

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

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2018

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-38226

**BLACK RIDGE ACQUISITION CORP.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**82-1659427**

(I.R.S. Employer  
Identification No.)

**c/o Black Ridge Oil & Gas, Inc.  
110 North 5th Street, Suite 410  
Minneapolis, MN 55403**  
(Address of principal executive offices)

**(952) 426-1241**

(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
(Do not check if a smaller reporting company)		Emerging growth company	<input checked="" type="checkbox"/>

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

As of August 6, 2018, 17,695,000 shares of common stock, par value \$0.0001 per share, were issued and outstanding.

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**BLACK RIDGE ACQUISITION CORP.**

**FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2018**

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**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**BLACK RIDGE ACQUISITION CORP.  
CONDENSED BALANCE SHEETS**

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
<b>ASSETS</b>	<b>(unaudited)</b>	
Current assets:		
Cash and cash equivalents	\$ 175,855	\$ 427,954
Prepaid expenses	56,943	33,093
Deferred income taxes	1,226	18,678
Total current assets	<u>234,024</u>	<u>479,725</u>
Cash and marketable securities held in Trust Account	139,956,554	138,980,353
Total assets	<u>\$ 140,190,578</u>	<u>\$ 139,460,078</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 68,860	\$ 45,391
Accounts payable - related party	7,626	2,940
Income taxes payable	184,227	85,722
Total current liabilities	<u>260,713</u>	<u>134,053</u>
Total liabilities	<u>260,713</u>	<u>134,053</u>
Commitments		
Common stock, \$.0001 par value, subject to possible redemption, 13,329,334 and 13,348,443 shares at June 30, 2018 and December 31, 2017, respectively, at redemption value	<u>134,929,861</u>	<u>134,326,020</u>
Stockholders' equity:		
Preferred stock, \$.0001 par value, 1,000,000 shares authorized, none issued and outstanding	-	-
Common stock, \$.0001 par value; 35,000,000 shares authorized, 4,365,666 and 4,346,557 shares at June 30, 2018 and December 31, 2017, respectively, issued and outstanding (excluding 13,329,334 and 13,348,443 shares at June 30, 2018 and December 31, 2017, respectively, subject to possible redemption)	437	435
Additional paid in capital	4,302,577	4,906,420
Retained earnings	696,990	93,150
Total stockholders' equity	<u>5,000,004</u>	<u>5,000,005</u>
Total liabilities and stockholders' equity	<u>\$ 140,190,578</u>	<u>\$ 139,460,078</u>

The accompanying notes are an integral part of these unaudited condensed financial statements

**BLACK RIDGE ACQUISITION CORP.**  
**STATEMENTS OF OPERATIONS**  
(Unaudited)

	<u>Three Months Ended June 30, 2018</u>	<u>Six Months Ended June 30, 2018</u>	<u>Period from May 9, 2017 (Inception) through June 30, 2017</u>
General and administrative expenses	\$ 113,496	\$ 259,756	\$ 323
Loss from operations	(113,496)	(259,756)	(323)
Other income			
Interest income	628,390	1,046,102	–
Unrealized gain on marketable securities held in Trust Account	2,806	60,720	–
Total other income	<u>631,196</u>	<u>1,106,822</u>	<u>–</u>
Income (loss) before taxes	517,700	847,066	(323)
Provision for income taxes	<u>(148,559)</u>	<u>(243,226)</u>	<u>–</u>
<b>Net income (loss)</b>	<u>\$ 369,141</u>	<u>\$ 603,840</u>	<u>\$ (323)</u>
Weighted average shares outstanding, basic and diluted <sup>(1)</sup>	<u>4,358,691</u>	<u>4,352,658</u>	<u>3,000,000</u>
<b>Basic and diluted net loss per common share (see Note 2)</b>	<u>\$ (0.02)</u>	<u>\$ (0.04)</u>	<u>\$ (0.00)</u>

*(1) Excludes an aggregate of up to 13,329,334 shares subject to redemption at June 30, 2018. Excludes an aggregate of 450,000 shares for the 2017 period that were subject to forfeiture at June 30, 2017 to the extent the underwriters' over-allotment was not exercised in full.*

The accompanying notes are an integral part of these unaudited condensed financial statements

**BLACK RIDGE ACQUISITION CORP.**  
**STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<b>Six Months Ended June 30, 2018</b>	<b>Period from May 9, 2017 (Inception) through June 30, 2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 603,840	\$ (323)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Interest income	(1,046,102)	–
Unrealized gain on marketable securities held in Trust Account	(60,720)	–
Deferred income taxes	17,452	–
Changes in operating assets and liabilities:		
Prepaid expenses	(23,850)	–
Accounts payable and accrued expenses	23,469	–
Accounts payable - related party	4,686	323
Income taxes payable	98,505	–
<b>Net cash used in operating activities</b>	<b>(382,720)</b>	<b>–</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Transfer from Trust Account to pay for taxes and franchise fees	130,621	–
<b>Net cash provided by investing activities</b>	<b>130,621</b>	<b>–</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from promissory note - related party	–	62,500
Payment of offering costs	–	(56,112)
Proceeds from issuance of common stock to Sponsor	–	25,000
<b>Net cash provided by financing activities</b>	<b>–</b>	<b>31,388</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(252,099)</b>	<b>31,388</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	427,954	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 175,855</u>	<u>\$ 31,388</u>
<b>SUPPLEMENTAL INFORMATION:</b>		
Income taxes paid	<u>\$ 127,269</u>	<u>\$ –</u>
<b>NON-CASH INVESTING AND FINANCE ACTIVITIES:</b>		
Payment of deferred offering costs through promissory note - related party	<u>\$ –</u>	<u>\$ 62,500</u>
Change in value of common stock subject to possible redemption	<u>\$ 603,841</u>	<u>\$ –</u>

The accompanying notes are an integral part of these financial statements

**BLACK RIDGE ACQUISITION CORP.**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**  
**(Unaudited)**

**Note 1 – Description of Organization and Business Operations**

Black Ridge Acquisition Corp. (“BRAC” or the “Company”, “we”, “us” and “our”) was incorporated in Delaware on May 9, 2017 as a blank check company for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities (a “Business Combination”). The Company’s efforts to identify a prospective target business are not limited to a particular industry or geographic region. The Company is focusing its search on businesses in the energy or energy-related industries with an emphasis on opportunities in the upstream oil and gas industry in North America.

All activity through June 30, 2018 relates to the Company’s formation, its Initial Public Offering, described below, and identifying a target company for a Business Combination. The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

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

Simultaneous with the closing of the Initial Public Offering, the Company consummated the sale of 400,000 units (the “Placement Units”) at a price of \$10.00 per Unit in a private placement to the Company’s sponsor and sole stockholder prior to the Initial Public Offering, Black Ridge Oil & Gas, Inc. (the “Sponsor”), generating gross proceeds of \$4,000,000.

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

On October 18, 2017, in connection with the underwriters’ exercise of their over-allotment option in full, the Company consummated the sale of an additional 1,800,000 Units, and the sale of an additional 45,000 Placement Units at \$10.00 per Unit, generating total proceeds of \$18,450,000. Transaction costs for underwriting fees on the sale of the over-allotment Units were \$360,000. Following the closing, an additional \$18,090,000 of the net proceeds (\$10.05 per Public Share) was placed in the Trust Account, bringing the total aggregate proceeds placed in the Trust Account to \$138,690,000 (10.05 per Public Share).

**BLACK RIDGE ACQUISITION CORP.**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**  
**(Unaudited)**

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

**Initial Business Combination**

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

**BLACK RIDGE ACQUISITION CORP.**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**  
**(Unaudited)**

The Company will provide the stockholders, who are the holders of the Public Shares, whether they are purchased in the Initial Public Offering or in the aftermarket (“Public Stockholders”) with an opportunity to redeem all or a portion of their Public Shares, irrespective of whether they vote for or against the proposed Business Combination or if the Company conducts a tender offer, upon the completion of the initial Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination, or (ii) by means of a tender offer, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest (net of franchise and income taxes payable), divided by the number of then outstanding Public Shares. The amount in the Trust Account, net of franchise and income taxes payable, currently amounts to \$10.12 per Public Share. The common stock subject to redemption was recorded at a redemption value and classified as temporary equity upon the completion of the Initial Public Offering, in accordance with Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity”. The Company will proceed with a Business Combination only if the Company has net tangible assets of at least \$5,000,001 upon such consummation of a Business Combination and solely in the case of a stockholder vote, a majority of the outstanding shares voted are voted in favor of the Business Combination. The decision as to whether the Company will seek stockholder approval of a proposed Business Combination or conduct a tender offer will be made by the Company, solely in its discretion, based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would otherwise require it to seek stockholder approval under the law or stock exchange listing requirement. If a stockholder vote is not required and the Company decides not to hold a stockholder vote for business or other legal reasons, the Company will, pursuant to the proposed amended and restated certificate of incorporation, (i) conduct the redemptions pursuant to Rule 13e-4 and Regulation 14E of the Exchange Act, which regulate issuer tender offers, and (ii) file tender offer documents with the SEC prior to completing the initial Business Combination which contain substantially the same financial and other information about the initial Business Combination and the redemption rights as is required under Regulation 14A of the Exchange Act, which regulates the solicitation of proxies.

The Sponsor has agreed to vote its Founder Shares (as described in Note 6), Placement Shares and any Public Shares purchased after the Initial Public Offering in favor of the initial Business Combination, and the Company’s executive officers and directors have also agreed to vote any Public Shares purchased after the Initial Public Offering in favor of the Initial Business Combination. The Sponsor entered into a letter agreement, pursuant to which it agreed to waive its redemption rights with respect to the Founder Shares, shares included in the Placement Units and Public Shares in connection with the completion of the initial Business Combination. In addition, the Sponsor has agreed to waive its rights to liquidating distributions from the Trust Account with respect to the Founder Shares and shares included in the Placement Units if the Company fails to complete the initial Business Combination within the prescribed time frame. However, if the Sponsor (or any of the Company’s executive officers, directors or affiliates) acquires Public Shares after the Initial Public Offering, it (and they) will be entitled to liquidating distributions from the Trust Account with respect to such Public Shares in the event the Company does not complete the initial Business Combination within such applicable time period.

**Failure to Consummate a Business Combination**

If the Company is unable to complete the initial Business Combination within the Combination Period, the Company must: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest (which interest shall be net of franchise and income taxes payable and up to \$50,000 for liquidation expenses) divided by the number of then outstanding Public Shares, which redemption will completely extinguish Public Stockholders’ rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company’s remaining stockholders and the Company’s Board of Directors, dissolve and liquidate, subject in the case of clauses (ii) and (iii) to the Company’s obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.



**BLACK RIDGE ACQUISITION CORP.**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**  
**(Unaudited)**

**Note 2 – Significant Accounting Policies**

**Basis of Presentation**

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X of the SEC. Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited condensed financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

The accompanying unaudited condensed financial statements should be read in conjunction with the Company's Form 10-K as filed with the SEC on March 22, 2018. Interim results are not necessarily indicative of results for a full year or for future interim periods.

**Going concern**

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the normal course of business. As of June 30, 2018, the Company had \$175,855 in cash and cash equivalents held outside of the Trust Account, \$262,247 in interest income available from the Company's investments in the Trust Account to pay its franchise and income taxes payable, and liabilities of \$260,713. Further, the Company has incurred and expects to continue to incur significant costs in pursuit of its acquisition plans. The Company's plans to consummate an initial Business Combination may not be successful. These matters, among others, raise substantial doubt about the Company's ability to continue as a going concern.

Based on the foregoing, the Company may not have sufficient funds available to operate its business for at least one year from the date the financial statements are issued or until it closes an initial business combination and may need to obtain additional financing in order to meet its obligations. The Company cannot be certain that additional funding will be available on acceptable terms, or at all.

The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

**Emerging growth company**

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended, (the “Securities Act”), as modified by the Jumpstart our Business Startups Act of 2012, (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accountant standards used.

**BLACK RIDGE ACQUISITION CORP.**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**  
**(Unaudited)**

**Cash and cash equivalents**

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of June 30, 2018 or December 31, 2017.

**Cash and securities held in Trust Account**

As of June 30, 2018, \$673 of cash and \$139,955,881 of marketable securities were held in the Trust Account. As of December 31, 2017, \$39,742 of cash and \$138,940,611 of marketable securities were held in the Trust Account.

**Income taxes**

The Company accounts for income taxes under ASC Topic 740 "Income Taxes" ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statement and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC Topic 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of June 30, 2018. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its financial position.

The Company may be subject to potential examination by federal, state and city taxing authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal, state and city tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

On December 22, 2017 the U.S. Tax Cuts and Jobs Act of 2017 ("Tax Reform") was signed into law. As a result of Tax Reform, the U.S. statutory rate was lowered from 35% to 21% effective January 1, 2018, among other changes. ASC Topic 740 requires companies to recognize the effect of tax law changes in the period of enactment; therefore, the Company was required to value its deferred tax assets and liabilities at June 30, 2018 and December 31, 2017 at the new rate.

**Common Stock subject to possible redemption**

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." Common stock subject to mandatory redemption (if any) is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) is classified as temporary equity. At all other times, common stock is classified as stockholders' equity. The Company's common stock features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, as of June 30, 2018 and December 31, 2017, common stock subject to possible redemption is presented as temporary equity, outside of the stockholders' equity section of the Company's balance sheet.

**BLACK RIDGE ACQUISITION CORP.**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**  
**(Unaudited)**

**Concentration of credit risk**

Financial instruments that potentially subject the Company to concentration of credit risk consist of a cash account in a financial institution which, at times may exceed the Federal depository insurance coverage of \$250,000. At June 30, 2018, the Company had not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

**Net income (loss) per share**

Net income (loss) per share is computed by dividing net income (loss) by the weighted-average number of shares of common stock outstanding during the period. An aggregate of 13,329,334 shares of common stock subject to possible redemption at June 30, 2018 have been excluded from the calculation of basic income (loss) per share since such shares, if redeemed, only participate in their pro rata share of the trust earnings.

The Company's net income (loss) is also shown adjusted for the portion of income attributable to shares subject to redemption, as these shares only participate in the income of the trust account and not the operating losses of the Company. Accordingly, basic and diluted net income (loss) per share attributable to shares not subject to redemption is as follows:

	<u>Three Months Ended June 30, 2018</u>	<u>Six Months Ended June 30, 2018</u>
Net income	\$ 369,141	\$ 603,840
Less income attributable to shares subject to redemption	(439,359)	(796,162)
Adjusted net loss	<u>(70,218)</u>	<u>(192,322)</u>
Weighted average shares outstanding, basic and diluted	<u>4,358,691</u>	<u>4,352,658</u>
Basic and diluted net loss per common share attributable to remaining shares	<u>\$ (0.02)</u>	<u>\$ (0.04)</u>

For the period from May 9, 2017 (date of inception) to June 30, 2017, there was no portion of net income (loss) that was attributable to common stock subject to redemption.

The Company has not considered the effect of 1) warrants to purchase 14,845,000 shares of common stock, 2) rights that convert to 1,484,500 shares and 3) 600,000 shares included in the underwriters' unit option sold in Public Offering, Private Placement or underlying the unit option sold to the underwriter in the calculation of diluted loss per share, since the exercise of the warrants, receipt of rights and shares is contingent on the occurrence of future events.

**Use of estimates**

The preparation of financial statements in conformity with U.S. GAAP 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 amounts of expenses during the reporting period. Actual results could differ from those estimates.

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**Fair value of financial instruments**

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurements and Disclosures", approximates the carrying amounts represented in the accompanying balance sheet, primarily due to their short-term nature.

**Recent Accounting Pronouncements**

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's financial statements.

**Note 3 – Public Offering and Private Placement**

***Initial Public Offering***

Pursuant to the Initial Public Offering, the Company sold 13,800,000 Units (including 1,800,000 Units subject to the underwriters' over-allotment option) at a purchase price of \$10.00 per Unit. Each Unit consists of one share of common stock, one right ("Public Right") and one warrant ("Public Warrant"). Each Public Right will convert into one-tenth (1/10) of one share of common stock upon consummation of a Business Combination (see Note 6). Each Public Warrant entitles the holder to purchase one share of common stock at an exercise price of \$11.50 (see Note 6).

***Private Placement***

Simultaneous with the closing of the Initial Public Offering and over-allotment option exercise, the Sponsor purchased an aggregate of 445,000 Placement Units at a price of \$10.00 per Unit (or an aggregate purchase price of \$4,450,000). Each Placement Unit consists of one share of common stock ("Placement Share"), one right ("Placement Right") and one warrant (each, a "Placement Warrant") to purchase one share of the common stock at an exercise price of \$11.50 per share. A portion of the proceeds from the Placement Units, \$690,000 or \$0.05 per unit sold in the Initial public Offering, were added to the proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, that portion of the proceeds of the sale of the Placement Units will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law) and the Placement Rights and Placement Warrants will expire worthless.

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

**Note 4 – Related Party Transactions**

***Founder Shares***

In connection with the organization of the Company, a total of 2,875,000 shares of common stock were sold to the Sponsor at a price of approximately \$0.0087 per share for an aggregate of \$25,000 ("Founder Shares"). On October 4, 2017, the Company effected a stock dividend of 0.2 shares for each of the then outstanding Founder Shares, resulting in the issuance of an additional 575,000 Founder Shares, bringing the total to 3,450,000 Founder Shares including an aggregate of up to 450,000 Founder Shares that had been subject to forfeiture to the extent that the over-allotment option was not exercised by the underwriters in full or in part. The Sponsor would have been required to forfeit only a number of Founder Shares necessary to continue to maintain the 20.0% ownership interest in our shares of common stock after giving effect to the offering and exercise, if any, of the underwriters' over-allotment option (excluding the Placement Shares and any shares included in units acquired in the Initial Public Offering). As a result of the underwriters' election to exercise their over-allotment option in full on October 18, 2017, the 450,000 Founders Shares previously subject to forfeiture are no longer subject to forfeiture.

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Subject to certain limited exceptions, 50% of the Founder Shares will not be transferred, assigned, or sold until the earlier of: (i) one year after the date of the consummation of the initial Business Combination or (ii) the date on which the closing price of the Company's common stock equals or exceeds \$12.50 per share (as adjusted) for any 20 trading days within any 30-trading day period commencing 150 days after the initial Business Combination, and the remaining 50% of the Founder Shares will not be transferred, assigned, sold until one year after the date of the consummation of the initial Business Combination, or earlier, in either case, if, subsequent to the Company's initial Business Combination, the Company consummates a subsequent liquidation, merger, stock exchange, reorganization or other similar transaction which results in all of shareholders having the right to exchange their common stock for cash, securities or other property.

***Accounts Payable - Related Party***

Accounts payable – related party represents balances due to the Sponsor for general expenses paid by the Sponsor on behalf of the Company.

***Administrative Service Agreement***

Commencing on the effective date of the Initial Public Offering through the earlier of our consummation of our initial business combination or our liquidation, the Sponsor makes available to us certain general and administrative services, including office space, utilities and administrative support, as we may require from time to time. The Company agreed to pay the Sponsor \$10,000 per month for these services. Management fee expense of \$30,000 and \$60,000 was recognized by the Company for the three and six month periods ended June 30, 2018, respectively, and is included in the general and administrative expenses. No management fee was recognized by the Company in the 2017 periods.

**Note 5 – Commitments and Contingencies**

**Registration Rights**

Pursuant to a registration rights agreement entered into on October 4, 2017, the holders of the Founders' Shares, as well as the holders of the Placement Units and any units our Sponsor, officers, directors or their affiliates may be issued in payment of working capital loans made to us (and all underlying securities), are entitled to registration rights. The holders of a majority of these securities are entitled to make up to two demands that we register such securities. The holders of the majority of the Founders' Shares can elect to exercise these registration rights at any time commencing three months prior to the date on which these shares of common stock are to be released from escrow. The holders of a majority of the Placement Units and units issued to our Sponsor, officers, directors or their affiliates in payment of working capital loans made to us (or underlying securities) can elect to exercise these registration rights at any time after we consummate a Business Combination. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to our consummation of a Business Combination. We will bear the expenses incurred in connection with the filing of any such registration statements.

**Agreement with Underwriters**

The Company engaged the underwriters as advisors in connection with our Initial Business Combination to assist us in holding meetings with our shareholders to discuss the potential business combination and the target business' attributes, introduce us to potential investors that are interested in purchasing our securities, assist us in obtaining shareholder approval for the business combination and assist us with our press releases and public filings in connection with the business combination. The Company will pay the underwriters a cash fee for such services upon the consummation of our initial business combination in an amount equal to 3.5% of the gross proceeds of the Initial Public Offering or \$4,830,000 (exclusive of any applicable finders' fees which might become payable).

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**Note 6 – Stockholders’ Equity**

**Preferred Stock**

The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of \$0.0001 per share with such designation, rights and preferences as may be determined from time to time by the Company’s board of directors. As of June 30, 2018, no preferred stock is issued or outstanding.

**Common Stock**

The Company is authorized to issue 35,000,000 shares of common stock, par value \$0.0001 per share. As of June 30, 2018 and December 31, 2017, the Company has issued an aggregate of 17,695,000 shares of common stock, inclusive of 13,329,334 and 13,348,443 shares of common stock, respectively, subject to possible redemption classified as temporary equity in the accompanying Balance Sheets.

**Rights**

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

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

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

**Warrants**

The Warrants will become exercisable on the later of (a) 30 days after the consummation of a Business Combination or (b) 12 months from the effective date of the registration statement relating to the Initial Public Offering. No Warrants will be exercisable for cash unless the Company has an effective and current registration statement covering the shares of common stock issuable upon exercise of the Warrants and a current prospectus relating to such shares. Notwithstanding the foregoing, if a registration statement covering the shares of common stock issuable upon the exercise of the Warrants is not effective within 30 days from the consummation of a Business Combination, the holders may, until such time as there is an effective registration statement and during any period when the Company shall have failed to maintain an effective registration statement, exercise the Warrants on a cashless basis pursuant to an available exemption from registration under the Securities Act. If an exemption from registration is not available, holders will not be able to exercise their Warrants on a cashless basis. The Warrants will expire five years from the consummation of a Business Combination or earlier upon redemption or liquidation.

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

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

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

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

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

#### **Unit Purchase Option**

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

#### **Note 7 – Income Taxes**

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

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The Company's net deferred tax assets as of June 30, 2018 and December 31, 2017 are as follows:

	<b>June 30, 2018</b>	<b>December 31, 2017</b>
Deferred tax assets:		
Unrealized loss on marketable securities held in Trust Account	\$ 1,226	\$ 18,678
Total deferred tax assets	1,226	18,678
Valuation allowance	—	—
Deferred tax assets, net of allowance	<u>\$ 1,226</u>	<u>\$ 18,678</u>

The company believes that it is more likely than not that it will realize the deferred tax asset and therefore there is no valuation allowance.

The income tax provision (benefit) consists of the following:

	<b>Three Months Ended June 30, 2018</b>	<b>Six Months Ended June 30, 2018</b>
Federal		
Current	\$ 97,274	\$ 148,693
Deferred	589	12,751
State and Local		
Current	50,479	77,081
Deferred	217	4,701
Income tax provision (benefit)	<u>\$ 148,559</u>	<u>\$ 243,226</u>

The provision for income taxes was deemed to be immaterial for the period ended June 30, 2017.

**Note 8 – Subsequent Events**

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



## ***Item 2. Management's Discussion and Analysis***

References in this report (the "Quarterly Report") to "we," "us" or the "Company" refer to Black Ridge Acquisition Corp. References to our "management" or our "management team" refer to our officers and directors, and references to the "sponsor" refer to Black Ridge Oil & Gas, Inc. The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this Quarterly Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

### ***Forward-Looking Statements***

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other Securities and Exchange Commission ("SEC") filings. References to "we," "us," "our" or the "Company" are to Black Ridge Acquisition Corp., except where the context requires otherwise. The following discussion should be read in conjunction with our condensed financial statements and related notes thereto included elsewhere in this report.

### ***Overview***

We are a blank check company incorporated as a Delaware corporation and formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities. We intend to effectuate our initial business combination using cash from the proceeds of our initial public offering and a sale of stock in a private placement that occurred simultaneously with the completion of our initial public offering, our capital stock, debt or a combination of cash, stock and debt.

In October 2017, we consummated our initial public offering of 13,800,000 units (including the units sold in connection with the exercise of the underwriter's over-allotment option) at \$10.00 per unit, generating gross proceeds of \$138,000,000 million. Offering costs associated with the initial public offering were approximately \$3.24 million, inclusive of \$2.76 million of underwriting commissions paid upon closing of the initial public offering, including the exercise of the over-allotment option.

Simultaneously with the closing of the initial public offering, including the exercise of the over-allotment option, we consummated the private placement of 445,000 private units at a price of \$10.00 per private unit, all of which were sold to the Sponsor, and the sale of the representative's purchase options to purchase 600,000 units to EBC and its designees, the representative of the underwriters in the initial public offering, for \$100.

An aggregate of \$138,690,000 (\$10.05 per share) from the net proceeds of the sale of the units in the initial public offering, the over-allotment units, and the private units was placed in the Trust Account currently at Morgan Stanley and maintained by Continental Stock Transfer & Trust Company, acting as trustee, and is invested in U.S. government treasury bills, until the earlier of (i) the consummation of the initial business combination or (ii) the Company's failure to consummate a business combination by July 10, 2019. The remaining net proceeds (not held in the Trust Account) may be used to pay for business, legal and accounting due diligence on prospective merger or acquisition candidates and continuing general and administrative expenses. Additionally, the interest earned on the Trust Account balance may be released to us for any amounts that are necessary to pay the Company's income tax obligations and up to \$50,000 of interest earned on the Trust Account balance may be released to us to pay for our liquidation expenses if we are unable to consummate an initial business combination within the required time period.

Our management has broad discretion with respect to the specific application of the net proceeds of the initial public offering and the private placement, although substantially all of the net proceeds are intended to be applied generally towards consummating a business combination.

Since October 10, 2017, we have been searching for a target business or businesses with which to complete an initial business combination.

### ***Results of Operations***

We have not generated any revenues to date, and we will not be generating any operating revenues until the closing and completion of our initial business combination. Our entire activity up to June 30, 2018 has been related to our company's formation, the initial public offering, and since the closing of the initial public offering, a search for a business combination candidate. We have, and expect to continue to generate non-operating income in the form of interest income on cash and cash equivalents and investments in the Trust Account. We expect to continue to incur increased expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

For the three months ended June 30, 2018, we had net income of \$369,141, which consisted of operating expenses of \$113,496, offset by other income from our Trust Account (interest income and unrealized gains on our assets held in trust) of \$631,196 and including a provision for income taxes of \$148,559.

For the six months ended June 30, 2018, we had net income of \$603,840, which consisted of operating expenses of \$259,756, offset by other income from our Trust Account (interest income and unrealized gains on our assets held in trust) of \$1,106,822 and including a provision for income taxes of \$243,226.

For the period from May 9, 2017 (date of inception) through June 30, 2017 we had a net loss of \$323, all resulting from general and administrative expenses incurred during the formation of the Company.

### ***Liquidity and Capital Resources***

We presently have no revenue. Our operating expenses were \$259,756 for the six months ended June 30, 2018 and consisted primarily of management fees paid to our sponsor, professional fees, insurance and other costs related to our search for a business combination subsequent to our initial public offering. Through June 30, 2018, our liquidity needs were satisfied through receipt of approximately \$518,000 held outside of the Trust Account from the sale of Units upon closing of the initial public offering.

In order to meet our ongoing working capital needs, the Sponsor, or its affiliates, or certain executive officers and directors, may, but are not obligated to, loan us funds as may be required. The loans would either be repaid upon consummation of our initial business combination, or, at the lender's discretion, up to \$1.5 million of such may be converted upon consummation of our business combination into additional private units at a price of \$10.00 per Unit. If we do not complete a business combination, the loans would be repaid only out of funds held outside of the Trust Account.

The accompanying financial statements have been prepared assuming we will continue as a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the normal course of business. As of June 30, 2018, we had negative working capital of \$26,689 (including cash and cash equivalents held outside Trust Account) and approximately \$262,247 available from our investments in the Trust Account to pay our income tax and franchise fee obligations. Further, we have incurred and expect to continue to incur significant costs in pursuit of our financing and acquisition plans. Our plans to raise capital or to consummate the initial business combination may not be successful. These matters, among others, raise substantial doubt about our ability to continue as a going concern. Based on the foregoing, we currently do not have sufficient cash and working capital to meet our needs for one year from the date the financial statements are issued unless our sponsor provides us funds for our working capital needs or we obtain other financing.

The accompanying financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern.

## **Related Party Transactions**

### *General and Administrative Services*

We pay our Sponsor a fee of \$10,000 per month for general and administrative services which includes the cost of the space we occupy and the costs of the personnel dedicated to us from our Sponsor. Our Sponsor, executive officers and directors, or any of their respective affiliates, are reimbursed for any out-of-pocket expenses, particularly travel, incurred in connection with activities on our behalf, including but not limited to identifying potential target businesses and performing due diligence on suitable business combinations. There is no cap or ceiling on the reimbursement of out-of-pocket expenses incurred by such persons in connection with activities on our behalf.

## **Critical Accounting Policies**

### *Common Stock Subject to Possible Redemption*

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Common stock subject to mandatory redemption (if any) is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) is classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. The Company’s common stock features certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, as of June 30, 2018 and December 31, 2017, common stock subject to possible redemption is presented as temporary equity, outside of the stockholders’ equity section of the Company’s balance sheet.

## **Recent Accounting Pronouncements**

Management does not believe that any recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on the Company’s financial statements.

### *Off-Balance Sheet Arrangements*

We did not have any off-balance sheet arrangements as of June 30, 2018.

### ***Item 3. Quantitative and Qualitative Disclosures About Market Risk***

As of June 30, 2018, we were not subject to any material market or interest rate risk. Following the consummation of our Initial Public Offering, funds held in our Trust Account have been invested in U.S. government treasury bills, notes or bonds with maturities of 180 days or less or in certain money market funds that invest solely in US treasuries. Due to the short-term nature of these investments, we believe there is no associated material exposure to interest rate risk in such securities.

### ***Item 4. Controls and Procedures***

#### ***Evaluation of Disclosure Controls and Procedures***

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial and accounting officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the fiscal quarter ended June 30, 2018, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial and accounting officer have concluded that during the period covered by this report, our disclosure controls and procedures were effective at a reasonable assurance level and, accordingly, provided reasonable assurance that the information required to be disclosed by us in reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

#### ***Changes in Internal Control over Financial Reporting***

There was no change in our internal control over financial reporting that occurred during the fiscal quarter of 2018 covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### *Item 2. Unregistered Sales of Equity Securities and Use of Proceeds from Registered Securities*

In May 2017, we issued to Black Ridge Oil & Gas, Inc., our sponsor, an aggregate of 2,875,000 shares of common stock in exchange for a capital contribution of \$25,000, or approximately \$0.01 per share. The foregoing issuance was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended (“Securities Act”). In October 2017, we effected a stock dividend of 0.2 shares for each share outstanding, resulting in our sponsor holding an aggregate of 3,450,000 shares of common stock.

On October 10, 2017, we consummated the Initial Public Offering of 12,000,000 units. On October 18, 2017, we consummated the sale of an additional 1,800,000 units subject to the underwriters’ over-allotment option. The units sold in the Initial Public Offering, including pursuant to the over-allotment option, were sold at an offering price of \$10.00 per unit, generating total gross proceeds of \$138,000,000. EarlyBirdCapital, Inc. acted as sole book-running manager of the Initial Public Offering and Chardan and I-Bankers acted as co-managers of the offering. The securities in the offering were registered under the Securities Act on a registration statement on Form S-1 (Nos. 333-220516 and 333-220815). The Securities and Exchange Commission declared the registration statement effective on October 4, 2017.

Simultaneous with the consummation of the Initial Public Offering, we consummated the private placement of an aggregate of 445,000 units (“Private Units”) to our sponsor at a price of \$10.00 per Private Unit, generating total proceeds of \$4,450,000. This issuance was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

The Private Units are identical to the units sold in the Initial Public Offering, except the warrants included in the Private Units are non-redeemable, may be exercised on a cashless basis, and may be exercisable for unregistered shares of common stock if the prospectus relating to the common stock issuable upon exercise of the warrants is not current and effective, in each case so long as they continue to be held by the sponsor or its permitted transferees. The sponsor has agreed (A) to vote the common stock included in the Private Units (“Private Shares”) in favor of any proposed business combination, (B) not to convert any Private Shares into the right to receive cash from the trust account in connection with a shareholder vote to approve a proposed initial business combination or sell any Private Shares to us in a tender offer in connection with a proposed initial business combination and (C) that such Private Shares shall not participate in any liquidating distribution upon winding up if a business combination is not consummated within the required time period. Additionally, the sponsor has agreed not to transfer, assign or sell any of the Private Units (except to certain permitted transferees) until the completion of an initial business combination.

Of the gross proceeds received from the Initial Public Offering and private placement of Private Units, \$138,690,000 was placed in a trust account.

We paid a total of \$2,760,000 in underwriting discounts and commissions and \$482,226 for other costs and expenses related to our formation and the Initial Public Offering.

For a description of the use of the proceeds generated in our Initial Public Offering, see Part I, Item 2 of this Form 10-Q.

### *Item 6. Exhibits*

<u>Exhibit No.</u>	<u>Description</u>
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**BLACK RIDGE ACQUISITION CORP.**

Date: August 8, 2018

By: /s/ Ken DeCubellis

Name: Ken DeCubellis

Title: Chairman of the Board and Chief Executive Officer  
(Principal Executive Officer)

By: /s/ James Moe

Name: James Moe

Title: Chief Financial Officer  
(Principal Financial and Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ken DeCubellis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Black Ridge Acquisition Corp.;
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)) for the registrant 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 my 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; and
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my 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; and
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my 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; and
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 registrant's internal control over financial reporting.

Date: August 8, 2018

/s/ Ken DeCubellis  
Ken DeCubellis  
Chief Executive Officer  
(Principal executive officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James Moe, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Black Ridge Acquisition Corp.;
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)) for the registrant 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 my 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; and
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my 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; and
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my 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; and
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 registrant's internal control over financial reporting.

Date: August 8, 2018

/s/ James Moe  
James Moe  
Chief Financial Officer  
(Principal financial and accounting 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 Acquisition Corp. (the "Company") on Form 10-Q, for the period ended June 30, 2018 as filed with the Securities and Exchange Commission (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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 operation of the Company.

Dated: August 8, 2018

/s/ Ken DeCubellis

Ken DeCubellis  
Chief Executive Officer  
(Principal executive officer)

/s/ James Moe

James Moe  
Chief Financial Officer  
(Principal financial and accounting officer)