

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For quarterly period ended June 30, 2020

or

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

Commission File Number 000-53952



(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

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

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

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

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

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

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

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

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

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

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

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

The number of shares of registrant's common stock outstanding as of August 10, 2020 was 1,600,424.

TABLE OF CONTENTS

<u>PART I - FINANCIAL INFORMATION</u>		
ITEM 1.	<u>FINANCIAL STATEMENTS (Unaudited)</u>	1
	<u>Condensed Balance Sheets as of June 30, 2020 (Unaudited) and December 31, 2019</u>	1
	<u>Unaudited Condensed Statements of Operations for the Three and Six Months Ended June 30, 2020 and 2019</u>	2
	<u>Unaudited Statements of Changes in Stockholders' Equity for the Three and Six Months Ended June 30, 2020 and 2019</u>	3
	<u>Unaudited Condensed Statements of Cash Flows for the Six Months Ended June 30, 2020 and 2019</u>	4
	<u>Notes to the Condensed Financial Statements (Unaudited)</u>	5
ITEM 2.	<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	19
ITEM 3.	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	27
ITEM 4.	<u>CONTROLS AND PROCEDURES</u>	27
<u>PART II - OTHER INFORMATION</u>		
ITEM 1.	<u>LEGAL PROCEEDINGS</u>	28
ITEM 1A.	<u>RISK FACTORS</u>	28
ITEM 2.	<u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	28
ITEM 3.	<u>DEFAULTS UPON SENIOR SECURITIES</u>	28
ITEM 4.	<u>MINE SAFETY DISCLOSURES</u>	29
ITEM 5.	<u>OTHER INFORMATION</u>	29
ITEM 6.	<u>EXHIBITS</u>	29
	<u>SIGNATURES</u>	30

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

BLACK RIDGE OIL & GAS, INC.
CONDENSED BALANCE SHEETS

	June 30, 2020	December 31, 2019
ASSETS	(Unaudited)	
Current assets:		
Cash	\$ 651,608	\$ 108,756
Investment in Allied Esports Entertainment, Inc. securities	5,073,353	6,982,300
Receivable from Allied Esports Entertainment, Inc.	–	505
Prepaid expenses	24,900	47,151
Total current assets	<u>5,749,861</u>	<u>7,138,712</u>
Property and equipment:		
Property and equipment	134,202	134,202
Less accumulated depreciation	(128,453)	(127,803)
Total property and equipment, net	<u>5,749</u>	<u>6,399</u>
Total assets	<u>\$ 5,755,610</u>	<u>\$ 7,145,111</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 93,199	\$ 35,727
Accrued expenses	47,915	14,220
Deferred compensation	1,133,281	1,396,460
Total current liabilities	<u>1,274,395</u>	<u>1,446,407</u>
Notes payable	<u>262,925</u>	<u>–</u>
Total liabilities	<u>1,537,320</u>	<u>1,446,407</u>
Commitments and contingencies	–	–
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, 1,600,424 shares issued and outstanding	1,600	1,600
Additional paid-in capital	37,502,886	37,054,503
Accumulated deficit	(33,286,196)	(31,357,399)
Total stockholders' equity	<u>4,218,290</u>	<u>5,698,704</u>
Total liabilities and stockholders' equity	<u>\$ 5,755,610</u>	<u>\$ 7,145,111</u>

See accompanying notes to unaudited condensed financial statements.

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Management fee income	\$ —	\$ 30,000	\$ —	\$ 60,000
Total revenues	<u>—</u>	<u>30,000</u>	<u>—</u>	<u>60,000</u>
Operating expenses:				
General and administrative expenses:				
Salaries and benefits	233,530	312,460	453,254	630,570
Stock-based compensation	49,454	27,887	70,943	55,818
Professional services	111,872	11,983	196,856	39,691
Other general and administrative expenses	<u>50,229</u>	<u>59,320</u>	<u>141,379</u>	<u>115,878</u>
Total general and administrative expenses	445,085	411,650	862,432	841,957
Depreciation and amortization	379	180	650	623
Total operating expenses	<u>445,464</u>	<u>411,830</u>	<u>863,082</u>	<u>842,580</u>
Net operating loss	<u>(445,464)</u>	<u>(381,830)</u>	<u>(863,082)</u>	<u>(782,580)</u>
Other income (expense):				
Interest expense, including \$363,645 and \$377,440 of warrants issued as a debt discount for the three and six months ended June 30, 2020, respectively	(367,652)	—	(382,761)	—
Other income	2	—	2	51
Gain (loss) on investment in Allied Esports Entertainment, Inc. securities	<u>1,529,896</u>	<u>—</u>	<u>(682,956)</u>	<u>—</u>
Total other income (expense)	<u>1,162,246</u>	<u>—</u>	<u>(1,065,715)</u>	<u>51</u>
Net income (loss) before provision for income taxes	716,782	(381,830)	(1,928,797)	(782,529)
Provision for income taxes	—	—	—	—
Net income (loss) from continuing operations, net of tax	716,782	(381,830)	(1,928,797)	(782,529)
Net income from discontinued operations	—	338,704	—	671,115
Net income (loss) before non-controlling interest	716,782	(43,126)	(1,928,797)	(111,414)
Less net loss attributable to redeemable non-controlling interest	—	(587,561)	—	(1,189,610)
Net income (loss) attributable to Black Ridge Oil & Gas, Inc.	<u>\$ 716,782</u>	<u>\$ (630,687)</u>	<u>\$ (1,928,797)</u>	<u>\$ (1,301,024)</u>
Weighted average common shares outstanding - basic	<u>1,600,424</u>	<u>1,600,424</u>	<u>1,600,424</u>	<u>1,600,424</u>
Weighted average common shares outstanding - fully diluted	<u>1,600,545</u>	<u>1,600,424</u>	<u>1,600,424</u>	<u>1,600,424</u>
Net income per common share - basic	<u>\$ 0.45</u>	<u>\$ (0.39)</u>	<u>\$ (1.21)</u>	<u>\$ (0.81)</u>
Net income per common share - fully diluted	<u>\$ 0.45</u>	<u>\$ (0.39)</u>	<u>\$ (1.21)</u>	<u>\$ (0.81)</u>

See accompanying notes to unaudited condensed financial statements.

BLACK RIDGE OIL & GAS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	For the Three Months Ended June 30, 2019				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance, March 31, 2019	1,600,424	\$ 1,600	\$ 36,981,908	\$ (36,093,222)	\$ 890,286
Common stock options granted for services to employees and directors	-	-	27,887	-	27,887
Net loss attributable to Black Ridge Oil & Gas, Inc.	-	-	-	(630,687)	(630,687)
Balance, June 30, 2019	<u>1,600,424</u>	<u>\$ 1,600</u>	<u>\$ 37,009,795</u>	<u>\$ (36,723,909)</u>	<u>\$ 287,486</u>

	For the Three Months Ended June 30, 2020				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance, March 31, 2020	1,600,424	\$ 1,600	\$ 37,340,992	\$ (34,002,978)	\$ 3,339,614
Common stock options granted for services to employees and directors	-	-	49,454	-	49,454
Common stock warrants granted to employees and directors for personal guaranty on debt	-	-	112,440	-	112,440
Net income attributable to Black Ridge Oil & Gas, Inc.	-	-	-	716,782	716,782
Balance, June 30, 2020	<u>1,600,424</u>	<u>\$ 1,600</u>	<u>\$ 37,502,886</u>	<u>\$ (33,286,196)</u>	<u>\$ 4,218,290</u>

	For the Six Months Ended June 30, 2019				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2018	1,600,424	\$ 1,600	\$ 36,953,977	\$ (35,422,885)	\$ 1,532,692
Common stock options granted for services to employees and directors	-	-	55,818	-	55,818
Net loss attributable to Black Ridge Oil & Gas, Inc.	-	-	-	(1,301,024)	(1,301,024)
Balance, June 30, 2019	<u>1,600,424</u>	<u>\$ 1,600</u>	<u>\$ 37,009,795</u>	<u>\$ (36,723,909)</u>	<u>\$ 287,486</u>

	For the Six Months Ended June 30, 2020				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2019	1,600,424	\$ 1,600	\$ 37,054,503	\$ (31,357,399)	\$ 5,698,704
Common stock options granted for services to employees and directors	-	-	70,943	-	70,943
Common stock warrants granted to employees and directors for personal guaranty on debt	-	-	377,440	-	377,440
Net loss attributable to Black Ridge Oil & Gas, Inc.	-	-	-	(1,928,797)	(1,928,797)
Balance, June 30, 2020	<u>1,600,424</u>	<u>\$ 1,600</u>	<u>\$ 37,502,886</u>	<u>\$ (33,286,196)</u>	<u>\$ 4,218,290</u>

See accompanying notes to unaudited condensed financial statements.

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

	For the Six Months Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss attributable to Black Ridge Oil & Gas, Inc.	\$ (1,928,797)	\$ (1,301,024)
Net income from discontinued operations	–	(671,115)
Net loss attributable to redeemable non-controlling interest	–	1,189,610
Adjustments to reconcile net loss attributable to Black Ridge Oil & Gas, Inc. to net cash used in operating activities:		
Depreciation and amortization	650	623
Loss on investment in Allied Esports Entertainment, Inc. securities, net	682,956	–
Amortization of stock options	70,943	55,818
Amortization of stock warrants issued as a debt discount	377,440	–
Decrease (increase) in current assets:		
Accounts receivable	–	(160)
Accounts receivable, related party	505	–
Prepaid expenses	22,251	(3,691)
Increase (decrease) in current liabilities:		
Accounts payable	57,472	(4,851)
Accrued expenses	33,695	(4,237)
Net cash used in operating activities of continuing operations	(682,885)	(739,027)
Net cash used in operating activities of discontinued operations	–	(1,388,920)
Net cash used in operating activities	(682,885)	(2,127,947)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	–	(809)
Proceeds received from sale of investment in Allied Esports Entertainment, Inc. securities	962,812	–
Net cash provided by (used in) investing activities of continuing operations	962,812	(809)
Net cash provided by investing activities of discontinued operations	–	893,323
Net cash provided by investing activities	962,812	892,514
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds received from notes payable	802,025	–
Repayments on notes payable	(539,100)	–
Net cash provided by financing activities from continuing operations	262,925	–
Net cash provided by financing activities from discontinued operations	–	–
Net cash provided by financing activities	262,925	–
NET CHANGE IN CASH AND CASH EQUIVALENTS		
	542,852	(1,235,433)
CASH AT BEGINNING OF PERIOD	108,756	1,503,500
CASH AT END OF PERIOD	<u>\$ 651,608</u>	<u>\$ 268,067</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	\$ 4,895	\$ –
Income taxes paid	\$ –	\$ –
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Value of debt discounts attributable to warrants	<u>\$ 377,440</u>	<u>\$ –</u>

See accompanying notes to unaudited condensed financial statements.

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

Note 1 – Organization and Nature of Business

Effective April 2, 2012, Ante5, Inc. changed its corporate name to Black Ridge Oil & Gas, Inc., and continues to be quoted on the OTCQB under the trading symbol “ANFC”. Black Ridge Oil & Gas, Inc. (formerly Ante5, Inc.) (the “Company” and “BROG”) became an independent company in April 2010. We became a publicly traded company when our shares began trading on July 1, 2010. From October 2010 through August 2019, we had been engaged in the business of acquiring oil and gas leases and participating in the drilling of wells in the Bakken and Three Forks trends in North Dakota and Montana and /or managing similar assets for third parties.

On September 26, 2017, the Company finalized an equity raise utilizing a rights offering and backstop agreement, raising net proceeds of \$5,051,675 and issuing 1,439,400 shares. The proceeds were used to sponsor 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. 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.

The Company currently owns 2,368,532 shares of Allied Esports Entertainment, Inc. (NASDAQ: AESE), the surviving entity after BRAC’s business combination (“Sponsor Shares”), after selling 316,968 shares for a total of \$962,812, and warrants to purchase 505,000 shares of AESE (NASDAQ: AESEW) (“Sponsor Warrants”). Of the remaining Sponsor Shares, 537,100 are subject to distribution rights to officers and directors under the 2018 Management Incentive Plan dated March 6, 2018.

On June 9, 2020, the Company entered into an Asset Purchase Agreement (the “Asset Purchase Agreement”), between the Company and S-FDF, LLC, a Texas limited liability company (the “Seller”), pursuant to which the Company will acquire \$2.5 million in cash and certain assets and agreements related to the Seller’s freeze dried fruits and vegetables business for human consumption (the “Purchased Assets”) and enter into certain employment and registration rights agreements. The Company will not assume any liabilities of Seller or any liabilities, liens, or encumbrances pertaining to or encumbering the Purchased Assets except for those related to agreements or arrangements specified in the Asset Purchase Agreement.

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

Subject to the terms of Asset Purchase Agreement, Seller will transfer the Purchased Assets to the Company in exchange for the issuance of 1,120,000 shares of the Company's common stock to the Seller representing 41.18% of the Company's issued and outstanding common stock (the "Seller Shares"). The amount of Seller Shares to be issued is subject to adjustment, as specified in the Asset Purchase Agreement, based on the extent to which the amount of cash proceeds held by the Company, as derived from the sale of the Company's holdings of Sponsor Shares, are less than \$5 million or greater than \$6 million on the date specified in the Asset Purchase Agreement (the "Final Determination Date"). The Final Determination Date will be the first anniversary of the closing of the Asset Purchase Agreement if closing occurs by January 1, 2021, and the Company has contributed \$4 million to the business in the form of proceeds from either the sale of Sponsor Shares, proceeds from a financing secured by the AESE Shares, proceeds from an equity or convertible debt financing, legal fees paid in connection with the Asset Purchase Agreement or expenses incurred by the Company after August 1, 2020 (the "Company Contribution"). If the Company Contribution is less than \$4 million on January 1, 2021, then the Final Determination Date will be January 1, 2021. The Company expects to close the transaction on or about October 1, 2020, subject to extension by mutual agreement of the parties.

The Asset Purchase Agreement may be terminated in the event of a material breach of the provisions of the Asset Purchase Agreement, by mutual consent of the Company and Seller, by either the Company or Seller after October 31, 2020 absent a material breach or failure to comply with the provisions of the Asset Purchase Agreement, or by either party upon payment of a \$5 million termination fee.

Note 2 – Basis of Presentation and Significant Accounting Policies

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

These statements reflect all adjustments, which in the opinion of management, are necessary for fair presentation of the information contained therein. Except as otherwise disclosed, all such adjustments are of a normal recurring nature. It is suggested that these interim condensed financial statements be read in conjunction with the audited financial statements for the year ended December 31, 2019, which were included in our Annual Report on Form 10-K/A. The Company follows the same accounting policies in the preparation of interim reports.

Reclassifications

In the prior year, the income, expense and cash flows from Black Ridge Acquisition Corp., a wholly-owned subsidiary formed on October 10, 2017, which was consolidated as a variable interest entity through August 9, 2019, the date that BRAC completed a business combination with Allied Esports Entertainment, Inc. ("AESE"), were consolidated and have been retrospectively classified as discontinued operations. In addition, prior period investment in Allied Esports Entertainment, Inc. securities of \$6,982,300 were reclassified from long term assets to current assets to conform to current period presentation.

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

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. Oil and gas companies are subject, by their nature, to environmental hazard 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 in Excess of FDIC Limits

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC) up to \$250,000 and \$500,000, respectively, under current regulations. The Company had \$44,718 of cash in excess of SIPC insured limits at June 30, 2020. The Company has not experienced any losses in such accounts.

Income Taxes

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

Basic and Diluted 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 three months ended June 30, 2020 and 2019 are as follows:

	Three Months Ended June 30,	
	2020	2019
Weighted average common shares outstanding – basic	1,600,424	1,600,424
Plus: Potentially dilutive common shares:		
Common stock warrants	121	–
Weighted average common shares outstanding – diluted	1,600,545	1,600,424

For the six months ended June 30, 2020 and 2019, 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 378,871 and 36,788 as of June 30, 2020 and 2019, respectively.

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

Fair Value of Financial Instruments

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

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives of three to seven years. Expenditures for replacements, renewals, and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Long-lived assets are evaluated for impairment to determine if current circumstances and market conditions indicate the carrying amount may not be recoverable. Depreciation expense was \$650 and \$623 for the six months ended June 30, 2020 and 2019, respectively.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company recognized revenue from management services through our previously consolidated Special Purpose Acquisition Company ("SPAC"), Black Ridge Acquisition Corp. until December 31, 2019.

Revenue was primarily generated from BRAC in the form of management services performed within the state of Minnesota on a fixed fee basis. Revenue from the performance of those services was recognized upon completion of the services, at which time the services were delivered to the customer, and collectability of the fee was reasonably assured. We typically required payment within thirty days of the completion of services. Management estimates an allowance for doubtful accounts based on the aging of its receivables.

Stock-Based Compensation

The Company accounts for equity instruments issued to employees in accordance with the provisions of ASC 718 Stock Compensation (ASC 718) and Equity-Based Payments to Non-employees pursuant to ASC 2018-07 (ASC 2018-07). All transactions in which the consideration provided in exchange for the purchase of goods or services consists of the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the earlier of the date on which the counterparty's performance is complete or the date at which a commitment for performance by the counterparty to earn the equity instruments is reached because of sufficiently large disincentives for nonperformance. Stock-based compensation was \$70,943 and \$55,818, consisting entirely of expenses related to common stock options issued for services for the six months ended June 30, 2020 and 2019, respectively, using the Black-Scholes options pricing model and an effective term of 6 to 6.5 years based on the weighted average of the vesting periods and the stated term of the option grants and the discount rate on 5 to 7 year U.S. Treasury securities at the grant date. In addition, \$377,440 of expenses related to the amortization of warrants issued in consideration of personal guarantees provided for debt financing for the six months ended June 30, 2020, using the Black-Scholes options pricing model and an effective term of 5 years based on the weighted average of the vesting periods and the stated term of the warrant grants and the discount rate on 5 year U.S. Treasury securities at the grant date were recognized as interest expense for the six months ended June 30, 2020.

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.

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

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

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

Recent Accounting Pronouncements

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 below, management believes there have been no developments to recently issued accounting standards, including expected dates of adoption and estimated effects on our financial statements, from those disclosed in our Annual Report on Form 10-K/A for the year ended December 31, 2019.

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

Note 3 – Going Concern

As shown in the accompanying financial statements, as of June 30, 2020, the Company has incurred recurring losses from operations resulting in an accumulated deficit of \$33,286,196. As of June 30, 2020, the Company's cash on hand may not be sufficient to sustain operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company is currently seeking sources of capital to fund the requirements of the Asset Purchase Agreement. The Company intends to sell its AESE shares to continue as a going concern, however, there can be no assurance the share price will be sufficient to sustain operations, therefore the Company may be dependent upon its ability to secure equity and/or debt financing and there are also no assurances that the Company will be successful; therefore, without sufficient financing it would be unlikely for the Company to continue as a going concern.

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. The 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.

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

Note 4 – 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%

Following the AESE merger on August 9, 2019, the Company owned 2,685,500 shares of AESE common stock. During the quarter ending June 30, 2020, the Company sold 316,968 shares for a total of \$962,812, leaving 2,368,532 shares owned in AESE common stock. Of these 2,368,532 shares, 537,100 shares (the “AESE Plan 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 from the AESE merger, with certain exceptions, to receive the granted shares. The AESE Plan Shares had a fair market value of \$1,133,281 on June 30, 2020. The Company recognized \$1,396,460 of compensation expense related to the Plan during the year ended December 31, 2019. For the six months ended June 30, 2020, the Company recognized a gain of \$263,179 related to the reduction in the value of the shares to be paid to employees on August 10, 2020, which was offset against the Company’s loss on the investment in AESE shares due to changes in the AESE market price between December 31, 2019 and June 30, 2020. Subsequent adjustments will be required each quarter to adjust the deferred compensation liability until the shares can be transferred to the employees.

Note 5 – 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 Condensed Financial Statements
(Unaudited)

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balance sheets as of June 30, 2020 and December 31, 2019:

	Fair Value Measurements at June 30, 2020		
	Level 1	Level 2	Level 3
Assets			
Cash	\$ 651,608	\$ -	\$ -
Investment in Allied Esports Entertainment, Inc. securities	5,073,353	-	-
Total assets	<u>5,724,961</u>	<u>-</u>	<u>-</u>
Liabilities			
Notes payable	-	(262,925)	-
Total liabilities	<u>-</u>	<u>(262,925)</u>	<u>-</u>
	<u>\$ 5,724,961</u>	<u>\$ (262,925)</u>	<u>\$ -</u>
	Fair Value Measurements at December 31, 2019		
	Level 1	Level 2	Level 3
Assets			
Cash	\$ 108,756	\$ -	\$ -
Investment in Allied Esports Entertainment, Inc.	6,982,300	-	-
Total assets	<u>7,091,056</u>	<u>-</u>	<u>-</u>
Liabilities			
None	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,091,056</u>	<u>\$ -</u>	<u>\$ -</u>

There were no transfers of financial assets or liabilities between Level 1 and Level 2 inputs for the six months ended June 30, 2020.

Note 6 – Prepaid Expenses

Prepaid expenses consist of the following:

	June 30, 2020	December 31, 2019
Prepaid insurance costs	\$ 3,012	\$ 21,090
Prepaid employee benefits	8,492	11,587
Prepaid office and other costs	13,396	14,474
Total prepaid expenses	<u>\$ 24,900</u>	<u>\$ 47,151</u>

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

Note 7 – Property and Equipment

Property and equipment at June 30, 2020 and December 31, 2019, consisted of the following:

	June 30, 2020	December 31, 2019
Property and equipment	\$ 134,202	\$ 134,202
Less: Accumulated depreciation and amortization	(128,453)	(127,803)
Total property and equipment, net	\$ 5,749	\$ 6,399

The Company recognized depreciation expense of \$650 and \$623 for the six-month periods ended June 30, 2020 and 2019, respectively.

Note 8 – Investment in Allied Esports Entertainment, Inc.

Following the close of BRAC's merger, the Company retained 2,685,500 shares of Allied Esports Entertainment Inc. (NASDAQ: AESE) common stock with a value, based on the closing stock of \$4.45 on the merger, of \$11,950,475, and tradeable warrants to purchase 505,000 shares of AESE (NASDAQ: AESEW) ("Sponsor Warrants"), of which the Company currently owns 2,368,532 shares, after selling 316,968 shares for a total of \$962,812 during the second quarter of 2020, and the warrants to purchase 505,000 Sponsor Warrants. As noted in Note 4 - 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 10, 2020. Therefore, the Company recorded a deferred compensation liability of \$1,133,281 to recognize the commitment to employees as of June 30, 2020.

As of June 30, 2020, the market value of the Company's investment in AESE's common stock was \$4,997,603, based on the closing stock price of \$2.11 per share, and the investment in AESEW was \$75,750, based on the closing warrant price of \$0.15 per warrant, for a total investment in AESE securities of \$5,073,353, resulting in gains and losses on our investment in securities, as follows:

Net loss on investment in Allied Esports Entertainment, Inc. securities for the six months ended June 30, 2020	\$ (682,956)
Less: Net gains and losses recognized during 2020 on equity securities sold during the period	(138,696)
Less: Gain on deferred compensation payable in shares of AESE	(263,179)
Unrealized loss recognized during 2020 on equity securities still held at June 30, 2020	<u>\$ (1,084,831)</u>

On January 2, 2020, the Company deposited 500,000 shares of its holdings of AESE pursuant to its brokerage account agreement with RBC Capital Markets, LLC. These shares were subsequently used as collateral for the \$700,000 promissory note, described below, pursuant to a commercial pledge and security agreement, dated March 10, 2020. On February 10, 2020, an additional 66,000 of AESE shares were deposited into this brokerage account. 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. During the second quarter of 2020, the Company sold 316,968 of these shares for total proceeds of \$962,812, resulting in a gain on investment of \$363,813. The value of the remaining 249,032 deposited AESE shares is \$525,458 based on a closing price of \$2.11 as of June 30, 2020.

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

Note 9 – Notes Payable

Notes payable consists of the following at June 30, 2020 and December 31, 2019, respectively:

	June 30, 2020	December 31, 2019
On June 16, 2020, the Company entered into a loan authorization and loan agreement with the United States Small Business Administration (the “SBA”), as lender, pursuant to the SBA’s Economic Injury Disaster Loan (“EIDL”) assistance program in light of the impact of the COVID-19 pandemic on the Company’s business (the “EIDL Loan Agreement”) encompassing a \$150,000 Promissory Note issued to the SBA (the “EIDL Note”) (together with the EIDL Loan Agreement, the “EIDL Loan”), bearing interest at 3.75% per annum. In connection with entering into the EIDL Loan, the Company also executed a security agreement, dated June 16, 2020, between the SBA and the Company (the “EIDL Security Agreement”) pursuant to which the EIDL Loan is secured by a security interest on all of the Company’s assets. Under the EIDL Note, the Company is required to pay principal and interest payments of \$731 every month beginning June 16, 2021. All remaining principal and accrued interest is due and payable on June 16, 2050. The EIDL Note may be repaid at any time without penalty.	\$ 150,000	\$ —
On April 24, 2020, the Company entered into a loan agreement with Kensington Bank (“Kensington”), as lender (the “Loan Agreement”) encompassing a \$112,925 Promissory Note issued to Kensington (the “PPP Note”) pursuant to Payroll Protection Program established as part of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), which provides loans to qualifying businesses and is administered by the U.S. Small Business Administration (the “SBA”). The PPP Note bears interest at 1.00% per annum, with interest payable monthly beginning November 24, 2020, and principal due in full on April 24, 2022. The PPP Note may be repaid at any time without penalty. Under the Payroll Protection Program, the Company will be eligible for loan forgiveness up to the full amount of the PPP Note and any accrued interest. The forgiveness amount will be equal to the amount that the Company spends during the 24-week period beginning April 24, 2020 on payroll costs, payment of rent on any leases in force prior to February 15, 2020 and payment on any utility for which service began before February 15, 2020. The maximum amount of loan forgiveness for non-payroll expenses is 40% of the amount of the PPP Note. No assurance is provided that the Company will obtain forgiveness under the PPP Note in whole or in part.	112,925	—
On November 25, 2019, the Company entered into a credit account agreement (“Margin Account”) with RBC Capital Markets, LLC (“RBC”). The Margin Account enables the Company to borrow against the Company’s AESE shares that are held in an account with RBC. The advances received on margin bear interest at rates of between 1.00% and 2.75% over the Base Lending Rate, depending on the average outstanding debit balance. The Base Lending Rate is internally determined by RBC using Broker Call, Prime Rate as determined by commercial banks utilized by RBC CM, Fed Funds, RBC CM’s cost of funds, and other commercially recognized rates of interest. The margin loans are collateralized by the underlying AESE shares. A total of \$122,100 was borrowed on the Margin Account over various dates between January 29, 2020 and March 6, 2020. The outstanding balance was repaid in full on, or about, March 12, 2020 out of the proceeds of the loan from Cadence Bank, described below.	—	—
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, who is one in the same, and members of the Company’s Board of Directors (the “Guarantors”) (collectively, the “Cadence Loan”). The Note carried interest at a rate of 0.50 percentage points over the prime rate, as published in the Wall Street Journal, payable monthly, and was due on March 9, 2021. The Note could be repaid at any time without penalty. The Note was 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. On March 26, 2020, the Company subsequently entered into a separate letter agreement with the Guarantors (the “Letter Agreement”), which provides that if the Company defaults or fails to make any payment due under the Cadence Loan and the Guarantors are required to make payment to Cadence pursuant to the Guarantees, then the Company agrees to issue additional equity interests or rights to Guarantors reflecting ninety-five percent (95%) of the outstanding equity of the Company at the time of such default to participating Guarantors who have made the payments to Cadence. All equity issuances will be subject to any third party or shareholder approvals required at the time of issuance. A total of \$417,000 was advanced on the loan and subsequently repaid in full on June 30, 2020.	—	—
Total notes payable	262,925	—
Less unamortized derivative discounts:	—	—
Notes payable	262,925	—
Less: current maturities	—	—
Notes payable, less current maturities	\$ 262,925	\$ —

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

The Company recorded total discounts of \$377,440, consisting of debt discounts on warrants granted to four officers and directors for warrants issued in consideration of personal guarantees provided for debt financing incurred during the six months ended June 30, 2020. The discounts were amortized to stock-based compensation expense over the term of the note, until repayment, using the straight-line method, which closely approximated the effective interest method. The Company recorded \$377,440 of stock-based compensation expense pursuant to the amortization of note discounts during the six months ended June 30, 2020.

The Company recognized \$382,761 of interest expense, consisting of \$5,321 of interest and \$377,440 of stock-based warrant expense pursuant to the amortization of the debt discount on the business loans during the six months ended June 30, 2020.

Note 10 – Changes in 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 received (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 had their ownership of shares of Common Stock rounded up to one share; and
- Stockholders owning fewer than 25 shares of Common Stock received cash in lieu of fractional shares upon the surrender of such stockholders' shares and no longer own shares of Common Stock.

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, which was \$0.018 per share prior to the effects of the reverse stock split.

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 Interim Report 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 June 30, 2020, and December 31, 2019, a total of 1,600,424 shares of common stock have been issued.

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

Note 11 – Options

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, as provided in the definitive information statement filed with Securities and Exchange Commission on January 10, 2020 (the “DEF 14C”). The description of the 2020 Equity Plan is qualified in its entirety by the text of the 2020 Equity Plan, a copy of which was attached as Annex C to the DEF 14C.

Outstanding Options

Options to purchase an aggregate total of 273,871 shares of common stock at a weighted average strike price of \$16.32, exercisable over a weighted average life of nine years were outstanding as of June 30, 2020.

Options Granted

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:	199,245

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.

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

The Company recognized a total of \$70,943, and \$55,818 of compensation expense during the six months ended June 30, 2020 and 2019, 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 \$839,958 as of June 30, 2020.

Options Exercised

No options were exercised during the six months ended June 30, 2020 and 2019.

Options Forfeited

A total of 333 options with a weighted average exercise price of \$90, and 457 options with a weighted average exercise price of \$9.83 expired and were forfeited during the six months ended June 30, 2020 and 2019, respectively.

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

Note 12 – Warrants

Outstanding Warrants

Warrants to purchase an aggregate total of 1,300 shares of common stock at a \$3.00 strike price, exercisable until September 22, 2022 were outstanding as of June 30, 2020.

Warrants Granted

In consideration for four officers and director's 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 on March 12, 2020. 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. No warrants were granted during the comparative six months ended June 30, 2019. The officers and directors receiving grants and the amounts of such grants were as follows:

Name and Title	Stock Warrant Shares Granted
Ken DeCubellis, Chief Executive Officer and Interim Chief Financial Officer	26,250
Bradley Berman, Chairman of the Board and Director	26,250
Lyle Berman, Director	26,250
Benjamin Oehler, Director	26,250
Total:	105,000

Warrants Exercised

No warrants were exercised during the six months ended June 30, 2020 and 2019.

Note 13 – Income Taxes

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

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

Losses incurred during the period from April 9, 2011 (inception) to June 30, 2020 could be used to offset future tax liabilities. Accounting standards require the consideration of a valuation allowance for deferred tax assets if it is “more likely than not” that some component or all of the benefits of deferred tax assets will not be realized. As of June 30, 2020, net deferred tax assets were \$6,564,319, with no deferred tax liability, primarily related to net operating loss carryforwards. A valuation allowance of approximately \$6,564,319 was applied to the net deferred tax assets. Therefore, BROG has no tax expense for 2020 to date.

In accordance with FASB ASC 740, the Company has evaluated its tax positions and determined there are no significant uncertain tax positions as of any date on, or before June 30, 2020.

Note 14 – Commitments

The Company from time to time may be involved in various inquiries, administrative proceedings and litigation relating to matters arising in the normal course of business. The Company is not aware of any inquiries or administrative proceedings and is not currently a defendant in any material litigation and is not aware of any threatened litigation that could have a material effect on the Company.

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

Note 15 – Subsequent Events

The Company evaluates events that have occurred after the balance sheet date through the date these financial statements were issued.

On July 9, 2020, the Company sold an additional 20,000 shares of AESE stock in accordance with the 10b5-1 plan, dated June 15, 2020 at an average price of \$2.50 per share, resulting in total proceeds of \$50,000.

On August 10, 2020, the Company sold another 113,000 shares of AESE stock in accordance with the 10b5-1 plan. The shares were sold at an average price of \$2.0191 per share, resulting in total proceeds of \$228,158. Of these share sales, 101,098 shares were sold on behalf of the employees out of the 2018 Management Incentive Plan (“MIP”) in order to cover payroll tax withholdings, and the remaining 11,902 shares, were sold by the Company to fund the employer’s portion of payroll taxes. The remaining 436,002 shares of the 537,100 shares previously committed under the MIP are being distributed to employees. After the distribution and recent sales, the Company still holds 1,799,530 shares of AESE common stock.

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

Cautionary Statements

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

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

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

- failure to successfully complete the closing of the S-FDF LLC Asset Purchase Agreement;
- 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;
- the effect of the coronavirus ("COVID-19") pandemic on our efforts to identify, review and explore strategic alternatives and our ability to obtain funding through various financing transactions or arrangements;
- 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;
- low trading volume and price of our investment in AESE Shares;
- inability to maintain adequate liquidity to meet our financial obligations;
- 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.

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

Overview and Outlook

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

As the sponsor and manager of Black Ridge Acquisition Corp. 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 result of that review is the transaction with S-FDF described below. The Company currently owns 2,368,532 Sponsor Shares, after selling 316,968 shares for a total of \$962,812. Of those remaining 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 expects to use the remaining Sponsor Shares to fulfill its obligations related to the Asset Purchase Agreement described below.

On June 9, 2020, the Company entered into an Asset Purchase Agreement, between the Company and S-FDF, LLC, a Texas limited liability company, pursuant to which the Company will acquire \$2.5 million in cash and certain assets and agreements related to the Seller’s freeze dried fruits and vegetables business for human consumption and enter into certain employment and registration rights agreements. The Company will not assume any liabilities of Seller or any liabilities, liens, or encumbrances pertaining to or encumbering the Purchased Assets except for those related to agreements or arrangements specified in the Asset Purchase Agreement.

Subject to the terms of Asset Purchase Agreement, Seller will transfer the Purchased Assets to the Company in exchange for the issuance of 1,120,000 shares of the Company’s common stock to the Seller representing 41.18% of the Company’s issued and outstanding common stock. The amount of Seller Shares to be issued is subject to adjustment, as specified in the Asset Purchase Agreement, based on the extent to which the amount of cash proceeds held by the Company, as derived from the sale of the Company’s holdings of Sponsor Shares, are less than \$5 million or greater than \$6 million on the date specified in the Asset Purchase Agreement. The Final Determination Date will be the first anniversary of the closing of the Asset Purchase Agreement if closing occurs by January 1, 2021, and the Company has contributed \$4 million to the business in the form of proceeds from either the sale of Sponsor Shares, proceeds from a financing secured by the AESE Shares, proceeds from an equity or convertible debt financing, legal fees paid in connection with the Asset Purchase Agreement or expenses incurred by the Company after August 1, 2020. If the Company Contribution is less than \$4 million on January 1, 2021, then the Final Determination Date will be January 1, 2021. The Company expects to close the transaction on or about October 1, 2020, subject to extension by mutual agreement of the parties.

Going Concern Uncertainty

As of June 30, 2020, the Company has incurred recurring losses from operations resulting in an accumulated deficit of \$33,286,196, and as of June 30, 2020, the Company’s cash on hand may not be sufficient to sustain operations. These factors raise substantial doubt about the Company’s ability to continue as a going concern. The Company is currently seeking sources of capital to fund the requirements of the Asset Purchase Agreement including selling its shares of AESE or other sources of capital. The Company intends to sell its AESE shares to continue as a going concern, however, there can be no assurance the share price will be sufficient to sustain operations, therefore the Company may be dependent upon its ability to secure equity and/or debt financing and there are also no assurances that the Company will be successful; therefore, without sufficient financing it would be unlikely for the Company to continue as a going concern.

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/A contains an explanatory paragraph regarding the substantial doubt about the Company’s ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of the going concern uncertainty.

Results of Operations for the Three Months Ended June 30, 2020 and 2019.

The following table summarizes selected items from the statement of operations for the three months ended June 30, 2020 and 2019, respectively.

	Three Months Ended June 30,		Increase / (Decrease)
	2020	2019	
Management fee income	\$ —	\$ 30,000	\$ (30,000)
Total revenues:	<u>—</u>	<u>30,000</u>	(30,000)
Operating expenses:			
General and administrative expenses:			
Salaries and benefits	233,530	312,460	(78,930)
Stock-based compensation	49,454	27,887	21,567
Professional services	111,872	11,983	99,889
Other general and administrative expenses	50,229	59,320	(9,091)
Total general and administrative expenses	<u>445,085</u>	<u>411,650</u>	33,435
Depreciation and amortization	379	180	199
Total operating expenses	<u>445,464</u>	<u>411,830</u>	33,634
Net operating loss	<u>(445,464)</u>	<u>(381,830)</u>	63,634
Other income (expense)			
Interest expense, including \$363,645 of warrants issued as a debt discount	(367,652)	—	367,652
Other income	2	—	2
Gain on investment in Allied Esports Entertainment, Inc.	1,529,896	—	1,529,896
Total other income (expense)	<u>1,162,246</u>	<u>—</u>	1,162,246
Net income (loss) from continuing operations, net of tax	716,782	(381,830)	1,098,612
Provision for income taxes	—	—	—
Net income (loss) from continuing operations, net of tax	716,782	(381,830)	1,098,612
Net income from discontinued operations	—	338,704	(338,704)
Net income (loss) before non-controlling interest	716,782	(43,126)	759,908
Less: Net loss attributable to redeemable non-controlling interest	—	(587,561)	587,561
Net income (loss) attributable to Black Ridge Oil & Gas, Inc.	<u>\$ 716,782</u>	<u>\$ (630,687)</u>	\$ 1,347,469

Management fee revenue

The Company did not earn any management fees from its management agreement with BRAC during the three months ended June 30, 2020, compared to \$30,000 during the three months ended June 30, 2019. The decrease is attributable to the termination of the agreement subsequent to the merger between BRAC and AESE on August 9, 2019.

General and administrative expenses

Salaries and benefits

Salaries and benefits for the three months ended June 30, 2020 were \$233,530, compared to \$312,460 for the three months ended June 30, 2019, a decrease of 78,930, or 25%. The decrease in salaries and benefits was primarily due to a headcount decrease and decreased health benefit costs.

Stock-based compensation

Stock-based compensation expense for the three months ended June 30, 2020 was \$49,454, compared to \$27,887 for the three months ended June 30, 2019, an increase of \$21,567, or 77%. Stock-based compensation consisted entirely of expense on stock options. Amortization of stock options increased as new options were granted toward the end of February 2020, with a five-year vesting period.

Professional services

General and administrative expenses related to professional services were \$111,872 for the 2020 period, compared to \$11,983 for the 2019 period, an increase of \$99,889, or 834%. The increase was primarily due to professional services related to our asset purchase agreement with S-FDF, LLC.

Other general and administrative expenses

Other general and administrative expenses for the three months ended June 30, 2020 was \$50,229, compared to \$59,320 for the three months ended June 30, 2019, a decrease of \$9,091, or 15%. The decrease is primarily attributable to decreased administrative activity as we focused on finalizing the Asset Purchase Agreement.

Depreciation

Depreciation expense for the three months ended June 30, 2020 was \$379, compared to \$180 for the three months ended June 30, 2019, a decrease of \$199, or 111%. The decrease is attributable to certain equipment becoming fully amortized.

Other income (expense)

In the three months ended June 30, 2020, other expense was \$1,162,246, consisting of \$367,652 of interest expense derived from the business loans the Company received from Cadence Bank, N.A and RBC Capital Markets, LLC and additional operating loans from the PPP and EIDL programs, including \$363,645 of expense related to the amortization of warrants issued in consideration of personal guarantees provided for debt financing, along with a net gain on investments in Allied Esports Entertainment, Inc. of \$1,529,896. There was no other income (expenses) during the comparative three months ended June 30, 2019.

Provision for income taxes

The Company had no income tax expense in the 2020 or 2019 periods, as the Company continues to reserve against any deferred tax assets due to the uncertainty of realization of any benefit.

Net profit (loss) from discontinued operations

Net income from discontinued operations relates to the income and expenses of BRAC during the periods prior to deconsolidation. Net income from discontinued operations of \$338,704 during the three months ended June 30, 2019, consisting primarily of \$824,289 of interest income on investments in the trust account for the benefit of potential redeeming shareholders, as offset by a loss of \$6,255 on investments, \$162,540 of general and administrative expenses, \$116,914 of professional fees and \$199,876 of income taxes.

Results of Operations for the Six Months Ended June 30, 2020 and 2019.

The following table summarizes selected items from the statement of operations for the six months ended June 30, 2020 and 2019, respectively.

	Six Months Ended June 30,		Increase / (Decrease)
	2020	2019	
Management fee income	\$ —	\$ 60,000	\$ (60,000)
Total revenues:	<u>—</u>	<u>60,000</u>	<u>(60,000)</u>
Operating expenses:			
General and administrative expenses:			
Salaries and benefits	453,254	630,570	(177,316)
Stock-based compensation	70,943	55,818	15,125
Professional services	196,856	39,691	157,165
Other general and administrative expenses	141,379	115,878	25,501
Total general and administrative expenses	<u>862,432</u>	<u>841,957</u>	<u>20,475</u>
Depreciation and amortization	650	623	27
Total operating expenses	<u>863,082</u>	<u>842,580</u>	<u>20,502</u>
Net operating loss	<u>(863,082)</u>	<u>(782,580)</u>	<u>80,502</u>
Other income (expense)			
Interest expense, including \$377,440 of warrants issued as a debt discount	(382,761)	—	382,761
Other income	2	51	(49)
Loss on investment in Allied Esports Entertainment, Inc.	(682,956)	—	682,956
Total other income (expense)	<u>(1,065,715)</u>	<u>51</u>	<u>(1,065,766)</u>
Net loss from continuing operations, net of tax	<u>(1,928,797)</u>	<u>(782,529)</u>	<u>1,146,268</u>
Provision for income taxes	<u>—</u>	<u>—</u>	<u>—</u>
Net loss from continuing operations, net of tax	<u>(1,928,797)</u>	<u>(782,529)</u>	<u>1,146,268</u>
Net income from discontinued operations	<u>—</u>	<u>671,115</u>	<u>(671,115)</u>
Net loss before non-controlling interest	<u>(1,928,797)</u>	<u>(111,414)</u>	<u>1,817,383</u>
Less: Net loss attributable to redeemable non-controlling interest	<u>—</u>	<u>(1,189,610)</u>	<u>1,189,610</u>
Net loss attributable to Black Ridge Oil & Gas, Inc.	<u>\$ (1,928,797)</u>	<u>\$ (1,301,024)</u>	<u>\$ 627,773</u>

Management fee revenue

The Company did not earn any management fees from its management agreement with BRAC during the six months ended June 30, 2020, compared to \$60,000 during the six months ended June 30, 2019. The decrease is attributable to the termination of the agreement subsequent to the merger between BRAC and AESE on August 9, 2019.

General and administrative expenses

Salaries and benefits

Salaries and benefits for the six months ended June 30, 2020 were \$453,254, compared to \$630,570 for the six months ended June 30, 2019, a decrease of \$177,316, or 28%. The decrease in salaries and benefits was primarily due to a headcount decrease and decreased health benefit costs.

Stock-based compensation

Stock-based compensation expense for the six months ended June 30, 2020 was \$70,943, compared to \$55,818 for the six months ended June 30, 2019, an increase of \$15,125, or 27%. Stock-based compensation consisted entirely of expense on stock options. Amortization of stock options increased as new options were granted toward the end of February 2020, with a five-year vesting period.

Professional services

General and administrative expenses related to professional services were \$196,856 for the 2020 period, compared to \$39,691 for the 2019 period, an increase of \$157,165, or 396%. The increase was primarily due to professional services related to our asset purchase agreement with S-FDF, LLC.

Other general and administrative expenses

Other general and administrative expenses for the six months ended June 30, 2020 was \$141,379, compared to \$115,878 for the six months ended June 30, 2019, an increase of \$25,501, or 22%. The increase is primarily attributable to increased stock services expense related to the reverse stock split.

Depreciation

Depreciation expense for the six months ended June 30, 2020 was \$650, compared to \$623 for the six months ended June 30, 2019, an increase of \$27, or 4%. The increase is attributable to the addition of new computer equipment in 2020.

Other income (expense)

In the six months ended June 30, 2020, other expense was \$1,065,715, consisting of \$382,761 of interest expense derived from the business loans the Company received from Cadence Bank, N.A, RBC Capital Markets, LLC and additional operating loans from the PPP and EIDL programs, including \$377,440 of expense related to the amortization of warrants issued in consideration of personal guarantees provided for debt financing, along with a net loss on investments in Allied Esports Entertainment, Inc. of \$682,956, as offset by \$2 of interest income, compared to \$51 of other income, consisting entirely of other income related to a refund received during the six months ended June 30, 2019.

Provision for income taxes

The Company had no income tax expense in the 2020 or 2019 periods, as the Company continues to reserve against any deferred tax assets due to the uncertainty of realization of any benefit.

Net profit (loss) from discontinued operations

Net income from discontinued operations relates to the income and expenses of BRAC during the periods prior to deconsolidation. Net income from discontinued operations of \$671,115 during the six months ended June 30, 2019, consisting primarily of \$1,635,625 of interest income on investments in the trust account for the benefit of potential redeeming shareholders, as offset by a loss of \$1,522 on investments, \$386,266 of general and administrative expenses, \$190,267 of professional fees and \$386,455 of income taxes.

Liquidity and Capital Resources

The following table summarizes our total current assets, liabilities and working capital at June 30, 2020 and December 31, 2019, respectively.

	June 30, 2020	December 31, 2019
Current Assets	<u>\$ 5,749,861</u>	<u>\$ 156,412</u>
Current Liabilities	<u>\$ 1,274,395</u>	<u>\$ 1,446,407</u>
Working Capital	<u>\$ 4,475,466</u>	<u>\$ (1,289,995)</u>

As of June 30, 2020, we had working capital of \$4,475,466. Liabilities of \$1,133,281 related to the 2018 Management Incentive Plan are included in current liabilities as of June 30, 2020, which will be settled in common stock from the Company's Investment in Allied Esports Entertainment, Inc., a long-term asset.

The following table summarizes our cash flows during the six-month periods ended June 30, 2020 and 2019, respectively.

	Six Months Ended June 30,	
	2020	2019
Net cash used in operating activities	<u>\$ (682,885)</u>	<u>\$ (2,127,947)</u>
Net cash provided by investing activities	<u>962,812</u>	<u>892,514</u>
Net cash provided by financing activities	<u>262,925</u>	<u>-</u>
Net change in cash and cash equivalents	<u>\$ 542,852</u>	<u>\$ (1,235,433)</u>

Net cash used in operating activities was \$682,885 and \$2,127,947 for the six months ended June 30, 2020 and 2019, respectively, a period over period improvement of \$1,445,062. The decrease was primarily due to a decrease of \$1,388,920 in net losses in discontinued operations of BRAC. Changes in working capital from continuing operating activities resulted in a decrease in cash used in operating activities of \$56,142 in the six months ended June 30, 2020, as compared to a decrease in cash used in operating activities of \$455,571 for the same period in the previous year.

Net cash provided by investing activities were \$962,812 and \$892,514 for the six months ended June 30, 2020 and 2019, respectively. Cash provided by investing activities were comprised of proceeds of \$962,812 from the sale of Allied Esports Entertainment, Inc. securities during the six months ended June 30, 2020. In the comparative period ended June 30, 2019, virtually all the cash was provided from discontinued operations and was the result of transfers and withdrawals from the Trust Account.

Net cash provided by financing activities was \$262,925 and \$-0- for the six months ended June 30, 2020 and 2019, respectively. All of the 2020 activity was the result of \$802,025 of net proceeds from notes payable, as offset by \$539,100 of repayments.

Satisfaction of our cash obligations for the next 12 months

As of June 30, 2020, our balance of cash was \$651,608 and we had total working capital of \$4,475,466. 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 the sale of its AESE shares, however, there can be no assurance the share price will be sufficient to cover our cash obligations for the next 12 months, therefore, additional financing in the form of equity or debt may be needed. The Company realized \$962,812 of proceeds on the sale of 316,968 shares of AESE stock, and received proceeds of \$112,925 on a PPP loan and \$150,000 of proceeds on an EIDL loan to be used as working capital to alleviate economic injury caused by COVID-19 during the second quarter of 2020. Pursuant to the Asset Purchase Agreement we entered into with S-FDF, LLC on June 9, 2020, we will need to contribute \$4 million to the business in the form of proceeds from either the sale of Sponsor Shares, proceeds from a financing secured by the AESE Shares, or proceeds from equity or convertible debt financing by January 1, 2020. The net fair value of the Sponsor Shares and Sponsor Warrants, less the deferred compensation under the Management Incentive Plan Award Agreement is approximately \$4 million currently, however, there can be no assurance we will be able to realize these proceeds upon the sale of the securities.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

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

Our critical accounting policies are more fully described in Note 2 of the footnotes to our financial statements appearing elsewhere in this Form 10-Q, and Note 2 of the footnotes to the financial statements provided in our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2019.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, the Company is not required to provide the information required by this Item

ITEM 4. CONTROLS AND PROCEDURES.

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

Our management, under the direction of our Chief Executive Officer and Interim Chief Financial Officer, who is one in the same, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such terms are defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2020. As part of such evaluation, management considered the matters discussed below relating to internal control over financial reporting. Based on this evaluation our management, including The Company’s Chief Executive Officer and Interim Chief Financial Officer, has concluded that the Company’s disclosure controls and procedures were effective as of June 30, 2020 to ensure that the information required to be disclosed in our Exchange Act reports was recorded, processed, summarized and reported on a timely basis.

There have been no changes in the Company’s internal control over financial reporting during the six-month period ended June 30, 2020 that materially affected or are reasonably likely to materially affect the Company’s internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

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

ITEM 1A. RISK FACTORS.

The outbreak of the coronavirus (“COVID-19”) has negatively impacted and could continue to negatively impact the global economy. In addition, the COVID-19 pandemic could disrupt or otherwise negatively impact global credit markets, our operations and our efforts to identify, review and explore alternatives for the Company, including a merger, acquisition, or a business combination.

The significant outbreak of COVID-19 has resulted in a widespread health crisis, which has negatively impacted and could continue to negatively impact the global economy. In addition, the global and regional impact of the outbreak, including official or unofficial quarantines and governmental restrictions on activities taken in response to such event, could have a negative impact on our operations and our ability to identify, review and explore alternatives for the Company. More broadly, the outbreak could potentially reduce the value of the AESE Shares that we own and impact the shares of the Company that we may be required to issue to Sellers under the S-FDF Asset Purchase Agreement.

The COVID-19 outbreak could disrupt or otherwise negatively impact credit and equity markets, which could adversely affect the availability and cost of capital. Such impacts could limit our ability to obtain additional funding through various financing transactions or arrangements, including equity or debt financing or other means.

A pandemic typically results in social distancing, travel bans and quarantines, and this may limit access to our management, support staff, professional advisors and our independent auditors. These factors, in turn, may not only impact our operations, financial condition and our overall ability to react timely to mitigate the impact of this event. Also, it may hamper our efforts to comply with our filing obligations with the Securities and Exchange Commission. In addition, it could impact the ability to complete construction and commence operations of the S-FDF business following the anticipated closing.

The extent and potential short and long term impact of the COVID-19 outbreak on our business will depend on future developments, including the duration, severity and spread of the virus, actions that may be taken by governmental authorities and the impact on the financial markets, all of which are highly uncertain and cannot be predicted. These and other potential impacts of an epidemic, pandemic or other health crisis, such as COVID-19, could therefore materially and adversely affect our business, financial condition and results of operations.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit	Description
3.1	Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 12, 2012)
3.2	Bylaws (incorporated by reference to Exhibit 3.2 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on December 12, 2012)
10.1	Business Loan Agreement dated March 10, 2020, between Cadence Bank, N.A. and Black Ridge Oil & Gas, Inc. (incorporated by reference to Exhibit 10.1 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on May 15, 2020)
10.2	Promissory Note dated March 10, 2020, between Cadence Bank, N.A. and Black Ridge Oil & Gas, Inc. (incorporated by reference to Exhibit 10.2 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on May 15, 2020)
10.3	Commercial Pledge and Security Agreement dated March 10, 2020, between Cadence Bank, N.A. and Black Ridge Oil & Gas, Inc. (incorporated by reference to Exhibit 10.3 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on May 15, 2020)
10.4	Form of Commercial Guaranty dated March 10, 2020, between Cadence Bank, N.A. and Black Ridge Oil & Gas, Inc. (incorporated by reference to Exhibit 10.4 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on May 15, 2020)
10.5	Asset Purchase Agreement dated June 9, 2020, between S-FDF, LLC and Black Ridge Oil & Gas, Inc. (incorporated by reference to Exhibit 10.2 of the Form SC 13D/A filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on June 17, 2020)
10.6*	Promissory Note dated April 24, 2020, between Kensington Bank and Black Ridge Oil & Gas, Inc.
10.7*	Promissory Note dated June 16, 2020, between the U.S. Small Business Administration and Black Ridge Oil & Gas, Inc.
10.8*	Security Agreement dated June 16, 2020, between the U.S. Small Business Administration and Black Ridge Oil & Gas, Inc.
10.9*	Loan Authorization & Agreement dated June 16, 2020, between the U.S. Small Business Administration and Black Ridge Oil & Gas, Inc.
31.1*	Section 302 Certification of Chief Executive Officer and Interim Chief Financial Officer
32.1*	Section 906 Certification of Chief Executive Officer and Interim Chief Financial Officer
101.INS*	XBRL Instance Document
101.SCH*	XBRL Schema Document
101.CAL*	XBRL Calculation Linkbase Document
101.DEF*	XBRL Definition Linkbase Document
101.LAB*	XBRL Labels Linkbase Document
101.PRE*	XBRL Presentation Linkbase Document

*Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BLACK RIDGE OIL & GAS, INC.

Dated: August 11, 2020

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

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$112,925.00	04-24-2020	04-24-2022	10	1	12176000	DR	
References in the boxes above are for Lenders use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

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

Lender: Kensington Bank
Cokato
101 3rd Street SE, PO Box 220
Cokato, MN 55321

Principal Amount: \$112,925.00

Date of Note: April 24, 2020

PROMISE TO PAY. Black Ridge Oil & Gas Inc ("Borrower") promises to pay to Kensington Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Hundred Twelve Thousand Nine Hundred Twenty-five & 00/100 Dollars (\$112,925.00), together with interest on the unpaid principal balance from April 24, 2020, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 1.000% per annum based on a year of 360 days, until paid in full. The interest rate may change under the terms and conditions of the INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in one principal payment of \$112,925.00 plus interest on April 24, 2022. This payment due on April 24, 2022, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid, interest due as of each payment date, beginning November 24, 2020, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; and then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note and Borrower will remain obligated to pay any further amount owed to Lender. **All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered tot Kensington Bank, Cokato, 101 3rd Street SE, PO Box 220, Cokato, MN 55321.**

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased by 5.000 percentage points. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

PROMISSORY NOTE
(Continued)

Loan No: 10

Page 2

DEFAULT. Each of the following shall constitute an event of default (“Event of Default”) under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained, in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced, by this Note.

Change in Ownership. Any change in ownership of twenty-five percent- (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then borrower will pay that amount.

PROMISSORY NOTE
(Continued)

Loan No: 10

Page 3

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals, if not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Minnesota without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Minnesota.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Wright County, State of Minnesota.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$30.00 if Borrower makes a payment on Borrower's loan and, the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with tender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts.

COLLATERAL. This loan is unsecured.

PURPOSE. SBA Paycheck Protection Program loan.

WHEN FEDERAL LAW APPLIES. When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA Regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal Immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may, not claim or assert against SBA any locator state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

PPP LOAN FORGIVENESS DETAILS. Under the PPP (Payroll Protection Program) , a borrower will be eligible for loan forgiveness up to the full principal amount and any accrued interest. The forgiveness amount is equal to the amount spent by the borrower during an 8-week period after the origination date of the loan on payroll costs, interest payments (but not principal) on any mortgage incurred prior to February 15, 2020, payment of rent on any lease in force prior to February 15, 2020, and payment on any utility for which service began before February 15, 2020. The amounts forgiven may not exceed the principal amount of the loan. The maximum amount of loan forgiveness for non-payroll expenses is 25% of the loan amount.

Eligible payroll costs include compensation up to \$100,000 in prorated wages per employee. Aggregate payroll cost must not exceed payroll costs incurred during the equivalent 8-week period in the previous year, proportionate to the number of employees.

The amount of loan forgiveness may be reduced if there is a reduction in the number of employees or a reduction more than 25 percent in wages paid to employees. To encourage employers to rehire any employees who have already been laid off due to the COVID-19 crisis, borrowers that re-hire workers previously laid off will not be penalized for having a reduced payroll at the beginning of the period. The PPP also allows forgiveness for additional wages paid to tipped workers.

**PROMISSORY NOTE
(Continued)**

Loan No: 10

Page 4

Borrowers will verify through documentation to the lender their payments during the period, and lenders that receive the required documentation will not be subject to an enforcement action or penalties by the Administrator relating to loan forgiveness for eligible uses.

A lender may request that the SBA purchase the expected forgiveness amount of a PPP loan or pool of PPP loans at the end of week seven of the covered period. The lender must submit a report requesting advance purchase with the expected forgiveness amount to the SBA. The report shall include the Paycheck Protection Program Application Form and information about how the forgiveness amount was determined. The SBA will purchase the expected forgiveness amount of the PPP loan(s) within 15 days of the date on which the SBA receives a complete report that demonstrates that the expected forgiveness amount is indeed reasonable.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

CERTIFICATION AND ACKNOWLEDGEMENT. By signing the promissory note, the borrower certifies that:

The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.

I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.

During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.

I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 545 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

**PROMISSORY NOTE
(Continued)**

Loan No: 10

Page 5

I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA loan Program Requirements and all SBA reviews.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. In addition, Lender shall have all the rights and remedies provided in the related documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and maybe exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower shall not affect Lender's right to declare a default and to exercise its rights and remedies. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral, or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

SECTION DISCLOSURE. To the extent not preempted by federal law, this loan is made under Minnesota Statutes, Section 47.59.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

BLACK RIDGE OIL & GAS INC

By: /s/ Kenneth T DeCubellis
Kenneth T DeCubellis, President/CEO of Black Ridge Oil & Gas Inc

	U.S. Small Business Administration NOTE (SECURED DISASTER LOANS)	Date: 06.16.2020 Loan Amount: \$150,000.00 Annual Interest Rate: 3.75%
---	---	---

SBA Loan # 6781797900

Application #3303511283

1. **PROMISE TO PAY:** In return for a loan, Borrower promises to pay to the order of SBA the amount of **one hundred and fifty thousand and 00/100 Dollars (\$150,000.00)**, interest on the unpaid principal balance, and all other amounts required by this Note.
2. **DEFINITIONS:** **A)** "Collateral" means any property taken as security for payment of this Note or any guarantee of this Note. **B)** "Guarantor" means each person or entity that signs a guarantee of payment of this Note. **C)** "Loan Documents" means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.
3. **PAYMENT TERMS:** Borrower must make all payments at the place SBA designates. Borrower may prepay this Note in part or in full at any time, without notice or penalty. Borrower must pay principal and interest payments of **\$731.00** every **month** beginning **Twelve (12)** months from the date of the Note. SBA will apply each installment payment first to pay interest accrued to the day SBA receives the payment and will then apply any remaining balance to reduce principal. All remaining principal and accrued interest is due and payable **Thirty (30) years** from the date of the Note.
4. **DEFAULT:** Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower: **A)** Fails to comply with any provision of this Note, the Loan Authorization and Agreement, or other Loan Documents; **B)** Defaults on any other SBA loan; **C)** Sells or otherwise transfers, or does not preserve or account to SBA's satisfaction for, any of the Collateral or its proceeds; **D)** Does not disclose, or anyone acting on their behalf does not disclose, any material fact to SBA; **E)** Makes, or anyone acting on their behalf makes, a materially false or misleading representation to SBA; **F)** Defaults on any loan or agreement with another creditor, if SBA believes the default may materially affect Borrower's ability to pay this Note; **G)** Fails to pay any taxes when due; **H)** Becomes the subject of a proceeding under any bankruptcy or insolvency law; **I)** Has a receiver or liquidator appointed for any part of their business or property; **J)** Makes an assignment for the benefit of creditors; **K)** Has any adverse change in financial condition or business operation that SBA believes may materially affect Borrower's ability to pay this Note; **L)** Dies; **M)** Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without SBA's prior written consent; or, **N)** Becomes the subject of a civil or criminal action that SBA believes may materially affect Borrower's ability to pay this Note.
5. **SBA'S RIGHTS IF THERE IS A DEFAULT:** Without notice or demand and without giving up any of its rights, SBA may: **A)** Require immediate payment of all amounts owing under this Note; **B)** Have recourse to collect all amounts owing from any Borrower or Guarantor (if any); **C)** File suit and obtain judgment; **D)** Take possession of any Collateral; or **E)** Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

6. **SBA'S GENERAL POWERS:** Without notice and without Borrower's consent, SBA may: **A)** Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price it chooses; **B)** Collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If SBA incurs such expenses, it may demand immediate reimbursement from Borrower or add the expenses to the principal balance; **C)** Release anyone obligated to pay this Note; **D)** Compromise, release, renew, extend or substitute any of the Collateral; and **E)** Take any action necessary to protect the Collateral or collect amounts owing on this Note.
7. **FEDERAL LAW APPLIES:** When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.
8. **GENERAL PROVISIONS:** **A)** All individuals and entities signing this Note are jointly and severally liable. **B)** Borrower waives all suretyship defenses. **C)** Borrower must sign all documents required at any time to comply with the Loan Documents and to enable SBA to acquire, perfect, or maintain SBA's liens on Collateral. **D)** SBA may exercise any of its rights separately or together, as many times and in any order it chooses. SBA may delay or forgo enforcing any of its rights without giving up any of them. **E)** Borrower may not use an oral statement of SBA to contradict or alter the written terms of this Note. **F)** If any part of this Note is unenforceable, all other parts remain in effect. **G)** To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that SBA did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale. **H)** SBA may sell or otherwise transfer this Note.
9. **MISUSE OF LOAN FUNDS:** Anyone who wrongfully misapplies any proceeds of the loan will be civilly liable to SBA for one and one-half times the proceeds disbursed, in addition to other remedies allowed by law.
10. **BORROWER'S NAME(S) AND SIGNATURE(S):** By signing below, each individual or entity acknowledges and accepts personal obligation and full liability under the Note as Borrower.

Black Ridge Oil & Gas, Inc

/s/ Kenneth DeCubellis

Kenneth DeCubellis, Owner/Officer

SECURITY AGREEMENT

Read this document carefully. It grants the SBA a security interest (lien) in all the property described in paragraph 4.

This document is predated. DO NOT CHANGE THE DATE ON THIS DOCUMENT.

SECURITY AGREEMENT

Read this document carefully. It grants the SBA a security interest (lien) in all the property described in paragraph 4.

This document is predated. DO NOT CHANGE THE DATE ON THIS DOCUMENT.



U.S. Small Business Administration
SECURITY AGREEMENT

SBA Loan #:	6781797900
Borrower:	Black Ridge Oil & Gas, Inc
Secured Party:	The Small Business Administration, an Agency of the U.S. Government
Date:	06.16.2020
Note Amount:	\$150,000.00

1. DEFINITIONS.

Unless otherwise specified, all terms used in this Agreement will have the meanings ascribed to them under the Official Text of the Uniform Commercial Code, as it may be amended from time to time, ("UCC"). "SBA" means the Small Business Administration, an Agency of the U.S. Government.

2. GRANT OF SECURITY INTEREST.

For value received, the Borrower grants to the Secured Party a security interest in the property described below in paragraph 4 (the "Collateral").

3. OBLIGATIONS SECURED.

This Agreement secures the payment and performance of: (a) all obligations under a Note dated 06.16.2020, made by Black Ridge Oil & Gas, Inc, made payable to Secured Lender, in the amount of \$150,000.00 ("Note"), including all costs and expenses (including reasonable attorney's fees), incurred by Secured Party in the disbursement, administration and collection of the loan evidenced by the Note; (b) all costs and expenses (including reasonable attorney's fees), incurred by Secured Party in the protection, maintenance and enforcement of the security interest hereby granted; (c) all obligations of the Borrower in any other agreement relating to the Note; and (d) any modifications, renewals, refinancings, or extensions of the foregoing obligations.

4. COLLATERAL DESCRIPTION.

The Collateral in which this security interest is granted includes the following property that Borrower now owns or shall acquire or create immediately upon the acquisition or creation thereof: all tangible and intangible personal property, including, but not limited to: (a) inventory, (b) equipment, (c) instruments, including promissory notes (d) chattel paper, including tangible chattel paper and electronic chattel paper, (e) documents, (f) letter of credit rights, (g) accounts, including health-care insurance receivables and credit card receivables, (h) deposit accounts, (i) commercial tort claims, (j) general intangibles, including payment intangibles and software and (k) as-extracted collateral as such terms may from time to time be defined in the Uniform Commercial Code. The security interest Borrower grants includes all accessions, attachments, accessories, parts, supplies and replacements for the Collateral, all products, proceeds and collections thereof and all records and data relating thereto.

5. RESTRICTIONS ON COLLATERAL TRANSFER.

Borrower will not sell, lease, license or otherwise transfer (including by granting security interests, liens, or other encumbrances in) all or any part of the Collateral or Borrower's interest in the Collateral without Secured Party's written or electronically communicated approval, except that Borrower may sell inventory in the ordinary course of business on customary terms. Borrower may collect and use amounts due on accounts and other rights to payment arising or created in the ordinary course of business, until notified otherwise by Secured Party in writing or by electronic communication.

6. MAINTENANCE AND LOCATION OF COLLATERAL; INSPECTION; INSURANCE.

Borrower must promptly notify Secured Party by written or electronic communication of any change in location of the Collateral, specifying the new location. Borrower hereby grants to Secured Party the right to inspect the Collateral at all reasonable times and upon reasonable notice. Borrower must: (a) maintain the Collateral in good condition; (b) pay promptly all taxes, judgments, or charges of any kind levied or assessed thereon; (c) keep current all rent or mortgage payments due, if any, on premises where the Collateral is located; and (d) maintain hazard insurance on the Collateral, with an insurance company and in an amount approved by Secured Party (but in no event less than the replacement cost of that Collateral), and including such terms as Secured Party may require including a Lender's Loss Payable Clause in favor of Secured Party. Borrower hereby assigns to Secured Party any proceeds of such policies and all unearned premiums thereon and authorizes and empowers Secured Party to collect such sums and to execute and endorse in Borrower's name all proofs of loss, drafts, checks and any other documents necessary for Secured Party to obtain such payments.

7. CHANGES TO BORROWER'S LEGAL STRUCTURE, PLACE OF BUSINESS, JURISDICTION OF ORGANIZATION, OR NAME.

Borrower must notify Secured Party by written or electronic communication not less than 30 days before taking any of the following actions: (a) changing or reorganizing the type of organization or form under which it does business; (b) moving, changing its place of business or adding a place of business; (c) changing its jurisdiction of organization; or (d) changing its name. Borrower will pay for the preparation and filing of all documents Secured Party deems necessary to maintain, perfect and continue the perfection of Secured Party's security interest in the event of any such change.

8. PERFECTION OF SECURITY INTEREST.

Borrower consents, without further notice, to Secured Party's filing or recording of any documents necessary to perfect, continue, amend or terminate its security interest. Upon request of Secured Party, Borrower must sign or otherwise authenticate all documents that Secured Party deems necessary at any time to allow Secured Party to acquire, perfect, continue or amend its security interest in the Collateral. Borrower will pay the filing and recording costs of any documents relating to Secured Party's security interest. Borrower ratifies all previous filings and recordings, including financing statements and notations on certificates of title. Borrower will cooperate with Secured Party in obtaining a Control Agreement satisfactory to Secured Party with respect to any Deposit Accounts or Investment Property, or in otherwise obtaining control or possession of that or any other Collateral.

9. DEFAULT.

Borrower is in default under this Agreement if: (a) Borrower fails to pay, perform or otherwise comply with any provision of this Agreement; (b) Borrower makes any materially false representation, warranty or certification in, or in connection with, this Agreement, the Note, or any other agreement related to the Note or this Agreement; (c) another secured party or judgment creditor exercises its rights against the Collateral; or (d) an event defined as a "default" under the Obligations occurs. In the event of default and if Secured Party requests, Borrower must assemble and make available all Collateral at a place and time designated by Secured Party. Upon default and at any time thereafter, Secured Party may declare all Obligations secured hereby immediately due and payable, and, in its sole discretion, may proceed to enforce payment of same and exercise any of the rights and remedies available to a secured party by law including those available to it under Article 9 of the UCC that is in effect in the jurisdiction where Borrower or the Collateral is located. Unless otherwise required under applicable law, Secured Party has no obligation to clean or otherwise prepare the Collateral for sale or other disposition and Borrower waives any right it may have to require Secured Party to enforce the security interest or payment or performance of the Obligations against any other person.

10. FEDERAL RIGHTS.

When SBA is the holder of the Note, this Agreement will be construed and enforced under federal law, including SBA regulations. Secured Party or SBA may use state or local procedures for filing papers, recording documents, giving notice, enforcing security interests or liens, and for any other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax or liability. As to this Agreement, Borrower may not claim or assert any local or state law against SBA to deny any obligation, defeat any claim of SBA, or preempt federal law.

11. GOVERNING LAW.

Unless SBA is the holder of the Note, in which case federal law will govern, Borrower and Secured Party agree that this Agreement will be governed by the laws of the jurisdiction where the Borrower is located, including the UCC as in effect in such jurisdiction and without reference to its conflicts of laws principles.

12. SECURED PARTY RIGHTS.

All rights conferred in this Agreement on Secured Party are in addition to those granted to it by law, and all rights are cumulative and may be exercised simultaneously. Failure of Secured Party to enforce any rights or remedies will not constitute an estoppel or waiver of Secured Party's ability to exercise such rights or remedies. Unless otherwise required under applicable law, Secured Party is not liable for any loss or damage to Collateral in its possession or under its control, nor will such loss or damage reduce or discharge the Obligations that are due, even if Secured Party's actions or inactions caused or in any way contributed to such loss or damage.

13. SEVERABILITY.

If any provision of this Agreement is unenforceable, all other provisions remain in effect.

14. BORROWER CERTIFICATIONS.

Borrower certifies that: (a) its Name (or Names) as stated above is correct; (b) all Collateral is owned or titled in the Borrower's name and not in the name of any other organization or individual; (c) Borrower has the legal authority to grant the security interest in the Collateral; (d) Borrower's ownership in or title to the Collateral is free of all adverse claims, liens, or security interests (unless expressly permitted by Secured Party); (e) none of the Obligations are or will be primarily for personal, family or household purposes; (f) none of the Collateral is or will be used, or has been or will be bought primarily for personal, family or household purposes; (g) Borrower has read and understands the meaning and effect of all terms of this Agreement.

15. BORROWER NAME(S) AND SIGNATURE(S).

By signing or otherwise authenticating below, each individual and each organization becomes jointly and severally obligated as a Borrower under this Agreement.

Black Ridge Oil & Gas, Inc

/s/ Kenneth DeCubellis
Kenneth DeCubellis, Owner/Officer

Date: 06.16.2020

LOAN AUTHORIZATION AND AGREEMENT (LA&A)

***A PROPERLY SIGNED DOCUMENT IS
REQUIRED PRIOR TO ANY
DISBURSEMENT***

CAREFULLY READ THE LA&A:

This document describes the terms and conditions of your loan. It is your responsibility to comply with ALL the terms and conditions of your loan.

SIGNING THE LA&A:

All borrowers must sign the LA&A.

- Sign your name *exactly* as it appears on the LA&A. If typed incorrectly, you should sign with the correct spelling.
- If your middle initial appears on the signature line, sign with your middle initial.
- If a suffix appears on the signature line, such as Sr. or Jr., sign with your suffix.
- Corporate Signatories: Authorized representatives should sign the signature page.

*Your signature represents your agreement to comply
with the terms and conditions of the loan.*

U.S. Small Business Administration

Economic Injury Disaster Loan

LOAN AUTHORIZATION AND AGREEMENT

Date: 06.16.2020 (Effective Date)

On the above date, this Administration (SBA) authorized (under Section 7(b) of the Small Business Act, as amended) a Loan (SBA Loan #6781797900) to Black Ridge Oil & Gas, Inc (Borrower) of 110 N 5TH ST STE 410 MINNEAPOLIS Minnesota 55403 in the amount of one hundred and fifty thousand and 00/100 Dollars (\$150,000.00), upon the following conditions:

PAYMENT

- Installment payments, including principal and interest, of \$731.00 Monthly, will begin Twelve (12) months from the date of the promissory Note. The balance of principal and interest will be payable Thirty (30) years from the date of the promissory Note.

INTEREST

- Interest will accrue at the rate of 3.75% per annum and will accrue only on funds actually advanced from the date(s) of each advance.

PAYMENT TERMS

- Each payment will be applied first to interest accrued to the date of receipt of each payment, and the balance, if any, will be applied to principal
- Each payment will be made when due even if at that time the full amount of the Loan has not yet been advanced or the authorized amount of the Loan has been reduced.

COLLATERAL

- For loan amounts of greater than \$25,000, Borrower hereby grants to SBA, the secured party hereunder, a continuing security interest in and to any and all "Collateral" as described herein to secure payment and performance of all debts, liabilities and obligations of Borrower to SBA hereunder without limitation, including but not limited to all interest, other fees and expenses (all hereinafter called "Obligations"). The Collateral includes the following property that Borrower now owns or shall acquire or create immediately upon the acquisition or creation thereof: all tangible and intangible personal property, including, but not limited to: (a) inventory, (b) equipment, (c) instruments, including promissory notes (d) chattel paper, including tangible chattel paper and electronic chattel paper, (e) documents, (f) letter of credit rights, (g) accounts, including health-care insurance receivables and credit card receivables, (h) deposit accounts, (i) commercial tort claims, (j) general intangibles, including payment intangibles and software and (k) as-extracted collateral as such terms may from time to time be defined in the Uniform Commercial Code. The security interest Borrower grants includes all accessions, attachments, accessories, parts, supplies and replacements for the Collateral, all products, proceeds and collections thereof and all records and data relating thereto.
- For loan amounts of \$25,000 or less, SBA is not taking a security interest in any collateral. Page 2 of 11

REQUIREMENTS RELATIVE TO COLLATERAL

- Borrower will not sell or transfer any collateral (except normal inventory turnover in the ordinary course of business) described in the "Collateral" paragraph hereof without the prior written consent of SBA.
- Borrower will neither seek nor accept future advances under any superior liens on the collateral securing this Loan without the prior written consent of SBA.

USE OF LOAN PROCEEDS

- Borrower will use all the proceeds of this Loan solely as working capital to alleviate economic injury caused by disaster occurring in the month of January 31, 2020 and continuing thereafter and to pay Uniform Commercial Code (UCC) lien filing fees and a third-party UCC handling charge of \$100 which will be deducted from the Loan amount stated above.

REQUIREMENTS FOR USE OF LOAN PROCEEDS AND RECEIPTS

- Borrower will obtain and itemize receipts (paid receipts, paid invoices or cancelled checks) and contracts for all Loan funds spent and retain these receipts for 3 years from the date of the final disbursement. Prior to each subsequent disbursement (if any) and whenever requested by SBA, Borrower will submit to SBA such itemization together with copies of the receipts.
- Borrower will not use, directly or indirectly, any portion of the proceeds of this Loan to relocate without the prior written permission of SBA. The law prohibits the use of any portion of the proceeds of this Loan for voluntary relocation from the business area in which the disaster occurred. To request SBA's prior written permission to relocate, Borrower will present to SBA the reasons therefore and a description or address of the relocation site. Determinations of (1) whether a relocation is voluntary or otherwise, and (2) whether any site other than the disaster-affected location is within the business area in which the disaster occurred, will be made solely by SBA.
- Borrower will, to the extent feasible, purchase only American-made equipment and products with the proceeds of this Loan.
- Borrower will make any request for a loan increase for additional disaster-related damages as soon as possible after the need for a loan increase is discovered. The SBA will not consider a request for a loan increase received more than **two (2)** years from the date of loan approval unless, in the sole discretion of the SBA, there are extraordinary and unforeseeable circumstances beyond the control of the borrower.

DEADLINE FOR RETURN OF LOAN CLOSING DOCUMENTS

- **Borrower will sign and return the loan closing documents to SBA within 2 months of the date of this Loan Authorization and Agreement**By notifying the Borrower in writing, SBA may cancel this Loan if the Borrower fails to meet this requirement. The Borrower may submit and the SBA may, in its sole discretion, accept documents after 2 months of the date of this Loan Authorization and Agreement.

COMPENSATION FROM OTHER SOURCES

- Eligibility for this disaster Loan is limited to disaster losses that are not compensated by other sources. Other sources include but are not limited to: (1) proceeds of policies of insurance or other indemnifications, (2) grants or other reimbursement (including loans) from government agencies or private organizations, (3) claims for civil liability against other individuals, organizations or governmental entities, and (4) salvage (including any sale or re-use) of items of damaged property.
- Borrower will promptly notify SBA of the existence and status of any claim or application for such other compensation, and of the receipt of any such compensation, and Borrower will promptly submit the proceeds of same (not exceeding the outstanding balance of this Loan) to SBA.
- Borrower hereby assigns to SBA the proceeds of any such compensation from other sources and authorizes the payor of same to deliver said proceeds to SBA at such time and place as SBA shall designate.
- SBA will in its sole discretion determine whether any such compensation from other sources is a duplication of benefits. SBA will use the proceeds of any such duplication to reduce the outstanding balance of this Loan, and Borrower agrees that such proceeds will not be applied in lieu of scheduled payments.

DUTY TO MAINTAIN HAZARD INSURANCE

- Within 12 months from the date of this Loan Authorization and Agreement the Borrower will provide proof of an active and in effect hazard insurance policy including fire, lightning, and extended coverage on all items used to secure this loan to at least 80% of the insurable value. Borrower will not cancel such coverage and will maintain such coverage throughout the entire term of this Loan. **BORROWER MAY NOT BE ELIGIBLE FOR EITHER ANY FUTURE DISASTER ASSISTANCE OR SBA FINANCIAL ASSISTANCE IF THIS INSURANCE IS NOT MAINTAINED AS STIPULATED HEREIN THROUGHOUT THE ENTIRE TERM OF THIS LOAN.** Please submit proof of insurance to: U.S. Small Business Administration, Office of Disaster Assistance, 14925 Kingsport Rd, Fort Worth, TX. 76155.

BOOKS AND RECORDS

- Borrower will maintain current and proper books of account in a manner satisfactory to SBA for the most recent 5 years until 3 years after the date of maturity, including extensions, or the date this Loan is paid in full, whichever occurs first. Such books will include Borrower's financial and operating statements, insurance policies, tax returns and related filings, records of earnings distributed and dividends paid and records of compensation to officers, directors, holders of 10% or more of Borrower's capital stock, members, partners and proprietors.
- Borrower authorizes SBA to make or cause to be made, at Borrower's expense and in such a manner and at such times as SBA may require: (1) inspections and audits of any books, records and paper in the custody or control of Borrower or others relating to Borrower's financial or business conditions, including the making of copies thereof and extracts therefrom, and (2) inspections and appraisals of any of Borrower's assets.

- Borrower will furnish to SBA, not later than 3 months following the expiration of Borrower's fiscal year and in such form as SBA may require, Borrower's financial statements.
- Upon written request of SBA, Borrower will accompany such statements with an 'Accountant's Review Report' prepared by an independent public accountant at Borrower's expense.
- Borrower authorizes all Federal, State and municipal authorities to furnish reports of examination, records and other information relating to the conditions and affairs of Borrower and any desired information from such reports, returns, files, and records of such authorities upon request of SBA.

LIMITS ON DISTRIBUTION OF ASSETS

- Borrower will not, without the prior written consent of SBA, make any distribution of Borrower's assets, or give any preferential treatment, make any advance, directly or indirectly, by way of loan, gift, bonus, or otherwise, to any owner or partner or any of its employees, or to any company directly or indirectly controlling or affiliated with or controlled by Borrower, or any other company.

EQUAL OPPORTUNITY REQUIREMENT

- If Borrower has or intends to have employees, Borrower will post SBA Form 722, Equal Opportunity Poster (copy attached), in Borrower's place of business where it will be clearly visible to employees, applicants for employment, and the general public.

DISCLOSURE OF LOBBYING ACTIVITIES

- Borrower agrees to the attached Certification Regarding Lobbying Activities

BORROWER'S CERTIFICATIONS

Borrower certifies that:

- There has been no substantial adverse change in Borrower's financial condition (and organization, in case of a business borrower) since the date of the application for this Loan. (Adverse changes include, but are not limited to: judgment liens, tax liens, mechanic's liens, bankruptcy, financial reverses, arrest or conviction of felony, etc.)
- No fees have been paid, directly or indirectly, to any representative (attorney, accountant, etc.) for services provided or to be provided in connection with applying for or closing this Loan, other than those reported on SBA Form 5 Business Disaster Loan Application; SBA Form 3501 COVID-19 Economic Injury Disaster Loan Application; or SBA Form 159, 'Compensation Agreement'. All fees not approved by SBA are prohibited.

- All representations in the Borrower's Loan application (including all supplementary submissions) are true, correct and complete and are offered to induce SBA to make this Loan.
- No claim or application for any other compensation for disaster losses has been submitted to or requested of any source, and no such other compensation has been received, other than that which Borrower has fully disclosed to SBA.
- Neither the Borrower nor, if the Borrower is a business, any principal who owns at least 50% of the Borrower, is delinquent more than 60 days under the terms of any: (a) administrative order; (b) court order; or (c) repayment agreement that requires payment of child support.
- Borrower certifies that no fees have been paid, directly or indirectly, to any representative (attorney, accountant, etc.) for services provided or to be provided in connection with applying for or closing this Loan, other than those reported on the Loan Application. All fees not approved by SBA are prohibited. If an Applicant chooses to employ an Agent, the compensation an Agent charges to and that is paid by the Applicant must bear a necessary and reasonable relationship to the services actually performed and must be comparable to those charged by other Agents in the geographical area. Compensation cannot be contingent on loan approval. In addition, compensation must not include any expenses which are deemed by SBA to be unreasonable for services actually performed or expenses actually incurred. Compensation must not include charges prohibited in 13 CFR 103 or SOP 50-30, Appendix 1. **If the compensation exceeds \$500 for a disaster home loan or \$2,500 for a disaster business loan, Borrower must fill out the Compensation Agreement Form 159D which will be provided for Borrower upon request or can be found on the SBA website.**
- Borrower certifies, to the best of its, his or her knowledge and belief, that the certifications and representations in the attached Certification Regarding Lobbying are true, correct and complete and are offered to induce SBA to make this Loan.

CIVIL AND CRIMINAL PENALTIES

- Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one half times the original principal amount of the loan under 15 U.S.C. 636(b). In addition, any false statement or misrepresentation to SBA may result in criminal, civil or administrative sanctions including, but not limited to: 1) fines, imprisonment or both, under 15 U.S.C. 645, 18 U.S.C. 1001, 18 U.S.C. 1014, 18 U.S.C. 1040, 18 U.S.C. 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. 3729; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

RESULT OF VIOLATION OF THIS LOAN AUTHORIZATION AND AGREEMENT

- If Borrower violates any of the terms or conditions of this Loan Authorization and Agreement, the Loan will be in default and SBA may declare all or any part of the indebtedness immediately due and payable. SBA's failure to exercise its rights under this paragraph will not constitute a waiver.

- A default (or any violation of any of the terms and conditions) of any SBA Loan(s) to Borrower and/or its affiliates will be considered a default of all such Loan(s).

DISBURSEMENT OF THE LOAN

- Disbursements will be made by and at the discretion of SBA Counsel, in accordance with this Loan Authorization and Agreement and the general requirements of SBA.
- Disbursements may be made in increments as needed.
- Other conditions may be imposed by SBA pursuant to general requirements of SBA.
- Disbursement may be withheld if, in SBA's sole discretion, there has been an adverse change in Borrower's financial condition or in any other material fact represented in the Loan application, or if Borrower fails to meet any of the terms or conditions of this Loan Authorization and Agreement.
- **NO DISBURSEMENT WILL BE MADE LATER THAN 6 MONTHS FROM THE DATE OF THIS LOAN AUTHORIZATION AND AGREEMENT UNLESS SBA, IN ITS SOLE DISCRETION, EXTENDS THIS DISBURSEMENT PERIOD.**

PARTIES AFFECTED

- This Loan Authorization and Agreement will be binding upon Borrower and Borrower's successors and assigns and will inure to the benefit of SBA and its successors and assigns.

RESOLUTION OF BOARD OF DIRECTORS

- Borrower shall, within 180 days of receiving any disbursement of this Loan, submit the appropriate SBA Certificate and/or Resolution to the U.S. Small Business Administration, Office of Disaster Assistance, 14925 Kingsport Rd, Fort Worth, TX. 76155.

ENFORCEABILITY

This Loan Authorization and Agreement is legally binding, enforceable and approved upon Borrower's signature, the SBA's approval and the Loan Proceeds being issued to Borrower by a government issued check or by electronic debit of the Loan Proceeds to Borrower' banking account provided by Borrower in application for this Loan.

/s/ James E. Rivera
James E. Rivera
Associate Administrator
U.S. Small Business Administration

The undersigned agree(s) to be bound by the terms and conditions herein during the term of this Loan, and further agree(s) that no provision stated herein will be waived without prior written consent of SBA. **Under penalty of perjury of the United States of America, I hereby certify that I am authorized to apply for and obtain a disaster loan on behalf of Borrower, in connection with the effects of the COVID-19 emergency.**

Black Ridge Oil & Gas, Inc

/s/ Kenneth DeCubellis Date: 06.16.2020
Kenneth DeCubellis, Owner/Officer

Note: Corporate Borrowers must execute Loan Authorization and Agreement in corporate name, by a duly authorized officer. Partnership Borrowers must execute in firm name, together with signature of a general partner. Limited Liability entities must execute in the entity name by the signature of the authorized managing person.

CERTIFICATION

I, Kenneth DeCubellis, certify that:

1. I have reviewed this report on Form 10-Q of Black Ridge Oil & Gas, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Dated: August 11, 2020

/s/ Kenneth DeCubellis

Kenneth DeCubellis, Chief Executive Officer (Principal Executive Officer) and Interim Chief Financial Officer (Principal Financial Officer)

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

In connection with the Quarterly Report of Black Ridge Oil & Gas, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2020 (the "Report") I, Kenneth DeCubellis, Chief Executive Officer of the Company, certify, pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 11, 2020

/s/ Kenneth DeCubellis

Kenneth DeCubellis, Chief Executive Officer and Interim Chief Financial Officer (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.