash used in investing activities of continuing operations	(9,992,493)	-
Net cash provided by investing activities of discontinued operations	16,880,792	187,773
Net cash provided by investing activities	6,888,299	187,773
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of stock warrants	-	450
Net cash provided by financing activities from continuing operations	-	450
Net cash provided by financing activities from discontinued operations	1,431,974	-
Net cash provided by financing activities from continuing operations	1,431,974	450
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,438,887)	661,589
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	1,503,500	1,477,089
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 64,613</u>	<u>\$ 2,138,678</u>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest paid	\$ -	\$ -
Income taxes paid	\$ 751,630	\$ 148,489
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Unrealized gain on investment in AESE	\$ 2,094,690	\$ -
Recognition of subsidiary equity upon deconsolidation	\$ 8,498,212	\$ -
BRAC Redemptions of redeemable preferred stock from trust account	\$ 126,205,985	\$ -
BRAC redeemable preferred stock transferred to equity	\$ 15,865,798	\$ -
BRAC stock issued in merger	\$ 51,632,255	\$ -
BRAC stock issued to settle intercompany debt	\$ 19,300,000	\$ -
BRAC loan and accrued interest assumed to settle intercompany debt	\$ 10,992,877	\$ -
BRAC stock issued to settle liabilities	\$ 5,917,500	\$ -

See accompanying notes to 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” and “BROG”) became an independent company in April 2010. We became a publicly traded company when our shares began trading on July 1, 2010. From October 2010 through August 2019, 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 and /or managing similar assets for third parties.

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, 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, BROG 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 and the business combination closed on August 9, 2019, as discussed in Note 5.

Following the close of the business combination the Company commenced a strategic review to identify, review and explore alternatives for the Company, including a merger, acquisition, or a business combination. The Company currently owns 2,685,500 shares of Allied Esports Entertainment, Inc. (NASDAQ: AESE), the surviving entity after BRAC’s business combination (“Sponsor Shares”). 537,100 of the Sponsor Shares are subject to distribution rights to officers and directors under the 2018 Management Incentive Plan dated March 6, 2018. The Company is evaluating plans for the remaining Sponsor Shares which could include a distribution of some or all of the Sponsor Share proceeds after expiration of the lock-up agreement on August 9, 2020.

**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:

Name of entity	State of Incorporation	Relationship
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, after which it was consolidated as a variable interest entity through August 9, 2019, the date of BRAC's business combination. BRAC was renamed Allied Esports Entertainment, Inc. ("AESE") on the date of its business combination and all references to the surviving entity following the business combination are hereafter referred to as such.

The Company had determined that AESE, following its IPO, was a variable interest entity ("VIE") and that the Company was the primary beneficiary of the VIE. The Company determined that, due to the redemption feature associated with the IPO shares, that the IPO shareholders were indirectly protected from the operating expenses of BRAC and it had the power to direct the activities of BRAC through the date BRAC afforded the stockholders the opportunity to vote to approve the proposed business combination. Therefore, BRAC's operations are included in the BROG's consolidated financial statements herein through August 9 2019. BRAC's IPO shareholders are reflected in our Consolidated Financial Statements as a non-controlling interest through BRAC's business combination on August 9, 2019. Under guidance in ASC 810-10-05-8 ("Consolidation of VIEs") the Company's management has determined that BRAC, following its merger, should no longer be consolidated for financial statement purposes as the Company no longer had the power to direct the activities of BRAC. Following BRAC's business combination, the Company's investment in AESE is accounted for using the cost method as AESE no longer was considered a VIE and the Company now owned 12.4% of the outstanding common stock of AESE. All significant inter-company transactions have been eliminated in the preparation of these financial statements.

The parent company, BROG, and BRAC, for the period it was consolidated, are 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.

Reclassifications

In the current year, the income, expense and cash flows from BRAC during the period they were consolidated have been classified as discontinued operations. For comparative purposes amounts in the prior periods have been reclassified to conform to current year presentation. Additionally, the assets and liabilities from BRAC are shown on the balance sheet as assets and liabilities for discontinued operations.

Use of Estimates

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

Environmental Liabilities

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

Cash and Cash Equivalents

Cash equivalents include money market accounts which have maturities of three months or less. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. Cash equivalents are stated at cost plus accrued interest, which approximates market value. Cash equivalents on hand at September 30, 2019 and December 31, 2018 were \$-0- and \$2,312, respectively.

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

Restricted Cash and Securities held in Trust Account

The Company had \$2,312 of cash equivalents and \$141,304,995 of marketable securities on December 31, 2018 held in the Trust Account which was restricted for the benefit of the AESE's IPO shareholders to be available for those shareholders in the event they elected to redeem their shares following an approved business combination.

Cash in Excess of FDIC 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 September 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.

The reconciliation of the denominators used to calculate basic EPS and diluted EPS for the three and nine months ended September 30, 2019 and 2018 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Weighted average common shares outstanding – basic	479,844,900	479,821,911	479,844,900	479,807,318
Plus: Potentially dilutive common shares:				
Stock options and warrants	245,019	221,053	273,929	237,953
Weighted average common shares outstanding – diluted	<u>480,089,919</u>	<u>480,042,964</u>	<u>480,118,829</u>	<u>480,045,271</u>

Stock options and warrants excluded from the calculation of diluted EPS because their effect was anti-dilutive were 10,646,500 and 10,835,300 for the three months ended September 30, 2019 and 2018, respectively, and 10,646,500 and 10,835,300 for the nine months ended September 30, 2019 and 2018, respectively.

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.

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

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. Depreciation expense was \$754 and \$7,650 for the nine months ended September 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 \$83,705 and \$244,664 for the nine months ended September 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.

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.

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

**Note 3 – Going Concern**

As shown in the accompanying financial statements, as of September 30, 2019, the Company had a cash balance of \$64,613 and total working capital of negative \$2,620,633. The Company's management consulting agreement with AESE calls for management fees of \$313,316 from October 1, 2019 through December 31, 2019 and does not continue into 2020. 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, debt financing or other means. We may not be successful in identifying suitable funding transactions in a sufficient time period or at all, and we may not obtain the capital we require by other means. If we do not succeed in raising additional capital, our resources may not be sufficient to fund our business.

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

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

The Company filed a Registration Statement on Form S-1 (the "Registration Statement") with the 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 fair value of warrants issued to related parties 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.

**BLACK RIDGE OIL & GAS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
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**Note 5 – BRAC’s IPO, BRAC’s Merger, 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, BRAC consummated the IPO of 12,000,000 units, generating gross proceeds of \$120,000,000.

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 prior to the BRAC’s merger on August 9, 2019.

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 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 BRAC meeting the conditions of paragraphs (d)(2), (d)(3) and (d)(4) of Rule 2a-7 of the Investment Company Act, as determined by BRAC, 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 prior to the BRAC’s merger on August 9, 2019.

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”).

*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 had to consummate a business combination (the “Extension”) to August 10, 2019. The amendment was approved by the stockholders and filed with the Secretary of State of the State of Delaware on July 9, 2019.

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 was non-interest bearing and evidenced by a promissory note issued by BRAC on the same date. The loan was repaid on August 12, 2019.

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

Subject to the Amended Business Combination Agreement, (i) Noble merged 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 merged with 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 resulted 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 transactions strategically combined the globally recognized Allied Esports brand with the three-pronged business model of the iconic World Poker Tour, featuring in-person experiences, multiplatform content and interactive services, to leverage the high-growth opportunities in the global esports industry.

Upon consummation of the Mergers (the “Closing”), BRAC issued 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”).

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.

Additionally, In July and August 2019, BRAC and BROG 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 were 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 (\$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. 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 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 the closing of the merger 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.

Consummation of the transactions contemplated by the Amended Business Combination Agreement was 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.

**BLACK RIDGE OIL & GAS, INC.**  
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*Consolidation of BRAC and Non-controlling Interest*

The Company determined that BRAC, following its IPO, was 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 had the power to direct the activities of BRAC through the date at which BRAC affords the stockholders the opportunity to vote to approve a proposed business combination. Therefore, the consolidated financial statements contain the operations of the BRAC from its inception on May 9, 2017 through the date of the merger, when BRAC was determined to no longer be a VIE. BRAC's IPO shareholders are reflected in our Consolidated Financial Statements as a redeemable non-controlling interest prior to the merger. 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. During the period in which BRAC was consolidated, 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.

*Deconsolidation of BRAC*

Additionally, US GAAP (ASC 810-10-40) provides guidance on "Derecognition" of a previously consolidated entity or entities. Under this guidance, the Company shall account for the deconsolidation of a subsidiary or derecognition of a group of assets specified in ASC 810-10-40-3A by recognizing a gain or loss in net income attributable to the parent, measured as the difference between the combination of:

- a) The fair value of:
  - any consideration received. In this case, the Company received no consideration.
  - any retained non-controlling investment in the former subsidiary or group of assets at the date the subsidiary is deconsolidated, or the group of assets is derecognized. In this case the fair value of the BRAC common stock at the close of the business combination was \$11,950,475; and
- b) The carrying amount of the former subsidiaries assets and liabilities or the carrying amount of the group of assets.

With the above guidance the Company determined that the effect of the deconsolidation of BRAC produced a gain of \$26,322,687, which is a non-cash adjustment.

*Intercompany transactions and eliminations*

BROG was paid a management fee by AESE of \$10,000 per month as part of an administrative services agreement, which commenced October 5, 2017 and ended on the date of the merger, for general and administrative services including the cost of office space and personnel dedicated to AESE. BROG was also reimbursed for any out-of-pocket expenses, particularly travel, incurred in connection with activities on AESE's behalf, including but not limited to identifying potential target businesses and performing due diligence on suitable business combinations. AESE paid a total of \$72,903 to BROG for such services for the nine months ended September 30, 2019 while AESE remained a VIE and was consolidated. The management services income of BROG and the management services expense of AESE as well as any balances due between the companies for such services or reimbursements were eliminated in consolidation. Management fees earned by BROG of \$153,279 subject to the management services agreement between AESE and BROG in effect subsequent to the merger are not eliminated.

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

**Note 6 – Prepaid Expenses**

Prepaid expenses consist of the following:

	September 30, 2019	December 31, 2018
Prepaid insurance costs	\$ 12,156	\$ 17,501
Prepaid employee benefits	500	11,865
Prepaid office and other costs	12,166	13,319
Total prepaid expenses	<u>\$ 24,822</u>	<u>\$ 42,685</u>

**Note 7 – Property and Equipment**

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

	September 30, 2019	December 31, 2018
Property and equipment	\$ 128,965	\$ 128,156
Less: Accumulated depreciation and amortization	(127,685)	(126,931)
Total property and equipment, net	<u>\$ 1,280</u>	<u>\$ 1,225</u>

The Company recognized depreciation expense of \$754 and \$7,650 for the nine month periods ended September 30, 2019 and 2018, respectively.

**Note 8 – Investment in Allied Esports Entertainment, Inc.**

Following the close of BRAC's merger, the Company retained 2,685,500 shares of AESE common stock with a value, based on the closing stock of \$4.45 on the merger, of \$11,950,475. As noted below, in Note 9 - Related Party Transactions, 20% or 537,100, of the shares are committed to be released to employees one year from the date of the merger, or on August 9, 2020. Therefore, the Company recorded compensation expense and recorded a deferred compensation liability of \$2,309,095 to recognize the commitment to employees. To facilitate the BRAC merger the Company transferred 1,320,000 shares to the former owners of Allied Esports and WPT and other investors, recognizing an expense of \$5,874,000.

As of September 30, 2019, the market value of the Company's investment in AESE's common stock was \$14,045,165, based on the closing stock price of \$5.23 per share. Thus, we recorded an unrealized gain of \$2,094,690, as part of other comprehensive income, and adjusted the compensation expense and deferred compensation expense to \$2,809,033 to reflect the change in the market value of the stock committed to employees and directors. The balance in deferred compensation will be adjusted quarterly to reflect changes in the market value of the AESE common stock committed to them.

**Note 9 – 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").

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 20% of the shares of AESE 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 AESE prospectus dated October 4, 2017, as follows:

Name	Percentage of AESE 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%

**BLACK RIDGE OIL & GAS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
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As of September 30, 2019, and following the AESE merger on August 9, 2019, the Company owned 2,685,500 shares of AESE common stock. As a result, 537,100 shares of AESE common stock (the “AESE Shares”) are committed to employees and directors of the Company. Employees and directors are required to remain in their positions for a one-year period, with certain exceptions, to receive the granted shares. The AESE Shares had a fair market value of \$2,809,033 on September 30, 2019. The Company is recognizing the full expense related to the Plan immediately upon the AESE merger date. Compensation expense of \$2,309,095 was recognized upon merger and was adjusted on September 30, 2019 to \$2,809,033 due to changes in the AESE market price between the August 9, 2019 merger and September 30, 2019. Subsequent adjustments will be required each quarter to adjust the deferred compensation liability until the shares can be transferred to the employees.

Shares Transferred to Purchasers of BRAC Common Stock

As presented in Note 5, In July and August 2019, BRAC and BROG 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 were 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 (\$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. 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, the Company agreed to transfer an aggregate of 720,000 shares held by it of BRAC common stock to the Purchasers. 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, and a \$2 million investment from Morris Goldfarb, a major shareholder of the Company. Mr. Berman and Mr. Goldfarb received 43,800 and 29,127 bonus shares, respectively, of BRAC common stock issued by BRAC and 120,000 and 80,000 shares, respectively, of BRAC common stock transferred from the Company.

BRAC Convertible Loans

In order to finance transaction costs in connection with an intended initial business combination, BROG had loaned AESE an aggregate \$750,000 in the form of convertible notes. The notes were unsecured, non-interest bearing and payable upon the consummation by AESE 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 could 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 could be exercised on a cashless basis, in each case so long as they continued to be held by BROG or its permitted transferees. BROG elected to convert \$600,000 of the principal balance of the convertible promissory notes and received 60,000 units consisting of 66,000 shares of AESE common stock (after conversion of the stock rights into 6,000 shares) and 60,000 warrants. The remaining \$150,000 was repaid to BROG at the date of merger.

**Note 10 – 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.

**BLACK RIDGE OIL & GAS, INC.**  
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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 September 30, 2019 and December 31, 2018:

	Fair Value Measurements at September 30, 2019		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Cash and cash equivalents	\$ 64,613	\$ -	\$ -
Investment in Allied Esports Entertainment, Inc.	14,045,165	-	-
Total assets	<u>14,109,778</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>			
None	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 14,109,778</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fair Value Measurements at December 31, 2018</b>			
	Level 1	Level 2	Level 3
<b>Assets</b>			
Cash and cash equivalents	\$ 1,503,500	\$ -	\$ -
Restricted cash and investments held in trust	141,307,307	-	-
Total assets	<u>142,810,807</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>			
None	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 142,810,807</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Note 11 – 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 September 30, 2019, and December 31, 2018, a total of 479,844,900 shares of common stock have been issued.

**BLACK RIDGE OIL & GAS, INC.**  
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**Note 12 – Options**

Options Granted

No options were granted during the nine months ended September 30, 2019 and 2018.

The Company recognized a total of \$83,705, and \$244,664 of compensation expense during the nine months ended September 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 \$44,079 as of September 30, 2019.

Options Exercised

No options were exercised during the nine months ended September 30, 2019 and 2018.

Options Forfeited

A total of 137,000 options expired and were forfeited during the nine months ended September 30, 2019. A total of 22,000 options were forfeited during the nine months ended September 30, 2018.

**Note 13 – Warrants**

Warrants Granted

No warrants were granted during the nine months ended September 30, 2019 and 2018.

Warrants Exercised

No warrants were exercised during the nine months ended September 30, 2019. Warrants to purchase 45,000 shares were exercised in the nine months ended September 30, 2018 for proceeds of \$450.

Outstanding Warrants

The Company issued 435,000 warrants (of which 390,000 are outstanding as of September 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 \$0.0233 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 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.

Losses incurred during the period from April 9, 2011 (inception) to September 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 September 30, 2019, net deferred tax assets were \$4,359,663, with no deferred tax liability, primarily related to net operating loss carryforwards. A valuation allowance of approximately \$4,359,663 was applied to the net deferred tax assets. Therefore, BROG has no tax expense for 2019 to date.

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 September 30, 2019.

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

**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.

**Note 16 – Subsequent Events**

The Company evaluates events that have occurred after the balance sheet date through the date these financial statements were issued. No events occurred of a material nature that would have required adjustments to or disclosures in these financial statements.

## 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;
- inability to maintain adequate liquidity to meet our financial obligations;
- failure to acquire or grow new business;
- litigation, disputes and legal claims involving outside parties;
- risks related to seeking a listing on a national securities exchange and meeting listing requirements; and
- risks related to our holdings of AESE 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 ourselves or our partners. Additionally, as the sponsor and manager of Black Ridge Acquisition Corp. (“BRAC”) beginning in May of 2017, the Company was focused on identifying and closing a business combination for BRAC. Now that BRAC (renamed Allied Esports Entertainment, Inc. following the merger or “AESE”, and hereafter named as such following the merger) has completed its business combination we will continue to provide additional management services to BRAC through December 31, 2019.

Following the close of the Merger, the Company commenced a strategic review to identify, review and explore alternatives for the Company, including a merger, acquisition, or a business combination. The Company currently owns 2,685,500 shares of BRAC (the “Sponsor Shares”). Of those shares, 537,100 of the Sponsor Shares are subject to distribution rights to officers and directors under the 2018 Management Incentive Plan dated March 6, 2018. Black Ridge is evaluating plans for the remaining Sponsor Shares which could include a distribution of some or all of the Sponsor Share proceeds after expiration of the lock-up agreement on August 9, 2020.

### 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”).

Pursuant to the Agreement, as amended on August 5, 2019, (i) Noble merged with and into Allied Esports (the “Redomestication Merger”) with Allied Esports continuing as the surviving entity in such merger and (ii) immediately after the Redomestication Merger, Merger merged with and into Allied Esports with Allied Esports continuing as the surviving entity of such merger (the “Transaction Merger” and together with the Redomestication Merger, the “Mergers” or the “Proposed Business Combination”) and became a wholly-owned subsidiary of BRAC. The Mergers closed on August 9, 2019.

Upon consummation of the Mergers (the “Closing”), BRAC issued 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 are entitled to receive their pro rata portion of an aggregate of an additional 3,846,153 shares of AESE’s common stock if the last sales price of AESE’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 resulted 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 transaction strategically combined 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 Business Combination, the combined company following consummation of the Business Combination and the risks related to the business of the combined company following consummation of the 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 and June 5, 2019 and the definitive proxy statement filed by BRAC with the Securities and Exchange Commission on June 12, 2019.

## 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 and filed with the Secretary of State of the State of Delaware on July 9, 2019.

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. The loan was repaid by BRAC on August 12, 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 of 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, 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 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 held by it of BRAC common stock to the Purchasers. Pursuant to the Purchase Agreements, BRAC was 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 registration statement was filed by AESE on September 20, 2019 and became effective on October 3, 2019. 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 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 in 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, BRAC 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 September 30, 2019, the Company had a cash balance of \$64,613 and total working capital of negative \$2,620,633. The Company's management consulting agreement with BRAC calls for management fees of \$313,316 from October 1, 2019 through December 31, 2019 and does not continue into 2020. 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.

We continue to pursue sources of additional capital through various financing transactions or arrangements, including joint venturing of projects, equity or debt 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.

## Results of Operations for the Three Months Ended September 30, 2019 and 2018.

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

	Three Months Ended September 30,		Increase / (Decrease)
	2019	2018	
Management fee income	\$ 153,279	\$ —	\$ 153,279
Total revenues:	<u>153,279</u>	<u>—</u>	<u>153,279</u>
Operating expenses:			
General and administrative expenses:			
Salaries and benefits	279,621	285,839	(6,218)
Stock and deferred compensation	2,836,920	77,901	2,759,019
Professional services	40,287	39,348	939
Other general and administrative expenses	69,157	58,289	10,868
Total general and administrative expenses	<u>3,225,985</u>	<u>461,377</u>	<u>2,764,608</u>
Depreciation and amortization	131	2,535	(2,404)
Total operating expenses	<u>3,226,116</u>	<u>463,912</u>	<u>2,762,204</u>
Net operating loss	<u>(3,072,837)</u>	<u>(463,912)</u>	<u>(2,608,925)</u>
Other income (expense)			
Gain on deconsolidation of subsidiary	26,322,687	—	26,322,687
Merger incentive expense	(5,874,000)	—	(5,874,000)
Settlement income	—	2,250,000	(2,250,000)
Settlement expense	—	(112,500)	112,500
Other income	—	200	(200)
Total other income (expense)	<u>20,448,687</u>	<u>2,137,700</u>	<u>(18,310,987)</u>
Net profit from continuing operations before provision for income taxes	17,375,850	1,673,788	15,702,062
Provision for income taxes	—	—	—
Net profit from continuing operations, net of tax	17,375,850	1,673,788	15,702,062
Net profit (loss) from discontinued operations	<u>(8,152,165)</u>	<u>442,487</u>	<u>(8,594,652)</u>
Net profit before non-controlling interest	9,223,685	2,116,275	7,107,410
Less: Net income attributable to redeemable non-controlling interest	<u>(142,919)</u>	<u>(513,240)</u>	<u>370,321</u>
Net income attributable to Black Ridge Oil & Gas, Inc.	<u>\$ 9,080,766</u>	<u>\$ 1,603,035</u>	<u>\$ 7,477,731</u>

### Management fee revenue

The Company earned management fees of \$153,279 during the three months ended September 30, 2019 from its management agreement with BRAC subsequent to the Mergers. The Company didn't earn any management fees during the three months ended September 30, 2018.

## **General and administrative expenses**

### *Salaries and benefits*

Salaries and benefits for the three months ended September 30, 2019 were \$279,621, compared to \$285,839 for the three months ended September 30, 2018, a decrease of \$6,218, or 2%. Base salaries were consistent between the two periods.

### *Stock-based compensation*

Stock-based compensation expense for the three months ended September 30, 2019 was \$2,836,920, compared to \$77,901 for the three months ended September 30, 2018, an increase of \$2,759,019 or 3,542%. Included in the expense for the three months ended September 30, 2019, was \$2,809,033 of expense related to the 2018 Management Incentive Plan (the "2018 Plan").

### *Professional services*

General and administrative expenses related to professional services were \$40,287 for the 2019 period, compared to \$39,348 for the 2018 period, an increase of \$939, or 2%. Professional services were generally consistent between the periods.

### *Other general and administrative expenses*

Other general and administrative expenses for the three months ended September 30, 2019 were \$69,157, compared to \$58,289 for the three months ended September 30, 2018, an increase of \$10,868, or 19%. The increase is attributable to increased insurance costs and meals and entertainment expenses.

## **Depreciation**

Depreciation expense for the three months ended September 30, 2019 was \$131, compared to \$2,535 for the three months ended September 30, 2018.

## **Other income (expense)**

In the three months ended September 30, 2019, other income was \$20,448,687 consisting of the gain upon deconsolidation of BRAC of \$26,322,687 and an offsetting merger incentive expense of \$5,874,000 to recognize the cost related to transferring shares of AESE stock to the former owners of Allied Esports and WPT and other investors as incentive to participate in the merger.

In the three months ended September 30, 2018, other income was \$2,137,700 consisting primarily of net settlement income of \$2,137,500 from the final settlement of the contingent portion of a 2012 settlement agreement.

## **Provision for income taxes**

The Company had no income tax expense in the 2019 or 2018 periods, as the Company continues to reserve against any deferred tax assets due to the uncertainty of realization of any benefit.

## **Net profit (loss) from discontinued operations**

Net profit (loss) from discontinued operations relates to the income and expenses of BRAC during the periods prior to deconsolidation. Net profit (loss) from discontinued operations consisted of a loss of \$8,152,165, compared to a profit of \$442,487, a difference of \$8,594,652. During the 2019 period, there were contingent closing costs from BRAC's underwriter and other investment bankers involved in the merger of \$7,917,500. Additionally, interest from investments in the trust account for the benefit of potential redeeming shareholders was \$676,147 in 2018, but decreased to \$145,367 in 2019, as the trust account redemptions and the withdrawal of the remaining assets at the time of the Mergers shortened the period and decreased the balances on which interest was earned. Other legal, audit and consulting costs were higher during the 2019 period due to numerous SEC filings in the periods leading up to the merger.

## Results of Operations for the Nine Months Ended September 30, 2019 and 2018.

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

	Nine Months Ended September 30,		Increase / (Decrease)
	2019	2018	
Management fee income	\$ 153,279	\$ —	\$ 153,279
Total revenues:	<u>153,279</u>	<u>—</u>	<u>153,279</u>
Operating expenses:			
General and administrative expenses:			
Salaries and benefits	910,191	914,166	(3,975)
Stock compensation	2,892,738	244,664	2,648,074
Professional services	79,978	80,001	(23)
Other general and administrative expenses	185,035	194,530	(9,495)
Total general and administrative expenses	<u>4,067,942</u>	<u>1,433,361</u>	<u>2,634,581</u>
Depreciation and amortization	754	7,650	(6,896)
Total operating expenses	<u>4,068,696</u>	<u>1,441,011</u>	<u>2,627,685</u>
Net operating loss	<u>(3,915,417)</u>	<u>(1,441,011)</u>	<u>(2,474,406)</u>
Other income (expense)			
Gain on deconsolidation of subsidiary	26,322,687	—	26,322,687
Merger incentive expense	(5,874,000)	—	(5,874,000)
Settlement income	—	2,250,000	(2,250,000)
Settlement expense	—	(112,500)	112,500
Other income	51	940	(889)
Total other income (expense)	<u>20,448,738</u>	<u>2,138,440</u>	<u>18,310,298</u>
Net profit from continuing operations before provision for income taxes	16,533,321	697,429	15,835,892
Provision for income taxes	—	—	—
Net profit from continuing operations, net of tax	16,533,321	697,429	15,835,892
Net profit (loss) from discontinued operations	<u>(7,421,050)</u>	<u>1,078,489</u>	<u>(8,499,539)</u>
Net profit before non-controlling interest	9,112,271	1,775,918	7,336,353
Less: Net income attributable to redeemable non-controlling interest	<u>(1,332,529)</u>	<u>(1,337,487)</u>	<u>4,958</u>
Net income attributable to Black Ridge Oil & Gas, Inc.	<u>\$ 7,779,742</u>	<u>\$ 438,431</u>	<u>\$ 7,341,311</u>

### Management Fee Revenue

The Company earned management fees during the nine months ended September 30, 2019, from its management agreement with BRAC subsequent to the Mergers. The Company didn't earn any management fees during the nine months ended September 30, 2018.

## **General and Administrative Expenses**

### *Salaries and benefits*

Salaries and benefits for the nine months ended September 30, 2019 were \$910,191, compared to \$914,166 for the nine months ended September 30, 2018, a decrease of \$3,975, or less than 1%. Base salaries were consistent between the two periods.

### *Stock-based compensation*

Stock-based compensation expense for the nine months ended September 30, 2019 was \$2,892,738, compared to \$244,664 for the nine months ended September 30, 2018, an increase of \$2,648,074 or 1,082%. Included in the expense for the nine months ended September 30, 2019, was \$2,809,033 of expense related to the 2018 Management Incentive Plan (the "2018 Plan"). Amortization of stock options decreased by \$160,959, as a significant group of options became fully amortized at the end of 2018.

### *Professional services*

General and administrative expenses related to professional services were \$79,978 for the 2019 period, compared to \$80,001 for the 2018 period, an increase of \$23, or less than 1%. Professional services were largely unchanged between the periods.

### *Other general and administrative expenses*

Other general and administrative expenses for the nine months ended September 30, 2019 were \$185,035, compared to \$194,530 for the nine months ended September 30, 2018, a decrease of \$9,495, or 5%. The decrease is attributable to public relations costs, travel costs and insurance costs, as diminished by increased meals and entertainment.

## **Depreciation**

Depreciation expense for the nine months ended September 30, 2019 was \$754, compared to \$7,650 for the nine months ended September 30, 2018.

## **Other income (expense)**

In the nine months ended September 30, 2019, other income was \$20,448,738, consisting of the gain upon deconsolidation of BRAC of \$26,322,687 and an offsetting merger incentive expense of \$5,874,000 to recognize the cost related to transferring shares of AESE stock to the former owners of Allied Esports and WPT and other investors as incentive to participate in the merger.

In the nine months ended September 30, 2018, other income was \$2,138,440, consisting primarily of net settlement income of \$2,137,500 resulting from the final settlement of the contingent portion of a 2012 settlement agreement.

## **Provision for Income Taxes**

The Company had no income tax expense in the 2019 or 2018 periods, as the Company continues to reserve against any deferred tax assets due to the uncertainty of realization of any benefit.

## **Net profit (loss) from discontinued operations**

Net profit (loss) from discontinued operations relates to the income and expenses of BRAC during the periods prior to deconsolidation. Net profit (loss) from discontinued operations consisted of a loss of \$7,421,050, compared to a profit of \$1,078,489, a difference of \$8,499,539. During the 2019 period, there were contingent closing costs from BRAC's underwriter and other investment bankers involved in the merger of \$7,917,500. Other legal, audit and consulting costs were higher during the 2019 period due to numerous SEC filings in the periods leading up to the merger. Offsetting the additional costs, interest from investments in the trust account for the benefit of potential redeeming shareholders was \$1,722,249 in 2018, but increased to \$1,780,992 in 2019 as interest rates on investments were higher, offsetting trust account redemptions and the withdrawal of the remaining assets at the time of the Mergers that shortened the period and decreased the balances on which interest was earned.

## Liquidity and Capital Resources

The following table summarizes our total current assets, liabilities and working capital at September 30, 2019 and December 31, 2018, respectively.

	September 30, 2019	December 31, 2018
Current Assets	<u>\$ 270,646</u>	<u>\$ 1,557,448</u>
Current Liabilities	<u>\$ 2,891,279</u>	<u>\$ 659,351</u>
Working Capital	<u>\$ (2,620,633)</u>	<u>\$ 898,097</u>

As of September 30, 2019, we had negative working capital of \$2,620,033. Liabilities of \$2,809,033 related to the 2018 Management Incentive Plan are included in current liabilities as of September 30, 2019, which will be settled in common stock from the Company's Investment in Allied Esports Entertainment, Inc., a long-term asset.

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

	Nine Months Ended September 30,	
	2019	2018
Net cash used in operating activities	<u>\$ (9,759,160)</u>	<u>\$ 473,366</u>
Net cash provided by investing activities	<u>6,888,299</u>	<u>187,773</u>
Net cash provided by financing activities	<u>1,431,974</u>	<u>450</u>
Net change in cash and cash equivalents	<u>\$ (1,438,887)</u>	<u>\$ (661,589)</u>

Net cash used in operating activities was \$9,759,160 for the nine months ended September 30, 2019, and net cash provided by operating activities was \$473,366 for the nine months ended September 30, 2018, a period over period decrease of \$10,232,526. The decrease was primarily due to net settlement income \$2,137,500 received in 2018, and an increase of \$6,342,561 in net losses in discontinued operations of BRAC due primarily to the recognition of \$7,917,500 of contingent fees upon BRAC's business combination. Changes in working capital from continuing operating activities resulted in a decrease in cash of \$181,718 in the nine months ended September 30, 2019, as compared to a decrease in cash of \$11,218 for the same period in the previous year.

Net cash provided by investing activities were \$6,888,299 and \$187,773 for the nine months ended September 30, 2019 and 2018, respectively. In 2019, cash disposed upon deconsolidation resulted in a decrease of \$9,992,493. In the 2019 and 2018 periods, cash provided from discontinued operations of \$16,880,792 and \$187,773, respectively, was the result of transfers and withdrawals from the Trust Account.

Net cash provided by financing activities was \$1,431,974 and \$450 for the nine months ended September 30, 2019. All of the 2019 activity was the result of activities in the discontinued operations of BRAC.

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

As of September 30, 2019, our balance of cash and cash equivalents was \$64,613. Our plan for satisfying our cash requirements for the next twelve months is through additional management service fees generated from our current management agreement with AESE through the end of 2019, management fees 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 Interim 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 September 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 Interim Chief Financial Officer, has concluded that the Company's disclosure controls and procedures were effective as of September 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 nine month period ended September 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.

Exhibit	Description
3.1	<a href="#">Certificate of Incorporation</a> (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	<a href="#">Bylaws</a> (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*	<a href="#">Promissory Note dated July 9, 2019, issued by Black Ridge Acquisition Corp. to Black Ridge Oil &amp; Gas, Inc.</a>
10.2*	<a href="#">Consulting Service Agreement dated August 19, 2019, between Allied Esports Entertainment, Inc. and Black Ridge Oil &amp; Gas, Inc.</a>
10.3*	<a href="#">Amended One to Consulting Service Agreement dated September 23, 2019, between Allied Esports Entertainment, Inc. and Black Ridge Oil &amp; Gas, Inc.</a>
10.4*	<a href="#">Employment Agreement dated September 24, 2019, by and among Ken DeCubellis and Black Ridge Oil &amp; Gas, Inc.</a>
31.1*	<a href="#">Section 302 Certification of Chief Executive Officer</a>
31.2*	<a href="#">Section 302 Certification of Interim Chief Financial Officer</a>
32.1*	<a href="#">Section 906 Certification of Chief Executive Officer</a>
32.2*	<a href="#">Section 906 Certification of Interim 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: November 14, 2019

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

Dated: November 14, 2019

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

PROMISSORY NOTE

\$30,000

Date: July 9, 2019

Black Ridge Acquisition Corp. ("Maker") promises to pay to the order of Black Ridge Oil & Gas, Inc. or its successors or assigns ("Payee") the principal sum of Thirty Thousand Dollars and No Cents (\$30,000) in lawful money of the United States of America, on the terms and conditions described below.

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

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

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

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

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

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

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

5. Remedies.

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

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

6. Intentionally Omitted.

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

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

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

If to Maker:

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

If to Payee:

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

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

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

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

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

BLACK RIDGE ACQUISITION CORP.

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

**CONSULTING SERVICES AGREEMENT**

This **CONSULTING SERVICES AGREEMENT** (this "Agreement") is made and entered into as of August 13, 2019, by and among Allied Esports Entertainment, Inc., a Delaware corporation ("Company") and Black Ridge Oil & Gas, Inc., a Nevada corporation ("Consultant"). Company and Consultant may be referred to individually herein as a "Party" and collectively as the "Parties".

**WITNESSETH:**

WHEREAS, Company desires to engage Consultant to provide certain services required by Company, including, without limitation, administrative and accounting services, and Consultant is willing to accept such engagement, all upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing, the terms and provisions set forth herein and the mutual benefits to be gained by the performance thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**1. Services.**

1.1 Company hereby engages Consultant, as of the date hereof (the "Effective Date"), to provide the services set forth on Schedule I (the "Services").

1.2 Consultant hereby accepts the engagement provided for in Section 1.1 above and agrees to perform the duties and responsibilities set forth herein during the term of this Agreement.

1.3 Company shall provide direction to Consultant where material business decisions are required in the performance of the Services. Where necessary for the performance of the Services, Company may, in its reasonable discretion designate Consultant as its authorized agent.

1.4 Consultant may not delegate its principal, decision-making authority under this Agreement to any person other than to the employees of Consultant. Nothing contained herein will be deemed to create an employment, agency, joint venture or partnership relationship between the Company and Consultant or any of their respective agents or employees, or any other legal arrangement that would impose liability upon one party for the act or failure to act of the other party. Neither Consultant or the Company will have any express or implied power to enter into any contracts or commitments or to incur any liabilities in the name of, or on behalf of, the other party, or to bind the other party in any respect whatsoever without the other party's prior written consent.

**2. Performance Obligations.**

2.1 The Services will be provided in a good and workmanlike manner, in accordance with standard practices of similar providers of such services to similarly situated companies engaged in the eSports industry. Consultant agrees not to terminate any of its employees employed as of the Effective Date except for (i) any conviction of the employee, or plea of guilty or no contest by the employee, to a felony or (ii) any act or acts of dishonesty by the employee intended to result in personal enrichment to the Executive at the expense of the Consultant or Company.

2.2 Company shall pay Consultant, as compensation for the Services, the amounts set forth on Schedule II (the "Consulting Fee") to be paid on the first day of each month during the term of this Agreement, provided that the initial payment shall be made on the Effective Date. The Consulting Fee shall be paid by wire transfer into a bank account designated by Consultant in writing. Consultant and Company agree that if any employee of Consultant is no longer employed by Company at any point during the Term of the Agreement, the Consulting Fee shall be reduced to the extent of the portion of the Consulting Fee allocated to such employee's compensation and benefit expense as set forth on Schedule II.

2.3 Consultant shall maintain adequate accounting records, which in reasonable detail fairly and accurately reflect the Services contemplated hereunder. During the term of this Agreement and for three (3) years thereafter, Consultant shall afford to Company's representatives, advisers and consultants the right (the "Audit Right") to review and examine the books and records of Consultant which relate to the provisions of the Services at any reasonable time during the regular business hours of Consultant. The fees and expenses of the Audit Right shall be borne by Company.

### **3. Independent Contractor Status.**

3.1 Consultant and all affiliates and employees of either Consultant or any of its affiliates providing Services hereunder shall be engaged in a capacity as an independent contractor with full control over the manner and method of performance of the Services, subject to the limitations set forth in this Agreement.

3.2 Company and Consultant understand and agree that Consultant's relationship to Company under this Agreement is strictly a contractual arrangement on the terms and conditions set forth in this Agreement, and each party hereby waives any and all rights that it may otherwise have under applicable law or legal precedents to make any claims or take any action against the other party's affiliates, officers, directors, members, agents or representatives based on any theory of agency, fiduciary duty or other special standard of care. Neither Consultant or the Company will have any express or implied power to enter into any contracts or commitments or to incur any liabilities in the name of, or on behalf of, the other party, or to bind the other party in any respect whatsoever without the other party's prior written consent.

4. **Term and Termination.** This Agreement shall remain in effect until December 31, 2019. Notwithstanding the foregoing, the Company can terminate this Agreement with respect to the Consultant or with respect to any individual employee of Consultant as set forth on Schedule II at any time for any or no reason; provided, however, that in the event of such early termination, Company will pay to Consultant, on a monthly basis (pro-rata for any partial month) the remaining amounts due pursuant to this Agreement (net of any amounts due to any Consultant Employee as set forth in Section 2.2) through the end of the Term.

### **5. Representations and Warranties of the Company and the Consultant**

5.1 **Representation and Warranty by the Consultant.** The Consultant hereby represents and warrants to the Company the following: The execution, delivery and performance, of this Agreement will not contravene, conflict with or result in a violation of any law, order or act of any governmental authority, provision of the certificate of incorporation or bylaws of the Consultant, or any other agreement with any person. No consent or authorization of, filing with, notice to or other act by or in respect of, any governmental authority or any other person that has not been obtained on or before the Effective Date is required to be obtained by the Consultant in connection with the execution, delivery, performance, validity or enforceability of this Agreement. The execution, delivery and performance of this Agreement will not result in a violation by the Consultant of any requirement of law or any contractual obligation of the Consultant that has not been waived and will not result in, or require, the creation or imposition of any lien on any of its properties or revenues pursuant to any requirement of law or any such contractual obligation.

5.2 **Representation and Warranty by the Company.** The execution, delivery and performance, of this Agreement will not contravene, conflict with or result in a violation of any law, order or act of any governmental authority, provision of the certificate of formation or limited liability company agreement of the Company, or any other agreement with any person. No consent or authorization of, filing with, notice to or other act by or in respect of, any governmental authority or any other person that has not been obtained on or before the Effective Date is required to be obtained by the Company in connection with the execution, delivery, performance, validity or enforceability of this Agreement. The execution, delivery and performance of this Agreement will not result in a violation by the Company of any requirement of law or any contractual obligation of the Company that has not been waived and will not result in, or require, the creation or imposition of any lien on any of its properties or revenues pursuant to any requirement of law or any such contractual obligation.

**6. Indemnification.**

6.1 **Indemnification by Consultant.** Consultant will indemnify and defend Company, its directors, officers, employees, Consultants, equity holders, and agents and hold them harmless from and against any liability, damage, penalty, fee, cost, expense or obligation (including reasonable attorneys' fees and disbursements) arising from any breach of this Agreement by Consultant or from any other action or omission by Consultant in the performance of its duties hereunder, if such action or omission constitutes gross negligence, recklessness or misconduct on the part of Consultant.

6.2 **Indemnification by Company.** Company will indemnify and defend Consultant, its directors, officers, employees and agents and hold them harmless from and against any liability, damage, penalty, fee, cost, expense or obligation (including reasonable attorneys' fees and disbursements) arising from any breach of this Agreement by Company or from any other action or omission by Company in the performance of its duties hereunder, if such action or omission constitutes gross negligence, recklessness or misconduct on the part of Company.

6.3 **Limitation of Liability.** Notwithstanding anything in this Agreement to the contrary, neither party will have any liability to the other party for any special, consequential or punitive damages.

6.4 **Third Party Claims.** Each party will immediately notify the other if a claim is made by a third party with respect to (i) this Agreement or (ii) any matter arising from the Services. The indemnifying party will pay all expenses in connection with the defense of such claim, including counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered in respect of such claim, except when the claim results from the indemnified party's negligence, misconduct or recklessness.

7. **Assignment.** Neither this Agreement nor any of the rights, benefits or obligations hereunder may be assigned or delegated (whether by operation of law or otherwise) without the prior written consent of the other Parties, which consent shall not be unreasonably withheld; provided, that the foregoing shall in no way restrict the performance of a Service by a subsidiary or a third-party as otherwise allowed hereunder.

**8. Miscellaneous.**

8.1 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes any and all prior or contemporaneous understandings, negotiations or agreements between the Parties and shall be binding upon and inure to the benefit of the Parties hereto and their respective legal representatives and permitted successors and assigns.

8.2 **Amendments and Waiver.** Any amendment, supplement, variation, alteration or modification to the Agreement must be made in writing and duly executed by an authorized representative or agent of each of the Parties.

8.3 Confidentiality. Consultant will, and will cause each of its officers, directors, employees, agents or other representatives to, keep confidential all non-public information received from or otherwise relating to, Company, its subsidiaries, properties and businesses ("Confidential Information"), and will not, and will not permit its officers, directors, employees, agents or other representatives to, (a) disclose Confidential Information to any other person or (b) use Confidential Information for anything other than as necessary and appropriate in carrying out the business of Company. The restrictions set forth herein do not apply to any disclosures required by law or regulatory authority (pursuant to the advice of counsel), so long as (x) the person subject to such disclosure obligations provides prior written notice (to the extent reasonably practicable and permitted by applicable law) to Company stating the basis upon which the disclosure is asserted to be required, and (y) the person subject to such disclosure obligations takes all reasonable steps permitted by applicable law (without the obligation to spend money or incur liabilities) to oppose or mitigate any such disclosure. As used herein the term "Confidential Information" shall not include information that (i) is or becomes generally available to the public other than as a result of a disclosure by Consultant or its officers, directors, employees, agents, counsel, investment advisers or representatives (all such persons being collectively referred to as "Representatives") in violation of this Agreement, (ii) is or was available to Consultant on a non-confidential basis prior to its disclosure to Consultant or its Representatives by Company or (iii) was or becomes available to Consultant on a non-confidential basis from a source other than Company, which source is or was (at the time of receipt of the relevant information) not, to the best of Consultant's knowledge, bound by a confidentiality agreement with (or other confidentiality obligation to) Company or another person. Notwithstanding the foregoing, Consultant may make all required regulatory filings regarding this Agreement, without the consent of Company; provided, that Consultant will use commercially reasonable efforts to provide Company with an opportunity to review any Company-related disclosures contained in such filings prior to filing.

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

8.5 Counterparts. This Agreement may be executed by one or more of the Parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

8.6 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF DELAWARE. THE PARTIES HEREBY IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE STATE OF CALIFORNIA, AND EACH PARTY HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH DISPUTE, CONTROVERSY OR CLAIM MAY BE HEARD AND DETERMINED IN SUCH COURTS. THE PARTIES HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, ANY OBJECTION WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH DISPUTE, CONTROVERSY OR CLAIM BROUGHT IN ANY SUCH COURT OR ANY DEFENSE OF INCONVENIENT FORUM FOR THE MAINTENANCE OF SUCH DISPUTE, CONTROVERSY OR CLAIM. EACH PARTY AGREES THAT A JUDGMENT IN ANY SUCH DISPUTE MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LAW.

8.7 WAIVERS OF JURY TRIAL. EACH OF THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY RELATED AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

8.8 Further Assurances. The Parties agree to take such actions and execute and deliver such other documents or agreements as may be necessary or desirable for the implementation of this Agreement and the consummation of the transactions contemplated hereby and thereby.

8.9 Titles and Subtitles. The article and section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

8.10 Construction. The Parties hereto have jointly participated in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties hereto and no presumption or burden of proof will arise favoring or disfavoring any Party hereto because of the authorship of any provision of this Agreement.

8.11 Survival. All covenants, agreements, representations and warranties made in this Agreement shall survive the execution and delivery of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the date first above written.

**ALLIED ESPORTS ENTERTAINMENT, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Designation: \_\_\_\_\_

**BLACK RIDGE OIL & GAS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Designation: \_\_\_\_\_

## **SCHEDULE I**

### **SERVICES**

Services will be provided as requested by Company, including the following potential items:

- Lead in all financial public reporting projects
- Assist in the preparation and update of Revenue and Expense Forecasts as needed
- Assist in the preparation of Quarterly Financial Reports
- Assist in preparation of Financial Statements
- Assist in financing transactions
- Assist in strategic partnership negotiations and execution
- Assist in investor relations communication and outreach

**SCHEDULE II**

See attached.

AMENDMENT ONE TO CONSULTING SERVICES AGREEMENT

This Amendment One ("Amendment One") to the Consulting Services Agreement is made as of this 23<sup>rd</sup> day of September, 2019, by and between Allied Esports Entertainment, Inc. ("Company"), and Black Ridge Oil & Gas, Inc. ("Consultant") (collectively referred to as the "Parties").

WHEREAS, the Parties hereto entered into a Consulting Services Agreement dated as of August 9, 2019 (the "Original Agreement"), as amended by certain amendments (collectively, the "Agreement"); and

WHEREAS, Company desires to utilize the financial expertise of Ken DeCubellis ("DeCubellis"), current Company CFO, in a consulting arrangement under the Original Agreement commencing on August 9, 2019, and continuing after DeCubellis' planned resignation as AESE CFO on September 24, 2019, through December 31, 2019.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Capitalized Terms. Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.
2. Services (§ 1.1). DeCubellis will be added to the list of employees providing Services to the Company under the Original Agreement. Schedule I is revised accordingly and is attached hereto and incorporated herein.
3. Performance Obligations (§ 2.2). Given the addition of DeCubellis to the Consultant's team, the Consulting Fee will be adjusted to reflect the addition of a Twenty Five Thousand Dollar (\$25,000) monthly rate with corresponding Schedule II expenses (pro-rated for the partial month of August). Schedule II is revised accordingly and is attached hereto and incorporated herein. Consultant agrees, and shall cause its team members to agree, to not disparage Company or its affiliates, officers, directors or employees ("Company Entities"), or otherwise damage the goodwill or reputation of any Company Entities in any way during or after the Term.
4. Counterparts. This Amendment One may be executed in one or more counterparts, each of which shall be deemed an original. deemed originals. Facsimile or electronic signatures shall be
5. No Other Changes. Except as otherwise set forth herein, no other changes, amendments or modifications are made to the Agreement.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Amendment Eight as of the date and year first written above.

Allied Esports Entertainment, Inc. ("Company")

Black Ridge Oil & Gas, Inc. ("Consultant")

By:     /s/ Allison Hushek      
Name:     Allison Hushek      
Designation:     General Counsel    

By:     /s/ Kenneth DeCubellis      
Name:     Kenneth DeCubellis      
Designation:     CEO

SCHEDULE I

SERVICES

Services will be provided as requested by Company, including the following potential items:

- Assist in financial public reporting projects
- Assist in the preparation and update of Revenue and Expense Forecasts as needed
- Assist in the preparation of Quarterly Financial Reports
- Assist in preparation of Financial Statements
- Assist in financing transactions
- Assist in strategic partnership negotiations and execution
- Assist in investor relations communication and outreach

SCHEDULE II

Expense	* August	September	October	November	December	5 month total	Description
Salaries	42,212.71	70,599.24	70,599.24	93,398.86	75,159.16	351,969.21	Office Salary
Payroll Taxes/workers comp	2,047.62	3,582.56	4,072.56	5,339.84	3,940.82	18,983.39	Payroll Taxes
Benefits	7,944.84	10,396.00	11,195.00	10,301.86	10,301.86	50,139.56	Employee Health and Dental Insurance, HSA
Rent, Phone, Cloud	5,301.29	7,470.00	7,470.00	7,470.00	7,470.00	35,181.29	Rent, Firewall, server, Email services, cable, internet, phone, voicemail, cell phones
General Office	1,827.31	1,897.43	2,701.86	1,897.43	1,997.43	10,321.46	copier, copier lease, paper, staples, ink, envelopes, pens, pencils, etc.
	59,333.76	93,945.23	96,038.66	118,407.99	98,869.27	466,594.91	

This agreement does not include travel, lodging or meals. It is assumed those payments will be paid directly by the company.

\* Note: August payments has been adjusted to reflect the expenses from August 10TH to the end of the month.

**EMPLOYMENT AGREEMENT**

This **EMPLOYMENT AGREEMENT** (this "Agreement") is made and entered into as of September 24, 2019, by and among Black Ridge Oil & Gas, Inc., a Nevada corporation ("Company"), and Ken DeCubellis ("DeCubellis"). Company and DeCubellis may be referred to individually herein as a "Party" and collectively as the "Parties".

**WITNESSETH:**

WHEREAS, DeCubellis currently serves as the Chief Executive Officer of the Company;

WHEREAS, Company desires to outline the compensation terms for DeCubellis on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing, the terms and provisions set forth herein and the mutual benefits to be gained by the performance thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**1. Compensation to DeCubellis.** The Company shall pay DeCubellis in monthly increments an amount equal to the base salary at \$300,000 per year from the date hereof through at least August 9, 2021. Such payment will be made, at the Company's election as of the beginning of each month, via (A) cash, (B) the transfer of a number of shares of common stock of Allied Esports Entertainment, Inc. (AESE) equal to the payment to be made based on the weighted average of the previous ten (10) day closing trade pricing or (C) a combination of cash and stock. All payments elected to be paid via stock will be paid by transfer from the Company to DeCubellis of the specified number of shares of common stock of Allied Esports Entertainment, Inc. (AESE) as determined according to this Section. All payments will be made after any applicable Federal, state, or local income or employment tax withholding. AESE shares transferred to DeCubellis may be lower or higher in fair market value at the time of the transfer, which may affect the withholding amount required at the time of payment. DeCubellis shall be entitled to such payments to continue through August 9, 2021 in the event that he is terminated by the Company without Cause. DeCubellis shall not be entitled to any payment under this provision after the date of termination if he voluntarily terminates his employment with Company prior to August 9, 2021 or retires, resigns or dies or if the Company terminates DeCubellis for Cause. As used herein, "Cause" means termination of DeCubellis' employment for (i) any conviction of the DeCubellis, or plea of guilty or no contest by DeCubellis, to a felony, or (ii) any act or acts of dishonesty by DeCubellis intended to result in personal enrichment to DeCubellis at the expense of the Company; or (iii) failure to follow the lawful instructions of the Board of Directors of the Company.

**2. Existing Agreements.** This Agreement supersedes the Change of Control Agreement dated April 5, 2013 with respect to payment to DeCubellis. In addition, at all times, DeCubellis shall continue to be bound by the terms of the Employee Agreement regarding Proprietary Information, Confidentiality, Loyalty and Noninterference entered into between the Company and DeCubellis.

3. **Release.** In consideration of the payment described in Section 1, in the event of the termination of DeCubellis' employment with the Company without Cause, DeCubellis agrees to sign a Separation and Release Agreement in the form determined by the Board waiving all claims that DeCubellis may have against the Company. In the event that DeCubellis does not sign the Release Agreement or revokes his acceptance of the Release Agreement, DeCubellis will not receive the payments described in this Agreement.

4. **Assignment.** Neither this Agreement nor any of the rights, benefits or obligations hereunder may be assigned or delegated (whether by operation of law or otherwise) without the prior written consent of the other Parties, which consent shall not be unreasonably withheld; provided, that the foregoing shall in no way restrict the performance of a Service by a subsidiary or a third-party as otherwise allowed hereunder.

5. **Miscellaneous.**

5.1 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes any and all prior or contemporaneous understandings, negotiations or agreements between the Parties and shall be binding upon and inure to the benefit of the Parties hereto and their respective legal representatives and permitted successors and assigns.

5.2 **Amendments and Waiver.** Any amendment, supplement, variation, alteration or modification to the Agreement must be made in writing and duly executed by an authorized representative or agent of each of the Parties.

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

5.4 **Counterparts.** This Agreement may be executed by one or more of the Parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

5.5 **Governing Law.** THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF DELAWARE. THE PARTIES HEREBY IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE STATE OF MINNESOTA, AND EACH PARTY HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH DISPUTE, CONTROVERSY OR CLAIM MAY BE HEARD AND DETERMINED IN SUCH COURTS. THE PARTIES HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, ANY OBJECTION WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH DISPUTE, CONTROVERSY OR CLAIM BROUGHT IN ANY SUCH COURT OR ANY DEFENSE OF INCONVENIENT FORUM FOR THE MAINTENANCE OF SUCH DISPUTE, CONTROVERSY OR CLAIM. EACH PARTY AGREES THAT A JUDGMENT IN ANY SUCH DISPUTE MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LAW.

5.6 WAIVERS OF JURY TRIAL. EACH OF THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY RELATED AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

5.7 Further Assurances. The Parties agree to take such actions and execute and deliver such other documents or agreements as may be necessary or desirable for the implementation of this Agreement and the consummation of the transactions contemplated hereby and thereby.

5.8 Titles and Subtitles. The article and section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

5.9 Construction. The Parties hereto have jointly participated in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties hereto and no presumption or burden of proof will arise favoring or disfavoring any Party hereto because of the authorship of any provision of this Agreement.

5.10 Survival. All covenants, agreements, representations and warranties made in this Agreement shall survive the execution and delivery of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the date first above written.

**BLACK RIDGE OIL & GAS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Designation: \_\_\_\_\_

\_\_\_\_\_  
Ken DeCubellis

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: November 14, 2019

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

EXHIBIT 31.2  
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: November 14, 2019

/s/ Kenneth DeCubellis  
Kenneth DeCubellis, Interim 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 September 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: November 14, 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 September 30, 2019 (the "Report") I, Kenneth DeCubellis, Interim 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: November 14, 2019

/s/ Kenneth DeCubellis  
Kenneth DeCubellis, Interim 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.