UNITED STATES
SECURITIES AND EXCHANGE COMMIS SION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2019

☐ 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: 000-53661

BLACKRIDGE TECHNOLOGY INTERNATIONAL, INC.
(Exact name of issuer as specified in its charter)

Nevada	20-1282850
(State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)

5390 Kietzke Lane, Suite 104
Reno, NV 89511
(Address of Principal Executive Offices)

(855) 807-8776
(Registrant's Telephone Number, Including Area Code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

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 X No ☐

Indicate by checkmark whether the registrant has submitted electronically every Interactive Date 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 X 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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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 X

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding as of August 14, 2019
Common Stock, $0.001 par value per share	97,297,725 shares

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, contain "forward-looking statements" that discuss, among other things, future expectations and projections regarding future developments, operations and financial conditions including, without limitation, statements regarding (i) our ability to raise capital, and (ii) our ability to establish and grow our business and other statements preceded by, followed by or that include the words "may," "would," "could," "should," "expects," "projects," "anticipates," "believes," "estimates," "plans," "intends," "targets" or similar expressions. All forward-looking statements are based on management's existing beliefs about present and future events outside of management's control and on assumptions that may prove to be incorrect. If any underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, projected or intended.

Readers are cautioned that forward-looking statements also involve numerous 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, including the following: general economic or industry conditions, nationally and/or in the areas in which we may conduct business, changes in the interest rate environment, legislation or regulatory requirements, conditions of the securities markets, our ability to raise capital, changes in accounting principles, policies or guidelines, financial or political instability, acts of war or terrorism, other economic, competitive, governmental, regulatory and technical factors affecting our current or potential business and related matters.

Accordingly, readers are cautioned that results actually achieved may differ materially from expected results in these statements. Forward-looking statements speak only as of the date they are made. We do not undertake, and specifically disclaim, any obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of such statements, except as required by law.

TABLE OF CONTENTS

PART I - Financial Information

BLACKRIDGE TECHNOLOGY INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash	$ 78,522	$ 4,693,950
Accounts receivable	259,029	102,292
Inventory	92,682	56,003
Prepaid expenses	224,684	122,713
Total Current Assets	654,917	4,974,958
Property and equipment, net	143,511	78,821
Intangible assets, net	9,915,394	8,920,360
Total Assets	$ 10,713,822	$ 13,974,139
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued expenses	$ 2,866,174	$ 2,089,322
Accounts payable and accrued expenses – related party	46,536	9,690
Accrued interest	1,620,230	714,187
Accrued interest – related party	193,338	177,419
Wages payable	2,375,715	1,928,639
Deferred revenue	53,698	3,535
Short-term notes payable	45,232	45,232
Current portion of long term debt	199,989	366,657
Convertible notes, short term, net of discounts	10,651,252	3,248,746
Convertible notes, long term, net of discounts, current portion	76,795	39,726
Convertible notes, short term – related party	758,172	183,172
Total Current Liabilities	18,887,131	8,806,325
Total Liabilities	18,887,131	8,806,325
Stockholders' (Deficit) Equity		
Preferred Stock, Par Value $0.001, 50,000,000 shares authorized; 3,577,370 issued and outstanding at June 30, 2019 and December 31, 2018, respectively	3,577	3,577
Common Stock, Par Value $0.001, 500,000,000 shares authorized; 97,297,725 and 96,872,725 issued and outstanding at June 30, 2019 and December 31, 2018, respectively	97,298	96,873
Additional paid-in capital	74,049,275	72,114,707
Accumulated deficit	(82,657,254)	(67,047,343)
Subscriptions Payable	333,795	-
Total Stockholders' (Deficit) Equity	(8,173,309)	5,167,814
Total Liabilities and Stockholders' (Deficit) Equity	$ 10,713,822	$ 13,974,139

See accompanying notes to the unaudited condensed consolidated financial statements.

BLACKRIDGE TECHNOLOGY INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Revenue	$ 65,124	$ 66,826	$ 188,800	$ 70,014
Cost of Goods Sold	819	-	819	50
Gross Profit	64,305	66,826	187,981	69,964
Operating Expenses				
Engineering	(15,356)	5,593	79,355	35,344
Sales and Marketing	60,886	154	127,889	154
General and Administrative	3,575,188	3,361,620	7,218,203	6,430,306
Total Operating Expenses	3,620,718	3,367,367	7,425,447	6,465,804
Loss from Operations	(3,556,413)	(3,300,541)	(7,237,466)	(6,395,840)
Other Income (Expense)				
Loss on extinguishment	-	(95,804)	-	(95,804)
Interest Income	-	1	-	1
Interest (Expense)	(5,671,942)	(198,463)	(8,356,526)	(299,445)
Interest (Expense) - related party	(10,984)	(43,467)	(15,919)	(81,964)
Total Other Income (Expense)	(5,682,926)	(337,733)	(8,372,445)	(477,212)
Net Loss Before Income Taxes	(9,239,339)	(3,638,274)	(15,609,911)	(6,873,052)
Income tax	-	-	-	-
Net Loss	$ (9,239,339)	$ (3,638,274)	$ (15,609,911)	$ (6,873,052)
Basic and Diluted loss per share	$ (0.10)	$ (0.04)	$ (0.16)	$ (0.09)
Weighted Average Shares Outstanding – Basic and Diluted	97,050,198	81,032,234	96,959,603	79,570,701

See accompanying notes to the unaudited condensed consolidated financial statements.

BLACKRIDGE TECHNOLOGY INTERNATIONAL, INC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Shares Outstanding - Preferred	Preferred Stock	Shares Outstanding - Common	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Subscriptions Payable	Total Stockholders' Deficit
Balance as of December 31, 2018	3,577,370	$ 3,577	96,872,725	$ 96,873	$ 72,114,707	$ (67,047,343)	$ -	$ 5,167,814
Subscriptions payable					16,205	-	333,795	350,000
Issuance of common stock for advances			425,000	425	(425)	-	-	-
Issuance of Options in conjunction with contracts	-	-	-	-	13,182	-	-	13,812
BlackRidge Research equity sales	-	-	-	-	1,4675,550	-	-	1,467,550
Share based compensation	-	-	-	-	438,056	-		438,056
Net loss	-	-	-	-	-	(15,609,911)	-	(15,609,911)
Balance as of June 30, 2019	3,577,370	3,577	97,297,725	97,298	74,049,275	(82,657,254)	333,795	(8,173,309)
Balance as of December 31, 2017	3,639,783	3,640	77,063,171	77,063	51,384,027	(49,896,376)	-	1,568,354
Preferred share conversion	(45,173)	(45)	535,565	536	(491)	-	-	-
Issuance of restricted stock for wages	-	-	78,125	78	24,922	-	-	25,000
Issuance of stock in conjunction with contracts	-	-	5,719,304	5,719	407,951	-	-	413,670
Beneficial conversion feature on convertible debt	-	-	-	-	2,867,112	-	-	2,867,112
Issuance of warrants in conjunction with debt	-	-	-	-	3,135,457	-	-	3,135,457
Share based compensation	-	-	-	-	208,124	-	-	208,124
Net loss	-	-	-	-	-	(6,873,052)	-	(6,873,052)
Balance as of June 30, 2018	3,594,610	$ 3,595	83,396,165	$ 83,396	$ 58,027,102	$ (56,769,428)	$ -	$ 1,344,665

See accompanying notes to the unaudited condensed consolidated financial statements.

BLACKRIDGE TECHNOLOGY INTERNATIONAL, INC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Shares Outstanding - Preferred	Preferred Stock	Shares Outstanding - Common	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Subscriptions Payable	Total Stockholders' Deficit
Balance as of March 31, 2019	3,577,370	$ 3,577	96,872,725	$ 96,873	$ 72,337,483	$ (73,417,915)	$ -	$ (979,982)
Subscriptions payable	-	-	-	-	16,205	-	333,795	350,000
Issuance of common stock for advances	-	-	425,000	425	(425)	-	-	-
Issuance of Options in conjunction with contracts	-	-	-	-	9,261	-	-	9,261
BlackRidge Research equity sales	-	-	-	-	1,467,550	-	-	1,467,550
Share based compensation	-	-	-	-	219,201	-		219,201
Net loss	-	-	-	-	-	(9,239,339)	-	(9,239,339)
Balance as of June 30, 2019	3,577,370	3,577	97,297,725	97,298	74,049,275	(82,657,254)	333,795	(8,173,309)
Balance as of March 31, 2018	3,594,610	3,595	77,922,902	77,923	$ 53,874,800	(53,131,154)	-	825,164
Issuance of restricted stock for wages	-	-	78,125	78	24,922	-	-	25,000
Issuance of stock in conjunction with contracts	-	-	5,395,138	5,395	284,605	-	-	290,000
Beneficial conversion feature on convertible debt	-	-	-	-	1,820,130	-	-	1,820,130
Issuance of warrants in conjunction with debt	-	-	-	-	1,915,933	-	-	1,915,933
Share based compensation	-	-	-	-	106,712	-	-	106,712
Net loss	-	-	-	-	-	(3,638,274)	-	(3,638,274)
Balance as of June 30, 2018	3,594,610	$ 3,595	83,396,165	$ 83,396	$ 58,027,102	$ (56,769,428)	$ -	$ 1,344,665

See accompanying notes to the unaudited condensed consolidated financial statements.

BLACKRIDGE TECHNOLOGY INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash Flows From Operating Activities		
Net loss	$ (15,609,911)	$ (6,873,052)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	241,673	258,358
Amortization of debt discounts	7,439,575	128,503
Common stock and warrants issued in conjunction with contracts	13,182	413,670
Share based compensation	438,056	208,124
Loss on extinguishment of debt	-	95,803
Changes in operating assets and liabilities:		
Accounts receivable	(156,737)	9,432
Inventory	(36,679)	(15,595)
Prepaid expenses	(101,971)	(64,210)
Accounts payable	776,852	140,407
Accounts payable – related party	36,846	(17,214)
Accrued interest	906,043	162,207
Accrued interest – related party	15,919	81,964
Deferred revenue	50,163	(5,690)
Wages payable	447,076	293,520
Net Cash Used in Operating Activities	(5,539,913)	(5,183,773)
Cash Flows From Investing Activities		
Purchases of property and equipment	(79,386)	-
Purchases of intangible assets	(1,222,011)	(1,182,763)
Net Cash Used in Investing Activities	(1,301,397)	(1,182,763)
Cash Flows From Financing Activities		
Proceeds from BlackRidge Research equity sales	1,467,550	-
Proceeds from short term notes – related party	600,000	500,000
Proceeds from issuance of short term convertible notes	-	5,600,000
Proceeds from subscriptions payable	350,000	-
Proceeds from advances – related party	-	75,000
Repayments of short term debt	(25,000)	(5,000)
Repayments on long term debt	(166,668)	(200,000)
Net Cash Provided by Financing Activities	2,225,882	5,970,000
Net Decrease In Cash	(4,615,428)	(396,536)
Cash, Beginning of Period	4,693,950	421,869
Cash, End of Period	$ 78,522	$ 25,333
Non-Cash Investing and Financing Activities		
Wages payable included in capitalized intangible assets	$ -	$ 23,338
Preferred stock converted to common stock	$ -	$ 536
Subscriptions receivable	$ 16,205	$ -
Warrants issued in conjunction with debt agreements	$ -	$ 3,039,654
Beneficial conversion features	$ -	$ 2,867,112
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 10,908	$ 8,735
Cash paid for income taxes	$ -	$ -

See accompanying notes to the unaudited condensed consolidated financial statements.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – BlackRidge Technology International, Inc. (the "Company" or, “we”, “us”, “our” and similar terminology) was incorporated under the laws of the State of Nevada in March 2004 under the name “Grote Molen, Inc.” The Company develops and markets next generation cyber defense solutions that stop cyber-attacks and block unauthenticated access. The Company’s network and server security products are based on patented Transport Access Control technology (the “Blackridge Technology”) and are designed to isolate, cloak and protect servers and cloud services and segment networks for regulatory compliance. The Company’s products are used in enterprise and government computing environments, the industrial “internet of things” and other cloud service provider and network systems

On September 6, 2016, the Company entered into an agreement and plan of reorganization with BlackRidge Technology International, Inc., a Delaware corporation, and Grote Merger Co., a Delaware corporation providing for the Company’s acquisition of BlackRidge in exchange for a controlling number of shares of the Company’s preferred and common stock pursuant to the merger of Grote Merger Co. with and into BlackRidge, with BlackRidge continuing as the surviving corporation. The transaction contemplated in the agreement closed on February 22, 2017.

On July 2, 2017, the Company filed a Certificate to Accompany Restated Articles or Amended and Restated Articles with the Secretary of State of Nevada to, among other things, change the Company’s name to BlackRidge Technology International, Inc.

On October 13, 2017, the Company formed a new business subsidiary called BlackRidge Secure Services, Inc. to work with partners on Secure Supervisory Control and Data Acquisition Systems (“SCADA”) infrastructure and to design and deliver secure systems using BlackRidge Technology products for use by the utilities industry.

On June 2, 2019, the Company formed a new business subsidiary named BlackRidge Research, Inc. to perform research and development for future products and patents.

Principles of Consolidation - The Company and its subsidiaries consist of the following entities, which have been consolidated in the accompanying financial statements:

BlackRidge Technology International, Inc.
BlackRidge Technology Holding, Inc.
BlackRidge Technology, Inc.
BlackRidge Technology Government, Inc.
BlackRidge Secure Services, Inc.
BlackRidge Research, Inc.

All intercompany balances have been eliminated in consolidation.

Interim Financial Statements – The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In our opinion, the financial statements include all adjustments (consisting of normal recurring accruals) necessary in order to make the financial statements not misleading. Operating results for the three and six months ended June 30, 2019 are not necessarily indicative of the final results that may be expected for the year ended December 31, 2019. For more complete financial information, these unaudited financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2018 filed with the SEC.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated by management.

Concentrations - Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The cash balance at times may exceed federally insured limits. Management believes the financial risk associated with these balances is minimal and has not experienced any losses to date. At June 30, 2019 and December 31, 2018, the Company had cash balances in excess of FDIC insured limits of $0 and $4,110,236, respectively.

Significant customers are those which represent more than 10% of the Company's revenue for each period presented, or the Company's accounts receivable balance as of each respective balance sheet date. For each significant customer, revenue as a percentage of total revenue and accounts receivable as a percentage of total net accounts receivable are as follows:

	Revenue		**Accounts Receivable**	
	Six Months Ended June 30,		**June 30,**	
Customers	**2019**	**2018**	**2019**	**2018**
Customer A	83%	80%	73%	11%
Customer B	15%	3%	19%	89%
Customer C	2%	16%	8%	-%

	Revenue	
	Three Months Ended June 30,	
Customers	**2019**	**2018**
Customer A	53%	11%
Customer B	44%	-%
Customer C	3%	88%

Inventory - Inventory is valued at the lower of cost or market value. Product-related inventories are primarily maintained using the average cost method. When market value is determined to be less than cost, the Company records an allowance for obsolescence. The company's inventory assets at June 30, 2019 and December 31, 2018 consisted primarily of hardware appliances valued as follows:

	As of June 30, 2019	**As of December 31, 2018**
Inventory	$ 428,337	$ 391,658
Less: allowance for obsolescence	(335,655)	(335,655)
	$ 92,682	$ 56,003

Adoption of ASC Topic 606, "Revenue from Contracts with Customers" - In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, "Revenue from Contracts with Customers" ("ASC 606"). ASC 606 clarifies the accounting for revenue arising from contracts with customers and specifies the disclosures that an entity should include in its financial statements. During 2016, the FASB issued certain amendments to the standard relating to the principal versus agent guidance, accounting for licenses of intellectual property identifying performance obligations as well as the guidance on transition, collectability, noncash consideration and the presentation of sales and other similar taxes.

The effect of applying ASC 606 did not result in an opening balance adjustment to retained earnings or any other balance sheet accounts because the Company: (1) identified similar performance obligations under ASC 606 as compared with deliverables and separate units of account previously identified; (2) determined the transaction price to be consistent; and (3) concluded that revenue is recorded at the same point in time, upon performance under both ASC 605 and ASC 606. The adoption of ASC 606 did not require significant changes in our internal controls and procedures over financial reporting and disclosures. However, we made enhancements to existing internal controls and procedures to ensure compliance with the new guidance.

Revenue Recognition - We recognize revenue as we transfer control of deliverables (products, solutions and services) to our customers in an amount reflecting the consideration to which we expect to be entitled. To recognize revenue, we apply the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied. We account for a contract based on the terms and conditions the parties agree to, the contract has commercial substance and collectability of consideration is probable. The Company applies judgment in determining the customer's ability and intention to pay, which is based on a variety of factors including the customer's historical payment experience.

We may enter into arrangements that consist of multiple performance obligations. Such arrangements may include any combination of our deliverables. To the extent a contract includes multiple promised deliverables, we apply judgment to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations, we allocate consideration among the performance obligations based on their relative standalone selling price. Standalone selling price is the price at which we would sell a promised good or service separately to the customer. When not directly observable, we typically estimate standalone selling price by using the expected cost plus a margin approach. We typically establish a standalone selling price range for our deliverables, which is reassessed on a periodic basis or when facts and circumstances change.

For performance obligations where control is transferred over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the deliverables to be provided. Revenue related to fixed-price contracts for application development and systems integration services, consulting or other technology services is recognized as the service is performed using the output method, under which the total value of revenue is recognized based on each contract's deliverable(s) as they are completed and when value is transferred to a customer. Revenue related to fixed-price application maintenance, testing and business process services is recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered, in accordance with the practical expedient in ASC 606-10-55-18.

Our revenue consists of product and service revenue. Product revenue primarily consists of sales of our BlackRidge products. Service revenue relates to sales technical support services, and other services

Disaggregation of Revenue – the following table presents our revenue disaggregated by major product and service lines:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Product	$ 68,753	$ 4,804	$ 68,753	$ 4,804
Technical support and other	(3,629)	62,022	120,047	65,210
Total	$ 65,124	$ 66,826	$ 188,800	$ 70,014

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

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which supersedes Topic 840, Leases ("ASU 2016-02"). The guidance in this new standard requires lessees to put most leases on their balance sheets but recognize expenses on their income statements in a manner similar to the current accounting and eliminates the current real estate-specific provisions for all entities. The guidance also modifies the classification criteria and the accounting for sales-type and direct financing leases for lessors. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of the adoption of ASU 2016-02 on all applicable operating leases.

In August 2018, the FASB issued ASU 2018-13 "Fair Value Measurement (Topic 820) Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement." This ASU eliminates, amends, and adds disclosure requirements for fair value measurements. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Although we are still evaluating the impact of this new standard, we do not believe that the adoption will materially impact our Consolidated Financial Statements and related disclosures.

In January 2017, the FASB issued ASU 2017-04 "Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment," which amends and simplifies the accounting standard for goodwill impairment. The new standard removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount a reporting unit's carrying value exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit. The new standard is effective for annual and any interim impairment tests for periods beginning after December 15, 2019. We are currently assessing the implication of our adoption as well as the potential impact that the standard will have on our consolidated financial statements.

NOTE 2 –GOING CONCERN

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. However, during the six months ended and as of June 30, 2019, the Company incurred a net loss of $15,609,911, had a working capital deficit of $18,232,214, and cash used in operations of $5,539,913. These factors raise substantial doubt about the ability of the Company to continue as a going concern. In this regard, management is proposing to raise any necessary additional funds not provided by operations through investment capital. There is no assurance that the Company will be successful in raising this additional capital or in achieving profitable operations. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

NOTE 3 – INTANGIBLE ASSETS

During the six months ended June 30, 2019 and 2018, the Company capitalized $1,222,011 and $1,182,763, respectively, towards the development of software, intellectual property, and patent expenses.

The Company amortizes these costs over their related useful lives (approximately 7 to 20 years), using a straight-line basis. Fair value is determined through various valuation techniques, including market and income approaches as considered necessary. The Company reviews capitalized assets periodically for impairment any time there is a significant change that could lead to impairment, but not less than annually. The Company recorded amortization of $113,509 and $226,977 and $134,824 and $253,954 related to intangible assets during the three and six months ended June 30, 2019 and 2018, respectively.

Intangible assets consisted of the following at June 30, 2019 and December 31, 2018:

	As of June 30, 2019	As of December 31, 2018	Estimated Useful Life
Patent Costs	554,874	542,846	15 years
Software Licenses	58,260	58,260	7 years
Software Development Costs	11,418,044	10,208,061	5 years
Less: accumulated amortization	(2,115,784)	(1,888,807)	
	$ 9,915,394	$ 8,920,360	

Based upon currently launched products, the Company anticipates amortization expense of approximately $480,000 during each of the next five years.

NOTE 4 – NOTES PAYABLE

Short term notes

At June 30, 2019 and December 31, 2018, the Company had outstanding short-term debt totaling $45,232. These notes bear interest at the rates of between 10% and 12% annually and have maturity dates ranging from January 1, 2012 through December 31, 2014. As these notes have exceeded their initial maturity dates, they are subject to the default interest rate of 15% per annum.

The following table summarizes the Company's short-term notes payable for the six months ended June 30, 2019 and the year ended December 31, 2018:

	June 30, 2019	December 31, 2018
Beginning Balance	$ 45,232	$ 50,232
Repayments	-	(5,000)
Ending Balance	$ 45,232	$ 45,232

Short term notes – related party

On January 31, 2018, the Company's Chief Technology Officer and significant shareholder invested $500,000 via a one year note bearing interest at 8% annually. In conjunction with this note, the Company issued 5 year detachable warrants to purchase 1,562,500 shares of the Company's common stock at $0.50 per share. These warrants were valued at $172,542 using the Black-Scholes pricing model and were recorded as a discount to the note. The note carries a default rate of 18% for any principal not paid by the maturity date. On September 30, 2018, the note along with interest of $29,712 was converted into 2,118,849 shares of the Company's common stock at a rate of $0.25 per share. Additionally, as part of the conversion, additional warrants to purchase 437,500 shares of common stock were issued and all warrants related to this note were repriced to reflect an exercise price of $0.25 per share. The value of these additional warrants and the lowered conversion totaled $58,250 which the Company recorded as a loss on extinguishment of debt.

Long term notes

On November 2, 2016, the Company entered into settlement agreements with two holders of convertible debt and other payables in which the Company agreed to issue new long-term debt agreements as settlement of amounts due. Pursuant to these agreements, the Company issued two non-interest bearing $600,000 notes payable in 36 equal monthly installments of $16,667 beginning on January 1, 2017 and maturing on December 1, 2019.

The following table summarizes the Company's long-term notes payable for the six months ended June 30, 2019 and the year ended December 31, 2018:

	June 30, 2019	December 31, 2018
Beginning Balance	$ 366,657	$ 766,658
Repayments	(166,668)	(400,001)
Ending Balance	$ 199,989	$ 366,657
Short Term Portion of Long Term Debt	$ 199,989	$ 366,657
Long Term Debt	$ -	$ -

NOTE 5 – CONVERTIBLE NOTES

Short term convertible notes

On January 31, 2018, the Company issued a $100,000 convertible note bearing interest at 8% per annum. The note matured on January 31, 2019 and is convertible into the Company's Series B Preferred Stock at a price of $0.32 per share at the holder's request. The noteholder was also granted detachable 5 year warrants to purchase an aggregate of 312,500 shares of the Company's common stock at an exercise price of $0.32 per share. The Company has determined the note to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $88,219 based on the intrinsic per share value of the conversion feature, and the warrants at $46,991 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $68,021 and $31,969, respectively. At June 30, 2019, the principal balance was still outstanding and is included on the Company's consolidated balance sheets. The Company had accrued interest for this note in the amount of $14,759, which is included in accrued interest on the Company's consolidated balance sheets. The Company is currently in the process of extending this note.

On February 23, 2018, the Company issued a $1,000,000 convertible note bearing interest at 9% per annum. The note matured on February 28, 2019 and is convertible, as amended, into the Company's Series B Preferred Stock at a price of $0.25 per share at the holder's request. The noteholder was also granted detachable 5 year warrants to purchase an aggregate of 3,125,000 shares of the Company's common stock at an exercise price of $0.32 per share. The Company has determined the note to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $417,757 based on the intrinsic per share value of the conversion feature, and the warrants at $540,553 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $417,757 and $350,882, respectively. At June 30, 2019, the principal balance was still outstanding and is included on the Company's consolidated balance sheets. The Company had accrued interest for this note in the amount of $145,973, which is included in accrued interest on the Company's consolidated balance sheets. The Company is currently in the process of extending this note.

On February 27, 2018, the Company issued a $1,000,000 convertible note bearing interest at 9% per annum. The note matured on February 28, 2019 and is convertible, as amended, into the Company's Series B Preferred Stock at a price of $0.25 per share at the holder's request. The noteholder was also granted detachable 5 year warrants to purchase an aggregate of 3,125,000 shares of the Company's common stock at an exercise price of $0.32 per share. The Company has determined the note to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $444,923 based on the intrinsic per share value of the conversion feature, and the warrants at $541,244 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $444,923 and $351,173, respectively. At June 30, 2019, the principal balance was still outstanding and is included on the Company's consolidated balance sheets. The Company had accrued interest for this note in the amount of $144,986, which is included in accrued interest on the Company's consolidated balance sheets. The Company is currently in the process of extending this note.

On April 18, 2018, the Company issued a $2,000,000 convertible note bearing interest at 9% per annum. The note matured on April 18, 2019 and is convertible, as amended, into the Company's Series B Preferred Stock at a price of $0.25 per share at the holder's request. The noteholder was also granted detachable 5 year warrants to purchase an aggregate of 6,250,000 shares of the Company's common stock at an exercise price of $0.32 per share. The Company has determined the note to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $1,510,980 based on the intrinsic per share value of the conversion feature, and the warrants at $1,073,331 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $1,301,510 and $698,480, respectively. At June 30, 2019, the principal balance was still outstanding and is included on the Company's consolidated balance sheets. The Company had accrued interest for this note in the amount of $245,918, which is included in accrued interest on the Company's consolidated balance sheets. The Company is currently in the process of extending this note.

On May 4, 2018, the Company issued an aggregate $1,500,000 in convertible notes bearing interest at 9% per annum. These notes matured on May 31, 2019 and are convertible, as amended, into the Company's Series B Preferred Stock at a price of $0.25 per share at the holder's request. The noteholder was also granted detachable 5 year warrants to purchase an aggregate of 4,687,500 shares of the Company's common stock at an exercise price of $0.25 per share. The Company has determined the note to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $1,133,680 based on the intrinsic per share value of the conversion feature, and the warrants at $806,050 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $975,685 and $524,305, respectively. At June 30, 2019, the principal balances were still outstanding and is included on the Company's consolidated balance sheets. The Company had accrued interest for these notes in the amount of $171,123, which is included in accrued interest on the Company's consolidated balance sheets. The Company is currently in the process of extending this note.

On May 9, 2018, the Company issued a $1,028,274 convertible note bearing interest at 9% per annum as replacement for a $1,000,000 note plus accrued interest of $28,274 (see long term convertible notes section of this note). The note matured on May 31, 2019 and is convertible, as amended, into the Company's Series B Preferred Stock at a price of $0.25 per share at the holder's request. The noteholder was also granted detachable 5 year warrants to purchase an aggregate of 3,213,356 shares of the Company's common stock at an exercise price of $0.25 per share. The Company has determined the note to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $835,295 based on the intrinsic per share value of the conversion feature, and the warrants at $538,207 using the Black-Scholes pricing model. The Company has allocated the note proceeds based relative on fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $674,972 and $353,292, respectively. At June 30, 2019, the principal balance was still outstanding and is included on the Company's consolidated balance sheets net of discounts at an aggregate $1,000,000. The Company had accrued interest for this note in the amount of $116,040, which is included in accrued interest on the Company's consolidated balance sheets. The Company is currently in the process of extending this note.

On July 5, 2018, the Company issued an aggregate $2,000,000 in convertible notes bearing interest at 9% per annum. These notes mature on July 5, 2019 and is convertible, as amended, into the Company's Series B Preferred Stock at a price of $0.25 per share at the holder's request. The noteholders were also granted detachable 5 year warrants to purchase an aggregate of 8,000,000 shares of the Company's common stock at an exercise price of $0.25 per share. The Company has determined the notes to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $1,307,658 based on the intrinsic per share value of the conversion feature, and the warrants at $1,354,741 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $1,192,302 and $807,658, respectively. At June 30, 2019, the principal balances were still outstanding and are included on the Company's consolidated balance sheets net of discounts at an aggregate $1,536,443. The Company had accrued interest for these notes in the amount of $177,041, which is included in accrued interest on the Company's consolidated balance sheets.

On July 10, 2018, the Company issued a $32,000 convertible note bearing interest at 9% per annum. This note matures on July 31, 2019 and is convertible into the Company's Series B Preferred Stock at a price of $0.32 per share at the holder's request. The noteholder was also granted detachable 5 year warrants to purchase an aggregate of 128,000 shares of the Company's common stock at an exercise price of $0.25 per share. The Company has determined the note to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $15,005 based on the intrinsic per share value of the conversion feature, and the warrants at $21,711 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $15,005 and $12,935, respectively. At June 30, 2019, the principal balance was still outstanding and is included on the Company's consolidated balance sheets net of discounts at an aggregate $30,146. The Company had accrued interest for these notes in the amount of $2,801, which is included in accrued interest on the Company's consolidated balance sheets.

On July 13, 2018, the Company issued a $200,000 in convertible notes bearing interest at 9% per annum. This note matures on July 31, 2019 and is convertible into the Company's Series B Preferred Stock at a price of $0.32 per share at the holder's request. The noteholder was also granted detachable 5 year warrants to purchase an aggregate of 800,000 shares of the Company's common stock at an exercise price of $0.25 per share. The Company has determined the note to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $68,266 based on the intrinsic per share value of the conversion feature, and the warrants at $135,474 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $68,266 and $80,766, respectively. At June 30, 2019, the principal balance was still outstanding and is included on the Company's consolidated balance sheets net of discounts at an aggregate $190,214. The Company had accrued interest for these notes in the amount of $17,359, which is included in accrued interest on the Company's consolidated balance sheets.

On September 17, 2018, the Company issued an aggregate $3,000,000 in convertible notes bearing interest at 9% per annum. The notes mature on September 17, 2019 and are convertible into the Company's Series B Preferred Stock at a price of $0.25 per share at the holder's request. The noteholders were also granted detachable 7 year warrants to purchase an aggregate of 12,000,000 shares of the Company's common stock at an exercise price of $0.25 per share. The Company has determined the notes to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $2,921,170 based on the intrinsic per share value of the conversion feature, and the warrants at $1,617,415 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $1,949,132 and $1,050,858, respectively. Additionally, as further inducement to write this this note, the Company agreed to grant all of the investor's existing notes as well as several other existing noteholders with relationships to the investor the same terms on their existing debt that this debt carries. These new terms were required to write the notes, therefore, the Company has accounted them as a discount on this note, the value of which is included in the beneficial conversion value. At June 30, 2019, the principal balance was still outstanding and is included on the Company's consolidated balance sheets net of discounts at an aggregate $180,102. The Company had accrued interest for these notes in the amount of $211,562, which is included in accrued interest on the Company's consolidated balance sheets.

On December 4, 2018, the Company issued an aggregate $3,000,000 in convertible notes bearing interest at 9% per annum. The notes mature on December 4, 2019 and are convertible into the Company's Series B Preferred Stock at a price of $0.25 per share at the holder's request. The noteholders were also granted detachable 7 year warrants to purchase an aggregate of 12,000,000 shares of the Company's common stock at an exercise price of $0.25 per share. As additional consideration for this note, the Company issued an aggregate 4,006,250 shares of the Company's common stock. The Company has determined the notes to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $2,248,088 based on the intrinsic per share value of the conversion feature, the warrants at $1,589,454 using the Black-Scholes pricing model, and the stock at $1,346,000. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the beneficial conversion feature, warrants, and stock as a discount to the debt in the amount of $1,516,302, $803,369 and $680,319, respectively. At June 30, 2019, the principal balance was still outstanding and is included on the Company's consolidated balance sheets net of discounts at an aggregate $13,105. The Company had accrued interest for these notes in the amount of $153,863, which is included in accrued interest on the Company's consolidated balance sheets.

On December 19, 2018, the Company issued an aggregate $3,000,000 in convertible notes bearing interest at 9% per annum. The notes mature on December 19, 2019 and are convertible into the Company's Series B Preferred Stock at a price of $0.25 per share at the holder's request. The noteholders were also granted detachable 7 year warrants to purchase an aggregate of 12,000,000 shares of the Company's common stock at an exercise price of $0.25 per share. The Company has determined the notes to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $555,512 based on the intrinsic per share value of the conversion feature, and the warrants at $1,581,347 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $555,512 and $1,035,512, respectively. At June 30, 2019, the principal balance was still outstanding and is included on the Company's consolidated balance sheets net of discounts at an aggregate $2,101,242. The Company had accrued interest for these notes in the amount of $142,767, which is included in accrued interest on the Company's consolidated balance sheets.

Short term convertible notes – related party

On October 31, 2013, the Company agreed to convert balances owed to the Company's corporate counsel in the amount of $183,172 into a 42 month convertible note bearing interest at 12% annually and convertible into 203,525 shares of convertible preferred stock at the rate of $0.90 per share. At June 30, 2019, $158,172 of the principal balance was still outstanding, and the Company had accrued interest for this note in the amount of $187,086 which is included in accrued interest – related party on the Company's consolidated balance sheets. The note carries a default rate of 18% for any principal not paid by the maturity date.

On November 30, 2015, John Hayes, the Company's Chief Technology Officer, Director and significant shareholder invested $101,000 via a one year convertible note bearing interest at 12% annually and convertible into 112,223 shares of Series A convertible preferred stock at the rate of $0.90 per share. On September 1, 2017, $237,000 owed to John Hayes was added to the note. On September 30, 2018, the note along with interest of $89,366 was converted into 1,709,466 shares of the Company's common stock at a rate of $0.25 per share. Additionally, as further inducement to convert the note, the Company issued the note holder 5 year warrants to purchase 1,352,000 shares of the Company's common stock. The Company recognized a loss on extinguishment of debt of $384,200 related to the decrease in conversion price and warrants granted.

On July 6, 2018, the Company issued a $200,000 convertible note bearing interest at 9% per annum to John Hayes, the Company's Chief Technology Officer, Director and significant shareholder. This note matures on July 31, 2019 and is convertible into the Company's Series B Preferred Stock at a price of $0.32 per share at the holder's request. The noteholder was also granted detachable 5 year warrants to purchase an aggregate of 800,000 shares of the Company's common stock at an exercise price of $0.25 per share. The Company has determined the note to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $130,766 based on the intrinsic per share value of the conversion feature, and the warrants at $135,474 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $119,224 and $80,766, respectively. On September 30, 2018, the note along with interest of $4,192 was converted into 816,767 shares of the Company's common stock at a rate of $0.25 per share. The Company recognized a loss on extinguishment of debt of $43,750 related to the decrease in conversion price.

On July 10, 2018, the Company issued a $32,000 in convertible notes bearing interest at 9% per annum to J Allen Kosowsky, a Director and related party. This note matures on July 31, 2019 and is convertible into the Company's Series B Preferred Stock at a price of $0.32 per share at the holder's request. The noteholder was also granted detachable 5 year warrants to purchase an aggregate of 128,000 shares of the Company's common stock at an exercise price of $0.25 per share. The Company has determined the note to contain a beneficial conversion feature. The Company valued the beneficial conversion feature at $15,005 based on the intrinsic per share value of the conversion feature, and the warrants at $21,711 using the Black-Scholes pricing model. The Company has allocated the note proceeds based relative on fair value and has recorded the value of the beneficial conversion feature and warrants as a discount to the debt in the amount of $15,005 and $12,935, respectively. On September 30, 2018, the note along with interest of $639 was converted into 130,556 shares of the Company's common stock at a rate of $0.25 per share. The Company recognized a loss on extinguishment of debt of $8,960 related to the decrease in conversion price.

On April 26, 2019, the Company issued a $200,000 convertible note bearing interest at 7% per annum to John Hayes, the Company's Chief Technology Officer, Director and significant shareholder. This note matures on March 31, 2020 and is convertible into the Company's Common Stock at a price of $0.25 per share at the holder's request. At June 30, 2019, $200,000 of the principal balance was still outstanding, and the Company had accrued interest for this note in the amount of $2,493, which is included in accrued interest – related party on the Company's consolidated balance sheets. The note carries a default interest rate of 15% for any principal remaining unpaid by the maturity date.

On May 3, 2019, the Company issued a $100,000 convertible note bearing interest at 7% per annum to John Hayes, the Company's Chief Technology Officer, Director and significant shareholder. This note matures on March 31, 2020 and is convertible into the Company's Common Stock at a price of $0.25 per share at the holder's request. At June 30, 2019, $100,000 of the principal balance was still outstanding, and the Company had accrued interest for this note in the amount of $1,688, which is included in accrued interest – related party on the Company's consolidated balance sheets. The note carries a default interest rate of 15% for any principal remaining unpaid by the maturity date.

On May 15, 2019, the Company issued a $300,000 convertible note bearing interest at 7% per annum to John Hayes, the Company's Chief Technology Officer, Director and significant shareholder. This note matures on March 31, 2020 and is convertible into the Company's Common Stock at a price of $0.25 per share at the holder's request. At June 30, 2019, $300,000 of the principal balance was still outstanding, and the Company had accrued interest for this note in the amount of $2,071, which is included in accrued interest – related party on the Company's consolidated balance sheets. The note carries a default interest rate of 15% for any principal remaining unpaid by the maturity date.

Long term convertible notes

On December 21, 2017, the Company issued a $150,000 convertible note bearing interest at 8% per annum. The note matures on December 21, 2019 and is convertible into the Company's Series B Preferred Stock at a price of $0.32 per share at the holder's request. The Company has determined the note to contain a beneficial conversion feature valued at $69,935 based on the intrinsic per share value of the conversion feature. This beneficial conversion feature is recorded as a discount to the debt agreement. The noteholder was also granted detachable 5 year warrants to purchase an aggregate of 468,750 shares of the company's common stock at an exercise price of $0.32 per share. The warrants were valued at $69,935 using the Black-Scholes pricing model and were recorded as a discount to the note. At June 30, 2019 the principal balance was still outstanding and is included on the Company's consolidated balance sheets net of discounts at $76,795. The Company had accrued interest for this note in the amount of $18,280, which is included in accrued interest on the Company's consolidated balance sheets.

On December 22, 2017, the Company issued a $1,000,000 convertible note bearing interest at 8% per annum. The note matures on December 22, 2019 and is convertible into the Company's Series B Preferred Stock at a price of $0.32 per share at the holder's request. The Company has determined the note to contain a beneficial conversion feature valued at $466,230 based on the intrinsic per share value of the conversion feature. This beneficial conversion feature is recorded as a discount to the debt agreement. The noteholder was also granted detachable 5 year warrants to purchase an aggregate of 3,125,000 shares of the company's common stock at an exercise price of $0.32 per share. The warrants were valued at $466,230 using the Black-Scholes pricing model and were recorded as a discount to the note. On May 9, 2018, this note along with $28,274 was renegotiated into a new short term convertible note and the warrants associated with the original note were cancelled. The newly negotiated note included an additional warrant benefit valued at $95,804 which was recorded as a loss on extinguishment of debt.

Convertible debt holders are entitled, at their option, to convert all or part of the principal and accrued interest into shares of the Company's common stock at the conversion prices and terms discussed above. The Company has determined that any embedded conversion options do not possess a beneficial conversion feature, and therefore has not separately accounted for their value.

The following table summarizes the Company's convertible notes payable for the six months ended June 30, 2019 and the year ended December 31, 2018:

	June 30, 2019	December 31, 2018
Beginning Balance, net of discounts	$ 3,471,644	$ 601,576
Proceeds from issuance of convertible notes, net of issuance Discounts	-	1,903,438
New convertible notes	600,000	-
Repayments	(25,000)	-
Restructuring of debt	-	(112,017)
Conversion of notes payable into common stock	-	(570,000)
Amortization of discounts	7,439,575	1,648,647
Ending Balance, net of discounts	$ 11,486,219	$ 3,471,644
Convertible notes, short term	$ 17,860,274	$ 17,860,274
Convertible notes, short term – related party	$ 758,172	$ 183,172
Convertible notes, long term	$ 150,000	$ 150,000
Debt discounts	$ 7,282,227	$ 14,721,802

The following table summarizes the Company's short term convertible notes payable as of June 30, 2019:

Note(s) Date	Maturity Date	Interest	Principal
1/31/2018*	1/31/2019	8%	$ 100,000
2/23/2018**	2/28/2019	9%	1,000,000
2/27/2018**	2/28/2019	9%	1,000,000
4/18/2018**	4/18/2019	9%	2,000,000
5/4/2018**	5/31/2019	9%	1,500,000
5/9/2018**	5/31/2019	9%	1,028,274
7/5/2018**	7/5/2019	9%	2,000,000
7/10/2018**	7/10/2019	9%	32,000
7/13/2018**	7/13/2019	9%	200,000
9/17/2018	9/17/2019	9%	3,000,000
12/4/2018	12/4/2019	9%	3,000,000
12/19/2018	12/19/2019	9%	3,000,000
			$ 17,860,274

*Note currently in default. The Company is currently working with noteholder to extend the note
**Note maturity dates extended subsequent to the date of these financial statements

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases approximately 7,579 square feet of office space under a 62 month operating lease which expires in April 2023. The amounts reflected in the table below are for the aggregate future minimum lease payments under the non-cancelable facility operating leases. Under lease agreements that contain escalating rent provisions, lease expense is recorded on a straight-line basis over the lease term.

The Company also leases office space under a 23 month operating lease which expires during August 2019. The amounts reflected in the table below are for the aggregate future minimum lease payments under the non-cancelable facility operating leases. Under lease agreements that contain escalating rent provisions, lease expense is recorded on a straight-line basis over the lease term.

The Company also leases approximately 202 square feet of office space under a 12 month operating lease which originally expired in 2016. The lease was renewed to May 2019, and is renewable at the Company's option annually at a flat monthly amount of $400. The amounts reflected in the table below are for the aggregate future minimum lease payments under the non-cancelable facility operating leases.

Rent expense was $150,666 and $155,474 for the six months ended June 30, 2019 and 2018, respectively.

As of June 30, 2019, future minimum lease payments are as follows:

Year Ending December 31,		
2019 (six months)	$	101,619
2020		209,559
2021		214,107
2022		218,654
2023 and thereafter		18,569
Total minimum lease payments	$	762,508

On August 1, 2017, the Company entered into a 36 month lease of computer equipment. The lease carries a monthly payment of $2,871 with the option to purchase the equipment at its fair market value at the end of the lease.

Restricted Stock Commitments

The Company has committed to settling a significant portion of its current accounts payable balances through the future issuance of restricted stock units. While the terms of these agreements have not yet been formalized with employees and outside contractors, they could have a potentially dilutive effect to current shareholders.

NOTE 7 - RELATED PARTY TRANSACTIONS

During the three and six months ended June 30, 2019, the Company incurred interest expense on notes to related parties in the aggregate amount of $10,984 and $15,919, respectively (see Note 4 – Short term notes – related party & Note 5 – Convertible Notes).

Accounts payable related party

At June 30, 2019 and December 31, 2018, the Company had a balance in related party accounts payable of $46,536 and $9,690, respectively, which consisted of the following:

Party Name:	Relationship:	Nature of transactions:		June 30, 2019		December 31, 2018
John Bluher	Chief Financial Officer	Expense reimbursement	$	75	$	4,465
Robert Graham	Chairman and CEO	Expense reimbursement		9,874		-
John Hayes	Chief Technology Officer	Expense reimbursement		36,587		5,225
			$	46,536	$	9,690

Related Party Notes

During the six months ended June 30, 2019 and the year ended December 31, 2018, the Company issued notes and converted notes to related parties, see Note 5 – Notes Payable, and Note 6 – Convertible Notes for full disclosure.

NOTE 8 - STOCKHOLDERS' EQUITY

The Company is authorized to issue 500 million shares of common stock, par value $0.001 per share, and 50 million shares of preferred stock, par value $0.001 per share. Each share of the Company's preferred stock was originally convertible into 10 shares of common stock, subject to adjustment, has voting rights equal to its common stock equivalent, 7% cumulative dividend rights, and has liquidation rights that entitle the holder to the receipt of net assets of the Company on a pro-rata basis. The Company had 97,297,725 and 96,872,725 common shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively and 3,577,370 Series A preferred shares issued and outstanding as of June 30, 2019 and December 31, 2018. The Company did not declare any dividends during the six months ended June 30, 2019

During the six months ended June 30, 2019, the Company received an aggregate $350,000 in proceeds for the future issuance of Series B preferred stock at the unadjusted rate of $0.25 per share. The Company is currently in the process of designating this series of preferred stock, at which time the subscriptions will be issued.

During the six months ended June 30, 2019, the Company received an aggregate $1,467,550 in proceeds from the sale of 30,000 shares $50 per share of preferred stock in its Blackridge Research subsidiary. These shares are convertible into 1,500,000 common shares of Blackridge Research or convertible into common shares of the Company at the rate 200 common shares per preferred share. In conjunction with these sales, the company issued 4,000,000 warrants to purchase common shares of the Company at a price of $0.25 per share. The Company valued the warrants at $189,594 using the Black Scholes pricing model.

NOTE 9 – SHARE BASED COMPENSATION

During the six months ended June 30, 2019, the Company issued 248,000 5-year options to purchase common stock to employees and directors under the 2017 Stock Incentive Plan. The options were valued at $24,357 using the Black-Scholes pricing model. As of June 30, 2019, the total unrecognized expense for unvested share based compensation is $1,584,394. The 2017 Stock Incentive Plan allows for a maximum 25,000,000 shares to be issued, of which 7,808,699 shares remain available for issuance as of June 30, 2019. The Company recognized stock option expenses during the three and six months ended June 30, 2019 and 2018 of $219,201 and $438,056 and $106,711 and $208,124, respectively.

The fair values at the commitment date for the options were based upon the following management assumptions as of June 30, 2019:

	Commitment Date
Expected dividends	0%
Expected term	5 years
Risk free rate	2.15 - 2.49%
Volatility	48.21 – 48.46%

The activity of options granted to during the year ended December 31, 2018 and six months ended June 30, 2019 is as follows:

	Employee and Director Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life	Weighted Average Grant Date Fair Value
Balance – December 31, 2017	6,962,560	$ 0.60	4.65 years	$ 0.28
Granted	10,390,741	$ 0.33	5 years	$ 0.16
Exercised	-			
Expired	(57,827)			
Forfeited	(349,048)			
Ending Balance – December 31, 2018	16,946,426	$ 0.43	4.32 years	$ 0.20
Granted	248,000	$ 0.25	5 years	$ 0.10
Exercised	-			
Expired	(3,125)	$ 0.35	4.5 years	$ 0.16
Forfeited	-			
Ending Balance – June 30, 2019	17,191,301	$ 0.43	3.89 years	$ 0.20
Exercisable options	8,476,921	$ 0.45	3.89 years	$ 0.21

The Company's outstanding employee options at June 30, 2019 are as follows:

Options Outstanding				Option Exercisable		
Exercise Price Range	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price	Intrinsic Value
$ 0.25 - $0.60	17,191,301	3.89	$ 0.43	7,808,699	$ 0.45	$ -

The weighted average fair value per option issued during the six months ended June 30, 2019 was $0.10.

NOTE 10 – WARRANTS

During the six months ended June 30, 2019, the Company issued 4,625,000 warrants to purchase common stock at a price of $0.25 per share. The warrants vest ratably over a twelve month period. The Company valued the new warrants at $214,538 using the Black Scholes pricing model, $9,261 and $13,182 of which is included in selling, general and administrative expense on the Company's statement of profit and loss for the three and six months ended June 30, 2019, respectively.

The fair values at the commitment date for the warrants were based upon the following management assumptions as of June 30, 2019:

	Commitment Date
Expected dividends	0%
Expected term	5 - 7 years
Risk free rate	1.76 - 2.62%
Volatility	48.21 – 48.46%

The activity of warrants granted to during the six months ended June 30, 2019 and the year ended December 31, 2018 is as follows:

	Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life	Weighted Average Grant Date Fair Value
Balance – December 31, 2017	43,068,636	$ 0.45	4.69 years	$ 0.08
Granted	73,755,856	$ 0.26	6.68 years	$ 0.14
Exercised	-			
Expired	-			
Forfeited	(7,087,500)			
Ending Balance – December 31, 2018	109,736,992	$ 0.32	5.46 years	$ 0.13
Granted	4,625,000	$ 0.25	6.73 years	$ 0.05
Exercised	-			
Expired	-			
Forfeited	-			
Ending Balance – June 30, 2019	114,361,992	$ 0.32	5.04 years	$ 0.13
Exercisable options	114,361,992	$ 0.32	5.04 years	$ 0.13

The Company's outstanding warrants at June 30, 2019 are as follows:

Warrants Outstanding				Warrants Exercisable		
Exercise Price Range	**Number Outstanding**	**Weighted Average Remaining Contractual Life (in years)**	**Weighted Average Exercise Price**	**Number Exercisable**	**Weighted Average Exercise Price**	**Intrinsic Value**
$ 0.01 - $0.70	114,361,992	5.04	$ 0.32	109,771,492	$ 0.32	$ 525,463

NOTE 11 – EARNINGS (LOSS) PER SHARE

Net earnings (loss) per share is computed by dividing net income (loss) for the period by the weighted average number of shares of common stock outstanding during each period. Diluted earnings (loss) per share is computed by dividing net income (loss) for the period by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during each period.

Since the Company reflected a net loss for the six months ended June 30, 2019 and the year ended December 31, 2018, respectively, the effect of considering any common stock equivalents, if exercisable, would have been anti-dilutive. Therefore, a separate computation of diluted earnings (loss) per share is not presented.

The Company has the following common stock equivalents as of June 30, 2019 and December 31, 2018:

	As of June 30, 2019	**As of December 31, 2018**
Warrants (exercise price $0.01 - $0.70/share)	114,361,992	109,736,992
Options (exercise price $0.25 - $0.66/share)	20,681,176	20,436,601
Preferred Stock (exchange ratio 16.69 – 16.97)	60,711,871	59,691,998
Preferred Stock in BlackRidge Research (exchange ratio 200)	8,000,000	-
Convertible Debt	2,400,000	-
	206,155,039	189,865,591

NOTE 12 - SUBSEQUENT EVENTS

We have evaluated all events that occurred after the balance sheet date through the date when our financial statements were issued to determine if they must be reported. Management has determined that other than those listed below, there were no additional reportable subsequent events to be disclosed.

Notes Payable

Effective July 25, 2019, The Company extended several matured notes totaling $8,528,274 to a new one year term maturing July 25, 2020. In conjunction with these extensions, aggregate accrued interest of $1,062,502 was added to the principle of the outstanding notes. The extended notes bear interest at the original interest rate of 9%, and have a default rate of 15%.

Equity Issuance

On August 5, 2019, the Company received $500,000 in proceeds from the sale of 10,000 shares, or $50 per share, of preferred stock in its Blackridge Research subsidiary. These shares are convertible into an equal number of common shares of Blackridge Research or convertible into common shares of the Company at the rate of 200 common shares per preferred share.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

General

BlackRidge Technology International, Inc., formerly known as Grote Molen, Inc., ("we," "us," "our," the "Company" or "BlackRidge") was incorporated under the laws of the State of Nevada on March 15, 2004.

We develop and market next generation, cyber defense solutions that stop cyber-attacks and block unauthenticated access. Our zero-trust network access model is based on our patented Transport Access Control technology and is designed to isolate, cloak and protect servers and cloud services and segment networks for regulatory compliance. BlackRidge products are used in enterprise and government computing environments, the industrial Internet of Things ("IoT"), and other cloud and managed service provider systems.

Business

The Company develops, markets and supports a family of cyber security products that provide a next generation cyber defense solution for protecting enterprise networks and cloud services, and more recently, healthcare, industrial controls, smart cities and critical infrastructure systems. With our patented technology, network connected devices and server resources located in the enterprise and datacenters, factory and hospital floors, and cloud systems are better protected, less expensive to protect, and less vulnerable to compromise from cyber-attacks and insider threats. We believe that our zero trust, identity-based approach to cyber defense offers superior performance compared to legacy network security approaches and greatly reduces business risk and operational costs for organizations by eliminating malicious and unwanted traffic from their networks and systems.

BlackRidge and our partners sell network security products and solutions based on our proprietary BlackRidge Transport Access Control (TAC) software. BlackRidge "TAC" provides high throughput and low latency network security that operates pre-session, in real time, before other security defenses engage. BlackRidge products can be deployed inside an Information Technology ("IT") or Operational Technology ("OT") network or a cloud to cloak and protect servers and IoT devices and segment networks, in front of existing security stacks to filter anonymous traffic, or as part of cloud or managed service provider or OEM (as defined below) solutions.

The Company believes its technology is first to market with an authenticated identity-based approach of addressing this implicit trust problem in networks, that is now commonly called "zero trust" network environments. BlackRidge TAC authenticates identity before allowing a network connection to proceed to ensure that only identified and authorized users are allowed to establish network connections.

Products

Our proprietary and patented technology, TAC, authenticates user or device identity and applies security policies across networks and cloud services before application sessions are established. Underlying BlackRidge TAC is our patented First Packet Authentication™ which conveys and authenticates identity in the "first packet" of a TCP network session request. This fundamental invention addresses the trust model in how the Internet operates: the inability to authenticate network traffic sources and network connections. Without authentication, unidentified and unauthorized users and devices can scan, probe and access networks and cloud services. This implicit trust security gap is exploited in all cyber-attacks through the process of network scanning and reconnaissance, and it has been further exposed and magnified by cloud services, mobile connectivity, and the IoT.

BlackRidge products implement a zero trust model to provide advanced identity-based cyber defense capabilities compared to advanced firewalls and VPNs in applications such as network segmentation, software defined networks, and protecting cloud services, IoT, and critical infrastructure devices. BlackRidge conceals or cloaks network resources from network mapping, reconnaissance and other forms of unauthorized access and attacks which cannot be blocked by advanced firewalls or malware detection systems. This significantly reduces their cyber-attack surface which is the ability for their systems to be found and attacked. Furthermore, unlike VPN and tunneling technologies that encrypt network traffic, our solution enables customers to continue to use their advanced analytical and machine learning tools. This is also important for Industrial Control Systems and IIoT environments that need to deploy advanced IoT analytics tools to support digital transformation and automation initiatives such as condition-based monitoring.

For Industrial IoT and critical infrastructure environments, BlackRidge products effectively let organizations establish end-to-end trust by transporting authenticated identity through the stack – across already installed sensors to clouds and IoT analytics servers – cost effectively and with minimal latency added to the network. This ability to add security to legacy or brownfield environments addresses the risk of the increasing attack surface from the convergence of OT with IT networks. Organizations tasked with operating and managing factory automation or critical infrastructure systems can now secure legacy equipment with long shelf life and known vulnerabilities.

The BlackRidge solution is available in the following product configurations, with additional platform support and endpoints under development:

- 1U rack-mountable 1GbE or 10GbE network appliance;
- 1GbE fanless desktop appliance;
- VMware ESXi™ and KVM virtual appliances;
- Amazon Web Services and Microsoft Azure cloud virtual appliances;
- Windows and Linux software endpoints; and
- IoT endpoints and devices.

BlackRidge products are priced and licensed per gateway appliance or endpoint device, and on the total number of user and device identities supported in an implementation. We offer annual subscription pricing along with perpetual, enterprise site and Original Equipment Manufacturer (“OEM”) licensing. BlackRidge gateways can support up to 100,000 identities and 4,000,000 sessions, providing a highly scalable enterprise solution that operates with low latency and high throughput compared to the limitations of current network security devices.

Network and cloud deployments options include deploying in-line as a network protection or microsegmentation device or logically inline for cloud deployments. BlackRidge’s software and systems are designed to be highly resilient and can be configured for high availability and failover. Deployment risk is addressed by monitoring and verifying security policies during deployment with progressive modes of bridge, monitor and audit, and then enforce policy; and by logging all policy enforcement actions.

Our products are protected by nine U.S. Patents including "First Packet Authentication," "Concealing a Network Connected Device," "Digital Identity Authentication," and "Statistical Object Identification," and "Method for Directing Requests to Trusted Resources."

Support and Maintenance

BlackRidge offers standard and premium support to our end-customers and channel partners, where our channel partners typically deliver the initial or level one support and we provide the advanced or level two and three product support. The support for our end customers includes annual contracts for ongoing maintenance services for both hardware and software to receive software upgrades, bug fixes, and repairs. End customers typically purchase these services for a one year or longer term at the time of the initial product sale and typically renew for successive one year or longer periods.

Professional Services

Professional services are primarily delivered through our channel partners and include experts who plan, design, and deploy effective security solutions tailored to our end-customers' specific requirements. These services include solution design and planning, configuration, and installation. Our education services provide online and classroom-style training and are also primarily delivered through our internal team.

Technology Alliance Partners

BlackRidge participates in an ecosystem of technology alliance partners to extend the breadth and depth and market research of our products and partner solutions. By helping to ease the complications that organizations face when implementing multi-layered security solutions, our technology alliances facilitate integrated solution design, accelerate the time to realize value, and enhance our role as a strategic security partner.

Markets, Customers and Distribution Channels

The BlackRidge network security and adaptive cyber defense solution is broadly applicable to virtually all enterprise, government and industrial control, and critical infrastructure or utility market segments. Whether deployed directly in a customer's environment or embedded as part of partner’s cloud service or solution, BlackRidge products provide a new level of zero trust based cyber defense not available in the market today.

BlackRidge markets and sells its products to government and commercial users through multiple channels, including direct sales, integrator and reseller channel partners, cloud and managed service providers, and through strategic OEM partners. The initial sales focus and market entry strategy for BlackRidge was the U.S. Department of Defense, which is a key leverage point for the company's current commercial, government, and international sales efforts. Our customers and strategic technology partners include Cisco, IBM, I-NET, Marist College, Microsoft, National Instruments, NTT AT, Oracle, PTC, SafeLogic, Splunk, the U.S. Department of Defense, the U.S. Department of Energy, and VMware. Our global channel partners include Atrion, B&D Consulting, LRS IT Solutions, Network Runners, Nihon Cornet Technology, NTT AT, and Presidio.

Within the commercial markets, BlackRidge sells both directly and through our strategic partners to large enterprise accounts, and indirectly through certain channel partners to specific verticals and international market segments. Our initial market entry strategy for the commercial market is to sell directly in order to establish customer references with large enterprises that have high security and compliance requirements. These include more complex regulated enterprises such as Financial Services, Healthcare, Insurance, Manufacturing and Utility companies. Our channel partners are recruited to expand enterprise sales, commercializing specific vertical markets, and penetrating the international markets. Revenue from commercial sales includes subscription and perpetual product licensing fees, installation services, and annual support based on a standard price list.

In the government markets, BlackRidge sells its standard commercial products through a wholly owned subsidiary, BlackRidge Technology Government, to government resellers, integrators and contractors who resell to the Department of Defense (DOD) and civilian agencies. BlackRidge's government revenue is net of government discounts, contracting fees, and channel and service partner discounts. BlackRidge has been involved with the DOD for over nine years, including our initial product development funding which was provided by the U.S. DOD. The BlackRidge products have been designed for several large DOD programs and they have been extensively tested and validated for use by the Defense Information Systems Agency (DISA) labs and other agencies.

In 2018, we achieved several significant product milestones with the DOD including receiving Federal Information Processing Standard 140-2 (FIPS 140-2) certification, and our TAC gateway was certified and added to the Department of Defense Information Network Approved Products List (DoDIN APL). This DoDIN APL designation identifies products that have completed interoperability and cyber security certification via a rigorous testing process, and it allows the DoD both domestic and abroad to purchase and operate BlackRidge products within DoD networks.

The BlackRidge OEM and service provider partnership strategy is to make targeted investments to capitalize on opportunities in specific market segments such as the industrial IoT, blockchain networks, and cloud solution providers. For these markets and our partners, BlackRidge TAC can be deployed as an integrated or embedded capability in the partners' equipment and vertical market solutions and sold and supported by our partner. BlackRidge provides unique, integrated identity-based cyber defense for these OEM products or service offerings that provides their end user customer with a competitive market advantage in the face of today's advanced cyber threats. Revenue from OEM offerings flows from embedded product licensing fees and support fees and add-on product sales that are somewhat unique to each OEM offering.

Marketing

Our marketing is focused on building our brand reputation and market awareness for our company and our unique technology capabilities and platform, driving customer and partner demand and building a strong sales pipeline, and working with our channel and OEM partners to facilitate their sales efforts. Our marketing team consists of corporate marketing, product marketing and product management, digital marketing operations, and corporate communications. Marketing and product management activities include sales training and enablement, market and customer requirements, competitive market analysis, content creation for marketing programs, demand generation programs including digital marketing programs and trade shows and conferences, product launch activities, managing our corporate and investor website, social media, and press and analyst relations.

Research and Development

We continue to enhance our BlackRidge TAC software, the core software used in the BlackRidge products. This software is responsible for the identity tokenization, token processing and authentication and the insertion into and recognition of TAC tokens in network sessions. The TAC software has been developed domestically within the U.S. using only U.S. citizens. This software includes implementations of granted and pending patents owned by BlackRidge.

We continue to pursue research and development to improve our existing products. These improvements include making our products easier to manage, easier to deploy in large numbers, incorporating feedback from customers and partners for new market segments such as industrial IoT, and improvements in our integrations with 3rd party products that communicate with BlackRidge products.

Our product development efforts release software with new features from time to time. When a new feature is significant enough, we produce a major software release. In between major software releases, there may be one or more minor software releases that also introduce less significant new features.

On June 2, 2019, the Company formed a new subsidiary named BlackRidge Research, Inc. to specifically perform research and development for future products and patents.

Intellectual Property

BlackRidge focuses on developing patent protection for products it develops and for products and features that are anticipated. We constantly perfect and file new applications where appropriate.

The granted patents focus on the communication of identity tokens at the network layer (6,973,496, 8,346,951), combining identity authentication at different security layers (8,281,127, 8,635,445), insuring the integrity of token authentication (8,572,697, 9,973,499) and using identity to select amongst a set of trusted resources (9,118,644). The pending applications focus on extending the above protections (15/732,282, 15/998,262), using network identity in a firewall (14/545,988) and making network routing policy decisions using identity (16/350,200).

As of release 4.0, our products use the technology described in patents 6,973,496, 8,346,951, 8,572,697 and 9,973,499 as well as technology described in some of our pending applications. As we continue to add products and features, we will be incorporating technology described in additional patents and applications. All patents and completed applications are assigned to BlackRidge Technology Holdings, Inc.

Granted Patents

Concealing a Network Connected Device: US Patent number 6,973,496, Patent Application U.S. Ser. No. 10/094,425. Filed 5 March 2002, Granted 6 December 2005, 1 Claim.

Method for Digital Identity Authentication: US Patent number 8,281,127, Patent Application U.S. Ser. No. 12/658,113. Filed 1 February 2010, Granted 2 October 2012, 20 Claims.

Method for First Packet Authentication: US Patent number 8,346,951, Patent Application U.S. Ser. No. 11/242,637. Filed 30 Sept 2005, Granted 1 January 2013, 25 Claims.

Method for Statistical Object Identification: US Patent number 8,572,697, Patent Application U.S. Ser. No. 13/373,586. Filed 18 November 2011, Granted 29 October 2013, 43 Claims.

Method for Digital Identity Authentication: US Patent number 8,635,445, Patent Application U.S. Ser. No. 13/573,077. Filed 16 August 2012, Divisional application of patent application No. 12/658,113, Granted 21 January 2014, 23 Claims.

Method for Directing Requests to Trusted Resource: US Patent number 9,118,644, Patent Application U.S. Ser. No. 13/573,238. Filed 30 August 2012, continuation-in-part of Patent 6,973,496 and Patent 8,572,697, Granted 25 August 2015, 27 Claims.

Method for Statistical Object Identification: US Patent number 9,973,499, Patent Application U.S. Ser. No. 14/998,645, filed 16 January 2016, continuation-in-part of Patent 8,572,697, Granted 15 May 2018, 14 Claims.

Method for Using Authenticated Requests to Select Network Routes: US Patent number 10,187,299, Patent Application U.S. Ser. No. 14/999,317, filed 22 April 2016, Granted 22 January 2019, 6 Claims.

Unpublished Pending Applications

U.S. Patent Applications are typically published by the patent office 18 months after filing.

Method for Attribution Security System Patent Application U.S. Ser. No. 14/545,988, filed 13 July 2015.

Secure Time Communication System Patent Application U.S. Ser. No. 15/530,714, filed 16 February 2017.

Method for Statistical Object Generation Patent Application U.S. Ser. No. 15/732,282, filed 17 October 2017.

Secure Time Communication System Patent Application U.S. Ser. No. 15/932,843, filed 4 May 2018, continuation-in-part of application 15/530,714.

Method for Statistical Object Identification Patent Application U.S. Ser. No. 15/998,262, filed 24 July 2018, continuation-in-part of Patent 8,572,697.

Method for Using Authenticated Requests to Select Network Routes Patent Application U.S. Ser. No. 16/350,200, filed 11 October 2018, continuation-in-part of Patent 10,187,299.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires our management to make assumptions, estimates and judgments that affect the amounts reported in the financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. We consider our critical accounting policies to be those that require the more significant judgments and estimates in the preparation of financial statements, including the following:

Accounts Receivable

Trade accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts. We determine the allowance for doubtful accounts by identifying potential troubled accounts and by using historical experience and future expectations applied to an aging of accounts. Trade accounts receivable are written off when deemed uncollectible. Recoveries of trade accounts receivable previously written off are recorded as income when received. We determined that no allowance for doubtful accounts was required at June 30, 2019 and December 31, 2018.

Intangible Assets

Acquired intangible assets are recorded at estimated fair value, net of accumulated amortization. Costs incurred in obtaining certain patents and intellectual property as well as software development expenses, are capitalized and amortized over their related estimated useful lives, using a straight-line basis consistent with the underlying expected future cash flows related to the specific intangible asset. Costs to renew or extend the life of intangible assets are capitalized and amortized over the remaining useful life of the asset. Amortization expenses are included as a component of selling, general and administrative expenses in the consolidated statements of operations. The Company's continued ability to extend and/or renew the rights associated with these intangible assets may have an impact on future cash flows.

Useful life estimates for the Company's significant intangible asset classes are as follows:

	Useful Life
Patent Costs	20 years
Software Licenses	7 years
Software Development Costs	15 years

Impairment of Long-Lived Assets

The Company reviews long-lived assets, at least annually, to determine if impairment has occurred and whether the economic benefit of the asset (fair value of assets to be used and fair value less disposal cost for assets to be disposed of) is expected to be less than the carrying value. Triggering events, which signal further analysis, consist of a significant decrease in the asset's market value, a substantial change in the use of an asset, a significant physical change in the asset, a significant change in the legal or business climate that could affect the asset, an accumulation of costs significantly in excess of the amount originally expected to acquire or construct the asset, or a history of losses that imply continued loss associated with assets used to generate revenue.

Revenue Recognition

Revenue is recognized when the following criteria are met:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, we satisfy performance obligation

Revenue generally is recognized net of allowances for returns and any taxes collected from customers and subsequently remitted to governmental authorities.

Revenue recognition for multiple-element arrangements requires judgment to determine if multiple elements exist, whether elements can be accounted for as separate units of accounting, and if so, the fair value for each of the elements.

The Company may enter into arrangements that can include various combinations of software, services, and hardware. Where elements are delivered over different periods of time, and when allowed under U.S. GAAP, revenue is allocated to the respective elements based on their relative selling prices at the inception of the arrangement, and revenue is recognized as each element is delivered. We use a hierarchy to determine the fair value to be used for allocating revenue to elements: (i) vendor-specific objective evidence of fair value ("VSOE"), (ii) third-party evidence, and (iii) best estimate of selling price ("ESP"). For software elements, we follow the industry specific software guidance which only allows for the use of VSOE in establishing fair value. Generally, VSOE is the price charged when the deliverable is sold separately or the price established by management for a product that is not yet sold if it is probable that the price will not change before introduction into the marketplace. ESPs are established as best estimates of what the selling prices would be if the deliverables were sold regularly on a stand-alone basis. Our process for determining ESPs requires judgment and considers multiple factors that may vary over time depending upon the unique facts and circumstances related to each deliverable.

Any revenue received that does not yet meet the above recognition standards is recorded to unearned revenue, and held as a liability until recognition occurs.

Income Taxes

We account for income taxes in accordance with FASB ASC Topic 740, Income Taxes, using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

FASB ASC Topic 740, Income Taxes, requires us to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, we must measure the tax position to determine the amount to recognize in our consolidated financial statements. We performed a review of our material tax positions in accordance with recognition and measurement standards established by ASC Topic 740 and concluded we had no unrecognized tax benefit that would affect the effective tax rate if recognized for the six months ended June 30, 2019 and 2018.

We include interest and penalties arising from the underpayment of income taxes, if any, in our consolidated statements of operations in general and administrative expenses. As of June 30, 2019 and December 31, 2018, we had no accrued interest or penalties related to uncertain tax positions.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable, accrued expenses, notes payable and convertible debt. The carrying amount of these financial instruments approximates fair value because of the short-term nature of these items.

Results of Operations

Three Months Ended June 30, 2019 Compared to the Three Months Ended June 30, 2018

Sales

Total sales during the three months ended June 30, 2019 were $65,124, as compared to sales during the three months ended June 30, 2018 of $66,826, a decrease of $1,702 or approximately 3%. Management believes historical sales not to be indicative of future expectations due to our historically limited business operations. We believe that future sales will increase over the coming quarters as we market our new suite of products.

Operating Expenses

Our selling, general and administrative expenses were $3,620,718 for the three months ended June 30, 2019, compared to $3,367,367 for the three months ended June 30, 2018, an increase of $253,351, or approximately 8%. The increase in selling, general and administrative expenses in the current period is primarily attributable to approximate increases, $60,732 in sales and marketing expense, $220,566 in wage expenses, $112,490 in stock based compensation, and $505,054 in professional fees, partially offset by approximate decreases of $20,949 in engineering expense, $120,000 in bonuses, $220,323 in amortization of capitalized software, and $290,030 in non-cash expenses related to stock issuances for consulting contracts.

Interest Income (Expense)

Other expense includes interest expense on our indebtedness, a portion of which is indebtedness to related parties. Total net interest expense was $5,682,926 and $241,930 for the three months ended June 30, 2019 and 2018, respectively. The increase in interest expense of $5,440,996 in the current year is attributable primarily to an increase in the amortization of debt discounts and an increase in overall debt financing during the current quarter as compared to the prior year.

Six Months Ended June 30, 2019 Compared to the Six Months Ended June 30, 2018

Sales

Total sales during the six months ended June 30, 2019 were $188,800, as compared to sales during the six months ended June 30, 2018 of $70,014, an increase of $118,786 or approximately 169.66%. This increase was primarily due to new contracts during the current period. Management believes historical sales will not be indicative of future expectations due to our historically limited business operations. We believe that future sales will increase over the coming quarters as we market our new suite of products.

Operating Expenses

Our selling, general and administrative expenses were $7,425,447 for the six months ended June 30, 2019, compared to $6,465,804 for the six months ended June 30, 2018, an increase of $959,643, or approximately 14.84%. The increase in selling, general and administrative expenses in the current period is primarily attributable to approximate increases of $44,011 in engineering expense, $127,735 in sales and marketing expense, $484,194 in wage expenses, $229,932 in stock based compensation, and $618,319 in professional fees, partially offset by an approximate decrease of $413,670 non-cash expenses related to stock issuances for consulting contracts.

Interest Income (Expense)

Other expense includes interest expense on our indebtedness, a portion of which is indebtedness to related parties. Total net interest expense was $8,372,445 and $381,408 for the six months ended June 30, 2019 and 2018, respectively. The increase in interest expense of $7,991,037 in the current year is attributable primarily to an increase in the amortization of debt discounts and an increase in overall debt financing during the current quarter as compared to the prior year.

Liquidity and Capital Resources

At June 30, 2019, we had total current assets of $654,917, including cash of $78,522, and current liabilities of $18,887,131, resulting in working capital deficit of $18,232,214. Our current assets and working capital included receivables of $259,029, inventory of $92,682 and prepaid expenses of $224,684.

In addition, as of June 30, 2019, we had a total stockholders' deficit of $8,173,309. As we have worked toward our acquisition and new product launches, we have primarily financed recent operations, the development of technologies, and the payment of expenses through the issuance of our debt, common stock, preferred stock and warrants.

For the six months ended June 30, 2019, net cash used in operating activities was $5,539,913, as a result of our net loss from continued operations of $15,609,911 and increases in accounts receivable of $156,737, inventory of $36,679, and prepaid expenses of $101,971, partially offset by non-cash expenses totaling $8,132,486 and increases in accounts payable and accrued expenses of $776,852, accounts payable and accrued expenses – related party of $36,846, accrued interest of $906,043, accrued interest – related party of $15,919, deferred revenue of $50,163 and wages payable of $447,076.

By comparison, for the six months ended June 30, 2018, net cash used in operating activities was $5,183,773, as a result of our net loss from continued operations of $6,873,052 and increases in inventory of $15,595, prepaid expenses of $64,210, and decreases in deferred revenue of $5,690, accounts payable and accrued expenses – related party of $17,214, partially offset by non-cash expenses totaling $1,104,458, and increases in accounts payable and accrued expenses of $140,407, accrued interest of $162,207, accrued interest - related party of $81,964, wages payable of $293,520, and a decrease in accounts receivable of $9,432.

Cash used in investing activities for the six months ended June 30, 2019 was $1,301,397 compared to $1,182,763 for the six months ended June 30, 2018. The increase in the current period is due primarily to an increase in capitalized engineering costs related to the Company's technology development as well as an approximate $79,000 in purchases of property and equipment.

For the six months ended June 30, 2019, net cash provided by financing activities was $2,225,882, comprised of proceeds from sales of equity in BlackRidge Research of $1,467,550, proceeds from short term notes – related party of $600,000 and proceeds from subscriptions payable, partially offset by the repayments of short term notes of $25,000 and repayments of long-term notes of $166,668.

For the six months ended June 30, 2018, net cash provided by financing activities was $5,970,000, comprised of proceeds from the sale short term notes – related party of $500,000, short term convertible notes of $5,600,00 and advances – related party of $75,000, partially offset by the repayments of short term notes of $5,000 and repayment of long-term notes of $200,000.

Based on our current business plan, we anticipate that our operating activities will use approximately $900,000 in cash per month over the next twelve months, or $10.8 million. Currently we do not have enough cash on hand to fully implement our business plan, and will require additional funds within the next year. We believe that our operations will not begin to generate significant cash flows until the fourth quarter of 2019 when we expect to begin new product contracts.

In order to remedy this liquidity deficiency, we are actively seeking to raise additional funds through the sale of equity and debt securities, and ultimately plan to generate substantial positive operating cash flows. Our internal sources of funds will consist of cash flows from operations, but not until we begin to realize substantial revenues from sales. If we are unable to raise additional funds in the near term, we may not be able to fully implement our business plan, and it is unlikely that we will be able to continue as a going concern.

Off-balance Sheet Arrangements

None.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not required.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls over Procedures

Under the supervision and with the participation of our management, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("the Exchange Act") as of June 30, 2019, the end of the period covered by this report. Based upon that evaluation, we have concluded that our disclosure controls and procedures as of June 30, 2019 were effective such that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management as appropriate to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in Internal Control over Financial Reporting

None

Limitations on the Effectiveness of Internal Controls

Readers are cautioned that our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our control have been detected. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any control design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 1A. Risk Factors

Not required.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the six months ended June 30, 2019, the Company received an aggregate $1,467,550 in proceeds from the sale of 1,500,000 shares of preferred stock in its Blackridge Research subsidiary. These shares are convertible into an equal number of common shares of Blackridge Research or convertible into common shares of the Company at the rate of $0.25 per share. In conjunction with these sales, the company issued 4,000,000 warrants to purchase common shares of the Company at a price of $0.25 per share. The Company valued the warrants at $189,594 using the Black Scholes pricing model.

Item 3. Defaults upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following exhibits are filed as part of this report:

Identification of Exhibit

10.1	Form of note issued for preferred shares of BlackRidge Research Inc. *
31.1	Section 302 Certification of Chief Executive Officer *
31.2	Section 302 Certification of Chief Financial Officer *
32.1	Section 1350 Certification of Chief Executive Officer *
32.2	Section 1350 Certification of Chief Financial Officer *
101.xml	XBRL Instance Document
101.xsd	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

* Filed herewith

SIGNATURES

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

BLACKRIDGE TECHNOLOGY INTERNATIONAL, INC.

Date:	August 14, 2019	By:	/s/ Robert Graham Robert Graham, Chief Executive Officer and President
Date:	August 14, 2019	By:	/s/ John Bluher John Bluher, Chief Financial Officer

BLACKRIDGE RESEARCH, INC.

SUBSCRIPTION AGREEMENT

1. SUBSCRIPTION. The undersigned (the *"Subscriber"*) has subscribed for convertible preferred stock (*"Interests"*) in the Company, in the amount indicated on the signature page of this Subscription Agreement. In payment for the Interests, the Subscriber has paid to the Company the amount of such subscription. The Company has accepted the Subscriber's subscription.

2. REPRESENTATIONS, WARRANTIES AND AGREEMENTS BY SUBSCRIBER. The Subscriber hereby represents, warrants and agrees as follows:

(a) The Interests have been purchased by the Subscriber and not by any other person, with the Subscriber's own funds and not with the funds of any other person, and for the account of the Subscriber, not as a nominee or agent and not for the account of any other person.

(b) The Subscriber understands that the Interests have not been registered or qualified under the Securities Act of 1933, as amended (the "*1933 Act*"), or any other securities law or regulation, on the ground, among others, that there will be no distribution or public offering of the Interests. The Subscriber understands that the Interests will be issued by the Company in connection with a transaction that does not involve any public offering within the meaning of section 4(2) of the 1933 Act or applicable provisions of other securities laws and regulations, under the respective rules and regulations of the SEC and the administrators of such other laws and regulations thereunder. The Subscriber understands that the Company is relying in part on the Subscriber's representations herein for purposes of claiming such exemptions and such exemptions may not be available if, notwithstanding the Subscriber's representations, the Subscriber has in mind merely acquiring Interests for resale on the occurrence or non-occurrence of some predetermined event. The Subscriber has no such intention.

(c) The Subscriber, either alone or with the Subscriber's professional advisers who are unaffiliated with, have no equity interest in and are not compensated by the Company or any Affiliate or selling agent of the Company, directly or indirectly, has such knowledge and experience in financial and business matters that the Subscriber is capable of evaluating the merits and risks of an investment in Interests and has the capacity to protect the Subscriber's own interests in connection with the Subscriber's proposed investment in Interests.

(d) **The Subscriber has had the opportunity to review information about the company and to talk with the company's CEO and ask questions.**

(e) Intentionally omitted.

(f) The Subscriber understands that the Company is prohibited from accepting subscriptions for Interests by any person or entity that is acting, directly or indirectly, in violation of any anti-money laundering laws, rules, regulations, treaties or other restrictions, or on behalf of any suspected terrorist or terrorist organization, including any person, entity or organization that is included on any so-called "watch list" maintained by any governmental agency of the U.S. (including, but not limited to, the U.S. Central Intelligence Agency, the U.S. Department of the Treasury, the U.S. Federal Bureau of Investigation, the IRS, the U.S. Office of Foreign Assets Control and the SEC) (each such person or entity being called herein a "*Prohibited Investor*").

The assets used to subscribe for the Interests hereby were not derived, directly or indirectly, from any illegal activity or source.

(g) Intentionally omitted.

(h) Unless otherwise approved by the Company, distributions of the Company's assets to the Subscriber (whether as a result of a distribution to all Partners or in connection with a withdrawal by the Subscriber) shall be made (1) only to the Subscriber (as reflected on the Company's books and records) and (2) only through accounts held at a U.S. bank or non-U.S. bank organized within a jurisdiction, territory or region approved by the Financial Action Task Force.

(i) The Subscriber acknowledges that the Subscriber has been furnished with such financial and other information concerning the Company and the business and proposed business of the Company as the Subscriber considers necessary in connection with the Subscriber's investment in Interests. The Subscriber is thoroughly familiar with the risks of investing in the Company and has discussed with representatives of the Company any questions the Subscriber may have had with respect thereto. The Subscriber understands:

(1) The risks involved in this subscription, including the speculative nature of the investment;
(2) The financial hazards involved in this offering, including the risk of losing the Subscriber's entire investment; and
(3) The lack of liquidity and restrictions on transfers of Interests.

(j) The Subscriber understands that the investment in Interests is highly speculative and is able to bear the economic risk of such investment. The Subscriber is an "accredited investor" as defined in the Offering Questionnaire attached hereto as Appendix I. If the Subscriber has initialed category (13) in Part E of such Offering Questionnaire, all direct and indirect equity owners of the Subscriber are also accredited investors.

(k) If the Subscriber is an individual, the Subscriber is over twenty-one years of age (or the age of majority in the Subscriber's state of residence). The requirements of the preceding sentence will be deemed met if the Subscriber is acting as a custodian, trustee or legally appointed personal representative for the beneficial investor (who may be under such age).

(l) If the Subscriber is a corporation, limited liability company, partnership, trust or other entity:

(1) The Subscriber is not a foreign corporation, foreign limited liability company, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Regulations promulgated thereunder).

(2) Unless otherwise disclosed in writing to the Company, the Subscriber (i) was not formed for the purpose of investing in Interests, (ii) less than forty percent of the Subscriber's total assets will be invested in the Company, and (iii) the Subscriber has or will have other substantial business or investments.

(m) If the Subscriber is a corporation, limited liability company, partnership, trust or other entity and is not an ERISA Member, less than twenty-five percent of the value of each class of equity interests in the Subscriber (excluding from the computation non-Employee Benefit Plan interests of any individual or entity with discretionary authority or control over the assets of the Subscriber) is held by benefit plan investors, as defined in the Department of Labor's "plan asset" regulations at 29 C.F.R. §2510.3-101 ("*Benefit Plan Investors*"). If the Subscriber is as described in the preceding sentence and at any time twenty-five percent or more of the value of any class of equity interests in the Subscriber (computed as described in the preceding sentence) is or becomes held by Benefit Plan Investors (in which event, the Subscriber shall be or become a "*25% Subscriber*"), the Subscriber shall immediately disclose such fact to the Company. If the Subscriber is or becomes a 25% Subscriber or an ERISA Member, the person signing this Subscription Agreement on behalf of the Subscriber hereby represents and warrants as follows:

(1) If the Subscriber is an ERISA Member that is subject to Title I of ERISA, such person is either a named fiduciary of the ERISA Member (as defined in ERISA section 402(a)(2)) or an investment manager of the ERISA Member (as defined in ERISA section 3(38)) with full authority under the terms of the ERISA Member's governing documents and full authority from all of the ERISA Member's beneficiaries, if required, to cause the Employee Benefit Plan to invest in the Company. Such investment has been duly approved by all other named fiduciaries whose approval is required, if any, and is not prohibited or restricted by any provision of the ERISA Member's governing documents or of any related instrument.

(2) If the Subscriber is an ERISA Member that is subject to Title I of ERISA or a 25% Subscriber whose assets include assets of a Benefit Plan Investor under the "plan asset" regulations, such person has independently determined that the investment by the ERISA Member or 25% Subscriber in the Company satisfies all requirements of ERISA section 404(a)(1), specifically including the "prudent man" standards of ERISA section 404(a)(1)(B) and the "diversification" standard of section 404(a)(1)(C), and will not be prohibited under any provision of ERISA section 406 or Code section 4975(c)(1). Such person has requested and received all information from the Company that such person, after due inquiry, considered relevant to such determinations. In determining that the requirements of ERISA section 404(a)(1) are satisfied, such person has taken into account the risk of loss of part or all of the ERISA Member's or 25% Subscriber's investment and that an investment in the Company will be relatively illiquid, and Companys so invested will not be readily available for the payment of employee benefits. Taking into account these factors and all other factors relating to the Company, the undersigned has concluded that investment in the Company constitutes an appropriate part of the ERISA Member's or 25% Subscriber's overall investment program.

(3) Such person will notify the Company, in writing, of any alteration in the identity of any named fiduciary or investment manager, including such person who has the authority to approve investments in the Company.

(4) Neither the Company nor any affiliate of the Company has rendered any investment advice (within the meaning of section 3(21) of ERISA and the regulations thereunder) to the Subscriber (or, if the Subscriber is a 25% Subscriber, to any Benefit Plan Investor investing in the 25% Subscriber) with respect to the assets that will be invested in the Company on a regular basis pursuant to a mutual understanding, arrangement or agreement, written or otherwise, between the Subscriber (or, if the Subscriber is a 25% Subscriber, between any Benefit Plan Investor investing in the 25% Subscriber) and any of such parties who will act in regard to the Company, and none of such parties renders any investment advice to the Subscriber or to any such Benefit Plan Investor that furnishes a primary basis for investment decisions with respect to assets of the Subscriber or of any such Benefit Plan Investor.

If the Company or any Affiliate, director, officer, member, manager, partner, employee or agent of the Company is ever held to be a fiduciary, it is agreed that, in accordance with ERISA sections 405(c)(1), 405(c)(2) and 405(d), the fiduciary responsibilities of that person shall be limited to such person's duties in administering the business of the Company, and such person shall not be responsible for any other duties with respect to any ERISA Member or any Benefit Plan Investor investing in the 25% Subscriber (specifically including evaluating the initial or continued appropriateness of any such ERISA Member's investment in the Company under ERISA section 404(a)(1)). The Company may, but shall not be required to, elect to report the Company's underlying assets directly to the DOL pursuant to 29 C.F.R. 2520.103-12.

(n) This Subscription Agreement constitutes a legal, valid and binding agreement of the Subscriber enforceable against the Subscriber in accordance with its terms. The Subscriber, if not an individual, is empowered and duly authorized to enter into this Subscription Agreement (including the power of attorney herein) under any governing document, operating agreement, partnership agreement, trust instrument, pension plan, charter, articles or certificate of incorporation or organization, bylaw provision or the like. The person, if any, signing this Subscription Agreement on behalf of the Subscriber is empowered and duly authorized to do so by the governing document, trust instrument, operating agreement, partnership agreement, pension plan, charter, articles or certificate of incorporation or organization, bylaw provision, board of directors or stockholder resolution, or the like.

(o) Intentionally omitted.

(p) The Subscriber recognizes and agrees that non-public information concerning the Subscriber set forth in this Subscription Agreement or otherwise disclosed by the Subscriber to the Company, or other agents of the Company, such as the Subscriber's name, address, social security number, assets and income, and information regarding the Subscriber's investment in the Company (collectively, the "*Information*") may be disclosed only as required by law. The Company restricts access to the Information to their employees who need to know the Information to provide services to the Company, and maintain physical, electronic and procedural safeguards to guard the Information. In all events, the Company may disclose investor information as otherwise required by applicable law. The Subscriber acknowledges and agrees that (i) information relating to the identity of each Subscriber shall appear on the Register of the Company and may appear in the financial statements of the Company, and (ii) other investors shall receive such Information and share such information with their advisors and other parties. The Subscriber has received and read a copy of the Company's Client Privacy Notice attached hereto as Appendix III.

(q) The Subscriber hereby requests and agrees, except as otherwise required by applicable law, the Company shall refrain from sending to the Subscriber (i) any information regarding the customer relationship as contemplated by 16 CFR Part 313, §313.9(c)(2) (the "*FTC's Final Privacy Rules*"), and (ii) any annual privacy notice as contemplated by the FTC's Final Privacy Rules; *provided, however*, that the Company shall keep an annual privacy notice with the books and records of the Company and such annual privacy notice shall be available to the Subscriber upon request. The Subscriber understands that, at any time subsequent to the initial closing of the Company, it may elect to receive any information contemplated by the preceding clauses (i) and (ii) above, to the extent that the Company is required by applicable law to deliver such information, by providing reasonable prior written notice to the Company to such effect.

(r) Except as modified by any schedule of exceptions provided at the time the offer is made, any offer to purchase additional Interests that the Subscriber may make after becoming an investor shall be deemed to have been made subject to all of the terms and conditions of this Subscription Agreement, and the Subscriber shall be deemed at the time each additional subscription is accepted to have reaffirmed all of the representations, warranties and agreements contained herein for the benefit of the Company, and its affiliates and direct and indirect members, partners, directors, officers, managers, employees, controlling persons and agents.

(s) Other than items delivered to the Subscriber by the Company in writing, the Subscriber acknowledges that no other literature is to be considered by the Subscriber in making a decision to invest in the Interests, and that no dealer, salesperson, sales agent or other third party has been authorized to give any information or to make any representations other than those contained herein and/or such other items delivered to the Subscriber by the Company in writing, and, to the extent any such other information has been given and/or such other representations have been made, they are not to be relied upon by the Subscriber.

3. [intentionally omitted]

4. AGREEMENT TO REFRAIN FROM ILLEGAL RESALES. The Subscriber agrees that the Subscriber shall in no event pledge, hypothecate, sell, transfer, assign or otherwise dispose of any Interests, nor shall the Subscriber receive any consideration for Interests from any person, unless and until prior to any proposed pledge, hypothecation, sale, transfer, assignment or other disposition, the Subscriber shall have complied with all requirements and conditions of all applicable securities laws..

5. CERTIFICATES TO BE LEGENDED. The Subscriber understands and agrees that the note, instrument, or certificate, if any, representing or relating to Interests may bear such legends as the Company may consider necessary or advisable to facilitate compliance with the 1933 Act and any other applicable securities law or regulation, including, without limitation, legends stating that the Interests have not been registered or qualified under the 1933 Act or any other securities law and setting forth the limitations on disposition.

6. INTERESTS WILL BE RESTRICTED SECURITIES. The Subscriber understands that the Interests will be “restricted securities” as that term is defined in Rule 144 under the 1933 Act and, accordingly, that the Interests may only be disposed of pursuant to the provisions of Rule 144.

7. COMPANY MAY REFUSE TO TRANSFER. If, in the reasonable opinion of counsel for the Company, the Subscriber has acted or at any time hereafter shall have acted in a manner inconsistent with the representations and warranties in this Subscription Agreement, the Company may refuse to transfer the Interests until such time as such counsel is of the opinion that such transfer will not require registration or qualification of Interests under the 1933 Act or any other securities law or registration of the Company under the Investment Company Act of 1940 (the “*1940 Act*”).

8. INDEMNIFICATION. The Subscriber agrees to indemnify and defend the Company, and each of their respective affiliates, controlling persons, shareholders, members, managers, partners, directors, officers, employees and agents and hold them harmless from and against any and all claims, liabilities, losses, damages, settlements and expenses (including, without limitation, attorneys’ fees and expenses, expert witnesses’ fees and expenses and court costs) as and when suffered or incurred on account of or arising out of:

(a) Any breach of or inaccuracy in the Subscriber's representations, warranties or agreements herein, including, without limitation, the defense of any claim based on any allegation of fact inconsistent with any of such representations, warranties or agreements;

(b) Any disposition of Interests contrary to any of such representations, warranties or agreements;

(c) Any action, suit or proceeding based on (1) a claim that any of such representations, warranties or agreements were inaccurate or misleading or otherwise cause for obtaining damages or redress under the 1933 Act or any other securities law, or (2) any disposition of any Interests or any part thereof or interest therein; or

(d) Any delay in the Subscriber's Subscription, any freezing of the assets of the Subscriber, any suspension or delay of the Subscriber's withdrawal rights, any delivery of the Subscriber's assets invested in the Company to a governmental agency, or any other action, delay or disclosure pursuant to section 2(e), (f), (g) or (p) of this Subscription Agreement.

9. POWER OF ATTORNEY. The Subscriber hereby irrevocably constitutes and appoints the Chief Executive Officer, with full power of substitution and resubstitution, the Subscriber's true and lawful attorney, for the Subscriber and in the Subscriber's name, place and stead and for the Subscriber's use and benefit to sign, execute, deliver, certify, acknowledge, swear to, file, record and publish:

(a) The Company's governing documents, and any amendments to either of such documents;

(b) Any other certificates, instruments, agreements and documents necessary to qualify or continue the Company as a corporation or an entity wherein members have limited liability in the states or other jurisdictions where the said attorney-in-fact deems necessary or advisable;

(c) All conveyances, assignments, documents of transfer or other instruments and documents necessary to effect the assignment of Interests or the dissolution and termination of the Company;

(d) All filings and submissions pursuant to any applicable law, regulation, rule, order, decree or judgment which, in the opinion of said attorney-in-fact, may be necessary or advisable in connection with the business of the Company; and

(e) Any governing documents or subscription documents of a liquidating Company.

The power of attorney granted herein is coupled with an interest, shall be irrevocable, shall survive the death, disability or incapacity of the Subscriber, shall be deemed given by each and every assignee and successor of the Subscriber and may be exercised by said attorney-in-fact by listing, or attaching a list of, the names of the Subscriber and other persons for whom the said attorney-in-fact is acting and such other certificates, instruments and documents with the single signature of an authorized signatory on behalf of the said attorney-in-fact acting as such for all of the persons whose names are so listed.

10. ARBITRATION.

(a) Administrator. Any dispute between or among any of the parties or any of their affiliates arising out of, relating to or in connection with this Subscription Agreement shall be resolved by final and binding arbitration before an "Arbitrator" selected from and administered by JAMS (the "Administrator") in accordance with its then existing arbitration rules or procedures regarding commercial or business disputes arising in the United States of America between residents of the United States of America. The arbitration shall be held in New York, NY, or such other venue as is mutually agreed upon by the parties to such proceeding.

(b) Discovery. Depositions may be taken and full discovery may be obtained in any arbitration commenced under this provision.

(c) Hearing. The Arbitrator shall, within fifteen (15) calendar days after conclusion of the Arbitration hearing, issue a written award and statement of decision describing the essential findings and conclusions on which the award is based, including the calculation of any damages awarded. The Arbitrator shall be authorized to award compensatory damages, but shall not be authorized to (i) award non-economic damages, such as for emotional distress, pain and suffering or loss of consortium, or punitive damages except as expressly authorized by statute, or (ii) reform, modify or materially change this Agreement or any other agreements contemplated hereunder. The Arbitrator also shall be authorized to grant any temporary, preliminary or permanent equitable remedy or relief that is within the scope of this Agreement, including, without limitation, an injunction or order for specific performance.

(d) Fees, Costs and Expenses. Each party shall bear its own attorney's fees, costs, and disbursements arising out of the arbitration, and shall pay an equal share of the fees and costs of the Administrator and the Arbitrator; *provided, however,* that the Arbitrator shall be authorized to determine whether a party is the prevailing party, and if so, to award to that prevailing party reimbursement for its reasonable attorneys' fees, costs and disbursements (including, for example, expert witness fees and expenses, photocopy charges, travel expenses, etc.), and/or the fees and costs of the Administrator and the Arbitrator. Each party shall fully perform and satisfy the arbitration award within fifteen (15) days after the Arbitrator issues a written award and statement of decision to the parties.

(e) Waiver of Right to Jury Trial. By agreeing to this binding arbitration provision, the parties understand that they are waiving certain rights and protections which may otherwise be available if any Claims between the parties were determined by litigation in court, including, without limitation, the right to seek or obtain certain types of damages precluded by this section 9, the right to a jury trial, certain rights of appeal, and a right to invoke formal rules of procedure and evidence.

11. SUCCESSORS. The representations, warranties and agreements in this Subscription Agreement shall be binding on the Subscriber's successors, assigns, heirs and legal representatives and shall inure to the benefit of the respective successors and assigns of the Company.

12. GOVERNING LAW. This Subscription Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York applicable to agreements made and to be performed wholly within that jurisdiction.

13. NUMBER AND GENDER. The use of the singular number shall be deemed to include the plural and vice versa, and each gender shall be deemed to include each other gender, as the context may require, and "person" shall be deemed to include natural person, corporation, limited liability company, partnership, trust or other legal entity.

14. ENTIRE AGREEMENT. This Subscription Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties. The representations, warranties, covenants and agreements in this Subscription Agreement shall survive the execution and delivery of this Subscription Agreement and shall continue in full force and effect except only to the extent otherwise provided in a written amendment of this Subscription Agreement, specifically referring hereto, that is signed by or on behalf of the Company and the Subscriber.

15. SEVERABILITY. If any provision of this Subscription Agreement or the application thereof to any person or in any circumstances shall be held to be invalid, unlawful, or unenforceable to any extent, the remainder of this Subscription Agreement, and the application of such provision other than to the persons or in the circumstances deemed invalid, unenforceable or unlawful, shall not be affected thereby, and each remaining provision hereof shall continue to be valid and may be enforced to the fullest extent permitted by law.

[*Signature page follows.*]

IN WITNESS WHEREOF, I (we) have executed this Subscription Agreement this ____ day of _________________. **This signature page constitutes the signature page for all of the following legal documents (a) the Subscription Documents to which this signature page is attached, and (b) the Investor Questionnaire which is contained within these Subscription Documents.**

AMOUNT OF COMMITMENT SUBSCRIBED FOR: **$** ______________

If the Investor is an individual, please sign, date, and print your name to the right:

(Printed Name)

Signature

Date

If the Investor is an organization or entity, please print the name of the organization or entity and have an authorized person sign and date to the right:

(Printed Name of Entity)

Signature

Title (e.g., trustee, etc.)

Date

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

THE FOLLOWING ACCEPTANCE IS TO BE

COMPLETED BY AN EXECUTIVE OFFICER OF THE COMPANY

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

The foregoing Subscription Agreement is accepted this __ day of ________, effective as of the __ day of ______________.

BLACKRIDGE RESEARCH, INC.,
A Nevada corporation

By:
Robert J Graham, CEO

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Graham, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BlackRidge Technology International, Inc. (the "Registrant");

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 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 Rule 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, including its consolidated subsidiaries, 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; and

5. I have disclosed, based on my 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 14, 2019 By: */s/ Robert Graham*
Robert Graham
Chief Executive Officer and President

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John Bluher, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BlackRidge Technology International, Inc. (the “Registrant”);

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 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 Rule 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, including its consolidated subsidiaries, 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; and

5. I have disclosed, based on my 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 14, 2019 By: */s/ John Bluher*
John Bluher
Chief Financial Officer

EXHIBIT 32.1

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

In connection with the Quarterly Report of BlackRidge Technology International, Inc. (the "Registrant") on Form 10-Q for the quarter ending June 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), I, Robert Graham, Chief Executive Officer of the registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly 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 Quarterly Report fairly presents, in all material respects, the financial condition and result of operations of the Registrant.

Date:	August 14, 2019	By:	*/s/ Robert Graham*
			Robert Graham
			Chief Executive Officer and President

EXHIBIT 32.2

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

In connection with the Quarterly Report of BlackRidge Technology International, Inc. (the "Registrant") on Form 10-Q for the quarter ending June 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), I, John Bluher, Chief Financial Officer of the registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly 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 Quarterly Report fairly presents, in all material respects, the financial condition and result of operations of the Registrant.

Date:	August 14, 2019	By:	*/s/ John Bluher*
			John Bluher
			Chief Financial Officer