

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended: December 31, 2019

Commission file number 000-53952

BLACK RIDGE
O I L & G A S

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

Nevada
(State of Incorporation)

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

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

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

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

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

| <u>Title of Each Class</u> | <u>Trading Symbol</u> | <u>Name of Each Exchange On Which Registered</u> |
|----------------------------|-----------------------|--------------------------------------------------|
| COMMON STOCK | ANFC | OTCQB |

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

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

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

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

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

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

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

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

The aggregate market value of voting stock held by non-affiliates of the registrant was approximately \$10,694,484 as of June 30, 2019 (computed by reference to the last sale price of a share of the registrant's Common Stock on that date as reported by OTC Bulletin Board).

There were 1,600,484 shares outstanding of the registrant's common stock as of March 24, 2020.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

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

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

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

- failure to identify acquire or invest in alternatives for the Company that generate shareholder value, including a merger, acquisition, or a business combination in connection with our Board’s evaluation of strategic options;
- volatility or decline of our stock price;
- low trading volume and illiquidity of our common stock, and possible application of the SEC’s penny stock rules;
- potential fluctuation in quarterly results;
- our failure to collect payments owed to us;
- material defaults on monetary obligations owed us, resulting in unexpected losses;
- inadequate capital of our clients to acquire working interests in oil and gas prospects and to participate in the drilling and production of oil and other hydrocarbons;
- inability to maintain adequate liquidity to meet our financial obligations;
- unavailability of oil and gas prospects to acquire for our clients;
- failure to acquire or grow new business ourselves
- litigation, disputes and legal claims involving outside parties; and
- risks related to our ability to be traded on the OTCQB and meeting trading requirements

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

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

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PART I

ITEM 1. BUSINESS

Overview

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

The Company is focused on acquiring, investing in, and exploring alternatives for the Company, including a merger, acquisition, or a business combination. 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. Upon the August 9, 2019 closing of a merger for BRAC (renamed Allied Esports Entertainment, Inc. following the merger, or “AESE”, and referred to herein, as such), we provided additional management services to BRAC and AESE 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 AESE (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 presuming that as of such date AESE has repaid or converted amounts it owes pursuant to the bridge financing Note Purchase Agreement and Notes dated as of October 11, 2018 and May 17, 2019.

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 Sub 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 (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 BRAC’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 December 31, 2019, the Company had a cash balance of \$108,756 and total working capital of negative \$1,289,995. 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.

Business

We believe we create value through identifying and targeting acreage positions or other assets with attractive returns on the capital employed. In particular for oil and gas investments, we evaluate amongst other factors, reserve potential, operator performance, anticipated well costs and anticipated operating expenses.

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

Prior to the closing of BRAC's Business Combination in August 2019, the Company was focused on BRAC's efforts to identify a prospective target business. 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 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 presuming that as of such date AESE has repaid or converted amounts it owes pursuant to the bridge financing Note Purchase Agreement and Notes dated as of October 11, 2018 and May 17, 2019.

Principal Agreements Affecting Our Ordinary Business

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

Employees

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

Office Locations

Our executive offices are located at 110 North Fifth Street, Suite 410, Minneapolis, Minnesota 55403. Our office space consists of approximately 2,786 square feet leased pursuant to a month-to-month lease agreement.

Financial Information about Segments and Geographic Areas

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

Available Information – Reports to Security Holders

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

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

ITEM 1A. RISK FACTORS

We are exploring various strategic alternatives to enhance shareholder value, but this strategic review process may not result in the achievement of the desired goal of enhancing shareholder value.

On October 23, 2019, the Company issued a press release announcing that its Board of Directors has undertaken a strategic review to identify, review and explore alternatives for the Company, including a merger, acquisition, or a business combination. There can be no assurance that a potential transaction will occur, that any such potential transaction that is pursued will be approved or consummated, or what a potential transaction would mean for value to the Company's shareholders. The Company does not intend to disclose developments relating to its strategic review unless and until its Board of Directors has approved a specific agreement or transaction.

The Company currently owns 2,685,500 Sponsor Shares. A total of 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, presuming that as of such date AESE has repaid or converted amounts it owes pursuant to the bridge financing Note Purchase Agreement and Notes dated as of October 11, 2018 and May 17, 2019.

The process of exploring strategic alternatives may be time consuming and disruptive to our business operations and may impair our ability to retain and motivate key personnel. We may incur substantial expenses associated with identifying, evaluating and preparing for any such strategic alternatives. Any potential transaction would be dependent upon a number of factors that may be beyond our control, including, among other factors, market conditions, industry trends, regulatory limitations and the interest of third parties in us and our assets. There can be no assurance that the exploration of strategic alternatives will result in any specific action or transaction. Further, any such strategic alternative may not ultimately lead to increased shareholder value.

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

As of December 31, 2019, our cash balance was \$108,756 and total working capital of negative \$1,289,995. We will continue to have general and administrative expenses to remain a public company and continue with our business plan. The cash on hand would be insufficient to cover our current cash needs over the next year.

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

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

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

Risks Related to Our Reverse Stock Split:

We effected a reverse stock split on February of 2020 which may adversely impact the market price of our common stock.

On February 18, 2020, the Company filed a Certificate of Amendment to its Articles of Incorporation (the “Amended Articles”) with the Secretary of State of Nevada to effect the Company’s previously announced 300-for-one reverse stock split (the “Reverse Stock Split”) of the Company’s common stock. The Reverse Stock Split, effective as of February 21, 2020, converted every 300 shares of the Company’s issued and outstanding common stock into one share of common stock. The effect of the Reverse Stock Split upon the market price of our common stock cannot be predicted with certainty and there is no assurance that our common stock will trade at a price consistent with such Reverse Stock Split. Accordingly, it is possible that the market price of our common stock following the Reverse Stock Split will decline, possibly more than would occur in the absence of a Reverse Stock Split.

The Reverse Stock Split may decrease the liquidity of the shares of our common stock and the resulting market price of our common stock may not attract or satisfy the investing requirements of new investors, including institutional investors.

The liquidity of the shares of our common stock may be affected adversely by the Reverse Stock Split given the reduced number of shares outstanding following the Reverse Stock Split. Additionally, the Reverse Stock Split may increase the number of shareholders who own odd lots (less than 100 shares) of our common stock, creating the potential for such shareholders to experience an increase in the cost of selling their shares and greater difficulty affecting such sales. Moreover, there can be no assurance that the Reverse Stock Split will result in a share price that will attract new investors, including institutional investors, and there can be no assurance that the market price of our common stock will satisfy the investing requirements of these investors. Consequently, the trading liquidity of our common stock may not necessarily improve as a result of the Reverse Stock Split.

The effective increase in the number of shares of our common stock available for issuance as a result of our Reverse Stock Split could result in further dilution to our existing stockholders.

The Reverse Stock Split alone had no effect on our authorized capital stock, and the total number of authorized shares remains the same as before the Reverse Stock Split. The Reverse Stock Split of our issued and outstanding shares was effected, increasing the number of shares of our common stock (or securities convertible or exchangeable for our common stock) available for issuance. The additional available shares are available for issuance from time to time at the discretion of the Company’s board of directors when opportunities arise, without further stockholder action or the related delays and expenses, except as may be required for a particular transaction by law, the rules of any exchange on which our securities may then be listed, or other agreements or restrictions (including rights of first refusal, pursuant to the terms of certain of our outstanding secured convertible notes). Any issuance of additional shares of our common stock would increase the number of outstanding shares of our common stock and (unless such issuance was pro-rata among existing stockholders) the percentage ownership of existing stockholders would be diluted accordingly. In addition, any such issuance of additional shares of our common stock could have the effect of diluting the earnings per share and book value per share of outstanding shares of our common stock.

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

We have net operating loss (“NOL”) carryforwards that we may use to offset against taxable income for U.S. federal income tax purposes. At December 31, 2019, we had an estimated NOL carryforward of approximately \$27 million for United States federal tax return purposes. However, Section 382 of the Internal Revenue Code of 1986, as amended, may limit the NOLs that we may use in any year for U.S. federal income tax purposes in the event of certain changes in ownership of our company. Any limitation on our ability to use NOLs could, depending on the extent of such limitation, result in higher U.S. federal income taxes being paid (and therefore a reduction in cash) than if such NOLs were available as an offset against such income for U.S. federal income tax reporting purposes. In addition, if the limitation under Section 382 is triggered, it could result in a significant charge to earnings in the period in which it is triggered.

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

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

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

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

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

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

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

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

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

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

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

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

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

Risks Related to our Common Stock

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

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

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

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

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

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

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

As of December 31, 2019, we had options for 22,492 shares of common stock outstanding under our 2012 Amended and Restated Stock Incentive Plan and options for an additional 11,712 shares of common stock outstanding under our 2016 Non-Qualified Stock Option Plan. In addition, our 2020 Stock Incentive Plan (the "2020 Equity Plan") was approved by written consent of a majority of shareholders of record as of November 12, 2019 and adopted by the Board on December 5, 2019. On February 26, 2020, the Board granted an aggregate amount of 240,000 stock options to purchase shares of the Company's common stock to several officers, directors, and employees pursuant to the 2020 Equity Plan. If the holders of outstanding options exercise those options or our compensation committee or full board of directors determines to grant additional stock awards under our incentive plan, shareholders may experience dilution in the net tangible book value of our common stock. Further, the sale or availability for sale of the underlying shares in the marketplace as a result of the exercise of existing options and the grant of additional options could depress our stock price.

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

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

We may issue additional stock without shareholder consent.

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

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

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

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

If our stockholders sell substantial amounts of our common stock in the public market, or upon the expiration of any statutory holding period under Rule 144, or issued upon the exercise of outstanding options or warrants, it could create a circumstance commonly referred to as an “overhang” and in anticipation of which the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could hinder our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Executive Offices

Our executive offices are located at 110 North Fifth Street, Suite 410, Minneapolis, Minnesota 55403. Our office space consists of approximately 2,786 square feet leased pursuant to a month-to-month lease agreement.

Research and Development

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

Delivery Commitments

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

ITEM 3. LEGAL PROCEEDINGS

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

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

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

Common Stock

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

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

Effective February 21, 2020, our common stock underwent a 1-for-300 reverse split, which is retrospectively reflected throughout this Form 10-K.

As of March 15, 2020, there were approximately 330 record holders of our common stock, not including shares held in "street name" in brokerage accounts which is unknown. As of March 15, 2020, there were 1,600,484 shares of common stock outstanding on record.

Equity Compensation Plan Information

Effective March 2, 2012, the 2012 Amended and Restated Stock Incentive Plan (the "2012 Plan") was approved by our Board and the holders of a majority of our outstanding shares, replacing the Ante5, Inc. 2010 Stock Incentive Plan. Amongst other things, the 2012 Plan increased the number of shares reserved under the Plan to a total of 25,000 shares of our common stock. The following table sets forth certain information regarding the 2012 Plan as of December 31, 2019:

| Number of securities to be issued upon exercise of outstanding stock options | Weighted-average exercise price of outstanding stock options | Number of securities remaining available for future issuance under the 2012 Plan |
|------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------|
| 22,492 | \$129.51 | 2,308 |

For the fiscal years ended December 31, 2019 and 2018, we issued no stock options pursuant to the 2012 Plan. There were 908 and 246 options cancelled or forfeited pursuant to the 2012 Plan during the years ended December 31, 2019 and 2018, respectively.

Effective December 12, 2016, the 2016 Non-Qualified Stock Option Plan (the "2016 Plan") was approved by our Board. Amongst other things, the 2016 Plan authorized a total of 12,712 shares of our common stock. The following table sets forth certain information regarding our 2016 Plan as of December 31, 2019:

| Number of securities to be issued upon exercise of outstanding stock options | Weighted-average exercise price of outstanding stock options | Number of securities remaining available for future issuance under the 2016 Plan |
|------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------|
| 11,712 | \$12.09 | 3,000 |

For the fiscal years ended December 31, 2019 and 2018, we issued no stock options pursuant to the 2016 Plan. There were 833 and -0- options cancelled or forfeited pursuant to the 2016 Plan during the years ended December 31, 2019 and 2018, respectively.

Warrants

We didn't issue any warrants to purchase shares of registered or unregistered common stock for the fiscal years ended December 31, 2019 and 2018, respectively. There were no warrants forfeited or expired during the years ended December 31, 2019 and 2018. There were -0- and 150 warrants exercised during the years ended December 31, 2019 and 2018, respectively. A total of 1,300 warrants were outstanding as of December 31, 2019.

Unregistered Issuance of Equity Securities

None.

ITEM 6. SELECTED FINANCIAL DATA.

Not applicable.

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

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

Overview and Outlook

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

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, which closed on August 9, 2019. Upon BRAC (renamed Allied Esports Entertainment, Inc. following the merger or "AESE", and hereafter named as such following the merger) completing its business combination, we continued to provide additional management services to BRAC until 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 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, presuming that as of such date AESE has repaid or converted amounts it owes pursuant to the bridge financing Note Purchase Agreement and Notes dated as of October 11, 2018 and May 17, 2019.

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 Sub 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 (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 December 31, 2019, the Company had a cash balance was \$108,756 and total working capital of negative \$1,289,995. We will continue to have general and administrative expenses to remain a public company and continue with our business plan. The cash on hand would be insufficient to cover our current cash needs over the next year.

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

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

Overview of 2019 results

Our 2019 results were largely dominated by managing, searching for potential business combination candidates for BRAC and ultimately closing the Business Combination. We earned \$466,595 in management fees for the year ended December 31, 2019, from our management agreement with BRAC subsequent to the Business Combination.

Our general and administrative expenses remained relatively consistent throughout 2019, driven primarily by salaries and benefits amounting to \$1,172,745. Our stock-based and deferred compensation included \$1,396,460 of expense related to the 2018 Management Incentive Plan (the "2018 Plan"), and \$100,526 of expense related to the amortization of stock options.

Application of Critical Accounting Policies

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

Critical Accounting Policies

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

Income Taxes

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

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

Fair Value of Financial Instruments

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

Use of Estimates

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

Results of Operations for the Years Ended December 31, 2019 and 2018.

The following table summarizes selected items from the statement of operations for the years ended December 31, 2019 and 2018.

| | Years Ended December 31, | | Increase/ Decrease |
|----------------------------------------------------------------------|--------------------------|--------------|-----------------------|
| | 2019 | 2018 | |
| Management fee income | \$ 466,595 | \$ — | \$ 466,595 |
| Operating expenses: | | | |
| General and administrative: | | | |
| Salaries and benefits | 1,172,745 | 1,199,729 | (26,984) |
| Stock-based and deferred compensation | 1,496,986 | 310,731 | 1,186,255 |
| Professional services | 132,505 | 105,796 | 26,709 |
| Other general and administrative | 259,968 | 250,088 | 9,880 |
| Total general and administrative | 3,062,204 | 1,866,344 | 1,195,860 |
| Depreciation and amortization | 872 | 9,472 | (8,600) |
| Total operating expenses: | 3,063,076 | 1,875,816 | 1,187,260 |
| Net operating loss | (2,596,481) | (1,875,816) | 720,665 |
| Other income: | | | |
| Gain on deconsolidation of subsidiary | 20,448,687 | — | 20,448,687 |
| Settlement income | — | 2,250,000 | (2,250,000) |
| Settlement expense | — | (112,500) | 112,500 |
| Other income | 51 | 1,996 | (1,945) |
| Total other income | 20,448,738 | 2,139,496 | 18,309,242 |
| Net income before provision for income taxes | 17,852,257 | 263,680 | 17,588,577 |
| Provision for income taxes | — | — | — |
| Net income from continuing operations, net of tax | 17,852,257 | 263,680 | 17,588,577 |
| Net income (loss) from discontinued operations | (7,421,050) | 1,261,200 | (8,682,250) |
| Net income before non-controlling interest | 10,431,207 | 1,524,880 | 8,906,327 |
| Less: Net income attributable to redeemable non-controlling interest | (1,332,529) | (1,868,894) | 536,365 |
| Net income (loss) attributable to Black Ridge Oil & Gas, Inc. | \$ 9,098,678 | \$ (344,014) | \$ 9,442,692 |

Management Fee Revenue

The Company earned \$466,595 in management fees for the year ended December 31, 2019, from its management agreement with BRAC subsequent to the Mergers. The Company did not earn any management fees during the year ended December 31, 2018.

General and Administrative Expenses

Salaries and Benefits

Salaries and benefits for the year ended December 31, 2019 were \$1,172,745 compared to \$1,199,729 for the year ended December 31, 2018, a decrease of \$26,984 or 2%. The decrease in salaries and benefits was primarily due to a headcount decrease during the fourth quarter of 2019, offset by increased health benefit costs and a base salary increase for the CEO.

Stock-based Compensation

Stock-based compensation expense for the year ended December 31, 2019 was \$1,496,986, compared to \$310,731 for year ended December 31, 2018, an increase of \$1,186,255 or 382%. Included in the expense for year ended December 31, 2019, was \$1,396,460 of expense related to the 2018 Management Incentive Plan (the "2018 Plan"). Amortization of stock options decreased by \$210,205 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 \$132,505 for the 2019 period, compared to \$105,796 for the 2018 period, an increase of \$26,709 or 25%. The increase was primarily due to legal costs related to a reverse stock split and proposed business combinations.

Other General and Administrative Expenses

Other general and administrative expenses for the year ended December 31, 2019 were \$259,968, compared to \$250,088 for the year ended December 31, 2018, an increase of \$9,880, or 4%. The increase is attributable to increased insurance costs, travel, and meals and entertainment expenses.

Depreciation

Depreciation expense for the year ended December 31, 2019 was \$872, compared to \$9,472 for year ended December 31, 2018. The decrease is attributable to certain equipment becoming fully amortized.

Other Income (Expense)

In the year ended December 31, 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 year ended December 31, 2018, other income was \$2,139,496, 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 Income (Loss) from Discontinued Operations

Net income (loss) from discontinued operations relates to the income and expenses of BRAC during the periods prior to deconsolidation. Net income (loss) from discontinued operations consisted of a loss of \$7,421,050, compared to income of \$1,261,200, a difference of \$8,682,250. 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. Interest from investments in the trust account for the benefit of potential redeeming shareholders was \$2,474,371 in 2018, but decreased to \$1,780,992 in 2019, due to trust account redemptions and the withdrawal of the remaining assets at the time of the Mergers.

Liquidity and Capital Resources

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

| | December 31, | |
|---------------------|----------------|--------------|
| | 2019 | 2018 |
| Current Assets | \$ 156,412 | \$ 1,557,448 |
| Current Liabilities | \$ 1,446,407 | \$ 659,351 |
| Working Capital | \$ (1,289,995) | \$ 898,097 |

As of December 31, 2019, we had negative working capital of \$1,289,995.

The following table summarizes our cash flows during the years ended December 31, 2019 and 2018, respectively.

| | Years Ended December 31, | |
|-------------------------------------------|--------------------------|--------------|
| | 2019 | 2018 |
| Net cash used in operating activities | \$ (9,709,780) | \$ (187,936) |
| Net cash provided by investing activities | 6,883,062 | 213,897 |
| Net cash provided by financing activities | 1,431,974 | 450 |
| Net change in cash and cash equivalents | \$ (1,394,744) | \$ 26,411 |

Net cash used in operating activities was \$9,709,780 and \$187,936 for the years ended December 31, 2019 and 2018, respectively, a year over year increased use of \$9,521,844. The increased use was primarily due to net settlement income \$2,250,000 received in 2018, and an increase of \$8,682,250 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 an increase in cash of \$7,360 during the year ended December 31, 2019, as compared to a decrease in cash of \$20,357 for the same period in the previous year.

Net cash provided by investing activities was \$6,883,062 and \$213,897 for the years ended December 31, 2019 and 2018, respectively. In both periods virtually all the cash was provided from discontinued operations and was the result of transfers and withdrawals from the Trust Account, other than \$6,046 of equipment purchases during 2019.

Net cash provided by financing activities was \$1,431,974 and \$450 for the years ended December 31, 2019 and 2018, respectively. All of the 2019 activity was the result of activities in the discontinued operations of BRAC, as compared to \$450 received from warrant exercises in 2018.

Satisfaction of our cash obligations for the next 12 months

As of December 31, 2019, our balance of cash and cash equivalents was \$108,756 and we had total working capital of negative \$1,289,995. We expect to incur significant costs related to a potential business combination which will put a strain on our cash resources. Our plan for satisfying our cash requirements for the next twelve months is through cash on hand and additional financing in the form of equity or debt as needed. On March 12, 2020, the Company received a business loan from Cadence Bank, N.A. via a \$700,000 Promissory Note, a Security Agreement by the Company and limited commercial guarantees by the Company's Chief Executive Officer and Interim Chief Financial Officer and members of the Company's Board of Directors (the "Guarantors"). The Note bears interest at a rate of 0.500 percentage points over the prime rate, currently 4.25% per annum, payable monthly, is due on March 9, 2021 and is secured by all of the Company's rights, title and interests in and to 500,000 shares of the common stock of Allied Esports Entertainment Inc. (NASDAQ: AESE) currently owned by the Company and held in the Company's brokerage account with RBC Capital Markets, LLC.

Effects of inflation and pricing

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

Contractual obligations and commitments

We have no significant obligations and commitments as of December 31, 2019 to make future payments under contracts.

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

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

Expected purchase or sale of plant and significant equipment

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

Significant changes in the number of employees

As of December 31, 2019, we had five employees, our chief executive officer and interim chief financial officer, Kenneth DeCubellis, our chief operating officer, Michael Eisele and three other employees. Currently, there are no organized labor agreements or union agreements and we do not anticipate any in the future.

Assuming we are able to identify and close on a business combination; we may need to hire additional employees. In the interim, we intend to use the services of independent consultants and contractors to perform various professional services when appropriate. We believe the use of third-party service providers may enhance our ability to control general and administrative expenses and operate efficiently.

Off-Balance Sheet Arrangements

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk

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

Interest Rate Risk

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

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

BLACK RIDGE OIL & GAS, INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Black Ridge Oil & Gas, Inc. (the Company) as of December 31, 2019 and 2018, and the related statements of operations and comprehensive income, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2019, and the related notes and schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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

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

M&K CPAS, PLLC

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

Houston, TX

March 25, 2020

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

| | December 31, 2019 | December 31, 2018 |
|---------------------------------------------------------------------------------------------------------|----------------------------|------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 108,756 | \$ 1,503,500 |
| Accounts receivable | – | 13 |
| Receivable from Allied Esports Entertainment, Inc. | 505 | – |
| Prepaid expenses | 47,151 | 42,685 |
| Current assets from discontinued operations | – | 11,250 |
| Total current assets | <u>156,412</u> | <u>1,557,448</u> |
| Property and equipment: | | |
| Property and equipment | 134,202 | 128,156 |
| Less accumulated depreciation | (127,803) | (126,931) |
| Total property and equipment, net | <u>6,399</u> | <u>1,225</u> |
| Investment in Allied Esports Entertainment, Inc. | 6,982,300 | – |
| Non-current assets from discontinued operations | – | 141,307,307 |
| Total assets | <u><u>\$ 7,145,111</u></u> | <u><u>\$ 142,865,980</u></u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 35,727 | \$ 31,938 |
| Accrued expenses | 14,220 | 5,691 |
| Deferred compensation | 1,396,460 | – |
| Current liabilities of discontinued operations | – | 621,722 |
| Total current liabilities | <u>1,446,407</u> | <u>659,351</u> |
| Long term liabilities | – | – |
| Total liabilities | <u>1,446,407</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, 1,600,484 shares issued and outstanding | 1,600 | 1,600 |
| Additional paid-in capital | 37,054,503 | 36,953,977 |
| Accumulated other comprehensive income | (4,968,175) | – |
| Accumulated deficit | (26,389,224) | (35,487,902) |
| Total stockholders' equity | <u>5,698,704</u> | <u>1,467,675</u> |
| Total liabilities, redeemable non-controlling interest and stockholders' equity | <u><u>\$ 7,145,111</u></u> | <u><u>\$ 142,865,980</u></u> |

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

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

| | For the Years Ended December 31, | |
|---------------------------------------------------------------------------------|-------------------------------------|--------------|
| | 2019 | 2018 |
| Management fee income | \$ 466,595 | \$ — |
| Total revenues | 466,595 | — |
| Operating expenses: | | |
| General and administrative expenses: | | |
| Salaries and benefits | 1,172,745 | 1,199,729 |
| Stock-based compensation | 100,526 | 310,731 |
| Deferred compensation | 1,396,460 | — |
| Professional services | 132,505 | 105,796 |
| Other general and administrative expenses | 259,968 | 250,088 |
| Total general and administrative expenses | 3,062,204 | 1,866,344 |
| Depreciation and amortization | 872 | 9,472 |
| Total operating expenses | 3,063,076 | 1,875,816 |
| Net operating loss | (2,596,481) | (1,875,816) |
| Other income (expense): | | |
| Gain on deconsolidation of subsidiary | 20,448,687 | — |
| Settlement income | — | 2,250,000 |
| Settlement expense | — | (112,500) |
| Other income | 51 | 1,996 |
| Total other income | 20,448,738 | 2,139,496 |
| Net income before provision for income taxes | 17,852,257 | 263,680 |
| Provision for income taxes | — | — |
| Net income from continuing operations, net of tax | 17,852,257 | 263,680 |
| Net income (loss) from discontinued operations | (7,421,050) | 1,261,200 |
| Net income before non-controlling interest | 10,431,207 | 1,524,880 |
| Less net income attributable to redeemable non-controlling interest | (1,332,529) | (1,868,894) |
| Net income (loss) attributable to Black Ridge Oil & Gas, Inc. | \$ 9,098,678 | \$ (344,014) |
| Other comprehensive income: | | |
| Unrealized loss on investments | \$ (4,968,175) | \$ — |
| Net other comprehensive income (loss) attributed to Black Ridge Oil & Gas, Inc. | \$ 4,130,503 | \$ (344,014) |
| Weighted average common shares outstanding - basic | 1,600,484 | 1,600,484 |
| Weighted average common shares outstanding - fully diluted | 1,601,346 | 1,600,484 |
| Net income per common share - basic | \$ 5.68 | \$ (0.21) |
| Net income per common share - fully diluted | \$ 5.68 | \$ (0.21) |

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

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

| | Preferred Stock | | Common Stock | | Additional Paid-in Capital | Accumulated Other Comprehensive Income | Accumulated Deficit | Total Stockholders' Equity | Redeemable Non- controlling Interest |
|----------------------------------------------------------------------|-----------------|--------|--------------|----------|----------------------------------|-------------------------------------------------|------------------------|----------------------------------|-----------------------------------------------|
| | Shares | Amount | Shares | Amount | | | | | |
| Balance, December 31, 2017 | – | \$ – | 1,600,334 | \$ 1,600 | \$ 36,642,796 | \$ – | \$ (35,143,888) | \$ 1,500,508 | \$ 138,870,060 |
| Common stock options granted for services to employees and directors | – | – | – | – | 310,731 | – | – | 310,731 | – |
| Exercise of stock warrants | – | – | 150 | – | 450 | – | – | 450 | – |
| Net loss attributable to Black Ridge Oil & Gas, Inc. | – | – | – | – | – | – | (344,014) | (344,014) | 1,868,894 |
| Balance, December 31, 2018 | – | \$ – | 1,600,484 | \$ 1,600 | \$ 36,953,977 | \$ – | \$ (35,487,902) | \$ 1,467,675 | \$ 140,738,954 |
| Common stock options granted for services to employees and directors | – | – | – | – | 100,526 | – | – | 100,526 | – |
| Non-controlling interest disposed in deconsolidation | – | – | – | – | – | – | – | – | (142,071,483) |
| Net income attributable to Black Ridge Oil & Gas, Inc. | – | – | – | – | – | – | 9,098,678 | 9,098,678 | 1,332,529 |
| Other Comprehensive income | – | – | – | – | – | (4,968,175) | – | (4,968,175) | – |
| Balance, December 31, 2019 | – | \$ – | 1,600,484 | \$ 1,600 | \$ 37,054,503 | \$ (4,968,175) | \$ (26,389,224) | \$ 5,698,704 | \$ – |

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

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

| | For the Years Ended December 31, | |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------|
| | 2019 | 2018 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income (loss) attributable to Black Ridge Oil & Gas, Inc. | \$ 9,098,678 | \$ (344,014) |
| Net (income) loss from discontinued operations | 7,421,050 | (1,261,200) |
| Net income attributable to redeemable non-controlling interest | 1,332,529 | 1,868,894 |
| 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 | (20,448,687) | – |
| Depreciation and amortization | 872 | 9,472 |
| Amortization of stock options | 100,526 | 310,731 |
| Deferred compensation | 1,396,460 | – |
| Decrease (increase) in current assets: | | |
| Accounts receivable | 13 | 1,598 |
| Accounts receivable, related party | (505) | 2,940 |
| Prepaid expenses | (4,466) | (6,961) |
| Increase (decrease) in current liabilities: | | |
| Accounts payable | 3,789 | (13,856) |
| Accrued expenses | 8,529 | (4,078) |
| Net cash provided by (used in) operating activities of continuing operations | (1,091,212) | 563,526 |
| Net cash used in operating activities of discontinued operations | (8,618,568) | (751,462) |
| Net cash used in operating activities | (9,709,780) | (187,936) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash disposed in deconsolidation | (9,991,684) | – |
| Purchase of property and equipment | (6,046) | – |
| Net cash used in investing activities of continuing operations | (9,997,730) | – |
| Net cash provided by investing activities of discontinued operations | 16,880,792 | 213,897 |
| Net cash provided by investing activities | 6,883,062 | 213,897 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| 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 | 1,431,974 | 450 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (1,394,744) | 26,411 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 1,503,500 | 1,477,089 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>\$ 108,756</u> | <u>\$ 1,503,500</u> |
| SUPPLEMENTAL INFORMATION: | | |
| Interest paid | \$ – | \$ – |
| Income taxes paid | \$ – | \$ – |
| NON-CASH INVESTING AND FINANCING ACTIVITIES: | | |
| Unrealized loss on investment in AESE | \$ 4,968,175 | – |
| Recognition of subsidiary equity upon deconsolidation | 8,498,212 | – |
| Non-cash investing and financing activities in discontinued operations | <u>229,914,415</u> | – |

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

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Organization and Nature of Business

Effective April 2, 2012, Ante5, Inc. changed its corporate name to Black Ridge Oil & Gas, Inc., and continues to be quoted on the OTCQB under the trading symbol “ANFC”. Black Ridge Oil & Gas, Inc. (formerly Ante5, Inc.) (the “Company” 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 1,439,400 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 4.

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, presuming that as of such date AESE has repaid or converted amounts it owes pursuant to the bridge financing Note Purchase Agreement and Notes dated as of October 11, 2018 and May 17, 2019.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

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

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Principles of Consolidation

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

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

⁽¹⁾ Wholly-owned subsidiary through October 10, 2017, the date of BRAC's IPO, 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.

Segment Reporting

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

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 December 31, 2019 and 2018 were \$-0- and \$2,312, respectively.

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 Insured Limits

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC) up to \$250,000 and \$500,000, respectively, under current regulations. The Company had approximately \$-0- and \$1,119,770 in excess of FDIC and SIPC insured limits at December 31, 2019 and 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.

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

Fair Value of Financial Instruments

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

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives of three to seven years. Expenditures for replacements, renewals, and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Long-lived assets are evaluated for impairment to determine if current circumstances and market conditions indicate the carrying amount may not be recoverable. The Company has not recognized any impairment losses on long-lived assets related to continuing operations. Depreciation expense was \$872 and \$9,472 for the years ended December 31, 2019 and 2018, respectively.

Revenue Concentration

All of the Company's revenue earned came from management fees earned through its management services agreement with BRAC, which ceased as of December 31, 2019.

Revenue Recognition

The Company recognizes management fee income as services are provided.

Basic and Diluted Earnings (Loss) Per Share

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

The reconciliation of the denominators used to calculate basic EPS and diluted EPS for the years ended December 31, 2019 and 2018 are as follows:

| | Years Ended December 31, | |
|------------------------------------------------------|--------------------------|-----------|
| | 2019 | 2018 |
| Weighted average common shares outstanding – basic | 1,600,484 | 1,600,484 |
| Plus: Potentially dilutive common shares: | | |
| Stock options and warrants | 862 | – |
| Weighted average common shares outstanding – diluted | 1,601,346 | 1,600,484 |

For 2019 and 2018, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share. Stock options and warrants excluded from the calculation of diluted EPS because their effect was anti-dilutive were 34,204 and 37,245 of December 31, 2019 and 2018, respectively.

Stock-Based Compensation

Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, are to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. Amortization of the fair values of stock options issued for services and compensation totaled \$100,526 and \$310,731 for the years ended December 31, 2019 and 2018, respectively. The fair values of stock options were determined using the Black-Scholes options pricing model and an effective term of 6 to 6.5 years based on the weighted average of the vesting periods and the stated term of the option grants and the discount rate on 5 to 7 year U.S. Treasury securities at the grant date and are being amortized over the related implied service term, or vesting period.

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Uncertain Tax Positions

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

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

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

Recent Accounting Pronouncements

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

In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases*. The amendments in ASU 2018-10 provide additional clarification and implementation guidance on certain aspects of the previously issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02") and have the same effective and transition requirements as ASU 2016-02. Upon the effective date, ASU 2018-10 will supersede the current lease guidance in ASC Topic 840, *Leases*. Under the new guidance, lessees will be required to recognize for all leases, with the exception of short-term leases, a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis. Concurrently, lessees will be required to recognize a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2018-10 is effective for private companies and emerging growth public companies for interim and annual reporting periods beginning after December 15, 2019, with early adoption permitted. The guidance is required to be applied using a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative periods presented in the financial statements. The Company adopted this guidance effective January 1, 2019, and the standard did not have a material impact on the Company's combined financial statements and related disclosures.

Note 3 – Going Concern

As shown in the accompanying financial statements, as of December 31, 2019, the Company had a cash balance of \$108,756 and negative working capital of \$1,289,995. The Company has no revenue source presently. Based on projections of cash expenditures in the Company's current business plan, the cash on hand would be insufficient to fund the Company's general and administrative expenses over the next year.

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Note 4 – BRAC's IPO, Consolidation of BRAC and Non-controlling Interest

BRAC's IPO

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

Simultaneous with the closing of the 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").

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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 (the “Closing Date”).

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.

The Business Combination Agreement, which originally 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.

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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 \$20,448,687, which is a non-cash adjustment.

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 in 2019, prior to the merger and 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 \$466,595 subject to the management services agreement between AESE and BROG in effect subsequent to the merger are not eliminated.

Note 5 – Related Party

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

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

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

As of December 31, 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 \$1,396,460 on December 31, 2019. The Company recognized 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 December 31, 2019 to \$1,396,460 due to changes in the AESE market price between the August 9, 2019 merger and December 31, 2019. Subsequent adjustments will be required each quarter to adjust the deferred compensation liability until the shares can be transferred to the employees.

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. Mr. Berman received 43,800 bonus shares of BRAC common stock issued by BRAC and 120,000 shares 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 were 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 6 – Fair Value of Financial Instruments

Under FASB ASC 820-10-5, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

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

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

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

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

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balances sheet as of December 31, 2019 and 2018:

| | Fair Value Measurements at December 31, 2019 | | |
|--------------------------------------------------|----------------------------------------------|-------------|-------------|
| | Level 1 | Level 2 | Level 3 |
| Assets | | | |
| Cash and cash equivalents | \$ 108,756 | \$ — | \$ — |
| Investment in Allied Esports Entertainment, Inc. | 6,982,300 | — | — |
| Total assets | 7,091,056 | — | — |
| Liabilities | | | |
| None | — | — | — |
| Total liabilities | — | — | — |
| | \$ 7,091,056 | \$ — | \$ — |
| | | | |
| | Fair Value Measurements at December 31, 2018 | | |
| | Level 1 | Level 2 | Level 3 |
| Assets | | | |
| Cash and cash equivalents | \$ 1,503,500 | \$ — | \$ — |
| Restricted cash and investments held in trust | 141,307,307 | — | — |
| Total assets | 142,810,807 | — | — |
| Liabilities | | | |
| None | — | — | — |
| Total liabilities | — | — | — |
| | \$ 142,810,807 | \$ — | \$ — |

There were no transfers of financial assets or liabilities between Level 1 and Level 2 inputs for the years ended December 31, 2019 and 2018.

Note 7 – Prepaid Expenses

Prepaid expenses consist of the following:

| | December 31, | |
|--------------------------------|------------------|------------------|
| | 2019 | 2018 |
| Prepaid insurance costs | \$ 21,090 | \$ 17,501 |
| Prepaid employee benefits | 11,587 | 11,865 |
| Prepaid office and other costs | 14,474 | 13,319 |
| Total prepaid expenses | \$ 47,151 | \$ 42,685 |

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 8 – Property and Equipment

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

| | December 31, | |
|-------------------------------------------------|--------------|------------|
| | 2019 | 2018 |
| Property and equipment | \$ 134,202 | \$ 128,156 |
| Less: Accumulated depreciation and amortization | (127,803) | (126,931) |
| Total property and equipment, net | \$ 6,399 | \$ 1,225 |

Depreciation of property and equipment was \$872 and \$9,472 for the years ended December 31, 2019 and 2018, respectively.

Note 9 – 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 above, in Note 5 - 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 19, 2020. Therefore, the Company recorded compensation expense and recorded a deferred compensation liability of \$1,396,460 to recognize the commitment to employees.

As of December 31, 2019, the market value of the Company’s investment in AESE’s common stock was \$6,982,300, based on the closing stock price of \$2.60 per share. Thus, we recorded an unrealized loss of \$4,968,175, as part of other comprehensive income, and adjusted the compensation expense and deferred compensation expense to \$1,396,460 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 10 – Stockholders’ Equity

Reverse Stock Split

On February 21, 2020, the Company effected a 1-for-300 reverse stock split (the “Reverse Stock Split”). No fractional shares were issued. Instead, the Company issued the following to any stockholder who otherwise would have received a fractional share as a result of the Reverse Stock Split:

- Stockholders owning 300 or more shares of Common Stock will receive (1) one share of Common Stock for every 300 shares owned and (2) cash in lieu of fractional shares upon the surrender of such stockholder’s shares;
- Stockholders owning between 25 and 300 shares of Common Stock will have their ownership of shares of Common Stock rounded up to one share; and
- Stockholders owning fewer than 25 shares of Common Stock will receive cash in lieu of fractional shares upon the surrender of such stockholders’ shares and will no longer own shares of Common Stock.

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Any cash payment in lieu of fractional shares were based on the volume weighted average of the closing sales prices of the Company's Common Stock on the OTCQB operated by OTC Markets Group Inc. (the "OTCQB") during regular trading hours for the five consecutive trading days immediately preceding the Effective Date.

The Company was authorized to issue 500,000,000 shares of common stock prior to the Reverse Stock Split, which remains unaffected. The Reverse Stock Split did not have any effect on the stated par value of the common stock, or the Company's authorized preferred stock. Unless otherwise stated, all share and per share information in this Annual Report on Form 10-K has been retroactively adjusted to reflect the Reverse Stock Split.

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 December 31, 2019 and 2018, a total of 1,600,484 shares of common stock have been issued.

No shares were issued during 2019, and the Company issued 150 shares of common stock as a result of warrant exercises during 2018.

Note 11 – Options

Options Granted

No options were granted during the years ended December 31, 2019 and 2018.

The Company recognized a total of \$100,526, and \$310,731 of compensation expense during the years ended December 31, 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 \$14,396 as of December 31, 2019.

Options Cancelled or Forfeited

An aggregate 1,284 and 206 options with a weighted average strike price of \$27.18 and \$152.71 per share were forfeited by former employees during the years ended December 31, 2019 and 2018, respectively.

Options Expired

An aggregate 457 and 40 options with a weighted average strike price of \$9.51 and \$24.00 per share expired during the years ended December 31, 2019 and 2018, respectively.

Options Exercised

No options were exercised during the years ended December 31, 2019 and 2018.

BLACK RIDGE OIL & GAS, INC.
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The following is a summary of information about the Stock Options outstanding at December 31, 2019.

| Range of Exercise Prices | Shares Underlying Options Outstanding | | | Shares Underlying Options Exercisable | |
|--------------------------|---------------------------------------|---------------------------------------------|---------------------------------|---------------------------------------|---------------------------------|
| | Shares Underlying Options Outstanding | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Shares Underlying Options Exercisable | Weighted Average Exercise Price |
| \$9.33 - \$300.00 | 34,204 | 4.76 years | \$89.31 | 33,758 | \$88.26 |

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

| | Number of Shares | Weighted Average Exercise Prices |
|--------------------------------|------------------|----------------------------------|
| Balance, December 31, 2017 | 36,191 | \$ 87.00 |
| Options expired | (40) | (24.00) |
| Options cancelled | (206) | (153.00) |
| Options granted | - | - |
| Options exercised | - | - |
| Balance, December 31, 2018 | 35,945 | 87.00 |
| Options expired | (457) | (9.51) |
| Options cancelled | (1,284) | (27.18) |
| Options granted | - | - |
| Options exercised | - | - |
| Balance, December 31, 2019 | <u>34,204</u> | <u>\$ 89.31</u> |
| Exercisable, December 31, 2019 | <u>33,758</u> | <u>\$ 88.26</u> |

BLACK RIDGE OIL & GAS, INC.
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Note 12 – Warrants

Warrants Granted

No warrants were granted during the years ended December 31, 2019 and 2018.

Warrants Cancelled

No warrants were cancelled during the years ended December 31, 2019 and 2018.

Warrants Expired

No warrants expired during the years ended December 31, 2019 and 2018.

Warrants Exercised

No warrants were exercised during the year ended December 31, 2019.

During the year ended December 31, 2018, there were 150 warrants exercised at \$3.00 per share resulting in proceeds of \$450.

The following is a summary of activity of outstanding warrants:

| | Number of Shares | Weighted Average Exercise Prices |
|--------------------------------|---------------------|-------------------------------------------|
| Balance, December 31, 2017 | 1,450 | \$ 3.00 |
| Warrants expired | - | - |
| Warrants cancelled | - | - |
| Warrants granted | - | - |
| Warrants exercised | (150) | (3.00) |
| Balance, December 31, 2018 | 1,300 | 3.00 |
| Warrants expired | - | - |
| Warrants cancelled | - | - |
| Warrants granted | - | - |
| Warrants exercised | - | - |
| Balance, December 31, 2019 | 1,300 | \$ 3.00 |
| Exercisable, December 31, 2019 | 1,300 | \$ 3.00 |

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13 – Settlement Income

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

Note 14 – Income Taxes

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

Our provision for income taxes for the years ended December 31, 2019 and 2018 consisted of the following:

| | December 31, | |
|------------------------------------|--------------|------|
| | 2019 | 2018 |
| Current taxes | \$ — | \$ — |
| Deferred taxes | — | — |
| Net income tax provision (benefit) | \$ — | \$ — |

The effective income tax rate for the years ended December 31, 2019 and 2018 consisted of the following:

| | December 31, | |
|-----------------------------------|--------------|---------|
| | 2019 | 2018 |
| Federal statutory income tax rate | 21.0% | 21.0% |
| State income taxes | 7.7% | 7.7% |
| Permanent differences | 0.1% | 0.1% |
| Change in valuation allowance | (28.8%) | (28.8%) |
| Net effective income tax rate | 0.0% | 0.0% |

BLACK RIDGE OIL & GAS, INC.
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The components of the deferred tax assets and liabilities as of December 31, 2019 and 2018 are as follows:

| | December 31, | |
|---------------------------------------------------------------------|----------------------|---------------------|
| | 2019 | 2018 |
| Deferred tax assets: | | |
| Federal and state net operating loss carryovers | \$ 7,692,561 | \$ 7,402,252 |
| Stock compensation | 2,327,142 | 2,294,552 |
| Property and equipment | 34 | 459 |
| Deferred compensation | 401,371 | - |
| Reorganization costs | 38,508 | 38,508 |
| Total deferred tax assets | \$ 10,459,616 | \$ 9,735,771 |
| Deferred tax liabilities: | | |
| Unrealized gain on investment in Allied Esports Entertainment, Inc. | (4,449,409) | - |
| Total deferred liabilities | (4,449,409) | - |
| Net deferred tax assets (liabilities) | 6,010,207 | 9,735,771 |
| Less: valuation allowance | (6,010,207) | (9,735,771) |
| Deferred tax assets (liabilities) | \$ - | \$ - |

As of December 31, 2019, the Company has net operating loss carryover of approximately \$26,764,183. Under existing Federal law, a portion of the net operating loss may be utilized to offset taxable income through the year ended December 31, 2037. A portion of the net operating loss carryover begins to expire in 2030. For tax years beginning after December 31, 2017, pursuant to the enactment of the Tax Cuts and Jobs Act ("TCJA") net operating losses now carry forward indefinitely but are limited to offsetting 80% of taxable income in a tax year. Of the total net operating loss as of December 31, 2019, approximately \$1,010,052 of the Company's NOL is subject to the TCJA net operating loss provisions.

ASC Topic 740 provides that a valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized. In 2019, BROG increased its valuation allowance from \$9,735,771 to \$6,010,207 to adjust for the decrease in net deferred tax assets primarily due to an unrealized gain recorded for book purposes related to the investment in Allied Esports Entertainment, Inc. The Company believes it is more likely than not that the benefit of these remaining assets will not be realized. The Company did not place a valuation allowance on deferred tax asset for BRAC related to the capitalized merger and acquisition costs.

The Company files annual US Federal income tax returns and annual income tax returns for the state of Minnesota. We are not subject to income tax examinations by tax authorities for years before 2014 for all returns. Income taxing authorities have conducted no formal examinations of our past federal or state income tax returns and supporting records.

The Company adopted the provisions of ASC Topic 740 regarding uncertainty in income taxes. The Company has found no significant uncertain tax positions as of any date on or before December 31, 2019.

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15 – Commitments

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

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

Note 16 – Subsequent Events

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

On February 26, 2020, the Company's Board of Directors granted an aggregate amount of 240,000 stock options pursuant to the 2020 Equity Plan to purchase shares of the Company's common stock to several officers, directors, and employees at an exercise price of \$5.41 per share, which represents the closing price of the Company's shares on the OTCQB marketplace on February 20, 2020. The officers and directors receiving grants and the amounts of such grants were as follows:

| Name and Title | Stock Option Shares Granted |
|-----------------------------------------------------------------------------|--------------------------------|
| Ken DeCubellis, Chief Executive Officer and Interim Chief Financial Officer | 60,377 |
| Michael Eisele, Chief Operating Officer | 42,264 |
| Bradley Berman, Chairman of the Board and Director | 24,151 |
| Joseph Lahti, Director | 24,151 |
| Benjamin Oehler, Director | 24,151 |
| Lyle Berman, Director | 24,151 |
| Total: | <u>199,245</u> |

All of the stock options granted under the 2020 Equity Plan presented in the table above will vest in five equal installments, commencing one year from the date of grant on February 26, 2021, and continuing for the next four anniversaries thereof until fully vested.

On February 18, 2020, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of Nevada to effect the Company's previously announced 300-for-one reverse stock split of the Company's issued and outstanding common stock, par value \$0.0001 per share. The Reverse Stock Split, effective as of February 21, 2020, converts every 300 shares of the Company's issued and outstanding Common Stock into one share of Common Stock.

BLACK RIDGE OIL & GAS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the Amended Articles, no fractional shares will be issued for any fraction of a share of common stock that would otherwise have resulted from the Reverse Stock Split. Following the Effective Date:

- Stockholders owning 300 or more shares of Common Stock will receive (1) one share of Common Stock for every 300 shares owned and (2) cash in lieu of fractional shares upon the surrender of such stockholder's shares;
- Stockholders owning between 25 and 300 shares of Common Stock will have their ownership of shares of Common Stock rounded up to one share; and
- Stockholders owning fewer than 25 shares of Common Stock will receive cash in lieu of fractional shares upon the surrender of such stockholders' shares and will no longer own shares of Common Stock.

Any cash payment in lieu of fractional shares are based on the volume weighted average of the closing sales prices of the Company's Common Stock on the OTCQB operated by OTC Markets Group Inc. during regular trading hours for the five consecutive trading days immediately preceding the Effective Date.

On January 2, 2020, the Company deposited 500,000 shares of its holdings of Allied Esports Entertainment Inc. (NASDAQ: AESE) pursuant to its brokerage account agreement with RBC Capital Markets, LLC. Under this standard brokerage agreement, the Company will be able to borrow funds secured by the value of the AESE shares pursuant to a standard margin account arrangement. The current value of the deposited AESE shares is \$1,200,000 based on a closing price of \$2.40 as of March 5, 2020.

On March 12, 2020, the Company entered into a business loan agreement with Cadence Bank, N.A. ("Cadence"), as lender encompassing a \$700,000 Promissory Note issued to Cadence (the "Note"), a Security Agreement by the Company in favor of Cadence and limited commercial guarantees by the Company's Chief Executive Officer and Interim Chief Financial Officer and members of the Company's Board of Directors (the "Guarantors") (collectively, the "Cadence Loan"). The Note bears interest at a rate of 0.500 percentage points over the prime rate as published in the Wall Street Journal, currently 4.25% per annum, payable monthly, and is due on March 9, 2021. The Note may be repaid at any time without penalty. The Note is secured by all of the Company's rights, title and interests in and to 500,000 shares of the common stock of Allied Esports Entertainment Inc. (NASDAQ: AESE) currently owned by the Company and held in the Company's brokerage account with RBC Capital Markets, LLC.

In consideration for their willingness to serve as guarantors of the Cadence Loan, the Company issued warrants to each of the Guarantors (the "Guarantor Warrants") for the purchase of the Company's common stock. The Guarantor Warrants entitle each Guarantor to purchase 26,250 shares of the Company's common stock (the "Warrant Shares") at an exercise price of \$4.00 per share. The Guarantor Warrants expire on March 12, 2030.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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

As of December 31, 2019, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Interim Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined) in Exchange Act Rules 13a –15(e). Based upon that evaluation, our Chief Executive Officer and Interim Chief Financial Officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our Chief Executive Officer and Interim Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

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

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

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

We carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Interim Chief Financial Officer, who is one in the same, of the effectiveness of our internal controls over financial reporting as of December 31, 2019. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in “Internal Control — Integrated Framework (2013).” Based on this assessment, management believes that, as of December 31, 2019, our internal control over financial reporting was effective based on those criteria.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company’s internal control over financial reporting through the date of this report or during the quarter ended December 31, 2019, that materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

Independent Registered Accountant’s Internal Control Attestation

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

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The following table lists our executive officers and directors as of March 15, 2020:

| Name | Age | Position |
|--------------------------------------|-----|-------------------------------------------------------------|
| Kenneth DeCubellis | 53 | Chief Executive Officer and Interim Chief Financial Officer |
| Michael Eisele | 37 | Chief Operating Officer |
| Bradley Berman | 49 | Chairman of the Board of Directors |
| Benjamin S. Oehler ⁽¹⁾⁽²⁾ | 71 | Director |
| Joseph Lahti ⁽¹⁾⁽²⁾ | 59 | Director |
| Lyle Berman ⁽¹⁾ | 78 | Director |

⁽¹⁾Member of audit committee.

⁽²⁾Member of compensation committee.

Kenneth DeCubellis has been our chief executive officer since November 9, 2011 and was appointed interim chief financial officer on September 24, 2019. Mr. DeCubellis was recently Chairman and Chief Executive Officer of Black Ridge Acquisition Corp. (NASDAQ: BRAC), the Special Purpose Acquisition Company sponsored by Black Ridge. Prior to joining Black Ridge, Mr. DeCubellis was the president and chief executive officer of Altra Inc., a venture capital backed biofuels company based in Los Angeles, California. He joined Altra in June 2006 as vice president, business development and was promoted to president in November of 2007 and chief executive officer in February 2008. From 1996 to 2006, he was an executive with Exxon Mobil Corp in Houston, Texas. Mr. DeCubellis holds a B.S. in Mechanical Engineering from Rensselaer Polytechnic Institute, an MBA from Northwestern University's J.L. Kellogg Graduate School of Management, and a Masters of Engineering Management from Northwestern University's McCormick School of Engineering.

Mr. DeCubellis' qualifications:

- Leadership experience – Mr. DeCubellis has been our chief executive officer since November 9, 2011, chairman and chief executive officer of Black Ridge Acquisition Corp. (2017-2019), chief executive officer of Altra Inc. (2008 to 2011), vice president- president of Altra Inc. (2006 to 2011), and an executive with Exxon Mobil Corp in Houston, Texas. (1996 to 2006).
- Industry experience - Mr. DeCubellis has been our chief executive officer from November 9, 2011 and has broad experience in mergers and acquisitions and capital raising.
- Education experience - Mr. DeCubellis holds a Bachelor of Science degree from Rensselaer Polytechnic Institute (1990), an MBA from Northwestern University's J.L. Kellogg Graduate School of Management (1996), and a Masters of Engineering Management from Northwestern University's McCormick School of Engineering (1996).

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

Mr. Eisele's qualifications:

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

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

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

Mr. Berman's qualifications:

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

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

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

Mr. Oehler's qualifications:

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

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

Mr. Lahti's qualifications:

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

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

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

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

Mr. Berman's qualifications:

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

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

CORPORATE GOVERNANCE

Director Selection Process

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

Board and Committee Meetings

During the year ended December 31, 2019, the Board of Directors held four meetings, the Audit Committee held four meetings, and the Compensation Committee held no meetings. Each of our elected Directors attended at least 75% of all meetings of the Board of Directors and the committees on which he served during the year.

Annual Meeting Attendance

The Company did not hold an annual meeting of stockholders in 2019. If the Company holds an annual meeting of stockholders in the future, the Board of Directors will encourage Directors to attend such annual meeting.

Board Leadership Structure

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

Risk Management

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

Communications with the Board of Directors

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

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

Code of Ethics

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

ITEM 11. EXECUTIVE COMPENSATION

Compensation Overview

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

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

Compensation Program Objectives and Rewards

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

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

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

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

Benchmarking

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

The Elements of The Company's Compensation Program

Base Salary

Executive officer base salaries are based on job responsibilities and individual contribution. Our compensation committee and board of directors review the base salaries of our executive officers, including our Named Executive Officers, considering factors such as corporate progress toward achieving objectives (without reference to any specific performance-related targets) and individual performance experience and expertise. Other than the Change of Control Agreements described below, Ken DeCubellis is our only Named Executive Officer that has an employment agreement with us. We entered into an employment agreement with Ken DeCubellis on September 24, 2019 under which he serves as our Chief Executive Officer. Pursuant to the employment agreement, we pay Mr. DeCubellis an annual base salary of \$300,000 through at least August 9, 2021. At the Company's election, the payments may be made in cash, through the transfer of shares of AESE stock held by Black Ridge, or a combination thereof. Additional factors reviewed by our compensation committee and board of directors in determining appropriate base salary levels and raises include subjective factors related to corporate and individual performance. For the year ended December 31, 2019, all executive officer base salary decisions were approved by the board of directors.

Our compensation committee determines and then recommends to the whole board base salaries for the Named Executive Officers at the beginning of each fiscal year. The compensation committee proposes new base salary amounts, if appropriate, based on its evaluation of individual performance and expected future contributions. The board of directors then approves base salary amounts for the fiscal year. We do not make matching contributions to the 401(k) Plan.

Incentive Compensation Awards

No bonuses were granted in 2019 or 2018.

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

Equity Incentive Awards

Effective June 10, 2010, as amended on February 22, 2011 and March 2, 2012, our board of directors adopted the Amended and Restated 2012 Stock Incentive Plan (the 2012 Plan) under which a total of 25,000 shares of our common stock (as adjusted for the reverse stock split) have been reserved for issuance as restricted stock or pursuant to the grant and exercise of stock options. The 2012 Plan has been approved by the holders of a majority of our outstanding shares.

Effective December 12, 2016, our board of directors adopted the 2016 Non-Qualified Stock Option Plan (the 2016 Plan) under which a total of 12,712 shares of our common stock (as adjusted for the reverse stock split) have been reserved for issuance pursuant to the grant and exercise of non-qualified stock options.

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

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

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

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

Benefits and Prerequisites

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

Separation and Change in Control Arrangements

We entered into an employment agreement with Ken DeCubellis on September 24, 2019 under which he serves as our Chief Executive Officer. Pursuant to the employment agreement, we pay Mr. DeCubellis an annual base salary of \$300,000 through at least August 9, 2021. At the Company’s election, the payments may be made in cash, through the transfer of shares of AESE stock held by Black Ridge, or a combination thereof. We do not have any employment agreements with any other executive officer or employee of the Company. However, as of the date of this filing, we have entered into Change of Control Agreements (the “CIC Agreements”) with executives, Ken DeCubellis and Michael Eisele. The CIC Agreements provide that, in the event that (i) the executive is terminated, other than for cause, disability, or death, or (ii) there is a “Change in Circumstances”, in either case within 12 months of a “Change in Control,” then the executive is entitled to receive his annual salary in regular distributions over the course of the next 12 months, to take part in the Company’s health and dental group policies, and to receive the same employer contributions for health and dental coverage that the Company provides to its other executive employees as of the executive’s last day of employment with the Company.

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

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

Executive Officer Compensation

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

| Summary Compensation Table | | | | | | | | |
|---------------------------------------------------|------|------------|-------|------------------|-------------------------------------------------|-----------------------------------------------------------|---------------------------|------------|
| Name and Principal Position | Year | Salary | Bonus | Option Awards | Non-Equity Incentive Plan Compensation | Non- Qualified Deferred Compensation Earnings | All Other Compensation | Total |
| Kenneth T. DeCubellis, Chief Executive Officer | 2019 | \$ 275,000 | \$ – | \$ – | \$ – | \$ – | \$ – | \$ 275,000 |
| | 2018 | \$ 275,000 | \$ – | \$ – | \$ – | \$ – | \$ – | \$ 275,000 |
| Michael Eisele, Chief Operating Officer | 2019 | \$ 187,000 | \$ – | \$ – | \$ – | \$ – | \$ – | \$ 187,000 |
| | 2018 | \$ 187,000 | \$ – | \$ – | \$ – | \$ – | \$ – | \$ 187,000 |
| James Moe, Chief Financial Officer | 2019 | \$ 140,673 | \$ – | \$ – | \$ – | \$ – | \$ – | \$ 140,673 |
| | 2018 | \$ 192,500 | \$ – | \$ – | \$ – | \$ – | \$ – | \$ 192,500 |

Employment Agreements

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

Outstanding Equity Awards

The following table sets forth information with respect to unexercised stock options, stock that has not vested, and equity incentive plan awards held by our executive officers at December 31, 2019.

| Outstanding Option Awards at Fiscal Year-End | | | | |
|-----------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------|------------------------|
| Name | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Option Exercise Price | Option Expiration Date |
| Kenneth T. DeCubellis, | -0- | 60,377 ⁽¹⁰⁾ | \$ 5.41 | February 25, 2030 |
| Chief Executive Officer | 4,013 | -0 ⁽¹⁾ | \$ 12.00 | December 11, 2026 |
| | 533 | 134 ⁽²⁾ | \$ 51.60 | September 29, 2025 |
| | 193 | -0 ⁽³⁾ | \$ 84.00 | December 21, 2024 |
| | 2,500 | -0 ⁽⁴⁾ | \$ 195.00 | December 11, 2023 |
| | 1,333 | -0 ⁽⁵⁾ | \$ 168.00 | January 23, 2023 |
| | 3,333 | -0 ⁽⁶⁾ | \$ 81.00 | September 24, 2022 |
| Michael Eisele, | -0- | 42,264 ⁽¹⁰⁾ | \$ 5.41 | February 25, 2030 |
| Chief Operating Officer | 1,667 | -0 ⁽¹⁾ | \$ 12.00 | December 11, 2026 |
| | 533 | 134 ⁽²⁾ | \$ 51.60 | September 29, 2025 |
| | 133 | -0 ⁽³⁾ | \$ 84.00 | December 21, 2024 |
| | 833 | -0 ⁽⁴⁾ | \$ 195.00 | December 11, 2023 |
| | 550 | -0 ⁽⁷⁾ | \$ 192.00 | July 31, 2023 |
| | 550 | -0 ⁽⁵⁾ | \$ 168.00 | January 23, 2023 |
| | 500 | -0 ⁽⁸⁾ | \$ 84.00 | August 9, 2022 |

- (1) Options granted on December 12, 2016, vested in three equal annual installments, commencing one year from the date of grant, and continuing on the next two anniversaries thereof until fully vested.
- (2) Options granted on September 30, 2015, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.
- (3) Options granted on December 22, 2014, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.
- (4) Options granted on December 12, 2013, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.
- (5) Options granted on January 24, 2013, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.
- (6) Options granted on September 25, 2012, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.
- (7) Options granted on August 1, 2013, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.
- (8) Options granted on August 10, 2012, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.
- (9) Options granted on November 2, 2011, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.
- (10) Options granted on February 26, 2020, vest in five equal annual installments, commencing one year from the date of grant, and continuing on the next four anniversaries thereof until fully vested.

Option Exercises and Stock Vested

None of our executive officers exercised any stock options or acquired stock through vesting of an equity award during the year ended December 31, 2019.

Director Compensation

No compensation was paid or accrued by us to our directors for the year ended December 31, 2019.

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

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

The following table sets forth certain information regarding beneficial ownership of our common stock as of March 15, 2020, based on information obtained from the persons named below or as filed with the SEC, with respect to the beneficial ownership of shares of our common stock by: (i) each person who is known by us to own beneficially more than 5% of our common stock; (ii) each director; (iii) each named executive officer; and (iv) all of our directors and executive officers as a group. On March 15, 2020, we had 1,600,484 shares of common stock outstanding.

As used in the table below and elsewhere in this form, the term “beneficial ownership” with respect to a security consists of sole or shared voting power, including the power to vote or direct the vote and/or sole or shared investment power, including the power to dispose or direct the disposition, with respect to the security through any contract, arrangement, understanding, relationship, or otherwise, including a right to acquire such power(s) during the next 60 days following March 15, 2020. Inclusion of shares in the table does not, however, constitute an admission that the named stockholder is a direct or indirect beneficial owner of those shares. Unless otherwise indicated, (i) each person or entity named in the table has sole voting power and investment power (or shares that power with that person’s spouse) with respect to all shares of capital stock listed as owned by that person or entity, and (ii) the address of each person or entity named in the table is c/o Black Ridge Oil & Gas, Inc., 110 Fifth Street North, Suite 410, Minneapolis, Minnesota 55403.

| Name, Title and Address of Beneficial Owner | Number of Shares Beneficially Owned ⁽¹⁾ | Percentage of Ownership |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------|
| Bradley Berman, Chairman of Board and Director ⁽²⁾ | 197,611 | 12.3% |
| Ken DeCubellis, Chief Executive Officer ⁽³⁾ | 159,371 | 9.9% |
| Michael Eisele, Chief Operating Officer ⁽⁴⁾ | 4,766 | * |
| Joseph Lahti, Director ⁽⁶⁾ | 24,968 | 1.6% |
| Benjamin Oehler, Director ⁽⁷⁾ | 29,649 | 1.8% |
| Lyle Berman, Director ⁽⁸⁾ | 219,001 | 13.7% |
| All Directors and Executive Officers as a Group (7 persons) | 635,365 | 39.7% |
| Neil Sell ⁽⁹⁾ 3300 Wells Fargo Center 90 South 7 th Street Minneapolis, MN 55402 | 167,077 | 10.4% |
| Sheldon Fleck ⁽¹⁰⁾ 1400 International Centre 900 Second Ave. South Minneapolis, MN 55402 | 154,617 | 9.7% |
| Gary Raimist ⁽¹¹⁾ 10932 Snow Cloud Court Las Vegas, NV 89135 | 123,910 | 7.7% |
| Perkins Capital Management, Inc. ⁽¹²⁾ 730 Lake Street E. Wayzata, MN 55391 | 100,070 | 6.3% |
| Ernest W. Moody Revocable Trust 175 East Reno Avenue, Suite C6 Las Vegas, NV 89119 | 83,333 | 5.2% |
| Morris and Arlene Goldfarb 21 Fairway Drive Mamaroneck, NY 10543 | 80,152 | 5.0% |

*Indicates beneficial ownership of less than 1%.

⁽¹⁾ Except as pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned. The total number of issued and outstanding shares and the total number of shares owned by each person does not include unexercised warrants and stock options owned by parties other than for whom the calculation is presented, and is calculated as of March 15, 2020.

⁽²⁾ Includes 1,600 shares which may be purchased pursuant to stock options exercisable within 60 days of March 15, 2020, 23,740 shares held by certain trusts for the children of Mr. Bradley Berman, and 6,196 shares owned by Mr. Bradley Berman's spouse.

⁽³⁾ Includes 10,659 shares which may be purchased pursuant to stock options and warrants exercisable within 60 days of March 15, 2020, 35,167 shares owned by Mr. Ken DeCubellis' spouse and 65 shares which may be purchased pursuant to stock warrants exercisable within 60 days of March 15, 2020.

⁽⁴⁾ Includes 4,051 shares which may be purchased pursuant to stock options exercisable within 60 days of March 15, 2020.

⁽⁵⁾ Includes 4,790 shares which may be purchased pursuant to stock options exercisable within 60 days of March 15, 2020.

⁽⁶⁾ Includes 2,170 shares which may be purchased pursuant to stock options and warrants exercisable within 60 days of March 15, 2020 and 666 shares held by Mr. Lahti's spouse.

⁽⁷⁾ Includes 2,516 shares which may be purchased pursuant to stock options exercisable within 60 days of March 15, 2020 and 26,667 shares held by Mr. Oehler's spouse and 50 shares which may be purchased pursuant to warrants held by Mr. Oehler's spouse.

⁽⁸⁾ Includes 345,043 shares which may be purchased pursuant to stock options and warrants exercisable within 60 days of March 15, 2020. Does not include 123,910 shares held by trusts for the children of Mr. Lyle Berman, for which Mr. Neil Sell and Mr. Gary Raimist are co-trustees.

⁽⁹⁾ Includes 50 shares which may be purchased pursuant to stock warrants exercisable within 60 days of March 15, 2020 and includes an aggregate of 135,026 shares owned by certain trusts, for which Mr. Sell is trustee and inclusive of 123,910 shares for which Mr. Sell is a co-trustee with Mr. Raimist. Does not include 600 shares held by Mr. Sell's spouse, for which Mr. Sell disclaims beneficial ownership.

⁽¹⁰⁾ Includes 250 shares which may be purchased pursuant to stock warrants exercisable within 60 days of March 15, 2020 and 6,666 shares of common stock owned by Mr. Fleck's spouse.

⁽¹¹⁾ Includes 123,910 shares owned by certain trusts for the benefit of Mr. Lyle Berman's children, for which Mr. Raimist is a co-trustee with Mr. Sell.

⁽¹²⁾ Perkins Capital Management, Inc. is an investment advisor with sole power dispose or to direct the disposition of the shares including 150 shares which may be purchased pursuant to stock warrants exercisable within 60 days of March 15, 2020.

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

Related Party Transactions

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

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

Review and Approval of Transactions with Related Persons

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

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

Director Independence

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

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

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

M&K CPAS, PLLC (“M&K”) was the Company’s independent registered public accounting firm for the years ended December 31, 2019 and 2018 and has served the Company as its independent registered public accounting firm since our inception.

Audit and Non-Audit Fees

The following table presents fees for professional services rendered by M&K for the audit of the Company’s annual financial statements for the years ended December 31, 2019 and 2018.

| | Years Ended December 31, | |
|---------------------------|--------------------------|-----------|
| | 2019 | 2018 |
| Audit fees ⁽¹⁾ | \$ 32,000 | \$ 38,500 |
| Audit related fees | – | – |
| Tax fees | – | – |
| All other fees | – | – |
| Total | \$ 32,000 | \$ 38,500 |

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

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

The Audit Committee is responsible for appointing, setting compensation for, and overseeing the work of the Company’s independent registered public accounting firm. The Audit Committee has established a policy regarding pre-approval of all audit and permissible non-audit services provided by the independent registered public accounting firm, and all such services were approved by the Audit Committee in the years ended December 31, 2019 and 2018.

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

Report of the Audit Committee

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

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

Reviewed and discussed the audited financial statements for the year ended December 31, 2019 with management and M&K CPAS, PLLC, the Company's independent auditors;

Discussed with M&K CPAS, PLLC the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the SEC; and

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

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

Based on the Audit Committee's review and discussions described above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 for filing with the SEC.

THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Benjamin Oehler, *Chairman*

Joseph Lahti

Lyle Berman

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibits

| Exhibit No | Description |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.1 | Distribution Agreement by and between Ante4, Inc. (now Voyager Oil & Gas, Inc.) and Ante5, Inc. (now Black Ridge Oil & Gas, Inc.), dated April 16, 2010 (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commissioner by Voyager Oil & Gas, Inc. on April 19, 2010) |
| 2.2 | Certificate of Ownership and Merger (incorporated by reference to Exhibit 3.3 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 3, 2012) |
| 2.3 | Plan and Agreement of Merger by and between Black Ridge Oil & Gas, Inc. and Black Ridge Oil & Gas, Inc., dated December 10, 2012 (incorporated by reference to Exhibit 2.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 12, 2012) |
| 3.1 | Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 12, 2012) |
| 3.2 | Certificate of Amendment to Articles of Incorporation (incorporated by reference to Exhibit 3.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on February 21, 2020) |
| 3.3 | Bylaws (incorporated by reference to Exhibit 3.2 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 12, 2012) |
| 4.1 | Black Ridge Oil & Gas, Inc. 2012 Amended and Restated Stock Incentive Plan (incorporated by reference from Schedule 14C filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on March 26, 2012) |
| 4.2 | Black Ridge Oil & Gas Amendment of 2012 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on September 27, 2012) |
| 4.3 | Form of Stock Incentive Agreement (incorporated by reference to Exhibit 10.2 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on September 27, 2012) |
| 4.4 | 2016 Non-Qualified Stock Option Plan (incorporated by reference to Exhibit 99.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 14, 2016) |

- 4.5 [Form of Non-Qualified Stock Option Agreement](#) (incorporated by reference to Exhibit 99.2 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 14, 2016)
- 4.6 [2018 Stock Management Incentive Plan](#) (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on March 6, 2018)
- 4.7 [Form of 2018 Management Incentive Award Agreement](#) (incorporated by reference to Exhibit 10.2 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on March 6, 2018)
- 4.8 [2020 Stock Incentive Plan](#) (incorporated by reference to Annex C of the DEF 14C filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on January 10, 2020)
- 4.9 [Form of 2020 Incentive Stock Option Grant Agreement](#) (incorporated by reference to Exhibit 99.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on February 26, 2020)
- 4.10 [Form of 2020 Non-Qualified Stock Option Grant Agreement](#) (incorporated by reference to Exhibit 99.2 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on February 26, 2020)
- 4.11* [Description of Securities](#)
- 9.1 [Form of Voting Agreement used in connection with our private placement which closed on December 16, 2010](#) (incorporated by reference to Exhibit 9.1 of the Form S-1 filed with the Securities and Exchange Commission by Ante5, Inc. on August 22, 2011)
- 10.1 [Form of Indemnification Agreement with Officers and Directors](#) (incorporated by reference to Exhibit 10.16 of the Form 10-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on March 28, 2013)
- 10.2 [Employment Agreement, dated September 24, 2019, by and Among Ken DeCubellis](#) (incorporated by reference to Exhibit 10.4 of the Report on Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on November 14, 2019)
- 10.3 [Change of Control Agreement, dated April 5, 2013, by and between Black Ridge Oil & Gas, Inc. and Ken DeCubellis](#) (incorporated by reference to Exhibit 10.1 of the Report on Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 5, 2013)
- 10.4 [Change of Control Agreement, dated August 1, 2013, by and between Black Ridge Oil & Gas, Inc. and Michael Eisele](#) (incorporated by reference to Exhibit 10.3 of the Report on Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on August 1, 2013)

- 10.5 [Limited Liability Company Agreement of Black Ridge Holding Company, LLC dated June 21, 2016](#) (incorporated by reference to Exhibit 10.3 of the Report on Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on August 15, 2016)
- 10.6 [Management Services Agreement dated June 21, 2016 by and between Black Ridge Oil & Gas, Inc. and Black Ridge Holding Company, LLC](#) (incorporated by reference to Exhibit 10.4 of the Report on Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on August 15, 2016)
- 10.7 [Standby Purchase Agreement, dated as of May 23, 2017, by and among Black Ridge Oil and Gas, Inc. and the Investors named therein](#)(incorporated by reference to Exhibit 10.10 of the Report on Form S-1 filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on May 23, 2017)
- 10.8 [Amendment to Standby Purchase Agreement, dated as of September 22, 2017 by and among Black Ridge Oil & Gas, Inc. and the Investors named therein](#) (incorporated by reference to Exhibit 10.1 of the Report on Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on September 26, 2017)
- 10.9 [Black Ridge Oil & Gas, Inc. 2018 Management Incentive Plan](#)(incorporated by reference to Exhibit 10.1 of the Report on Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on March 6, 2018)
- 10.10 [Form of 2018 Incentive Plan Award Agreement](#) (incorporated by reference to Exhibit 10.2 of the Report on Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on March 6, 2018)
- 10.11 [Warrant Agreement, dated October 4, 2017, between Black Ridge Acquisition Corp. and Continental Stock Transfer & Trust Company](#) (incorporated by reference to Exhibit 10.20 of the Report on Form 10-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on April 12, 2018)
- 24.1* [Power of Attorney](#) (including on signature pages)
- 31.1* [Certification of Chief Executive Officer and Interim Chief Financial Officer](#) pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a)
- 32.1* [Certification of Chief Executive Officer and Interim Chief Financial Officer](#) pursuant to Securities Exchange Act of 1934 Rule 13a-14(b) or 15d-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 101* Interactive Data Files
* Filed herewith.

ITEM 16. Form 10-K Summary.

None.

SIGNATURES

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

BLACK RIDGE OIL & GAS, INC.

Dated: March 25, 2020

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

POWER OF ATTORNEY

Each of the undersigned members of the Board of Directors of BLACK RIDGE OIL & GAS, Inc., whose signature appears below hereby constitutes and appoints Kenneth DeCubellis, such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution for such person and in such name, place and stead, in any and all capacities, to sign the Form 10-K for the year ended December 31, 2019 (the "Annual Report") of Black Ridge Oil & Gas, Inc. and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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

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

Dated: March 25, 2020

By: /s/ Bradley Berman
Bradley Berman, Director

Dated: March 25, 2020

By: /s/ Lyle Berman
Lyle Berman, Director

Dated: March 25, 2020

By: /s/ Joseph Lahti
Joseph Lahti, Director

Dated: March 25, 2020

By: /s/ Benjamin Oehler
Benjamin Oehler, Director

Dated: March 25, 2020

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

The following is a brief description of shares of common stock (“common stock”) of Black Ridge Oil & Gas, Inc. (the “Company,” “we,” “us,” or “our”). The brief description is based upon our Articles of Incorporation, including the Certificate of Amendment to our Articles of Incorporation, (as amended, our “Articles of Incorporation”), our Bylaws (our “Bylaws”), and provisions of applicable Nevada law. This summary does not purport to be complete and is subject to, and qualified in its entirety by, the full text of our Articles of Incorporation and Bylaws, each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K.

GENERAL

Our Articles of Incorporation authorizes us to issue up to 520,000,000 shares of capital stock, consisting of 500,000,000 shares of common stock, par value \$0.001 per share, and 20,000,000 shares of preferred stock, par value \$0.001 per share, of which 1,600,484 shares of common stock and no shares of preferred stock were issued and outstanding as of December 31, 2019. Our Articles of Incorporation authorizes our Board of Directors (our “Board”) to determine, at any time and from time to time, the number of authorized shares, as described below.

COMMON STOCK

Holders of common stock are entitled to one vote per share on all matters submitted to a vote of the stockholders. Our holders of common stock do not have cumulative voting rights. Holders of common stock will be entitled to receive ratably such dividends as may be declared by the Board out of funds legally available therefor, which may be paid in cash, property, or in shares of the Company’s capital stock. Upon liquidation, dissolution or winding up of the Company, either voluntarily or involuntarily, the holders of common stock will be entitled to receive their ratable share of the net assets of the Company legally available for distribution after payment of all debts and other liabilities. There are no conversion, preemptive or other subscription rights and there are no sinking fund or redemption provisions applicable to the common stock.

Dividends

We have not declared or paid any dividends on our common stock since our inception and do not anticipate paying dividends for the foreseeable future. The payment of dividends is subject to the discretion of our Board and will depend, among other things, upon our earnings, our capital requirements, our financial condition, and other relevant factors. We intend to reinvest any earnings in the development and expansion of our business. Any cash dividends in the future to common stockholders will be payable when, as and if declared by our Board, based upon the board’s assessment of our financial condition and performance, earnings, need for funds, capital requirements, prior claims of preferred stock to the extent issued and outstanding, and other factors, including income tax consequences, restrictions and applicable laws. There can be no assurance, therefore, that any dividends on our common stock will ever be paid.

PREFERRED STOCK

The shares of preferred stock may be issued in series, and shall have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issuance of such stock adopted from time to time by the Board. The Board is expressly vested with the authority to determine and fix in the resolution or resolutions providing for the issuances of preferred stock the voting powers, designations, preferences and rights, and the qualifications, limitations or restrictions thereof, of each such series to the full extent now or hereafter permitted by the laws of the State of Nevada.

ANTI-TAKEOVER EFFECTS OF PROVISIONS OF OUR ARTICLES OF INCORPORATION, BYLAWS AND NEVADA LAW

The following is a brief description of the provisions in our Articles of Incorporation, Bylaws and Nevada Law that could have an effect of delaying, deferring, or preventing a change in control of the Company.

Anti-Takeover Effects of Nevada Law

Business Combinations

We are a Nevada corporation and are generally governed by the Nevada Private Corporations Code, Title 78 of the Nevada Revised Statutes, or NRS.

The “business combination” provisions of Sections 78.411 to 78.444, inclusive, of the NRS, generally prohibit a Nevada corporation with at least 200 stockholders from engaging in various “combination” transactions with any interested stockholder for a period of two years after the date of the transaction in which the person became an interested stockholder, unless the transaction is approved by the board of directors prior to the date the interested stockholder obtained such status or the combination is approved by the board of directors and thereafter is approved at a meeting of the stockholders by the affirmative vote of stockholders representing at least 60% of the outstanding voting power held by disinterested stockholders, and extends beyond the expiration of the two-year period, unless:

- the combination was approved by the board of directors prior to the person becoming an interested stockholder or the transaction by which the person first became an interested stockholder was approved by the board of directors before the person became an interested stockholder or the combination is later approved by a majority of the voting power held by disinterested stockholders; or
- consideration to be paid by the interested stockholder is at least equal to the highest of: (a) the highest price per share paid by the interested stockholder within the two years immediately preceding the date of the announcement of the combination or in the transaction in which it became an interested stockholder, whichever is higher, (b) the market value per share of common stock on the date of announcement of the combination and the date the interested stockholder acquired the shares, whichever is higher, or (c) for holders of preferred stock, the highest liquidation value of the preferred stock, if it is higher.

A “combination” is generally defined to include mergers or consolidations or any sale, lease exchange, mortgage, pledge, transfer, or other disposition, in one transaction or a series of transactions, with an “interested stockholder” having: (a) an aggregate market value equal to 5% or more of the aggregate market value of the assets of the corporation, (b) an aggregate market value equal to 5% or more of the aggregate market value of all outstanding shares of the corporation, (c) 10% or more of the earning power or net income of the corporation, and (d) certain other transactions with an interested stockholder or an affiliate or associate of an interested stockholder.

In general, an “interested stockholder” is a person who, together with affiliates and associates, owns (or within two years, did own) 10% or more of a corporation’s voting stock. The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire our Company even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

Control Share Acquisitions

The “control share” provisions of Sections 78.378 to 78.3793, inclusive, of the NRS apply to “issuing corporations” that are Nevada corporations with at least 200 stockholders, including at least 100 stockholders of record who are Nevada residents, and that conduct business directly or indirectly in Nevada. The control share statute prohibits an acquirer, under certain circumstances, from voting its shares of a target corporation’s stock after crossing certain ownership threshold percentages, unless the acquirer obtains approval of the target corporation’s disinterested stockholders. The statute specifies three thresholds: one-fifth or more but less than one-third, one-third but less than a majority, and a majority or more, of the outstanding voting power.

Generally, once an acquirer crosses one of the above thresholds, those shares in an offer or acquisition and acquired within 90 days thereof become “control shares” and such control shares are deprived of the right to vote until disinterested stockholders restore the right. These provisions also provide that if control shares are accorded full voting rights and the acquiring person has acquired a majority or more of all voting power, all other stockholders who do not vote in favor of authorizing voting rights to the control shares are entitled to demand payment for the fair value of their shares in accordance with statutory procedures established for dissenters’ rights.

A corporation may elect to not be governed by, or “opt out” of, the control share provisions by making an election in its articles of incorporation or bylaws, provided that the opt-out election must be in place on the 10th day following the date an acquiring person has acquired a controlling interest, that is, crossing any of the three thresholds described above. We have not opted out of the control share statutes, and will be subject to these statutes if we are an “issuing corporation” as defined in such statutes.

The effect of the Nevada control share statutes is that the acquiring person, and those acting in association with the acquiring person, will obtain only such voting rights in the control shares as are conferred by a resolution of the stockholders at an annual or special meeting. The Nevada control share law, if applicable, could have the effect of discouraging takeovers of our Company.

Number of Directors; Vacancies; Removal

Our Bylaws provide that only our Board may increase or decrease the number of directors. Any vacancy on the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office, and shall hold such office until his successor is duly elected and qualified. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office or by an election at an annual meeting, or at a special meeting of stockholders called for that purpose. A director chosen to fill a position resulting from an increase in the number of directors shall hold office only until the next election of directors by the stockholder.

Our Bylaws provide that any director or directors of the corporation may be removed from office at any time, with or without cause, by the vote or written consent of stockholders representing not less than a majority of the issued and outstanding capital stock entitled to voting power.

Authorized Shares

Without any action by our shareholders, we may increase or decrease the aggregate number of shares or the number of shares of any class we have authority to issue at any time. The board shall have authority to establish more than one class or series of shares of this corporation, and the different classes and series shall have such relative rights and preferences, with such designations, as the board may by resolution provide. Issuance of such a new class or series could, depending upon the terms of the class or series, delay, defer, or prevent a change of control of the Company.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our Bylaws contain advance notice provisions that a stockholder must follow if it intends to bring business proposals or director nominations, as applicable, before a meeting of stockholders. These provisions may preclude our stockholders from bringing matters before the annual meeting of stockholders or from making nominations at the annual meeting of stockholders.

No Cumulative Voting

Holders of our common shares do not have cumulative voting rights in the election of Directors. The absence of cumulative voting may make it more difficult for shareholders owning less than a majority of our common shares to elect any Directors to our Board.

LIMITATION ON LIABILITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 78.138 of the NRS provides that, unless the corporation's articles of incorporation provide otherwise, a director or officer will not be individually liable unless it is proven that (i) the director's or officer's acts or omissions constituted a breach of his or her fiduciary duties, and (ii) such breach involved intentional misconduct, fraud, or a knowing violation of the law.

Section 78.7502 of the NRS permits a company to indemnify its directors and officers against expenses, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with a threatened, pending, or completed action, suit, or proceeding, if the officer or director (i) is not liable pursuant to NRS 78.138, or (ii) acted in good faith and in a manner the officer or director reasonably believed to be in or not opposed to the best interests of the corporation and, if a criminal action or proceeding, had no reasonable cause to believe the conduct of the officer or director was unlawful. Section 78.7502 of the NRS requires a corporation to indemnify a director or officer that has been successful on the merits or otherwise in defense of any action or suit. Section 78.7502 of the NRS precludes indemnification by the corporation if the officer or director has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court determines that in view of all the circumstances, the person is fairly and reasonably entitled to indemnity for such expenses and requires a corporation to indemnify its officers and directors if they have been successful on the merits or otherwise in defense of any claim, issue, or matter resulting from their service as a director or officer.

Section 78.751 of the NRS permits a Nevada company to indemnify its officers and directors against expenses incurred by them in defending a civil or criminal action, suit, or proceeding as they are incurred and in advance of final disposition thereof, upon determination by the stockholders, the disinterested board members, or by independent legal counsel. If so provided in the corporation's articles of incorporation, bylaws, or other agreement, Section 78.751 of the NRS requires a corporation to advance expenses as incurred upon receipt of an undertaking by or on behalf of the officer or director to repay the amount if it is ultimately determined by a court of competent jurisdiction that such officer or director is not entitled to be indemnified by the company. Section 78.751 of the NRS further permits the company to grant its directors and officers additional rights of indemnification under its articles of incorporation, bylaws, or other agreement.

Section 78.752 of the NRS provides that a Nevada company may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee, or agent of the company, or is or was serving at the request of the company as a director, officer, employee, or agent of another company, partnership, joint venture, trust, or other enterprise, for any liability asserted against him and liability and expenses incurred by him in his capacity as a director, officer, employee, or agent, or arising out of his status as such, whether or not the company has the authority to indemnify him against such liability and expenses.

We have entered into indemnification agreements with each of our officers and directors to provide indemnification to the fullest extent permitted by the NRS against expense, liability, and loss reasonably incurred or suffered by them in connection with their service as an officer or director. The agreements provide for advance costs and expenses incurred with respect to any proceeding to which a person is made a party as a result of being a director or officer prior to or after final disposition of such proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it is ultimately determined that such person is not entitled to indemnification. We may purchase and maintain liability insurance, or make other arrangements for such obligations or otherwise, to the extent permitted by the NRS.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the Company's directors, officers or controlling persons pursuant to the provisions described above, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission (the "Commission") such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for our common stock is Empire Stock & Transfer.

LISTING

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

SECTION 302 CERTIFICATION

I, Kenneth DeCubellis, certify that:

1. I have reviewed this Annual Report on Form 10-K of Black Ridge Oil & Gas, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am 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. I have disclosed, based on Black Ridge Oil & Gas's most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (of persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Dated: March 25, 2020

By: /s/ Kenneth DeCubellis
Kenneth DeCubellis, Chief Executive Officer and Interim Chief Financial Officer
(Principal Executive Officer and 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 Annual Report of Black Ridge Oil & Gas, Inc. (the "Company") on Form 10-K for the period ending December 31, 2019 (the "Report"), I, Kenneth DeCubellis, Chief Executive Officer and 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: March 25, 2020

By: /s/ Kenneth DeCubellis
Kenneth DeCubellis, Chief Executive Officer and Interim Chief Financial Officer
(Principal Executive Officer and Principal 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.