

BAKKEN RESOURCES INC
Form 10-K
April 16, 2012

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

FORM 10-K

- Annual Report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended **December 31, 2011**.
- 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: **000-53632**

BAKKEN RESOURCES, INC.

(Exact name of small business issuer as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

26-2973652

(I.R.S. employer
identification number)

1425 Birch Ave. Suite A; Helena, MT 59601

(Address of principal executive offices and zip code)

(406) 442-9444

(Registrant's telephone number, including area code)

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

None

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

Common Stock, \$.001 par value

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

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

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

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Indicate by check mark if the disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained in this herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of accelerated filer, larger accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [] Accelerated filer [] Non-accelerated filer [] Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES [] NO [X]

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, as of December 31, 2011 is \$28,133,750 based on the sale price of the shares in a private placement that closed on September 30, 2011 at a price of \$0.50 per share. Shares of Common Stock held by each officer and director and by each person who is known by the registrant to own 10% or more of the outstanding Common Stock, if any, have been excluded in that such persons may be deemed to be affiliates of the registrant. The determination of affiliate status is not necessarily a conclusive determination for any other purpose. The shares of our company are currently listed on the OTC Bulletin Board exchange, symbol BKKN .

Number of shares outstanding of the issuer's common stock as of April 16, 2012 is 56,935,350 shares

DOCUMENTS INCORPORATED BY REFERENCE

None.

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

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

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

Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond our company's 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 communities in which our company conducts 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 company's operations, products, services and prices.

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

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

BAKKEN RESOURCES, INC.
ANNUAL REPORT OF FORM 10-K
FOR FISCAL YEAR ENDED DECEMBER 31, 2011

PART I

ITEM 1. BUSINESS.

Overview and Background

Bakken Resources, Inc. (the Company , BRI , we , us , or our) owns 50% of the mineral rights to approximately 6,000 gross acres of land located about 8 miles southeast of Williston, North Dakota. These mineral rights currently bear to us an average 8.5% royalty from the oil and gas produced on such land. The area is part of what is commonly referred to as the Bakken oil shale formation, Bakken Formation or Bakken. Oil shale is a geological sedimentary formation that is typically rich in kerogen, an organic material. When kerogen is heated or broken down, it releases natural gas and oil.

There were originally 14 independent executed oil and gas leases with three contracted oil drilling companies on various parcels of land constituting the 6,000 gross acres (and approximately 3,000 net mineral acres) on which we have mineral rights royalty interests. The contracted oil drilling companies with whom we are parties in interest pursuant to lease agreements that we acquired rights to in November 2010; include Oasis Petroleum having 11 leases, Continental Resources, Inc. having 2 leases and Texon L.P with 1 lease (collectively, the Lessees). We have no rights to influence the activities conducted by these Lessees of our mineral rights, but if the Lessees do not accomplish the agreed upon drilling programs within the timeline, they can lose their leases.

The predecessor to our company was incorporated on June 6, 2008, under the laws of the State of Nevada, under the name Multisys Language Solutions, Inc. (MLS). MLS was unable to develop the interactive multimedia language education business into a financially viable business, and its board of directors decided to redirect its business and acquire oil and gas rights via an option to purchase certain oil and gas rights from Holms Energy, LLC, a private Nevada company (Holms Energy). On June 11, 2010, MLS and Multisys Acquisition, Inc., its wholly-owned Nevada subsidiary, entered into an Option to Purchase Assets Agreement with Holms Energy, pursuant to which Holms Energy agreed to grant Multisys Acquisition an option to purchase certain oil and gas production royalty rights on land in North Dakota. On November 26, 2010 MLS exercised this option by paying Holms Energy \$100,000, issuing

forty million (40,000,000) shares of common stock to them, and granting Holms Energy a 5% overriding royalty on all gross revenue generated from the Company's gas and oil production royalty revenues. Subsequent to the closing of the Asset Purchase Agreement with Holms Energy, on December 10, 2010, MLS changed its name to Bakken Resources, Inc. These transactions and the resulting change of control are described below under Acquisition of Assets.

Description of Oil Leases and Oil Production

BRI currently derives its primary source of revenue from royalties generated from leasing its mineral acreage. BRI's mineral acreage consists of approximately 3,000 net mineral acres located primarily in McKenzie County, North Dakota. Such 3,000 net mineral acres are currently spread across 14 spacing units. Operators in the area where BRI's minerals are located have been approved for up to eight wells per spacing unit (typically 1,280 acres), but generally petition for permits prior to the commencement of drilling in a particular spacing unit. Assuming this would apply for all spacing units under which BRI has mineral acres, BRI would have a royalty interest in up to 112 wells. Note, however, that the royalties due to BRI under any particular well would vary based on the number of acres BRI has under any particular spacing unit where there is a producing well.

As of December 31, 2011, BRI received royalty income primarily from two producing wells, commonly known as the Missoula and the Hystead wells. During 2011, the amount of such royalties received from these two wells was approximately \$218,000. BRI has interest under several other wells which have been drilled and likely producing, but for whom royalties are still not been received as of December 31, 2011.

With respect to drilling operations, pursuant to the North Dakota Oil and Gas Commission, long lateral deep horizontal multi-stage fracking wells in the Bakken Formation must be permitted in spacing unit of not less than 640 acres, up to 1,280 acres, with some exceptions. The spacing units have to be approved and permitted in advance of drilling by the North Dakota Oil and Gas Commission. When a horizontal well is drilled in the area where the subject property is located, they typically drill down about 9,500 vertical feet and then utilize a downhole directional drilling tool to flatten the hole to 90

degrees and drill horizontally down the oil and gas producing formation. Horizontal directional drilling provides more contact area to the oil bearing formation than a typical vertical well. This method of drilling together with fracking is referred to as an enhanced oil recovery method, and is the primary source of recovery from the Bakken Formation. BRI does, however, have interests in certain wells not drilled into the Bakken Formation.

Some of our acreage is subject to joint venture and drilling agreements between Oasis Petroleum and Continental Resources. Oasis and Continental filed jointly for and were granted approval for one spacing unit and Oasis Petroleum received approval for six allowances by the North Dakota Oil and Gas Commission to drill eight wells in the Bakken Formation, which a portion of the Holms Property (defined herein) has been included in each of the eight approved spacing units. BRI is not a party to such agreements but will receive royalties for any wells drilled under such drilling agreements.

Acquisition of Assets

On June 11, 2010, Multisys Language Solutions, Inc. or MLS, Multisys Acquisition, and Holms Energy entered into an Option to Purchase Assets Agreement, pursuant to which Holms Energy agreed to grant Multisys Acquisition an option to exercise an Asset Purchase Agreement to assign all right, title, and interest of specific Holms Energy owned oil and gas mineral rights to Multisys Acquisition. On November 26, 2010, MLS completed an initial closing of a private placement in the amount of \$1,545,000 that issued 6,180,000 shares at \$0.25 per share and 3,090,000 three-year warrants exercisable for 3,090,000 shares at \$.50 per share, callable at \$0.01 per share at any time after November 26, 2011, if the underlying shares are registered, and the common stock trades for 20 consecutive trading days at an average closing sales price of \$0.75 or more. We concurrently exercised the option with Holms Energy and executed an Asset Purchase Agreement by and between MLS, Holms Energy, and Multisys Acquisition in order to acquire certain interests in mineral rights and assets from Holms Energy. The option was exercised on November 26, 2010 and the Asset Purchase Agreement was entered into on November 26, 2010 by paying the consideration to Holms Energy detailed in the Asset Purchase Agreement. Under the Asset Purchase Agreement, Multisys Acquisition paid Holms Energy \$100,000, issued Holms Energy 40,000,000 shares of restricted common stock, and granted to Holms Energy a 5% overriding royalty on all revenue generated from the Holms Property for ten years from the date of the acquisition closing. With the issuance of the 40,000,000 shares to the Holms Energy members, the Holms Energy members own a controlling interest in BRI. Holms Energy disbursed 40,000,000 shares to its members on a ratable ownership basis as a dividend to members.

The Asset Purchase Agreement related to the acquisition of: 1) certain Holms Energy mineral rights in oil and gas rights on approximately 6,000 gross acres and 3,000 net mineral acres of land located in McKenzie County, 8 miles southeast of Williston, North Dakota (the Holms Property); 2) potential production royalty income from wells to be drilled on the property whose oil and gas mineral rights are owned by Holms Energy; and 3) the transfer of all right, title and interest to an Option to Purchase the Greenfield mineral rights entered into between Holms Energy and Rocky and Evenette Greenfield dated June 18, 2010 related to purchasing additional oil and gas mineral rights and production royalty income on the Holms Property for One Million Six Hundred Forty Nine Thousand (\$1,649,000) Dollars (the Greenfield Option) (altogether, the Asset Acquisition). The Greenfield Option was subsequently exercised by Holms Energy on November 12, 2010, and those Greenfield mineral rights were acquired by Multisys Acquisition through the Asset Purchase Agreement with Holms Energy. Holms Energy exercised the Greenfield option and executed the Asset Purchase Agreement on the Greenfield mineral rights on November 12, 2010 using \$385,000 of a \$485,000 one month non-interest bearing loan from BRI to complete the initial payment of \$400,000, of which \$15,000 was already paid by Holms Energy. The purchase price of the Greenfield mineral rights under the agreement with Holms Energy was an aggregate of \$1,649,000 plus interest as follows: an initial payment of \$400,000; installment payments in the amount of \$30,000 per quarter plus interest at 5% per annum for 8 years and a balloon payment in the amount of \$289,000. The collateral for the loan was the Greenfield mineral rights. Under the

terms of the loan from BRI to Holms Energy, Holms Energy, in conjunction with the entry into the Asset Purchase Agreement on November 26, 2010, assigned the Greenfield mineral rights to Multisys Acquisition in exchange for forgiveness of \$385,000 of the loan. The other \$100,000 of the loan was to be applied to the Asset Purchase Agreement between BRI and Holms Energy, and on November 26, 2010, that \$100,000 was applied to the Asset Purchase Agreement and the loan was forgiven. In conjunction with the exercise of the option and execution of the Asset Purchase Agreement with Holms Energy, Multisys Acquisition acquired the rights to the Asset Purchase Agreement between Holms Energy and the Greenfields and therefore purchased the gas and oil production royalty rights of Rocky and Evenette Greenfield.

Change of Control of Bakken Resources, Inc.

After the closing of the Asset Purchase Agreement on November 26, 2010 which involved, in part, the issuance of 40 million (40,000,000) shares of BRI common stock to Holms Energy. Holms Energy subsequently declared a special dividend distribution of such 40 million shares to its members. The members of Holms Energy beneficially held in aggregate approximately 76.2% of the outstanding shares of common stock of Multisys Language Solutions after the closing of the Asset Purchase Agreement on November 26, 2010. After the closing of the transaction, based on an informal agreement in place,

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the current directors of MLS appointed the nominees designated by Holms Energy, LLC as members of the board of directors of MLS on December 1, 2010. Subsequently, the current officers and directors of MLS resigned their positions, clearing the way for the appointment of new executive officers by the new board of directors of MLS. Pursuant to the authorization from MLS stockholders for the amendment of the articles of incorporation of MLS at a special meeting of stockholders, MLS changed its corporate name from Multisys Language Solutions, Inc. to Bakken Resources, Inc. on December 10, 2010 to reflect its new business focus.

Business Strategy

We plan to focus on evolving into a growth-orientated independent energy company engaged in the acquisition, exploration, exploitation, and development of oil and natural gas properties. We plan to initially focus our activities mainly in the Williston Basin, a large sedimentary basin in eastern Montana, Western North and South Dakota, and Southern Saskatchewan known for its rich deposits of petroleum and potash. To date, we have collected approximately \$247,000 in revenues from royalties generated from our mineral rights.

Per our business plan and strategy, we have pursued relationships to gather information on future potential oil and gas drilling projects and explored and contemplated possible joint partnerships in other drilling programs. We previously announced our acquisition of mineral acreage in the Duck Lake region of Western Montana, in a potential oil play commonly referred to as the Alberta Bakken. The Company remains in discussion with various groups for strategic partnerships and plans to announce the completion of such arrangements if and when they are consummated.

Geology of the Bakken Formation

The geological formation, as well as many other criteria, determines the production level of any commercial wells, which impact the potential future royalty revenue, if any. The following profile of the Williston Basin gives an idea as to the value of our mineral assets. Our original 14 leases are in a geographic area known as the Williston Basin, which is a large intracratonic sedimentary basin in eastern Montana, western North and South Dakota and southern Saskatchewan known for its rich deposits of petroleum and potash. The basin is a geologic structural basin but not a topographic depression; it is transected by the Missouri River. The oval-shaped depression extends approximately 475 miles (764 km) north-south and 300 miles (480 km) east-west. The map below shows the general location of the Bakken Formation (not intended to show or represent the location of any oil fields).

The Bakken Formation is an oil-bearing stratum covering parts of Montana, North Dakota, and Saskatchewan. Oil was first produced from the Bakken more than 50 years ago. Production was mainly from a few vertical wells until the 1980 s when horizontal or directional drilling technology became available. Only recently after the intensive application of horizontal wells combined with hydraulic fracturing technology did production really accelerate. The Bakken is one of many hydrocarbon producing formations in the Williston Basin, a sedimentary basin covering parts of three states and two provinces. The total layer of sediments in the basin can be up to 15,000 ft. thick, and within that, the Bakken itself reaches a maximum of 150 feet. According to the United States Geological Survey (USGS) in a release dated April 10, 2008, North Dakota and Montana have an estimated 3.0 to 4.3 billion barrels of undiscovered, technically recoverable oil in an area known as the Bakken Formation. The USGS report goes on to further state that the Bakken Formation estimate is larger than all other current USGS oil assessments of the lower 48 states and is the largest "continuous" oil accumulation ever assessed by the USGS. A "continuous" oil accumulation means that the oil resource is dispersed throughout a geologic formation rather than existing as discrete, localized occurrences. In April 2008 a report from the State of North Dakota estimated that of the 167 billion barrels of oil in place in the North Dakota portion of the Bakken Formation, 2.1 billion barrels were technically recoverable at that time. Technically recoverable oil must also be contrasted with economically recoverable oil meaning the amount of producible reserves of oil that will give a reasonable return on investment. The volume of economically recoverable reserves will change as oil price, cost of wells and other factors vary.

Isopach map, total Middle Member, Bakken Formation. The Holms Property is located in the immediate area at the tip of the arrow originating from the 60 feet Isopach Interval.

The Bakken Shale in the Williston Basin is over 11,000 ft. deep at the center of the formation and rises to 3,100 ft. on the edges of the basin. The Bakken Formation is composed of three distinct members. The first layer averages twenty three feet in depth and consists of blackish marine shale. The second member runs from 30 ft. to 80 ft. and composed of interbedded limestone, siltstone, sandstone and dolomite. The bottom member is a dark black marine shale that averages 10 ft. to 30 ft. in thickness. All three formations that make up the Bakken are rich in an organic material called Kerogen. When Kerogen is heated (thermogenic processes) or broken down by organic means (biogenic processes), natural gas and oil are created. The Bakken Formation is capped by a very thick limestone formation called the Lodgepole. It is because of this limestone cap that there is so much gas and oil trapped in the shale horizon. The Bakken Formation is what is considered a thermally mature deposit and the oil from the Bakken has a 41 specific gravity and is deemed to be commercially high grade crude oil.

Horizontal Drilling

Horizontal or directional drilling has revolutionized the way the oil and gas wells are being drilled in the Williston Basin. The reason that horizontal drilling is changing the oil and gas business is that a well drilled horizontally through a formation that contains oil and gas should produce many more times that of a vertical well. A vertical well will only penetrate a limited area of the productive zone, whereas a well drilled horizontally may penetrate up to 10,000' of the zone. This also means that previously tight shale formations such as the Bakken Formation can result in prolific production.

The Bakken Formation has poor porosity which reduces the ability of the gas and oil to flow out of this horizon. Recently, horizontal drilling of lateral holes combined with hydraulic fracturing (fracking) has resulted in substantial production from thick formations that have poor porosity. It should be noted, however, that porosity and the permeability of the oil shale rock can vary widely and unpredictably over short distances, thus dry wells can be found next to prolific wells with little explanation geologically.

Fracking is a procedure whereby packers (plugs) are set every 250' to 300' and up to ten 2,000 horsepower hydraulic pumps deliver high pressure fluids that contain a high percentage of round ceramic beads and sand are utilized as proppants and keep the fissures and fractures open along the bedding-planes that are created by the high pressure fluids. The fissures and channels created by the high pressure fluid and held open by the ceramic beads that are left behind; provide a pathway to allow the gas and oil to flow into the drill hole.

Two technologies are currently being used to enhance horizontal drilling: 1) log while drilling (LWD); and 2) drill string radar (DST). LWD uses long sensors which read gamma radiation given off by the formation, which provides real time information to the drillers and this information is gathered and assists drillers to drill in the optimum sections of the formation. DST provides information to the driller on the surface as to what direction, angle and depth the well is being drilled. The combination of the two technologies greatly assists keeping the drill bit in the optimum location within the Bakken Formation.

Example of Horizontal Drilling

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Governmental Regulations

Our operations are subject to various rules, regulations and limitations impacting the oil and natural gas exploration and production industry as whole.

Regulation of Oil and Natural Gas Production. Oil and natural gas exploration, production and related operations, when developed, are subject to extensive rules and regulations promulgated by federal, state and local authorities and agencies. For example, the state of North Dakota and Montana requires permits for exploration drilling, operation of commercial wells, submission of several reports concerning operations of wells and imposes other requirements relating to the production of oil and natural gas. Such states may also have statutes and regulations addressing conservation matters, including provisions for the unitization or pooling of oil and natural gas properties, the

establishment of maximum rates of production from wells, and the regulation of spacing, plugging and abandonment of such wells. Failure to comply with any such rules and regulations can result in substantial penalties. The regulatory burden on the oil and gas industry will most likely increase the cost of doing business and may affect our potential for profitability. Although we believe that we are currently in substantial compliance with all applicable laws and regulations, because such rules and regulations are frequently amended or reinterpreted, we are unable to predict the future cost or impact of complying with such laws. Significant expenditures may be required to comply with governmental laws and regulations and may have a material adverse effect on our financial condition and results of operations.

Environmental Matters

Our operations and properties are subject to extensive and changing federal, state and local laws and regulations relating to environmental protection, including the generation, storage, handling, emission, transportation and discharge of materials into the environment, and relating to safety and health. The recent trend in environmental legislation and regulation generally is toward stricter standards, and this trend will likely continue. These laws and regulations may:

- § require the acquisition of a permit or other authorization before construction or drilling commences and for certain other activities;
- § limit or prohibit construction, drilling and other activities on certain lands lying within wilderness and other protected areas; and
- § impose substantial liabilities for pollution resulting from its operations.

The permits required for our operations may be subject to revocation, modification and renewal by issuing authorities. Governmental authorities have the power to enforce their regulations, and violations are subject to fines or injunctions, or both. In the opinion of management, we are in substantial compliance with current applicable environmental laws and regulations, and have no material commitments for capital expenditures to comply with existing environmental requirements. Nevertheless, changes in existing environmental laws and regulations or in interpretations thereof could have a significant impact on BRI, as well as the oil and natural gas industry in general.

The Comprehensive Environmental, Response, Compensation, and Liability Act (CERCLA) and comparable state statutes impose strict, joint and several liabilities on owners and operators of sites and on persons who disposed of or arranged for the disposal of hazardous substances found at such sites. It is not uncommon for the neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment. The Federal Resource Conservation and Recovery Act (RCRA) and comparable state statutes govern the disposal of solid waste and hazardous waste and authorize the imposition of substantial fines and penalties for noncompliance. Although CERCLA currently excludes petroleum from its definition of hazardous substance, state laws affecting our operations may impose clean-up liability relating to petroleum and petroleum related products. In addition, although RCRA classifies certain oil field wastes as non-hazardous, such exploration and production wastes could be reclassified as hazardous wastes thereby making such wastes subject to more stringent handling and disposal requirements.

The Endangered Species Act (ESA) seeks to ensure that activities do not jeopardize endangered or threatened animal, fish and plant species, nor destroy or modify the critical habitat of such species. Under ESA, exploration and production operations, as well as actions by federal agencies, may not significantly impair or jeopardize the species or its habitat. ESA provides for criminal penalties for willful violations of the Act. Other statutes that provide protection to animal and plant species and that may apply to our operations include, but are not necessarily limited to, the Fish and Wildlife Coordination Act, the Fishery Conservation and Management Act, the Migratory Bird Treaty Act and the National Historic Preservation Act. Although we believe that our operations will be in substantial compliance with such statutes, any change in these statutes or any reclassification of a species as endangered could subject BRI to significant expenses to modify our operations or could force BRI to discontinue certain operations altogether.

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Competition

The oil and natural gas industry is intensely competitive, and we compete with numerous other oil and gas exploration and production companies who may also be seeking oil well operators for leasehold interests. Many of these companies have substantially greater resources than we have. Not only do they explore for and produce oil and natural gas, but many also carry on midstream and refining operations and market petroleum and other products on a regional, national or worldwide basis. The operations of other companies may be able to pay more for exploratory prospects and productive oil and natural gas properties. They may also have more resources to define, evaluate, bid for and purchase a greater number of properties and prospects than our financial or human resources permit.

Our larger or integrated competitors may have the resources to be better able to absorb the burden of existing, and any changes to federal, state, and local laws and regulations more easily than we can, which would adversely affect our competitive position. Our ability to discover reserves and acquire additional properties in the future will be dependent upon our ability and resources to evaluate and select suitable properties and to consummate transactions in this highly competitive environment. In addition, we may be at a disadvantage in producing oil and natural gas properties and bidding for exploratory prospects, because we have fewer financial and human resources than other companies in our industry. Should a larger and better financed company decide to directly compete with us, and be successful in its efforts, our business could be adversely affected.

Marketing and Customers

The market for oil and natural gas that we will produce depends on factors beyond our control, including the extent of domestic production and imports of oil and natural gas, the proximity and capacity of natural gas pipelines and other transportation facilities, demand for oil and natural gas, the marketing of competitive fuels and the effects of state and federal regulation. The oil and gas industry also competes with other industries in supplying the energy and fuel requirements of industrial, commercial and individual consumers.

Our production royalties derived from oil and gas production from the Holms Property are expected to be sold by the Lessees at prices tied to the spot oil markets. If any gas is produced from wells drilled on property that we own rights to, the mineral rights will have limited market value because there are limited gas gathering lines available in the immediate area and only a percentage of gas produce will be purchased. We will be required to rely on the Lessees to market and sell any future gas production.

Employees

We currently have two full-time employees and one part-time employee, respectively, Val Holms, President and Chief Executive Officer; Karen Midtlyng, Secretary and Director and David Deffinbaugh, Chief Financial Officer. All of our appointed executives have entered into written employments agreements. As drilling production activities continue to increase by our Lessees, and if revenue from production royalties develops as anticipated and increases, we may hire additional technical, operational or administrative personnel as appropriate. We are using and will continue to use the services of independent consultants and contractors to perform various professional services. We believe that this use of third-party service providers may enhance our ability to contain general and administrative expenses.

Office Location

Our offices are located at 1425 Birch Ave., Suite A, Helena, MT 59601. We also maintain a presence in New York City with a part-time office.

Available Information Reports to Security Holders

Our website address is www.bakkenresourcesinc.com. We make available on this Website under Company SEC Filings free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Section 16 reports for officers and directors, and amendments to those reports as soon as reasonably practicable after we electronically file those materials with, or furnish those materials to, the SEC. These filings are also available to the public at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Electronic filings with the SEC are also available on the SEC internet website at www.sec.gov.

In addition, BRI regularly monitors and maintains information relating to drilling activity on wells which it has a mineral interest. Such information can also be found on our website.

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ITEM 1A. RISK FACTORS

You should carefully consider the risks, uncertainties and other factors described below. The statements contained in or incorporated herein that are not historic facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. Any of the factors could materially and adversely affect our business, financial condition, operating results and prospects and could negatively impact the market price of our common stock. Also, you should be aware that the risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties, of which we are not yet aware, or that we currently consider to be immaterial may also impair our business operations.

Risks Associated with Our Business

We are an early stage company. We may never attain profitability.

The business of acquiring, exploring for, developing and producing hydrocarbon reserves is inherently risky. We have a limited operating history for you to consider in evaluating our business and prospects. Our operations are therefore subject to all of the risks inherent in acquiring, exploring for, developing and producing hydrocarbon reserves, particularly in light of our limited experience in undertaking such activities. We may never overcome these obstacles.

Our business is speculative and dependent upon the implementation of our business plan and our ability to enter into agreements with third parties for the rights to exploit potential oil and natural gas reserves on terms that will be commercially viable for us.

Our current business model relies exclusively on uncertain future royalty payments as a source of future revenue. We have no influence on the activities conducted by the Lessees with regards to the exploitation of mineral rights owned by the company.

Our current business model relates to the potential generation of revenue from royalties tied to certain leases. These leases have been granted to experienced exploration and operating companies, both of whom have prior experience in drilling deep lateral multi-fracture horizontal wells. Until such time as wells are drilled on property where the Company owns mineral rights; any future income will be uncertain. Pursuant to the terms and conditions of the leases, we have no influence with regard to when the drilling will be undertaken, no decision making ability as to the location of any future wells and no influence as to the rate the wells are produced, if the operators are successful, of which there is no assurance. In the event the Lessees fail to meet their drilling commitment, the company has only three options: 1) it can agree to grant an extension; 2) it can renegotiate the terms of the existing leases; or 3) it can legally terminate the leases.

We may be unable to obtain additional capital or generate significant production royalty income that we will require to implement our business plan, which could restrict our ability to grow.

We expect that our current capital and our other existing resources will be sufficient only to provide a limited amount of working capital, and the potential of production royalty revenues generated from our oil and gas mineral rights properties, of which there is no assurance, may not be sufficient to fund both our continuing operations and our planned growth. We may require additional capital to continue to operate our business beyond the initial phase of development and to further expand our exploration and development programs to additional properties. We may be unable to obtain additional capital, and if we are able to secure additional capital, it may not be pursuant to terms deemed to be favorable to BRI and its shareholders.

Future acquisitions and future exploration, development, production and marketing activities, as well as our administrative requirements (such as salaries, insurance expenses and general overhead expenses, as well as legal compliance costs and accounting expenses) may require a substantial amount of additional capital and cash flow.

We may pursue sources of additional capital through various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. We may not be successful in locating suitable financing transactions in the time period required or at all, and we may not obtain the capital we require by other means. If we do not succeed in raising additional capital, our resources may not be sufficient to fund our planned operations going forward beyond twelve months from now.

Any additional capital raised through the sale of equity may dilute the ownership percentage of our stockholders. This could also result in a decrease in the fair market value of our equity securities because our assets would be owned by a larger pool of outstanding equity. The terms of securities we issue in future capital transactions may be more favorable to our

new investors, and may include preferences, superior voting rights and the issuance of other derivative securities, and issuances of incentive awards under equity employee incentive plans, which may have a further dilutive effect.

Our ability to obtain financing may be impaired by such factors as the capital markets (both generally and in the oil and gas industry in particular), our status as a new enterprise without a significant demonstrated operating history, production royalty revenue from our mineral rights property, currently our only oil and natural gas property and prices of oil and natural gas on the commodities markets (which will impact the amount of asset-based financing available to us) and/or the loss of key management. Further, if oil and/or natural gas prices on the commodities markets decline, our revenues from the anticipated royalties will decrease and such decreased revenues may increase our requirements for capital. If the amount of capital we are able to raise from financing activities, together with our revenues from operations, is not sufficient to satisfy our capital needs (even to the extent that we reduce our operations), we may be required to cease our operations.

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

Given our lack of oil and gas royalty revenues to date, our ability to make payments of approximately \$400,000 per year that we are obligated to make under purchase agreements, leases and employments agreements are uncertain over the next several years.

Under the terms of the Asset Purchase Agreement with Holms Energy, we are obligated to make payments of \$120,000 per year to Rocky and Evenette Greenfield under their Asset Purchase Agreement with Holms Energy to complete our purchase of mineral rights royalty interests from them. Under full-time employment agreements with our President and Chief Executive Officer Val Holms and with our Secretary, Karen Midtlyng we are obligated to make salary payments of \$180,000 per year and \$72,000 per year, respectively. In addition we are obligated to pay an average of \$24,000 per year over five years for our office space under the terms of a lease agreement.

Under the terms of the lease agreements with our contract oil drilling company leaseholders or Lessees, we have very little control over the number of wells that our Lessees choose to drill on our mineral rights properties and

how much production they generate

Our current business model relates to the potential generation of revenue from royalties tied to certain leases on property covered in part by mineral rights owned by us. These leases have been granted to Lessees who are experienced exploration and operating oil companies, who have prior experience in drilling deep lateral multi-fracture horizontal wells. Until such time as wells are drilled on property where we own mineral rights; any future income will be uncertain. Pursuant to the terms and conditions of the leases, we have no influence with regard to when the drilling will be undertaken, no decision making ability as to the location of any future wells and no influence as to the rate the wells are produced, if the operators are successful, of which there is no assurance

We have no previous operating history in the oil and gas industry, which may raise substantial doubt as to our ability to successfully develop profitable business operations.

We have a limited operating history. Our business operations must be considered in light of the risks, expenses, and difficulties frequently encountered in establishing a business in the oil and natural gas industries. We have not generated any oil and gas revenues to date and there is only one producing well to our knowledge on our newly acquired mineral rights property. There is nothing at this time on which to base an assumption that our business operations will prove to be successful in the long-term. Our future operating results will depend on many factors, including:

- our ability to raise adequate working capital;
- success of the development and exploration program conducted by the oil company Lessees operating on our property;
- demand for natural gas and oil;
- the level of our competition;
- our ability to attract and maintain key management and employees; and
- the ability of the of the oil company Lessees to efficiently explore, develop and produce sufficient quantities of marketable natural gas or oil in a highly competitive and speculative environment while maintaining quality and controlling costs.

To achieve profitable operations in the future, we are primarily dependent upon the oil company Lessees to successfully execute on the factors stated above, along with continuing to develop strategies and relationships to

enhance our revenue by financially participating and investing in various drilling programs with third parties. Despite their best efforts, our Lessees may not be successful in their exploration or development efforts or obtain required regulatory approvals on the property where BRI is entitled to a production royalty. There is a possibility that some, or most, of the wells to be drilled on our mineral rights properties may never produce natural gas or oil.

We are highly dependent on our current Chief Executive Officer.

Val M. Holms is our Chief Executive Officer, President, and a director. The loss of Mr. Holms, upon whose knowledge, leadership, and technical expertise we heavily rely, would harm our ability to execute our business plan.

Our success will depend upon the future contributions of Mr. Holms, whose knowledge, leadership, and technical expertise would be difficult to replace. If we were to lose his services, we may be forced to cease operations until such time as we could hire a suitable replacement for him.

Our management team does not have extensive experience in public company matters, which could impair our ability to comply with legal and regulatory requirements.

Our management team has had limited public company management experience or responsibilities, which could impair our ability to comply with legal and regulatory requirements such as the Sarbanes-Oxley Act of 2002 and other federal securities laws applicable to reporting companies, including filing required reports and other information required on a timely basis. It may be expensive to implement programs and policies in an effective and timely manner that adequately respond to increased legal, regulatory compliance and reporting requirements imposed by such laws and regulations, and we may not have the resources to do so. Our failure to comply with such laws and regulations could lead to the imposition of fines and penalties and further result in the deterioration of our business and decreased value of our stock.

Our lack of diversification will increase the risk of an investment in BRI, and our financial condition and results of operations may deteriorate if we fail to diversify.

Our business focus initially is on the oil and gas industry on our oil and gas mineral rights property, located in McKenzie County, North Dakota. Larger companies have the ability to manage their risk by diversification. However, we currently lack diversification, in terms of both the nature and geographic scope of our business. As a result, we will likely be impacted more acutely by factors affecting our industry or the regions in which we operate than we would if our business were more diversified, enhancing our risk profile. If we cannot diversify or expand our operations, our financial condition and results of operations could deteriorate. Initially, we are solely dependent on the expertise of our Lessees as the operator of our property.

Uncertain future royalty payment and limited influence on future drilling and exploration.

Our current business model relates to the potential generation of revenue from royalties tied to certain leases owned by us. These leases have been granted to experienced exploration and operating companies, both of whom have prior experience in drilling deep lateral multi-fracture horizontal wells. Pursuant to the terms and conditions of the leases, we have no influence with regard to when the drilling will be undertaken, no decision making ability as to the location of any future wells and no influence as to the rate the wells are produced, there are no assurances as to the success of the operators.

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

Our ability to successfully acquire additional mineral rights properties, to participate in drilling opportunities, and to identify and enter into commercial arrangements with other third party companies will depend on developing and maintaining close working relationships with industry participants and on our ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment. These realities are subject to change and may impair our ability to grow.

To continue to develop our business, we will endeavor to use the business relationships of our management to identify, screen, and enter into strategic relationships, which may take the form of joint ventures with other private parties and contractual arrangements with other operating oil and gas exploration companies. We may not be able to establish these strategic relationships, or if established, we may not be able to maintain them. Even if we are able to engage in joint venture and enter into strategic investment relationships with existing operators, they may not be pursuant to terms and conditions that

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are favorable to us. In addition, the dynamics of our relationships with strategic partners may require us to incur expenses or undertake activities we would not otherwise be inclined to in order to fulfill our obligations to these partners or maintain our relationships. If our strategic relationships are not established or maintained, our business prospects may be limited, which could diminish our ability to conduct our operations.

Competition in obtaining rights to explore and develop oil and gas reserves and for our Lessee to market any future production may impair our business.

The oil and gas industry is highly competitive. This competition is increasingly intense as prices of oil and natural gas on the commodities markets have increased in recent years. Additionally, other companies engaged in our line of business may compete with us from time to time in obtaining capital from investors. Competitors include larger companies which, in particular, may have access to greater resources, may be more successful in the recruitment and retention of qualified employees and may conduct their own refining and petroleum marketing operations, which may give them a competitive advantage. In addition, actual or potential competitors may be strengthened through the acquisition of additional assets and interests. If we are unable to compete effectively or adequately respond to competitive pressures, this inability may materially adversely affect our results of operation and financial condition.

Risks Relating to the Ownership of Bakken Resources, Inc. Common Stock

Risks relating to low priced stocks will likely apply to our common stock.

Although our common stock is approved for trading on the OTC Bulletin Board, there has only been little, if any, trading activity in the stock. Accordingly, there is no history on which to estimate the future trading price range of the common stock. If the common stock trades below \$5.00 per share, trading in the common stock will be subject to the requirements of certain rules promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act), which require additional disclosure by broker-dealers in connection with any trades involving a stock defined as a penny stock (generally, any non-FINRA equity security that has a market price share of less than \$5.00 per share, subject to certain exceptions). Such rules require the delivery, prior to any penny stock transaction, of a disclosure schedule explaining the penny stock market and the risks associated therewith and impose various sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and accredited investors (generally defined as an investor with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 individually or \$300,000 together with a spouse). For these types of transactions, the broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to the sale. The broker-dealer also must disclose the commissions payable to the broker-dealer, current bid and offer quotations for the penny stock and, if the broker-dealer is the sole market-maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market. Such information must be provided to the customer orally or in writing before or with the written confirmation of trade sent to the customer. Monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. The additional burdens imposed upon broker-dealers by such requirements could discourage broker-dealers from effecting transactions in the common stock which could severely limit the market liquidity of the common stock and the ability of holders of the common stock to sell it.

Limitations on the liability of our directors and officers under our Articles of Incorporation and our Bylaws may result in us indemnifying such officers and directors.

Our Articles of Incorporation includes provisions to eliminate, to the fullest extent permitted by Nevada General Corporation Law as in effect from time to time, the personal liability of directors of BRI for monetary damages arising from a breach of their fiduciary duties as directors. The Articles of Incorporation also includes provisions to the effect that we shall, to the maximum extent permitted from time to time under the laws of the State of Nevada, indemnify any director or officer. In addition, our bylaws require us to indemnify, to the fullest extent permitted by law, any director, officer, employee or agent of BRI for acts which such person reasonably believes are not in violation of our corporate purposes as set forth in the Articles of Incorporation.

Potential future issuances of additional common and preferred stock would dilute our current stockholders.

We are authorized to issue up to 100,000,000 shares of common stock. To the extent of such authorization, the board of directors of BRI will have the ability, without seeking stockholder approval, to issue additional shares of common stock in the future for such consideration as the board of directors may consider sufficient. The issuance of additional common stock in the future will reduce the proportionate ownership and voting power of the common stock offered hereby. We are also authorized to issue up to 10,000,000 shares of preferred stock, the rights and preferences of which may be designated in series by the board of directors. To the extent of such authorization, such designations may be made without stockholder approval.

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The designation and issuance of series of preferred stock in the future would create additional securities which would have dividend and liquidation preferences over the currently outstanding common stock. In addition, the ability to issue any future class or series of preferred stock could impede a non-negotiated change in control and thereby prevent stockholders from obtaining a premium for their common stock.

We are currently not approved for trading on the DTC system which makes it difficult for our stockholders to sell their shares.

The Depository Trust and Clearing Corporation, through its subsidiary DTC, provides electronic clearing, transfer, settlement and information services for Pink Sheet and over-the-counter stocks. As of this date, we have not been approved for electronic trading using the DTC system. Submission of materials in connection with an application for electronic trading has been delaying pending the completion of certain transactions. Until we receive such approval, our stockholders will not be able to deposit their shares into brokerage accounts easily in order to sell the shares at times that are convenient to the stockholders.

There is no assurance that a liquid public market for our common stock will develop.

Although our shares of common stock are currently eligible for quotation on the OTC Bulletin Board and the Pink Sheets, there has been no significant trading in our common stock. There has been no long term established public trading market for our common stock, and there can be no assurance that a regular and established market will be developed and maintained for the securities in the future. There can also be no assurance as to the depth or liquidity of any market for the common stock or the prices at which holders may be able to sell the shares.

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

In the event that a public market for our common stock is created, market prices for the common stock will be influenced by many factors, some of which are beyond our control, including:

- dilution caused by our issuance of additional shares of common stock and other forms of equity securities, which we expect to make in connection with future capital financings to fund our operations and growth, to attract and retain valuable personnel and in connection with future strategic partnerships with other companies;
- announcements of new acquisitions, reserve discoveries or other business initiatives by our competitors;
- our ability to take advantage of new acquisitions, reserve discoveries or other business initiatives;
- fluctuations in revenue from our oil and gas business as new reserves come to market;
- changes in the market for oil and natural gas commodities and/or in the capital markets generally;
- changes in the demand for oil and natural gas, including changes resulting from the introduction or expansion of alternative fuels;
- quarterly variations in our revenues and operating expenses;
- changes in the valuation of similarly situated companies, both in our industry and in other industries;
- changes in analysts' estimates affecting our company, our competitors and/or our industry;
- changes in the accounting methods used in or otherwise affecting our industry;
- additions and departures of key personnel;
- announcements of technological innovations or new products available to the oil and gas industry;
- announcements by relevant governments pertaining to incentives for alternative energy development programs;
- fluctuations in interest rates and the availability of capital in the capital markets; and
- significant sales of our common stock, including sales by selling stockholders following the registration of shares under a prospectus.

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

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

Our operating results will likely vary in the future primarily as the result of fluctuations in our production royalty, assuming commercial oil and gas is discovered on our mineral rights property. Our revenues and operating expenses, expenses that we incur regarding investments in drilling programs with other partners, the prices of oil and natural gas in the commodities markets and other factors, may all cause significant fluctuations in our operating results. If our results of operations do not meet the expectations of current or potential investors, the price of our common stock may decline.

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

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

Risks Related To the Oil and Gas Industry

Oil and natural gas prices are very volatile. A protracted period of oil and natural gas prices below the prices in effect at April 15, 2012 may adversely affect our business, financial condition, results of operations or cash flows.

The oil and gas markets are very volatile, and we cannot predict future oil and natural gas prices. The price our oil company Lessees receive for oil and natural gas production on our mineral rights property heavily influences our royalty revenue, profitability, access to capital and future rate of growth. The prices our Lessees receive for their production and the levels of their production depend on numerous factors beyond our control. These factors include,

but are not limited to, the following:

- changes in global supply and demand for oil and gas;
- the actions of the Organization of Petroleum Exporting Countries;
- the price and quantity of imports of foreign oil and gas;
- political and economic conditions, including embargoes, in oil-producing countries or affecting other oil-producing activity or exchange rate fluctuations;
- the level of global oil and gas exploration and production activity;
- the level of global oil and gas inventories;
- weather conditions;
- technological advances affecting energy consumption;
- domestic and foreign governmental regulations;
- proximity and capacity of oil and gas pipelines and other transportation facilities;
- the price and availability of competitors' supplies of oil and gas in captive market areas; and
- the price and availability of alternative fuels.

Furthermore, the recent worldwide financial and credit crisis has reduced the availability of liquidity and credit to fund the continuation and expansion of industrial business operations worldwide. The shortage of liquidity and credit combined with recent substantial losses in worldwide equity markets has led to a worldwide economic recession. The slowdown in economic activity caused by such recession has reduced worldwide demand for energy and resulted in lower oil and natural gas prices.

Lower oil and natural gas prices will decrease the revenues of our Lessees, but also may reduce the amount of oil and natural gas that the Lessees can produce economically and therefore potentially lower our anticipated production royalty income. A substantial or extended decline in oil or natural gas prices may result in impairments of our proved oil and gas property, if it reaches production, of which there is no assurance and may materially and adversely affect our future business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures. To the extent commodity prices received from production are insufficient to fund planned capital expenditures, we will be required to reduce spending or borrow any such shortfall. Lower oil and natural gas prices may also reduce BRI's ability to establish a borrowing base under a credit agreement, which is determined at the discretion of the lenders based on the collateral value of any proved reserves.

Drilling for and producing oil and natural gas are high risk activities with many uncertainties that could adversely affect our business, financial condition or results of operations.

Initially, our future success will depend on the success of our development, exploitation, production, and exploration activities conducted by our Lessees as our operators on our mineral rights property. Oil and natural gas exploration and production activities are subject to numerous risks beyond our control; including the risk that drilling will not result in commercially viable oil or natural gas production. Our decisions to participate in drilling projects, purchase mineral rights, explore, develop or otherwise exploit prospects or properties will depend in part on the evaluation of data obtained through geophysical and geological analyses, production data and engineering studies, the results of

which are often inconclusive or subject to varying interpretations. The cost of drilling, completing, and operating wells is often uncertain before drilling

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commences. Overruns in budgeted expenditures are common risks that can make a particular project uneconomical. Furthermore, many factors may curtail, delay or cancel drilling, including the following:

- delays imposed by or resulting from compliance with regulatory requirements;
- pressure or irregularities in geological formations;
- shortages of or delays in obtaining qualified personnel or equipment, including drilling rigs and CO₂;
- equipment failures or accidents; and
- adverse weather conditions, such as freezing temperatures, hurricanes and storms.

Exploration for oil and gas is risky and may not be commercially successful, and the advanced technologies to be used by our oil company Lessees cannot eliminate exploration risk, which could impair our ability to generate revenues from our production royalty income.

Our future success will depend on the success of exploratory drilling conducted by the Lessees on our mineral rights property. Oil and gas exploration involves a high degree of risk. These risks are more acute in the early stages of exploration. Our ability to produce revenue and our resulting financial performance are significantly affected by the prices we receive for oil and natural gas produced from wells on our acreage, if any. Especially in recent years, the prices at which oil and natural gas trade in the open market have experienced significant volatility, and will likely continue to fluctuate in the foreseeable future due to a variety of influences including, but not limited to, the following:

- domestic and foreign demand for oil and natural gas by both refineries and end users;
- the introduction of alternative forms of fuel to replace or compete with oil and natural gas;
- domestic and foreign reserves and supply of oil and natural gas;
- competitive measures implemented by our competitors and domestic and foreign governmental bodies;
- political climates in nations that traditionally produce and export significant quantities of oil and natural gas (including military and other conflicts in the Middle East and surrounding geographic region) and regulations and tariffs imposed by exporting and importing nations;

weather conditions; and
domestic and foreign economic volatility and stability.

Expenditures on exploration on our mineral rights property may not result in new discoveries of oil or natural gas in commercially viable quantities. It is difficult to project the costs of implementing exploratory horizontal drilling programs on our acreage due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions, such as over-pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

Even when used and properly interpreted, three-dimensional (3-D) seismic data and visualization techniques only assist geoscientists in identifying subsurface structures and hydrocarbon indicators. They do not allow the interpreter to know conclusively if hydrocarbons are present or economically producible. In addition, the use of three-dimensional (3-D) seismic data becomes less reliable when used at increasing depths. Our Lessees could incur losses as a result of expenditures on unsuccessful wells on our acreage. If exploration costs exceed estimates, or if exploration efforts do not produce results which meet expectations of our Lessees, exploration efforts may not be commercially successful, which could adversely impact our Lessees' ability to generate revenues from operations on our acreage.

Our oil company Lessees may not be able to develop oil and gas reserves on an economically viable basis on our mineral rights property.

If our oil company lessees succeed in discovering oil and/or natural gas reserves, we cannot be assured that these reserves will be capable of long-term sustainable production levels or in sufficient quantities to be commercially viable. On a long-term basis, our viability depends on our Lessees' ability to find or acquire, develop and commercially produce additional oil and natural gas reserves on our acreage. Our future revenue will depend not only on the Lessees' ability to develop our acreage, but also on our ability to identify and acquire additional suitable producing properties or prospects, to find markets for the oil and natural gas if we can develop a prospect and to effectively distribute any production into our markets.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from holes that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion, and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-downs of connected wells resulting from extreme weather conditions, problems in storage and distribution

and adverse geological and mechanical conditions. While our Lessees will endeavor to effectively manage these conditions, they cannot be assured of doing so optimally, and they will not be able to eliminate them completely in any case. Therefore, these conditions could diminish our royalty revenue and cash flow levels and result in the impairment of our oil and natural gas interests.

Environmental regulations may adversely affect our business.

All phases of the oil and gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner we expect may result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas, or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require us to incur costs to remedy such discharge.

The application of environmental laws to our business may cause us to curtail our production or increase the costs of our production, development or exploration activities.

Our business will suffer if we cannot obtain or maintain necessary licenses.

Our oil company Lessees' proposed exploration and drilling operations on our mineral rights property will require licenses, permits, bonds, and in some cases renewals of licenses and permits from various governmental authorities.

Our Lessees' ability to obtain, sustain, or renew such licenses and permits on acceptable terms is subject to change in regulations and policies and to the discretion of the applicable governments, among other factors. Our Lessees' inability to obtain, or our loss of or denial of extension of, any of these licenses or permits could hamper our ability to produce revenues from our operations.

Lessees may have difficulty distributing oil or natural gas production, which could harm our financial condition.

In order to sell the oil and natural gas that our Lessees may be able to produce, they will have to make arrangements for storage and distribution to the market. They will rely on local infrastructure and the availability of transportation for storage and shipment of our products, but infrastructure development and storage and transportation facilities may be insufficient for their needs at commercially acceptable terms in the immediate area of our leases. This could be particularly problematic to the extent that our operations are conducted in remote areas that are difficult to access, such as areas that are distant from shipping and/or pipeline facilities. These factors may affect our Lessees' ability to explore and develop our property and to store and transport oil and natural gas production and may increase expenses.

Furthermore, weather conditions or natural disasters, actions by companies doing business in one or more of the areas where our property is located. Labor disputes may impair the distribution of oil and/or natural gas and in turn diminish our financial condition or ability to generate royalty income, if commercial wells are drilled and completed on our property, of which there is no assurance.

Challenges to our property rights may impact our financial condition.

Title to oil and gas interests is often not capable of conclusive determination without incurring substantial expense. While we intend to make appropriate inquiries into the title of properties and other development rights we acquire, title defects may exist. In addition, we may be unable to obtain adequate insurance for title defects, on a commercially reasonable basis or at all. If title defects do exist, if a legal dispute concerning such property occurs, it is possible that we may lose all or a portion of our right, title and interests in and to the properties to which the title defects relate.

If our property rights are reduced, our Lessees' ability to conduct our exploration, development and production activities may be impaired.

ITEM 2. PROPERTIES.

Description of Certain Property and Leases

General

On December 1, 2010, BRI entered into a one-year office lease, renewable for up to five years, for a 2,175 square foot executive office at 1425 Birch Ave., Suite A, Helena, MT 59601, for a monthly charge of \$1,600 for the first year; \$1,800 second year; \$2,000 third year; \$2,200 fourth year; and \$2,400 fifth year.

As of December 31, 2011 BRI owns mineral rights for 6,000 (net 3,000) acres in the Bakken/Three Forks in North Dakota and approximately 2,200 acres in the Duck Lake area of Montana. We own approximately 50% of the Bakken acreage minerals. We own a 50% net mineral interest in the Duck Lake acreage minerals.

The BRI mineral rights are leased to three well operators, Oasis Petroleum, Continental Resources and Brigham Oil. As of December 31, 2011, we have received division orders and royalty payments for two wells.

The Duck Lake mineral rights are leased but have not been developed as of December 31, 2011.

On September 21, 2011, the Company's Board of Directors approved the purchase of the Duck Lake minerals from Lincoln Green, Inc (LGI). Under the terms of the agreement, the Company agreed to pay LGI \$250,000 for approximately 2,200 acres.

The following table presents information about the produced oil and gas volumes for the years ended December 31, 2011 and 2010. The information comes from the North Dakota Industrial Commission website and royalty payments received from the well operators. As of December 31, 2011, the Company has received division orders for two wells. These reported amounts are from those wells. The Company did not begin operations until late 2010.

	Year Ended	
	December 31,	
	2011	2010
Net Production		
Oil (Bbl)	129,710	-
Natural Gas (Mcf)	132,375	-
Average Sales Price		
Oil (per Bbl)	\$ 86.02	\$ 0.00

Natural Gas (per Mcf)	\$ 0.00	\$ 0.00
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Depletion of oil and natural gas properties

Our depletion expense is driven by estimates of well production, estimates of number of wells to be drilled and the cost to acquire mineral leases. No depletion expense was recorded during 2010. Depletion expense of \$74,892 was recorded during the year ended December 31, 2011

Location of BRI s Mineral Rights

The following contains the descriptions and map of the locations where our mineral acreage currently reside (also includes locations of certain wells located on our properties).

TOWNSHIP 151 NORTH, RANGE 100 WEST

Section 5:

Lots 3,4, S1/2 NW, SWNE, S1/2 SE, W1/2 SE

Section 6:

Lots 2, 3; SW1/4 NE1/4, SE1/4, NW1/4, NW1/4 SE1/4, SE1/4, SE1/4

TOWNSHIP 152 NORTH, RANGE 100 WEST

Section 5:

SW1/4 SW1/4

Section 6:

S1/2 SE1/4, SE1/4 SW1/4, SENW; Lots 2,3,14,

Section 7:

Lots 1,2,3,4; E1/2SW1/4, E1/2, E1/2NW1/4

Section 8:

SE 1/4 SE 1/4, SW1/4, W1/2NW1/4, SE 1/4NW1/4, SW1/4SE1/4

Section 9:

Lots 1,2,3,4; SW 1/4NW1/4, NE 1/4SW1/4, SW1/4SE 1/4,

S1/2SW1/4, NW1/4SW1/4, SE1/4 SE1/4

Section 10:

Lots 2, 3,4; S 1/2 SW1/4

Section 15:

NE 1/4 NW1/4

Section 17:

NE 1/4, E1/2 NW1/4, NW1/4 NW1/4, N1/2SW1/4 NW1/4, SE

1/4, E1/2 SW1/4, S1/2 SW1/4, NW1/4, W1/2 SW1/4

Section 18:

N1/2 NE1/4, NE1/4 NW1/4, Lot 1

Section 20:

All

Section 21:

All

Section 22:

W /2 W1/2, SE1/4 SW1/4, NE1/4 SE1/4, S1/2, SE1/4, NE1/4

SW1/4 NW1/4 SE1/4, E1/2NW1/4

Section 23:

W1/2SW1/4

Section 29:

NE1/4, N1/2NW1/4

Section 30:

Lots 3,4; E1/2SW1/4, W1/2SE 1/4

Section 31:

Lots 1,2,3,4; E1/2W1/2, E1/2

Section 32:

SE 1/4NW1/4, W1/2W1/2, NE 1/4SW ¼

TOWNSHIP 152 NORTH, RANGE 101 WEST

Section 1:

SE 1/4SE 1/4

Section 12:

SE1/4NE1/4, E1/2SE1/4, NE1/4NE1/4

Section 13:

N1/2NE1/4, NW1/4

Section 24:

SW1/4

Section 25:

NW 1/4NE 1/4, S1/2NE 1/4, N1/2NW 1/4, SE1/4NW1/4, NE 1/4SW

1/4, N1/2SE1/4, SE1/4SE1/4

Section 26:

SE 1/4

Section 35:

NE 1/4NE 1/4, S1/2NE 1/4, SE 1/4NW1/4, E1/2 NE, SWNE, SENW

Map Showing Drilling Units for

Bakken Resources, Inc.

McKenzie County, N.D.

(Each section is approximately 640 acres or one (1) square mile)

Description of Oil Leases and Oil Production

As of December 31, 2011 there were 6 (which have been consolidated from an original number of 14) oil and gas leases with our Lessees (Oasis Petroleum having 11 leases, Continental Resources having 2 leases and Texon L.P. with 1 lease). The independent executed oil leases cover various parcels of land in the same general region. Our lease agreements typically stipulate that the original three mineral owners, on a collective basis will receive a 17% production royalty, or 5.66% each. Val M. Holms and his spouse, Mari P. Holms, owned 5.66% until BRI acquired all royalty rights relating to the leases previously held by Holms Energy. Rocky Greenfield and Evenette Greenfield owned 5.66% and now own 2.83% after the Company acquired the 2.83% from Holms Energy. A private third party continues to own the other 5.66%. The leases have lease periods of between 3 and 8 years with starting dates from March 2003 to December 2009. All but three of the leases have landowner royalties payable by the oil company Lessees on gross proceeds from oil and gas production of 17%, with each of the three landowners having rights to 5.66% of the royalty. The following table describes in general a representative sample of the leases held by the Company.

Legal Description	Lease Period	Gross Acres	Net Acres	Original Lessee	Current Lessee	T o t a l
						Landowner Royalty Percentage

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151N, R100W, Section 6: Lots 2(40.00),3(40.00), SE4NW4, SW4NE4	7/29/08-7/29/13	1203.1	354.37	Oil	Empire O a s i s Petroleum	17%
152N, R100W, Sec 8: NW4NW4, S2NW4, SW4, S2SE4, NE4NE4	"			Oil	Empire O a s i s Petroleum	17%
152N, R100W, Sec 9: Lots 1(21.20), 2(26.60), 3(42.10), 4(43.00), SW4NW4, SW4, S2SE4	"			Oil	Empire O a s i s Petroleum	17%
152N, R100W, Sec 10: Lots 2(18.80),3(17.20),4(34.20), S2SW4	"			Oil	Empire O a s i s Petroleum	17%
152N, R100W, Sec 15: NE4NW4	"			Oil	Empire O a s i s Petroleum	17%
152N, R101W, Sec 1: SE4SE4	"			Oil	Empire O a s i s Petroleum	17%
152N, R100W, Sec 5: SWSW	7/14/08-7/14/13	193.38	63.54	Oil	Empire O a s i s Petroleum	17%
152N, R100W, Sec 6: Lot 14(33.38) S2SE, SESW	"			Oil	Empire O a s i s Petroleum	17%
152N, R100W, Sec 7: Lot 1(33.53), Lot 2(33.55), E2NW4, NE4	3/1/05-3/1/12	307.08	102.36	Sundance	O a s i s Petroleum	17.5%

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152N, R100W, Sec 17: All plus all accretions and riparian rights thereto	9/9/03-9/9/11	2227.22	491.81	Oil	Empire O a s i s Petroleum	17%
152N, R100W, Sec:7: Lots 3(33.63), 4(33.59), E2SW, SE Plus all accretions and riparian rights thereto				Oil	Empire O a s i s Petroleum	17%
152N, R100W, Sec 20 All	"			Oil	Empire O a s i s Petroleum	17%
152N, R100W, Sec 21 All	"			Oil	Empire O a s i s Petroleum	17%
152N, R100W, Sec 18: Lot 1(33.63), NENW, N2NE	5/21/09-5/21/12	393.63	102.67	Oil	Empire O a s i s Petroleum	17%
152N, R101W, Sec 13: N2NE, NW	"			Oil	Empire O a s i s Petroleum	17%

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Lease Description	Start Date	End Date	Acres	Net Acres	Operator	Oil	Petroleum	Royalty %
152N, R100W, Sec 22: W2, SE4	1/19/05	1/19/12	480	117.62	Armstrong		Oasis Petroleum	17.5%
152N, R100W, Sec 23: W2SW	7/14/08	7/14/11	80	19.63	Oil	Empire	Oasis Petroleum	17%
152N, R100W Sec 29: NE, N2NW	11/24/04	11/24/11	800	83.92	Oil	Empire	Oasis Petroleum	17%
152N, R101W, Sec 25: NWNE, S2NE, N2NW, SENW, NESW, N2SE, SESE	"	"	"	"	Oil	Empire	Oasis Petroleum	17%
152N, R100W, Sec 31: Lot 1(34.43), 2(34.49), 3(34.55), 4(34.61), E2W2, E2	7/14/08	6/10/12	858.08	167.11	Oil	Empire	Oasis Petroleum	17%
152N, R100W, Sec 32: W2W2, SENW, NESW	"	"	"	"	Oil	Empire	Oasis Petroleum	17%

The landowner royalty interest is the revenue royalty paid by the contracted oil drilling company (Oasis Petroleum for example) on whatever oil and gas revenue they generate from the particular lease. If Oasis Petroleum generates \$100,000 in oil and gas revenue from acreage subject to the BRI landowner royalty of 8.5%, BRI would receive in royalty payments of \$8,500. Pursuant to the 5% overriding royalty interest on all oil and gas revenue received by BRI from the assets purchased from Holms Energy for ten years (measured from the date of purchase), Holms Energy would receive a 5% over-riding royalty payment of \$2,500 from BRI. Royalties paid to BRI are adjusted to reflect the number of net mineral acres underlying the spacing under which the producing well is drilled.

The leases with Oasis Petroleum do not specify which geological formation must be drilled, but they are specific to oil and gas hydrocarbon drilling. The Description of Property and Leases table above denotes which leases have mandatory drilling requirements. Oasis Petroleum, Inc., pursuant to the terms and conditions of the leases, is required to drill nine wells before December 31, 2011 in order to retain the leases and keep them in good standing. The leases do not impose any performance criteria on the Lessees except the date that well is required to be drilled. We have no control over any operating decisions made by Oasis as it relates to: 1) which formation it will drill; 2) levels at which the well will be produced; 3) who Oasis uses as contractor for drilling and completing wells; 4) who Oasis sells the oil and gas to; or 5) any influence on any aspect of recovery. If the nine wells are not completed timely or if only a portion of the nine wells are completed and in compliance with the terms of the leases, we have only three options: 1) we can agree to grant an extension; 2) we can renegotiate the terms of the existing leases; or 3) we can legally terminate the leases.

Once a well is drilled and production established, of which there is no assurance, the lease is considered held by production, meaning the lease continues as long as oil is being produced. Several of our leases, however, require the operator to have continuous drilling operations which would require the operator to continue drilling activities in order to qualify the lease to be held by production. Other locations within the drilling unit created for a well may also be drilled at any time with no time limit as long as the lease is held by production. All of our mineral rights and ownership in leases acquired from Holms Energy remain in good standing pursuant to the terms and conditions of the existing leases with the Lessees.

Given the recent drilling activity on our properties as well as the relatively recent development of horizontal drilling techniques in general, a proven reserve estimate is not obtainable at this time. Operators have estimated that the range of recoverable barrels of oil from a particular producing well can vary from 200,000 to as high as 1,000,000 barrels during its viable lifetime.

ITEM 3. LEGAL PROCEEDINGS.

On April 2, 2012, BRI was served with a summons relating to a complaint filed by Allan Holms, both individually and derivatively through Roil Energy, LLC. Allan Holms is the half-brother of BRI's CEO, Val M. Holms. The complaint (filed in the Superior Court of the State of Washington located in Spokane County) names, among others, Joseph Edington, Val and Mari Holms, Holms Energy, LLC and BRI as defendants. The Complaint primarily alleges breach of contract, tortious interference with prospective business opportunity and fraud. The complaint focuses on events allegedly occurring around February and March 2010 whereby Allan Holms alleged an oral agreement took place whereby he was to receive up to 40% of the originally issued equity of Roil Energy, LLC. Allan Holms alleges Roil Energy was originally intended to be the predecessor entity to BRI. Both our CEO, Val M. Holms, and BRI dispute such allegations in their entirety and intend to vigorously defend such claims.

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ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS

AND ISSUER PURCHASES OF EQUITY SECURITIES.

Market Information

BRI's common stock was approved for quotation on the OTC Bulletin Board of the National Association of Securities Dealers (NASD) on July 29, 2009, under the symbol MLTX , and that symbol was changed to BKKN on December 17, 2010. A limited public market for our common stock has developed on the OTC Bulletin Board. For purposes of this Item the existence of limited or sporadic quotations should not of itself be deemed to constitute an established public trading market .

For any market that develops for our common stock, the sale of restricted securities (common stock) pursuant to Rule 144 of the Securities and Exchange Commission by members of management or any other person to whom any such securities were issued or may be issued in the future may have a substantial adverse impact on any such public market.

Present members of management and shareholders at December 2, 2010 when BRI ceased to be a shell company, satisfied the one year holding period of Rule 144 for public sales of their respective holdings in accordance with Rule 144 on December 2, 2011. See the caption Recent Sales of Unregistered Securities , of this Item, below. A minimum holding period of one year is required for resales under Rule 144 for shareholders of former shell companies, along with other pertinent provisions, including publicly available information concerning BRI, limitations on the volume of restricted securities which can be sold in any ninety (90) day period, the requirement of unsolicited broker's transactions and the filing of a Notice of Sale on Form 144.

The quoted bid or asked price for the shares of common stock of BRI for the quarterly periods from January 1, 2011 through December 31, 2011 ranged from \$0.20 to \$0.95.

Holders

The number of record holders of BRI's common stock as of the date of this Report is approximately 168.

Dividends

The payment of dividends is subject to the discretion of our Board of Directors and will depend, among other things, upon our earnings, our capital requirements, our financial condition, and other relevant factors. We have not paid or declared any dividends upon our common stock since our inception and, by reason of our present financial status and our contemplated financial requirements, we do not anticipate paying any dividends upon our common stock in the foreseeable future.

We have never declared or paid any cash dividends. We currently do not intend to pay cash dividends in the foreseeable future on the shares of common stock. We intend to reinvest any earnings in the development and expansion of our business. Any cash dividends in the future to common stockholders will be payable when, as and if declared by our Board of Directors, based upon the Board's assessment of:

§

our financial condition;

§

earnings;

§

need for funds;

§

capital requirements;

§

prior claims of preferred stock to the extent issued and outstanding; and

§

other factors, including any applicable laws.

Therefore, there can be no assurance that any dividends on the common stock will ever be paid.

Stock Option Plan

The Board of Directors approved the Stock Option Plan on November 3, 2008 and then on June 16, 2010, authorized an increase in the total common stock, \$.001 par value, available in the Company's 2008 Non-Qualified Stock Option and Stock Appreciation Rights Plan from one million (1,000,000) shares to five million (5,000,000) shares, to be granted to officers, directors, consultants, advisors, and other key employees of BRI and its subsidiaries. This was ratified by the shareholders on November 12, 2010. The total number of options that can be granted under the plan will not exceed 5,000,000 shares. Non-qualified stock options will be granted by the Board of Directors with an option price not less than the fair market value of the shares of common stock to which the non-qualified stock option relates on the date of grant. In no event may the option price with respect to an incentive stock option granted under the stock option plan be less than the fair market value of such common stock.

Each option granted under the stock option plan will be assigned a time period for exercising not to exceed ten years after the date of the grant. Certain other restrictions will apply in connection with this plan when some awards may be exercised. This plan is intended to encourage directors, officers, employees and consultants to acquire ownership of common stock. The opportunity so provided is intended to foster in participants a strong incentive to put forth maximum effort for BRI's continued success and growth, to aid in retaining individuals who put forth such effort, and to assist in attracting the best available individuals to BRI in the future.

The following table sets forth information about the common stock available for issuance under compensatory plans and arrangements as of December 31, 2011. There are no equity compensation plans not approved by security holders.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights.	Weighted-average exercise price of outstanding options, warrants, and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plan	0	\$0	5,000,000
approved by security holders			
Total	0	\$0	5,000,000

The transfer agent of BRI is Empire Stock Transfer, located at 1859 Whitney Mesa Dr., Henderson, NV, 89104.

Recent Sales of Unregistered Securities: Use of Proceeds from Unregistered Securities

On November 26, 2010, we issued 6,180,000 shares of our restricted common stock to 25 accredited investors and three non-accredited investors at \$.25 per share in a first round closing of a private placement of up to \$2.5 million of securities pursuant to Rule 506 of Regulation D of the Securities Act of 1933. Shares were offered in \$.50 Units consisting of two shares of common stock and one Stock Purchase Warrant to purchase one share of common stock at \$.50 for three years, callable at \$0.01 per share at any time after November 26, 2011, if the underlying shares are registered, and the common stock trades for 20 consecutive trading days at an average closing sales price of \$.75 or more. The gross proceeds from the private placement offering were \$1,545,000. The private placement offering was exempt from registration pursuant to Rule 506 of Regulation D of the Securities Act of 1933 and Section 4(2) of the Securities Act. The purchasers of the shares were provided with a private placement memorandum as well as copies of our Form 10-K filed on March 31, 2010 and our Form 10-Q for the quarter ended March 31, 2010, our Form 10-Q for the quarter ended June 30, 2010 filed on May 19, 2010. We reasonably believe that the recipients, immediately prior to issuing the shares, had such knowledge and experience in its financial and business matters that they were capable of evaluating the merits and risks of the investment. The recipients had the opportunity to speak with our officers and directors prior to its investment decision.

The net proceeds to us from the sale of the 6,180,000 shares, after deducting the expenses of this offering and assuming that the maximum permitted commissions and non-accountable allowances are paid, are estimated to be approximately \$1,400,000. \$80,000 was paid out to a non-affiliated foreign investment company in finder's fees pursuant a consulting contract for identifying potential foreign investors that amounted to \$800,000 invested in the Private Placement. We used the funds from the private placement approximately as follows, (i) \$400,000 was allotted to Holms Energy in exchange for the Greenfield mineral rights; (ii) \$100,000 was used for the acquisition of the Holms Energy assets; (iii) 80,000 was paid in finder's fee consulting contracts to a foreign investment company; and (iv) the balance of \$820,000 was allocated to cover costs of the fundraising and acquisitions, and general working capital purposes of our company. We may use a

portion of the net proceeds for the acquisition of additional mineral rights which we believe are complimentary to those of our Company's business. Pursuant to the Asset Purchase Agreement, BRI acquired existing mineral rights from Rocky and Evenette Greenfield from Holms Energy, we paid \$400,000 as an initial down payment and now installment payments in the amount of \$120,000 per year plus interest at 5% per annum for 8 years and a balloon

payment in the amount of \$289,000 totaling \$1,649,000 plus interest will be due.

Proceeds not immediately required for the purposes described above will be invested principally in United States government securities, short-term certificates of deposit, or other similar short-term, interest bearing investments.

The issuance of the shares to the members of Holms Energy, LLC was exempt from registration pursuant to Rule 505 of Regulation D under the Securities Act of 1933 and Section 4(2). The members of Holms Energy were provided with copies of our Form 10-K filed on March 31, 2010, our Form 10-Q for the quarter ended March 31, 2010, our Form 10-Q for the quarter ended June 30, 2010 filed on May 19, 2010 and a copy of our definitive Schedule 14A. In addition they each signed investor representation letters indicating that they were sophisticated investors who have the experience and resources to assess the valuation of the transaction and undertook not to sell their shares without an applicable exemption from registration.

On December 31, 2010, we issued an additional 860,000 shares of our restricted common stock to eight accredited investors at \$0.25 per share and three year common stock purchase warrants to purchase 430,000 shares at \$0.50 per share, for gross proceeds of \$215,000 in a second round closing of a private placement pursuant to Rule 506 of Regulation D of the Securities Act of 1933. Shares were offered in units consisting of two shares of common stock and one Stock Purchase Warrant to purchase one share of common stock at \$0.50 for three years, callable at \$0.01 per share at any time after December 31, 2011, if the underlying shares are registered, and the common stock trades for 20 consecutive trading days at an average closing sales price of \$0.75 or more. Including the first round closing of this private placement on November 26, 2010, the overall private placement of \$1,760,000 then to date involved the issuance of an aggregate of 7,040,000 shares at \$0.25 per share and 3,520,000 three-year callable warrants exercisable for 3,520,000 shares at \$.50 per share callable at \$0.01 per share at any time after December 31, 2011, if the underlying shares are registered, and the common stock trades for 20 consecutive trading days at an average closing sales price of \$0.75 or more. The net proceeds of the private placement were primarily used to exercise the option to purchase Holms Property oil and gas rights, and the remaining funds were to be used for working capital, payment of referral fees to potentially acquire mineral rights and interests in existing oil and gas leases from other third parties, to participate in joint venture drilling programs primarily in Eastern Montana, Western North and South Dakota, with primary interest in the Bakken Formation, to acquire a precious metals company owned by Val Holms (BR Metals Corporation), and for other general corporate purposes of BRI.

On February 4, 2011, we entered into agreements relating to the private placement of \$50,000 of our securities through the sale of 200,000 shares of our common stock at \$0.25 per share, with 100,000 total warrant shares attached that are exercisable at \$.50 per share for three years from the date of this sale and callable at \$0.01 per share at any time after February 4, 2012, if the underlying shares are registered and the common stock trades for 20 consecutive trading days at an average closing sales price of \$.75 or more. In conjunction with the private placement, there were no fees, commissions, or professional fees for services payable. The placement was undertaken by the officers of the Company. The private placement of these securities was exempt from registration under pursuant to Section 4(2) of the Securities Act of 1933, as amended. The proceeds from these sales of unregistered securities were used to fund Company operations.

On March 18, 2011, we entered into seventeen definitive and separate agreements relating to the private placement of \$695,000 of our securities through the sale of 2,780,000 shares of our common stock at \$0.25 per share, with 1,390,000 total warrant shares attached that are exercisable at \$.50 per share for three years from the date of the sale and callable at \$0.01 per share at any time after March 18, 2012, if the underlying shares are registered and the common stock trades for 20 consecutive trading days at an average closing sales price of \$.75 or more. In conjunction with the private placement, the Company gave \$65,000 and issued 260,000 common stock warrants pertaining to a finder's fee consulting agreement related to the March 18, 2011 sale of common stock. Each warrant is exercisable at \$0.25 for a term of three years from the date of issuance. The placement was undertaken by the officers of the Company. The private placement of these securities was exempt from registration under pursuant to Section 4(2) of the Securities Act of 1933, as amended. The proceeds from these sales of unregistered securities were used for working capital purposes.

With the conclusion of the March 18, 2011 closings, the raise under the original private placement for \$2.5 million were completed in full.

In May and June 2011, we entered into a series of convertible debt agreements with certain investors in an aggregate amount of \$300,000. Such notes bear an annual interest rate of 6% and shall be converted into shares of common stock of the Company upon the closing of a qualified equity financing round prior to December 31, 2011. Conversion, if it occurs, would be at a 25% discount to the price per share of the qualified financing round. Interest on the Notes shall not be deemed payable in the event of an equity conversion pursuant to a qualified financing round. The Company issued the notes pursuant to the

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exemption from registration afforded by the provisions of Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder. In January 2012, holders of \$155,000 of such notes elected to convert at a price of \$0.375 per share. Also in January 2012, holders of \$95,000 of note elected to extend such notes until June 30, 2012.

In September 2011 and February 2012, we sold an aggregate of 150,000 shares of common stock of the Company at \$0.50 per share pursuant to subscription agreements. The February 2012 investors also received 25,000 warrants exercisable at \$0.75 per share reflecting 50% of the original investment amount. The Company received gross proceeds of \$75,000 in connection with this sale. The Company issued the shares and warrants pursuant to the exemption from registration afforded by the provisions of Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable for smaller reporting companies.

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

Caution Regarding Forward-Looking Information

All statements contained in this Form 10-K, other than statements of historical facts, that address future activities, events or developments are forward-looking statements, including, but not limited to, statements containing the words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," and similar expressions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new acquisitions, products, services, developments or industry rankings; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. These statements are based on certain assumptions and analyses made by us in light of our experience and our assessment of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. However, whether actual results will conform to the expectations and predictions of management is subject to a number of risks and uncertainties described under Risk Factors under Item 1A above that may cause actual results to differ materially.

Consequently, all of the forward-looking statements made in this Form 10-K are qualified by these cautionary statements and there can be no assurance that the actual results anticipated by management will be realized or, even if substantially realized, that they will have the expected consequences to or effects on our business operations. Readers are cautioned not to place undue reliance on such forward-looking statements as they speak only of the Company's views as of the date the statement was made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise

Overview

BRI is an oil and gas exploration company, with properties located mostly in the Bakken. As of April 16, 2012, the Company owns 50% of the mineral rights to approximately 6,000 gross acres of land located about 8 miles southeast of Williston, North Dakota. Our current and proposed operations consist of holding certain mineral rights which presently entitle the Company to royalty rights on average of 12.5% from the oil and gas produced on such lands. We have no rights to influence the activities conducted by the Lessees of our mineral rights. In the event the operators fail to meet their drilling commitment, the Company has only three options: 1) it can agree to grant an extension; 2) it can renegotiate the terms of the existing leases; or 3) it can legally terminate the leases. We will focus on evolving the Company into a growth-orientated independent energy company engaged in the acquisition, exploration, exploitation, and development of oil and natural gas properties; focusing our activities mainly in the Williston Basin, a large

sedimentary basin in eastern Montana, Western North and South Dakota, and Southern Saskatchewan known for its rich deposits of petroleum and potash.

On February 4, 2011, we entered into agreements relating to the private placement of \$50,000 of our securities through the sale of 200,000 shares of our common stock at \$0.25 per share, with 100,000 total warrant shares attached that are exercisable at \$.50 per share for three years from the date of this sale and callable at \$0.01 per share at any time after February 4, 2012, if the underlying shares are registered and the common stock trades for 20 consecutive trading days at an average closing sales price of \$.75 or more. In conjunction with the private placement, there were no fees, commissions, or professional fees for services payable. The placement was undertaken by the officers of the Company. The private placement of these securities was exempt from registration under pursuant to Section 4(2) of the Securities Act of 1933, as amended. The proceeds from these sales of unregistered securities were used to funding Company operations.

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On March 18, 2011, we entered into agreements relating to the private placement of \$695,000 of our securities on substantially similar terms as in the February 4, 2011 closing. The placement was undertaken by the officers of the Company. The private placement of these securities was exempt from registration under pursuant to Section 4(2) of the Securities Act of 1933, as amended. The proceeds from these sales of unregistered securities were used to funding Company operations. With the conclusion of the March 18, 2011 closings, the raise under the original private placement which commenced in November 2010 for \$2.5 million were completed in full.

In May and June 2011, we entered into a series of convertible debt agreements with certain investors in an aggregate amount of \$300,000. Such notes bear an annual interest rate of 6% and shall be converted into shares of common stock of the Company upon the closing of a qualified equity financing round prior to December 31, 2011. Conversion, if it occurs, would be at a 25% discount to the price per share of the qualified financing round. Interest on the Notes shall not be deemed payable in the event of an equity conversion pursuant to a qualified financing round. The Company issued the notes pursuant to the exemption from registration afforded by the provisions of Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder. In January 2012, holders of \$155,000 of such notes elected to convert at a price of \$0.375 per share. Also in January 2012, holders of \$95,000 of note elected to extend such notes until June 30, 2012.

In September 2011 and February 2012, we sold an aggregate of 150,000 shares of common stock of the Company at \$0.50 per share pursuant to subscription agreements. The February 2012 investors also received 25,000 warrants exercisable at \$0.75 per share reflecting 50% of the original investment amount. The Company received gross proceeds of \$75,000 in connection with this sale. The Company issued the shares and warrants pursuant to the exemption from registration afforded by the provisions of Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder.

Results of Operations

Our general and administrative costs increased significantly from \$12,996 for the year ended December 31, 2010, to \$417,589 for the year ended December 31, 2011. This increase was attributable primarily to rent, supplies, administrative expenses, consulting fees, professional fees, travel costs, utilities at the corporate office, and stock issued for Director compensation.

The following tables provide selected financial data about our company as of December 31, 2011, and December 31, 2010.

Balance Sheets Data:	December 31, 2011	December 31, 2010
Cash	\$ 956,263	\$ 1,081,682
Mineral rights and leases, net of accumulated depletion	1,824,108	1,649,000
Total assets	\$ 3,003,679	\$ 2,744,343
Total current liabilities	\$ 569,682	\$ 150,058
Stockholders equity	1,428,885	1,465,285
Total liabilities and stockholders equity	\$ 3,003,679	\$ 2,744,343

Selected Statements of Operations Data:	For the Fiscal Year ended December 31, 2011	For the Fiscal Year ended December 31, 2010
Revenue	\$ 269,501	\$ -
Payroll	259,800	-
Professional fees	567,436	65,680
General and administrative	417,589	12,996
Net Loss	\$ (1,148,400)	\$ (97,695)
Net Loss Per Common Share	\$ (0.02)	\$ (0.01)

Our cash in the bank at December 31, 2011 was \$956,263. Net cash provided by financing activities since June 6, 2008 (inception) through December 31, 2011 was \$2,569,037 from proceeds received for subscriptions under private placements minus offering costs and subtracting \$100,000 in stockholder distribution.

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Net cash used in operating activities for the period from June 6, 2008 (inception) through December 31, 2011, was \$920,068. For the year ended December 31, 2011, our total operating expenses were \$1,326,927 as compared to \$88,143 for the year ended December 31, 2010, which increase is primarily attributable to increased payroll expense, professional fees, increased general and administrative expenses, and loss on impairment of asset. We expect our expenses to decrease to approximately \$80,000 per month over the next twelve months compared to the year ended December 31, 2010 due to, decreased professional fees, and decreased travel costs. Our material financial obligations include our public reporting expenses, transfer agent fees, bank fees, and other recurring fees.

For the year ended December 31, 2011, professional fees were a significant portion of our operating expense. Professional fees can be broken down into the following categories: (i) consultant fees in connection with certain financing efforts totaled \$317,347, of which \$125,000 was stock based compensation; (ii) legal costs totaled \$190,576; and (iii) other professional fees (accounting, auditing, Edgar processing/filings and transfer agent services) totaled \$59,513. The Company anticipates these fees will be significantly lower in 2012.

Liquidity and Capital Resources

As of December 31, 2011 we had cash of \$956,263. Our recent rate of use of cash in our operations over the last twelve months has been approximately \$95,000 per month and our burn rate decreased in January 2012 to \$80,000 per month due to decreased professional fees, decreased travel cost and increased royalty payments received. On November 1, 2010, we raised \$50,000 through the sale of securities in two private transactions. We completed an initial closing of a private placement of \$1,545,000 on November 26, 2010, and a secondary closing of the private placement on December 31, 2010 in the amount of \$215,000. Given our recent rate of use of cash in our operations we have sufficient capital to carry on operations for the next year. Our long term capital requirements and the adequacy of our available funds will depend on many factors, including the reporting company costs, public relations fees, and operating expenses, among others.

Net cash provided by financing activities for the period from June 6, 2008 (inception), through December 31, 2011, was \$2,569,037. This funding came from:

§

43 investors in an offering of common stock at \$0.033 per share totaling \$110,250 that ended in October of 2008

§

\$750 from our three officers for common stock at \$0.0003 per share

§

a private common stock sale of 600,000 common shares for \$10,000 on April 16, 2010

§

a private common stock sale of 140,000 common shares for \$35,000 on November 1, 2010

§

proceeds from a private placement closed December 31, 2010, totaling \$1,760,000, minus \$139,075 in offering costs

§

subtracting \$100,000 in stockholder distribution

§

subtracting payments made on debt of \$123,888 during 2011

§

subtracting cash paid for deferred financing costs of \$21,000 during 2011

§

proceeds from the issuance of convertible debt of \$300,000 during 2011

§

proceeds from the exercise of warrants of \$10,000 during 2011

§

\$727,000 of proceeds received for the sale of common stock in 2011

On November 26, 2010 we closed a private placement with the issuance of, 6,180,000 shares of our restricted common stock to 25 accredited investors and three non-accredited investors, at \$.25 per share, and closed a second and final round on December 31, 2010, issuing 860,000 shares of our restricted common stock to eight accredited investors. The gross proceeds from the private placement offering were \$1,760,000.

Liquidity is a measure of a company's ability to meet potential cash requirements. We have historically met our capital requirements through the issuance of stock and by borrowings. In the future, we anticipate we will be able to provide the necessary liquidity we need by the revenues generated from the sales of our oil reserves in our existing properties, however, if we do not generate sufficient sales revenues we will continue to finance our operations through equity and/or debt financings.

The following table summarizes total current assets, total current liabilities and working capital at December 31, 2011.

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	December 31, 2011	
Current Assets	\$	1,145,415
Current Liabilities	\$	569,682
Working Capital	\$	575,733

As of December 31, 2011, we have collected approximately \$168,000 in royalty income from our wells under production. We received our first royalty check in August 2011. As of December 31, 2011, we have received royalty checks primarily from the production of two wells.

As of March 31, 2012, we have collected a total of approximately \$247,000 in royalty income from our wells under production (commencing from August 2011).

Satisfaction of our cash obligations for the next 12 months

A critical component of our operating plan impacting our continued existence is the ability to obtain additional capital through additional equity and/or debt financing and JV drilling partnerships. We do not anticipate enough positive internal operating cash flow until we can generate substantial oil and gas royalty revenues. In the event we cannot obtain the necessary capital to pursue our strategic plan, we may have to cease or significantly curtail our operations. This would materially impact our ability to continue operations. However, due to our low overhead, we are not dependent on new capital if we do not wish to accelerate our drilling programs and/or buy up working interests in potential wells during the next 12 months.

Since inception, we have financed cash flow requirements through debt financing and issuance of common stock for cash and services. As we expand operational activities, we may continue to experience net negative cash flows from operations, pending receipt of sales or development fees, and will be required to obtain additional financing to fund operations through common stock offerings and debt borrowings to the extent necessary to provide working capital.

Over the next twelve months we believe that existing capital and anticipated funds from operations will be sufficient to sustain current operations. We may seek additional capital in the future to fund growth and expansion through additional equity or debt financing or credit facilities. No assurance can be made that such financing would be available, and if available it may take either the form of debt or equity. In either case, the financing could have a negative impact on our financial condition and our Stockholders.

We anticipate incurring operating losses over the next six months. We have collected approximately \$247,000 in royalty income from August 2011 to March 2012 from production on three wells. We have information that an additional nine (9) wells are either in production or are in confidential status. Although we believe that our income from our wells will likely reduce or eliminate operating losses in the near future, we have no control over the timing of when we will receive such royalty payments. In addition, there can give no assurance that we will be successful in addressing operational risks as previously identified under the "Risk Factors" section, and the failure to do so can have a material adverse effect on our business prospects, financial condition and results of operations.

Off-Balance Sheet Arrangements

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

Critical Accounting Policies and Estimates

This discussion and analysis of our financial condition and results of operations are based on our financial statements that have been prepared under accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could materially differ from those estimates. All significant accounting policies

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have been disclosed in Note 2 to the consolidated financial statements for the years ended December 31, 2011 and 2010 contained herewith. Our critical accounting policies are:

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 and disclosure 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 estimates.

Revenue Recognition

The Company follows the guidance of paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

Under the royalty and lease agreements obtained as part of the exercised Option to Purchase Asset Agreement, the Company recognizes revenue when production occurs under the original 14 separate mineral leases granted or amended between September 9, 2009 and December 10, 2009, whereby: 1) Oasis Petroleum, Inc., 2) Brigham Resources, and 3) Texon L.P. purchased the rights to explore, drill and develop oil and gas on the Holms Property acquired pursuant to the Agreement. Oasis Petroleum, pursuant to the terms and conditions of the leases, is required

to drill nine wells in the acquired Holms Property, Bakken Formation, before December 31, 2011 in order to retain the leases and keep them in good standing. The royalty income is calculated monthly and the Company recognizes royalty income as production is reported by well on the North Dakota Industrial Commission website.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

BAKKEN RESOURCES, INC.

December 31, 2011 and 2010

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Bakken Resources, Inc.

Helena, Montana

We have audited the accompanying consolidated balance sheets of Bakken Resources, Inc. and its subsidiaries (collectively the Company) as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended December 31, 2011 and 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bakken Resources, Inc. and its subsidiaries as of December 31, 2011 and 2010 and the results of their operations and their cash flows for the years ended December 31, 2011 and 2010, in conformity with accounting principles generally accepted in the United States of America.

/s/ MaloneBailey, LLP

www.malonebailey.com

Houston, Texas

April 16, 2012

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BAKKEN RESOURCES, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2011	December 31, 2010
ASSETS		
CURRENT ASSETS		
Cash	\$ 956,263	\$ 1,081,682
Accounts receivable	185,462	-
Prepays	3,690	
Total Current Assets	1,145,415	1,081,682
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation of \$6,050 and \$0	 34,156	 13,661
PROVED MINERAL RIGHTS AND LEASES, net of		

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accumulated depletion of \$74,892 and \$0	1,824,108	1,649,000
Total Assets	\$ 3,003,679	\$ 2,744,343
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 15,885	\$ 3,120
Accrued liabilities	111,115	19,438
Payroll liabilities	6,531	-
Related party payable	-	7,500
Convertible debt	300,000	-
Current portion installment	120,000	-
Deferred Income	16,151	120,000
Total Current Liabilities	569,682	150,058
Long-term portion installment	1,005,112	1,129,000
Total Liabilities	1,574,794	1,279,058
STOCKHOLDERS' EQUITY:		
Preferred stock, \$.001 par value, 10,000,000 shares authorized, none issued or outstanding	-	-
Common stock, \$.001 par value, 100,000,000 shares authorized, 56,467,500 and 53,337,500 shares issued and outstanding, respectively	56,468	53,338
Additional paid-in capital, net of offering costs	2,732,457	1,623,587
Accumulated deficit	(1,360,040)	(211,640)
Total Stockholders' Equity	1,428,885	1,465,285
Total Liabilities and Stockholders' Equity	\$ 3,003,679	\$ 2,744,343

See accompanying notes to the consolidated financial statements.

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BAKKEN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,	
	2011	2010
REVENUES	\$ 269,501	\$ -
OPERATING EXPENSES:		
Distribution and advertising	1,160	1,800
Amortization, depreciation and depletion	80,942	-
Payroll	259,800	-
Professional fees	567,436	65,680
Loss on impairment of asset	-	7,667
General and administrative expenses	417,589	12,996
Total Operating Expenses	1,326,927	88,143
LOSS FROM OPERATIONS	(1,057,426)	(88,143)
OTHER INCOME (EXPENSES):		
Interest income	2,390	107
Interest expense	(93,364)	(9,659)
Total other income (expenses)	(90,974)	(9,552)
NET LOSS	\$ (1,148,400)	\$ (97,695)
NET LOSS PER COMMON SHARE		
- BASIC AND DILUTED:	\$ (0.02)	\$ (0.01)

Weighted average common shares outstanding

- basic and diluted	55,659,253	10,434,486
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See accompanying notes to the consolidated financial statements.

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BAKKEN RESOURCES, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2011 AND 2010

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-in	Deficit	Stockholders
			Capital		Equity
Balances - December 31, 2009	5,557,500	5,558	105,442	(113,945)	(2,945)
Issuance of common stock for cash in April, 2010 at \$0.0167 per share	600,000	600	9,400	-	10,000

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Issuance of common stock for exercising Holms option agreement to acquire mineral rights	40,000,000	40,000	(40,000)	-	-
Issuance of common stock for cash in November, 2010 at \$0.25 per share net of offering costs of \$139,075	6,320,000	6,320	1,434,605	-	1,440,925
Issuance of common stock for cash in December, 2010 at \$0.25 per share	860,000	860	214,140	-	215,000
Stockholder distribution	-	-	(100,000)	-	(100,000)
Net loss	-	-	-	(97,695)	(97,695)
Balances - December 31, 2010	53,337,500	53,338	1,623,587	(211,640)	1,465,285
Common stock issued for cash, net of offering costs	3,080,000	3,080	723,920	-	727,000
Common stock returned to the Company and cancelled	(1,750,000)	(1,750)	1,750	-	-
Common stock issued for the exercise of warrants	300,000	300	9,700	-	10,000
Common stock issued for services	1,500,000	1,500	373,500	-	375,000

Net loss	-	-	-	(1,148,400)	(1,148,400)
Balances December 31, 2011	56,467,500	\$56,468	\$2,732,457	\$(1,360,040)	\$ 1,428,885

See accompanying notes to the consolidated financial statements.

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**BAKKEN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year Ended December 31,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$(1,148,400)	\$ (97,695)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and depletion expense	80,942	-
Amortization	21,000	750
Common stock issued for services	375,000	-
Impairment loss	-	7,667
Changes in operating assets and liabilities:		
Accounts receivable	(185,462)	2,036
Prepays	(3,690)	-
Accounts payable	12,765	(799)
Accounts payable - related party	(7,500)	-
Accrued liabilities	98,208	12,604

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Deferred income	16,151	-
NET CASH USED IN OPERATING ACTIVITIES	(740,986)	(75,437)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for acquisition of mineral rights	(250,000)	(392,500)
Cash paid for acquisition of property and equipment	(26,545)	(13,661)
NET CASH USED IN INVESTING ACTIVITIES	(276,545)	(406,161)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related party note payable	-	15,000
Payments made on related party note payable	-	(21,500)
Payments made on debt	(123,888)	-
Proceeds from convertible notes payable	300,000	-
Cash paid for debt financing costs	(21,000)	-
Proceeds from the exercise of warrants	10,000	-
Stockholder distribution	-	(100,000)
Proceeds from sale of common stock, net of offering costs	727,000	1,665,925
NET CASH PROVIDED BY FINANCING ACTIVITIES	892,112	1,559,425
NET CHANGE IN CASH	(125,419)	1,077,827
Cash at beginning of period	1,081,682	3,855
Cash at end of period	\$ 956,263	\$1,081,682
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Interest paid	\$ 60,194	\$ 503
Taxes paid	-	-
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Debt issued for acquisition of mineral rights	\$ -	\$1,249,000
Related party payable incurred for acquisition of mineral rights	-	7,500
Common stock returned to the Company and cancelled	1,250	-

See accompanying notes to the consolidated financial statements.

BAKKEN RESOURCES, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND OPERATIONS

When the company was incorporated on June 6, 2008, under the laws of the State of Nevada, Bakken Resources, Inc. (BRI), was organized to distribute interactive multimedia language education software developed by Strokes International AG., an Austria based software company in the Great China Region including the People s Republic of China, Hong Kong Special Administrative Region of PRC, Macao Special Administrative Region of PRC, and Taiwan pursuant to an exclusive Reseller Agreement via an independent third party software distribution company in the territory. On June 11, 2010, BRI and Bakken Development Corporation, its wholly-owned Nevada subsidiary, entered into an Option to Purchase Assets Agreement between Holms Energy and Multisys Acquisition, pursuant to which Holms Energy agreed to grant Multisys Acquisition an option to purchase certain oil and gas production royalty rights on land in North Dakota. This option was exercised on November 26, 2010.

Formation of Multisys Acquisitions, Inc.

On June 3, 2010, BRI formed a wholly owned subsidiary, Multisys Acquisitions, Inc. under the laws of the State of Nevada. On December 28, 2010, Multisys Acquisitions, Inc. changed its name to Bakken Development Corporation.

Formation of BR Metals, Inc.

On January 13, 2011, the Company formed BR Metals Corporation in Nevada. BR Metals Corporation is a wholly owned subsidiary of the company and engages in the business of identifying, screening, evaluating, and acquiring precious metals properties in the Western United States.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of consolidation

The consolidated financial statements include those of Bakken Resources, Inc. and its wholly-owned subsidiaries, Bakken Development Corp. and BR Metals, Inc. (collectively, the Company). All material intercompany balances and transactions have been eliminated in consolidation.

Reclassification

Certain amounts in the prior period consolidated financial statements have been reclassified to conform to the current period presentation.

Use of estimates

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

Cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Allowance for doubtful accounts

The Company evaluates its accounts receivables for collectability and establishes an allowance for bad debts through a review of several factors including historical collection experience, current aging status of the customer accounts, and financial condition of our customers. As of December 31, 2011 and 2010, no allowance for doubtful accounts was recorded.

Property and equipment

Property and equipment is recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation of property, plant and equipment is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful life. Upon sale or retirement of equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations. Depreciation expense for the years ended December 31, 2011 and 2010 was \$6,050 and \$0 respectively.

Proved Oil and Gas Properties

The Company applies the successful efforts method of accounting for oil and gas properties. The Company owns royalty interests only and no working interests. The company capitalizes asset acquisition costs. Unproved oil and gas properties are periodically assessed to determine whether they have been impaired, and any impairment in value is charged to expense. The costs of proved properties are depleted on an equivalent unit-of-production basis. The reserve base used to calculate depletion is the sum of proved reserves.

During 2011 and 2010, the Company recognized no impairment of its oil and gas properties using the method described below under Impairment of long-lived assets . Depletion expense for the years ended December 31, 2011 and 2010 was \$74,892 and \$0, respectively.

Impairment of long-lived assets

The Company follows paragraph 360-10-35-17 of the FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets, which include the reseller agreement, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives. During the year ended December 31, 2010, the Company fully impaired its Resellers Agreement resulting in an impairment loss of \$7,667. The Company determined that there were no additional impairments of long-lived assets at December 31, 2011.

Fair value of financial instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and has adopted paragraph 820-10-35-37 of the FASB Accounting Standards Codification to measure the fair value of its financial instruments. Paragraph 820-10-35-37 of the FASB Accounting Standards Codification establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, paragraph 820-10-35-37 of the FASB Accounting Standards Codification establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by paragraph 820-10-35-37 of the FASB Accounting Standards Codification are described below:

- Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
- Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

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The carrying amounts of financial assets and liabilities, such as cash, accounts receivable, accounts payable, royalty payable, and accrued expenses, approximate their fair values because of the short maturity of these instruments.

The Company does not have any assets or liabilities measured at fair value on a recurring basis, consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value at December 31, 2011 or 2010, nor gains or losses are reported in the statement of operations that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date for the years ended December 31, 2011 or 2010.

Revenue recognition

The Company follows the guidance of paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

Under the royalty and lease agreements obtained as part of the exercised Option to Purchase Asset Agreement, the Company recognizes revenue when production occurs under originally 14 separate mineral leases granted or amended between September 9, 2009 and December 10, 2009, whereby: 1) Oasis Petroleum, Inc., 2) Brigham Resources, and 3) Texon L.P. purchased the rights to explore, drill and develop oil and gas on the Holms Property acquired pursuant to the Agreement. The royalty income is calculated monthly and the Company recognizes royalty income as production is reported by well on the North Dakota Industrial Commission website.

Stock-based compensation for obtaining employee services

The Company accounted for its stock based compensation under the recognition and measurement principles of the fair value recognition provisions of paragraph 718-10-30-3 of the FASB Accounting Standards Codification using the modified prospective method for transactions in which the Company obtains employee services in share-based payment transactions. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the third-party performance is complete or the date on which it is probable that performance will occur.

The fair value of options, if any, is estimated on the date of grant using a Black-Scholes option-pricing valuation model. The ranges of assumptions for inputs are as follows:

-

The Company uses historical data to estimate employee termination behavior. The expected life of options granted is derived from paragraph 718-10-S99-1 of the FASB Accounting Standards Codification and represents the period of time the options are expected to be outstanding.

- The expected volatility is based on a combination of the historical volatility of the comparable companies stock over the contractual life of the options.
- The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the contractual life of the option.
- The expected dividend yield is based on the Company's current dividend yield as the best estimate of projected dividend yield for periods within the contractual life of the option.

The Company's policy is to recognize compensation cost for awards with only service conditions and a graded vesting schedule on a straight-line basis over the requisite service period for the entire award, if any. Additionally, the Company's policy is to issue new shares of common stock to satisfy stock option exercises.

The Company adopted a 2008 Non-Qualified Stock Option and Stock Appreciation Rights Plan on June 6, 2008. This plan was initiated to encourage and enable officers, directors, consultants, advisors and other key employees of the Company to acquire and retain a proprietary interest in the Company by ownership of its common stock. 1,000,000 of the authorized shares of the Company's common stock may be subject to, or issued pursuant to, the terms of the plan. On November 8, 2010 the Company increased the authorized shares to 5,000,000.

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The Company did not grant any stock options from the Company's 2008 Non-Qualified Stock Option Plan for the years ended December 31, 2011 or 2010.

Equity instruments issued to parties other than employees for acquiring goods or services

The Company accounted for instruments issued to parties other than employees for acquiring goods or services under the recognition and measurement principles of the fair value recognition provisions of section 505-50-30 of the FASB

Accounting Standards Codification. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the third-party performance is complete or the date on which it is probable that performance will occur.

The fair value of the warrants is estimated on the date of grant using a Black-Scholes option-pricing valuation model. The ranges of assumptions for inputs are as follows:

- The expected life of warrants granted is derived from paragraph 718-10-S99-1 of the FASB Accounting Standards Codification and represents the period of time the warrants are expected to be outstanding.
- The expected volatility is based on a combination of the historical volatility of the comparable companies stock over the contractual life of the warrants.
- The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the contractual life of the warrants.
- The expected dividend yield is based on the Company's current dividend yield as the best estimate of projected dividend yield for periods within the contractual life of the warrants.

Income tax

The Company accounts for income taxes under paragraph 710-10-30-2 of the FASB Accounting Standards Codification. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

The Company adopted the provisions of paragraph 740-10-25-13 of the FASB Accounting Standards Codification. Paragraph 740-10-25-13 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under paragraph 740-10-25-13, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits

recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Paragraph 740-10-25-13 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of paragraph 740-10-25-13.

Net loss per common share

Net loss per common share is computed pursuant to paragraph 260-10-45-10 of the FASB Accounting Standards Codification. Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by dividing net loss by the weighted average number of shares of common stock and potentially outstanding shares of common stock during each period to reflect the potential dilution that could occur from common shares issuable through stock warrants. 3,950,000 and 4,250,000 common stock warrants were excluded from the calculation of diluted loss per share for the years ended December 31, 2011 and 2010, respectively as the effect would have been anti-dilutive.

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Commitments and contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Cash flows reporting

The Company has adopted paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method (Indirect method) as defined by paragraph 230-10-45-24 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by

removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments.

Recently issued accounting pronouncements

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations, financial position or cash flow.

NOTE 3 ACQUISITION OF MINERAL RIGHTS

On June 11, 2010, the Company entered into an Option to Purchase Assets Agreement with Holms Energy, LLC, pursuant to which Holms Energy agreed to grant Multisys Acquisition an option to exercise an Asset Purchase Agreement to assign all right, title, and interest of specific Holms Energy owned assets to Multisys Acquisition, with Holms Energy members holding a controlling interest in Multisys as a result of the exercise of the option. The option was exercised on November 26, 2010 and the Asset Purchase Agreement was entered into on November 26, 2010 by paying the consideration to Holms Energy detailed in the Asset Purchase Agreement. Under the Asset Purchase Agreement, Multisys Acquisition paid Holms Energy \$100,000, issued Holms Energy 40,000,000 shares of restricted common stock, and granted to Holms Energy a 5% overriding royalty on all revenue generated from the Holms Property for ten years from the date of the acquisition closing. The issuance of the 40,000,000 shares to the Holms Energy members resulted in a Change in Control as the Holms Energy members obtained a controlling interest in Multisys. With the Holms Energy members obtaining a controlling interest in the Company, the mineral rights acquired from Holms were recorded at Holms Energy's cost basis of zero. The \$100,000 cash paid to Holms was recorded as a stockholder distribution.

The Asset Purchase Agreement related to the acquisition of: 1) certain Holms Energy mineral rights in oil and gas rights on approximately 6,000 gross acres and 1,600 net mineral acres of land located in McKenzie County, 8 miles southeast of Williston, North Dakota; 2) potential production royalty income from wells to be drilled on the property whose mineral rights are owned by Holms Energy; and 3) the transfer of all right, title and interest to an Option to Purchase the Greenfield mineral rights entered into between Holms Energy and Rocky and Evenette Greenfield dated June 18, 2010 related to purchasing additional mineral rights and production royalty income on the Holms Property for \$1,649,000.

The Greenfield Option was subsequently exercised by Holms Energy on November 12, 2010, and those Greenfield mineral rights were acquired by Multisys Acquisition through the Asset Purchase Agreement with Holms Energy. Holms Energy exercised the Greenfield option and executed the Asset Purchase Agreement on the Greenfield mineral rights on November 12, 2010 using \$385,000 of a \$485,000 one month non-interest bearing loan from Multisys to complete the initial payment of \$400,000, of which \$15,000 was already paid by Holms Energy. The collateral for the loan was the Greenfield mineral rights.

Under the terms of the loan from Multisys to Holms Energy, Holms Energy, in conjunction with the entry into the Asset Purchase Agreement on November 26, 2010, assigned the Greenfield mineral rights to Multisys Acquisition in exchange for forgiveness of \$385,000 of the loan. The other \$100,000 of the loan was to be applied to the Asset Purchase Agreement between Multisys and Holms Energy, and on November 26, 2010, that \$100,000 was applied to the Asset Purchase Agreement and the loan was forgiven. After exercise of the option and executing the asset purchase agreement with Holms Energy, Multisys Acquisition purchased the gas and oil production royalty rights of Rocky and Evenette Greenfield for an aggregate of \$1,249,000 plus interest as follows: installment payments in the amount of \$120,000 per year, or \$30,000 per quarter plus

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interest at 5% per annum for 8 years and a balloon payment in the amount of \$289,000. As of December 31, 2011, the unpaid balance of this installment note totaled \$1,125,112.

On September 21, 2011, the Company purchased an undivided 50% interest in minerals contained in approximately 2,200 acres located in Glacier County, Montana (also referred to as Duck Lake). The purchase price of these rights was \$250,000.

Depletion expense recorded on the mineral rights for the years ended December 31, 2011 and 2010 was \$74,892 and \$0, respectively.

NOTE 4 RELATED PARTY TRANSACTIONS

Note payable officer

On November 9, 2009, the Company borrowed \$6,500 from its then President, Chief Executive Officer and Director. The note is unsecured, matures May 8, 2010 and bears interest at 6% per annum. On April 2, 2010, the note was repaid in full.

On May 28, 2010, the Company borrowed \$15,000 from its then President, Chief Executive Officer and Director. The note is unsecured, matures November 23, 2010 and bears interest at 6% per annum. The Company made a partial repayment of \$2,000 on June 8, 2010. The remaining \$13,000 plus \$339 in accrued interest was repaid on November 2, 2010.

Related party payable officer

On November 26, 2010, the Company exercised the Option to Purchase Assets Agreement with Holms Energy, which is owned by an officer of the Company. As part of the transaction, \$7,500 was unpaid at December 31, 2010. It was subsequently paid in full on January 31, 2011.

NOTE 5 CONVERTIBLE NOTES PAYABLE

During May and June 2011, the Company borrowed \$300,000 from investors. The notes are unsecured, bear interest at 6% per annum and matured on December 31, 2011. Each of the notes will automatically convert into the next equity financing with gross proceeds of at least \$2,000,000 at the lower of a 25% discount to the equity sales price or \$0.50 per share. The notes also require the Company to grant the investors common stock warrants equal to 20% of the value of the principal of the notes upon conversion. The warrants will have an exercise price equal to the per share exercise price of warrants issued in connection with the Company's next qualified equity financing. As of December 31, 2011, the unpaid principal balance on these notes was \$300,000. During 2012, portions of these notes were paid in cash, converted to common stock and warrants or extended (see Note 9).

In connection with these notes, the Company paid cash commissions of \$21,000. The commissions were recorded as deferred financing costs and were amortized over the life of the notes using the effective interest rate method. The amount was fully amortized during 2011.

NOTE 6 STOCKHOLDERS EQUITY

Common stock and Common Stock Warrants

On April 16, 2010, the Company sold 600,000 shares of common stock to one individual for \$10,000 in cash.

On June 10, 2010, the Company effected a 3 for 1 forward split of its outstanding common stock. The record date for the stock split was June 24, 2010. Each outstanding share of common stock was converted into three shares. All share and per share amounts herein have been retroactively restated to reflect this stock split.

On November 1, 2010, the Company sold 70,000 common stock units at \$0.50 per unit to private investors. Each unit consists of two shares of common stock plus one common stock purchase warrant that are exercisable at \$0.50 per share for a term of three years for date of issuance, callable at \$0.01 per share at any time after November 1, 2011, if the underlying shares are registered and the common stock trades for 20 consecutive trading days at an average closing sales price of \$.75 or more, for a total of 140,000 shares of common stock and 70,000 warrants sold, total cash of \$35,000 was received. None of the common stock warrants were exercised or canceled at December 31, 2010.

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On November 26, 2010, the Company exercised the Option to Purchase Asset Agreement (see Note 3) and issued 40,000,000 shares of common stock for mineral rights and leases pursuant to the agreement.

On November 26, 2010, the Company closed phase one of the private placement and sold 3,090,000 common stock units at \$0.50 per unit. Each unit consists of two shares of common stock plus one common stock purchase warrant that are exercisable at \$0.50 per share for a term of three years for date of issuance, callable at \$0.01 per share at any time after November 26, 2011, if the underlying shares are registered and the common stock trades for 20 consecutive trading days at an average closing sales price of \$.75 or more, for a total of 6,180,000 shares of common stock and 3,090,000 warrants sold. Net of the \$139,075 in offering costs associated with this offering, total cash of \$1,405,925 was received. None of the common stock warrants were exercised or canceled at December 31, 2010.

On November 26, 2010, the Company issued 340,000 common stock warrants as a finder's fee and part of the offering costs described above. Each warrant is exercisable at \$0.25 for a term of three years from the date of issuance. None of the common stock warrants were exercised or canceled at December 31, 2010.

On December 31, 2010, the Company closed phase two of the private placement and sold 430,000 common stock units at \$0.50 per unit. Each unit consists of two shares of common stock plus one common stock purchase warrant that are exercisable at \$0.50 per share for a term of three years for date of issuance, callable at \$0.01 per share at any time after December 31, 2011, if the underlying shares are registered and the common stock trades for 20 consecutive trading days at an average closing sales price of \$.75 or more, for a total of 860,000 shares of common stock and

430,000 warrants sold for \$215,000 cash. None of the common stock warrants were exercised or canceled at December 31, 2010.

On December 31, 2010, the Company issued 20,000 common stock warrants as a finder's fee and part of the offering costs described above. Each warrant is exercisable at \$0.25 for a term of three years from the date of issuance. None of the common stock warrants were exercised or canceled at December 31, 2010.

During the year ended December 31, 2011, the Company sold an aggregate of 1,490,000 common stock units at \$0.50 per unit to private investors. Each unit consists of two shares of common stock plus one common stock purchase warrant that is exercisable at \$0.50 per share for a term of three years, callable at \$0.01 per share at any time after one year from the date of sale, if the underlying shares are registered and the common stock trades for 20 consecutive trading days at an average closing sales price of \$0.75 or more, for a total of 2,980,000 common shares and 1,490,000 warrants sold, total cash of \$667,000 was received net of offering costs of \$68,000.

During the year ended December 31, 2011, the Company sold an additional 100,000 common shares for total cash proceeds of \$50,000.

During the year ended December 31, 2011, the Company issued 300,000 common shares for the exercise of warrants for total cash proceeds of \$10,000.

During the year ended December 31, 2011, 1,750,000 previously issued common shares were returned to the Company and cancelled.

During January 2011, the Company granted 1,000,000 common shares to four directors for director compensation valued at \$250,000.

During March 2011, the Company entered into a consulting agreement and issued the consultant 100,000 units which vest over six months. Each unit consists of two shares of common stock plus one common stock purchase warrant that are exercisable at \$0.50 per share for a term of three years from the date of issuance, callable at \$0.01 per share at any time after one year from the date of sale, if the underlying shares are registered and the common stock trades for 20 consecutive trading days at an average closing sales price of \$0.75 or more. The fair value of the grant was determined to be \$50,000 and it was recognized over the service period of six months. As of December 31, 2011, these shares are fully vested and included in the shares issued for services in the consolidated statements of stockholders' equity.

During June 2011, the Company entered into a consulting agreement and granted the consultant 100,000 units which vest over six months. Each unit consists of two shares of common stock plus one common stock purchase warrant that are exercisable at \$0.50 per share for a term of three years from the date of issuance, callable at \$0.01 per share at any time after one year from the date of sale, if the underlying shares are registered and the common stock trades for 20 consecutive trading days at an average closing sales price of \$0.75 or more. The fair value of the grant was determined to be \$50,000 and it was recognized over the service period of six months. As of December 31, 2011, these shares are fully vested and included in the shares issued for services in the consolidated statements of stockholders' equity.

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During July 2011, the Company entered into a consulting agreement and granted the consultant 100,000 common shares which vested September 30, 2011. The fair value of the grant was determined to be \$25,000 and was recognized over the service period of three months. As of December 31, 2011, these shares are fully vested and included in the shares issued for services in the consolidated statements of stockholders' equity.

The table below summarizes the Company's warrant activity for the years ended December 31, 2011 and 2010:

	Number of Warrant Shares	Weighted Average Exercise Price
Balance, December 31, 2009	300,000	\$ 0.033
Granted	3,950,000	0.480
Canceled	-	-
Exercised	-	-
Expired	-	-
Balance, December 31, 2010	4,250,000	0.450
Granted	1,690,000	0.500
Canceled	-	-

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Exercised	(300,000)		0.033
	-		-
Expired			-
Balance, December 31, 2011	5,640,000	\$	0.480
Exercisable, December 31, 2010	4,250,000	\$	0.450
Exercisable, December 31, 2011	5,640,000	\$	0.480

At December 31, 2011, the range of exercise prices and the weighted average remaining contractual life of the warrants outstanding were \$0.25 to \$0.50 and 2.01 years, respectively. The exercisable warrants outstanding at December 31, 2011 had an intrinsic value of \$4,038,000. At December 31, 2010, the range of exercise prices and the weighted average remaining contractual life of the warrants outstanding were \$0.033 to \$0.50 and 2.75 years, respectively. The intrinsic value of the exercisable warrants outstanding at December 31, 2010 was \$35,010.

Common Stock Options

On June 25, 2010, the Company increased the total common stock, available in the Company's 2008 Non-Qualified Stock Option and Stock Appreciation Rights Plan from one million (1,000,000) shares to five million (5,000,000) shares. As of December 31, 2011, no common stock options have been granted.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

On December 1, 2010, BRI entered into a one-year office lease, renewable for up to five years, for a 2,175 square foot executive office at 1425 Birch Ave., Suite A, Helena, MT 59601, for a monthly charge of \$1,600 for the first year; \$1,800 second year; \$2,000 third year; \$2,200 fourth year; and \$2,400 fifth year.

Pursuant to a finder's fee consulting agreement signed October 1, 2010 with Peter Swan Investment Consulting, Ltd., the Company agreed to pay 10% of gross proceeds received from the sale of common stock units under a private placement offering. At December 31, 2010, \$5,000 remained unpaid under this agreement. This \$5,000 was subsequently paid on January 3, 2011.

NOTE 8 INCOME TAXES

The Company uses the liability method, where deferred tax assets and liabilities are determined based on the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial and income tax reporting purposes. During 2011 and 2010, the Company incurred net losses and, therefore, has no tax liability. The net deferred tax asset generated by the loss carry-forward has been fully reserved. The cumulative net operating loss carry-forward is approximately \$926,000 at December 31, 2011, and will begin to expire in the year 2029. Section 382 of

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the Internal Revenue code limits the use of net operating losses where a change of control has occurred. The company has changed control since inception resulting in such limitations.

At December 31, 2011 and 2010, deferred tax assets consisted of the following:

	2011	2010
Net operating losses	\$ 324,000	\$ 74,000
Valuation allowance	(324,000)	(74,000)
Net deferred tax asset	\$ -	\$ -

NOTE 9 SUBSEQUENT EVENTS

In May and June 2011, the Company entered into a series of convertible debt agreements with certain investors in an aggregate amount of \$300,000. Such notes bear an annual interest rate of 6% and shall be converted into shares of common stock of the Company upon the closing of a qualified equity financing round prior to December 31, 2011 (see Note 5). In January 2012, the Company repaid \$50,000 of these notes with cash. The holders of \$155,000 of such notes elected to convert at a price of \$0.375 per share. These holders converted their \$155,000 of notes and accrued interest of \$1,693 into 417,850 common shares and 206,667 common stock warrants. These warrants are exercisable at \$0.75 per share and have a term of 4 years. Also in January 2012, holders of \$95,000 of these note elected to extend such notes until June 30, 2012. In connection with the extensions, the Company issued these note holders an aggregate of 25,334 common stock warrants. These warrants are exercisable at \$0.75 per share and have a term of 5 years.

In February 2012, the Company sold 50,000 common shares at \$0.50 per share for cash proceeds of \$25,000. The investor also received 25,000 common stock warrants exercisable at \$0.75 per share

In March 2012, the Company granted an aggregate of 750,000 common stock options to officers and Directors of the Company. The options are exercisable at \$0.10 per share and vest 1/3 immediately with the remaining 2/3 vesting over 2 years.

On April 2, 2012, BRI was served with a summons relating to a complaint filed by Allan Holms, both individually and derivatively through Roil Energy, LLC. Allan Holms is the half-brother of BRI's CEO, Val Holms. The complaint (filed in the Superior Court of the State of Washington located in Spokane County) names, among others, Joseph Edington, Val and Mari Holms, Holms Energy, LLC and BRI as defendants. The Complaint primarily alleges breach of contract, tortious interference with prospective business opportunity and fraud. The complaint focuses on events allegedly occurring around February and March 2010 whereby Allan Holms alleged an oral agreement took place whereby he was to receive up to 40% of the originally issued equity of Roil Energy, LLC. Allan Holms alleges Roil Energy was originally intended to be the predecessor entity to BRI. Both Mr. Val Holms, our CEO, and BRI dispute such allegations in their entirety and intend to vigorously defend such claims.

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

None.

ITEM 9A CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, a company's principal executive and principal financial officers and effected by a company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and

dispositions of the assets of the company;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2011.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We identified material weaknesses in our internal control over financial reporting as of December 31, 2011 because certain elements of an effective control environment were not present as of December 31, 2010, including the financial reporting processes and procedures, and internal control procedures by our board of directors as we have yet to establish an audit committee and our full board has not been adequately performing those functions. There exists a significant overlap between management and our board of directors, with two of our then five directors being members of management. Specifically, we did not as of December 31, 2011, have the ability to effectively monitor the processes and procedures of financial reporting as we did not have a permanently appointed Chief Financial Officer employed by the Company as of December 31, 2011. Additionally, since we only have two full time employees, it has not been possible to ensure appropriate segregation of duties between incompatible functions and formalized monitoring procedures have not, as of December 31, 2011, been established or implemented.

Based on this assessment and the material weaknesses described above, management has concluded that internal control over financial reporting was not effective as of December 31, 2011.

This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the company to provide only management's report in this annual report.

We intend to take the following steps as soon as practicable to remediate the material weaknesses we identified as follows:

§

We will and have appointed a Chief Financial Officer. We note that our CFO has entered into an employment agreement with us as of February 10, 2012.

§

We will segregate incompatible functions using existing personnel where possible or, given sufficient capital resources, we will hire additional personnel to perform those functions.

§

We will, and have, appointed additional outside directors, particularly those who may have experience with regard to financial reporting, financial reporting processes and procedures and internal control procedures. In this regard, we note in particular the appointment of W. Edwards Nichols to our Board.

§

To the extent we can attract outside directors, we plan to form an audit committee to review and assist the board with its oversight responsibilities and appoint a financial expert to be the chairperson of such audit committee.

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Changes in Internal Control Over Financial Reporting

As of the end of the period covered by this Report, there have been no changes in internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter ended December 31, 2011, that materially affected, or are reasonably likely to materially affect, our company's internal control over financial reporting.

ITEM 9B OTHER INFORMATION

None.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

A. Directors, Executive Officers, Promoters and Control Persons

The members of our board of directors serve for one year terms and are elected at the next annual meeting of stockholders, or until their successors have been elected. The officers serve at the pleasure of the board of directors.

Pursuant to the acquisition of Holms Energy's assets, some members of Holms Energy became the officers and directors of BRI effective upon closing of the acquisition agreement.

The following table sets forth the current directors and executive officers of BRI. The previous directors of BRI appointed the nominees designated by Holms Energy as members of the board of directors of BRI. Subsequently, the current officers and directors of BRI resigned their positions at BRI, clearing the way for the appointment of new executive officers by the new board of directors of BRI. Directors are elected for a period of one year and thereafter serve until the next annual meeting at which their successors are duly elected by the stockholders. Officers and other employees serve at the will of the board of directors and hold office until their death, resignation or removal from office.

Name	Age	Position
Val M. Holms	64	Chief Executive Officer, President, and Director
D a v i d Deffinbaugh	52	Chief Financial Officer

K a r e n S . Midtlyng	53	Secretary and Director
H e r m a n R . Landeis	78	Director
B i l l M . Baber	60	Director
W . E d w a r d Nichols	69	Director

Family Relationships

There are no family relationships among our directors or officers

Business Experience

The following is a brief account of the education and business experience of each director and executive officer during at least the past five years, indicating each person's business experience, principal occupation during the period, and the name and principal business of the organization by which they were employed of those directors and the key members of the management team who became the officers, directors, and key employees of the BRI on December 1, 2010 after the Asset Acquisition:

Val M. Holms 64, President, Chief Executive Officer, and Director. After being honorably discharged from the United States Marine Corps, 4th Force Reconnaissance Division in Vietnam in 1969, he was the founder, sole owner and operator of Holms Building Services, Inc., a licensed general contracting company based in Missoula, Montana until 1984. Beginning in 1971 until the present, Mr. Holms has been a private investor, a part time independent land man, organized several oil and gas limited partnerships, purchased and sold mineral leases, and arranged various oil and gas joint ventures in Montana, Oklahoma, Texas, and North Dakota . From 1984 to 1988, he attended Rhema Bible Institute and received a degree in Theology. Mr. Holms and his wife Mari Holms are the managing members of Holms Energy, LLC.

David Deffinbaugh 52, Chief Financial Officer. Mr. Deffinbaugh graduated from the University of Montana in 1982 with a Bachelor of Science degree in Business Administration, Accounting. After graduation, he worked in the family business until 1990. From 1990 to March 1992, he worked for the Montana Corporation where he assisted in the preparation of SEC financial reports along with regulatory reporting for an insurance subsidiary. From March 1992 through August 1996, he worked for Crop Growers Corporation where he was involved in various accounting functions as the company went from a

private company through an IPO to a public company. From September 1996 through the present, he has maintained an accounting and financial services practice providing services to individuals and businesses in Montana and other states. On May 14, 2011, Mr. Deffinbaugh was appointed as the Company's Chief Financial Officer.

Karen S. Midtlyng 53, Secretary and Director. Ms. Midtlyng has an associate degree from the University of Montana, Helena College of Technology. From 1978 to 2005, she was employed by U.S. Geological Survey (U.S.G.S.), Water Science Center, Helena, MT. During her 27 years with the U.S.G.S. she was responsible for start to finish production of several U.S.G.S. scientific reports, fact sheets and electronic documents and co-authored several U.S.G.S. publications. From 2005 to present, she has been engaged as an independent consultant in providing services for small business in the Helena area where she assists in the establishing and implementation of business processes.

Herman R. Landeis 78, Director. Mr. Landeis was the Western Region Tax Manager for Marathon Oil Corporation, based out of Casper, Wyoming, from 1972 until he retired in 1992. Previously, Mr. Landeis worked as a professional Draftsman for Marathon Oil Corporation from 1955 until 1972, except for a two year leave of absence to serve in the Military (Army), where he was honorably discharged. As a Tax Manager for Marathon Oil Corporation, he was responsible for and managed a variety of financial matters related to property tax negotiations, valuation of company owned assets and property, and conducting various financial analysis on operations in the Western United States. These properties included the Interstate Pipeline running from Montana to Missouri, properties in Alaska, five off-shore platforms and numerous operating oil and gas properties in the Western United States. Since his retirement in 1992, he has acted as a consultant to the oil and gas industry related to special projects involving tax matters, appraisals and valuation of property. Mr. Landeis received a Certified License as a Professional Appraiser from the University of Nebraska in 1972.

Bill M. Baber 60, Director. Mr. Baber has 37 years of experience in the field of drilling, completing, operating and maintenance of oil and gas wells. In addition, Mr. Baber also provides sources and arranges for the maintenance of oil/gas rigs and other heavy machinery used in drilling operations. Mr. Baber regularly consults with clients on drilling operations and regulatory requirements. For the past 15 years, Mr. Baber has conducted his business through his entity, Bill M. Baber Oil Field Equipment.

W. Edward Nichols 69, Director. Mr. Nichols has owned and operated gas processing plants in Kansas and Wyoming, and also co-owned and operated oil drilling, production and gas gathering companies in Kansas. Mr. Nichols has served as a Director and member of the Executive Committee of several public companies, including General Environmental Corporation, Gulfstar Energy Corporation and EnviroMart.com. He is currently chairman of the Board of Directors of Three Forks, Inc. and previously served in a similar capacity at Gulfstar Energy Corporation. He also serves as a consultant and in-house counsel for Travelpayer Systems Limited, a financial transaction processing and settlement company in the United Kingdom. In addition, Mr. Nichols is an attorney with Nichols &

Nichols in Denver, Colorado and is authorized to practice in the states of Colorado and Kansas, the United States Federal Courts, and Supreme Court of the United States. He is also Managing Director of Nichols & Company LLC, a management consulting firm. Previously, Mr. Nichols was Senior Partner in Nichols and Wolfe, a national municipal bond law firm. He was instrumental in structuring and providing Approving Legal Opinions for several hundred million dollars of General Obligation Bonds, Tax Anticipation Notes and Revenue Bonds. He has since worked as a consultant with public and private companies in the U.S., Europe and the Far East and has extensive international relationships with investment banking firms, accounting and brokerage firms.

Involvement in Certain Legal Proceedings

To our knowledge, during the past ten years, no present director or executive officer of our company: (1) filed a petition under the federal bankruptcy laws or any state insolvency law, nor had a receiver, fiscal agent, or similar officer appointed by a court for the business or present of such a person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer within two years before the time of such filing; (2) was convicted in a criminal proceeding or named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses); (3) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting the following activities: (i) acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, associated person of any of the foregoing, or as an investment advisor, underwriter, broker or dealer in securities, or as an affiliated person, director of any investment company, or engaging in or continuing any conduct or practice in connection with such activity; (ii) engaging in any type of business practice; (iii) engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodity laws; (4) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described

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above under this Item, or to be associated with persons engaged in any such activity; (5) was found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities law and the judgment was not subsequently reversed, suspended or vacated; (6) was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated.

Section 16(a) Beneficial Ownership Reporting Compliance.

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires the Company s executive officers, directors and persons who own more than 10% of the Company s outstanding common stock to file initial reports of ownership and changes in ownership with the Securities and Exchange Commission. Based solely on our review of Forms 3, 4 and 5 furnished to us and on written representations from certain reporting persons, we believe that the directors, executive officers, and our greater than 10% beneficial owners have complied in a timely manner with all applicable filing requirements for the fiscal year ended December 31, 2011

Limitation of Liability of Directors

Pursuant to the Nevada General Corporation Law, our Articles of Incorporation exclude personal liability for our Directors for monetary damages based upon any violation of their fiduciary duties as Directors, except as to liability for any breach of the duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or any transaction from which a Director receives an improper personal benefit. This exclusion of liability does not limit any right which a Director may have to be indemnified and does not affect any Director s liability under federal or applicable state securities laws. We have agreed to indemnify our directors against expenses, judgments, and amounts paid in settlement in connection with any claim against a Director if he acted in good faith and in a manner he believed to be in our best interests.

Election of Directors and Officers

Directors are elected to serve until the next annual meeting of stockholders and until their successors have been elected and qualified. Officers are appointed to serve until the meeting of the Board of Directors following the next annual meeting of stockholders and until their successors have been elected and qualified.

No executive officer or director of the Company has been the subject of any Order, Judgment, or Decree of any Court of competent jurisdiction, or any regulatory agency permanently or temporarily enjoining, barring suspending or otherwise limiting him from acting as an investment advisor, underwriter, broker or dealer in the securities industry, or as an affiliated person, director or employee of an investment company, bank, savings and loan association, or insurance company or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any securities.

No executive officer or director of the Company has been convicted in any criminal proceeding (excluding traffic violations) or is the subject of a criminal proceeding which is currently pending.

Except as set forth under Item 3 of this report, no executive officer or director of the Company is the subject of any pending legal proceedings.

Audit Committee and Financial Expert

We do not have an Audit Committee, our directors and Chief Financial Officer (David Deffinbaugh) perform some of the same functions of an Audit Committee, such as: recommending a firm of independent certified public accountants to audit the annual financial statements; reviewing the independent auditors independence, the financial statements and their audit report; and reviewing management's administration of the system of internal accounting controls.

David Deffinbaugh was appointed as Chief Financial Officer of BRI in May 2011, and is deemed our financial expert.

Code of Business Conduct and Ethics

A code of ethics relates to written standards that are reasonably designed to deter wrongdoing and to promote:

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- (1) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (2) Full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to, the Commission and in other public communications made by an issuer;
 - (3) Compliance with applicable governmental laws, rules and regulations;
 - (4) The prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and
 - (5) Accountability for adherence to the code.

We have adopted a corporate code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

Nominating Committee

We do not have a Nominating Committee or Nominating Committee Charter. Our board of directors perform some of the functions associated with a Nominating Committee.

ITEM 11. EXECUTIVE COMPENSATION.

Summary Compensation Table

The table below sets forth the aggregate annual and long-term compensation paid by us for the fiscal years ended December 31, 2011 and 2010, to our Chief Executive Officer. Other than as set forth below, no executive officer's salary and bonus exceeded \$100,000 for the fiscal years 2011 or 2010.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation		All other Compensation (\$)	Total (\$)
							Earnings (\$)	(\$)		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
V a l M . Holms Pres, CEO, & Dir.	2011	180,000	0	0	0	0	-	0	180,000	
K a r e n Midtlyng						0	-		0	

Secretary & Dir.	2011	72,000	0	0	0				72,000
Val M. Holms									
Pres, CEO, & Dir.	2010	0	0	0	0	0	-	0	0
Janelle Edington									
Former Pres. & CEO, Dir.	2010	6,000	0	0	0	0	-	0	6,000

Narrative Disclosure to Summary Compensation Table

Janelle Edington was our former President and CEO serving from inception until December 1, 2010. Ms. Edington did not enter into formal written employment agreement with Multisys Language Solutions. She entered into a consulting agreement under which she was to be paid \$1,000 per month beginning September 2008, and it was terminated after June of 2009 because of financial conditions of our company. She remained in the executive officer positions of President, CEO and a director until December 1, 2010. Ms. Edington also received a payment of \$6,000 bonus on November 12, 2010. Mr. Val M. Holms, President and CEO and Ms. Karen Midtlyng, Corporate Secretary of the Company were both appointed to their executive positions on December 1, 2010. Mr. Holms' annual salary of \$180,000 and Ms. Midtlyng's annual salary of \$75,000 was agreed to be paid by the Company pursuant to each of their Employment Agreements entered into on February 1, 2011.

Outstanding Equity Awards at Fiscal Year End

There have been no options awards or equity awards given to any executive officers of BRI since inception on June 6, 2008, through the fiscal year ended December 31, 2011

Compensation of Directors

The tables below show compensation for our non-employee directors for services as a director of the Company for the 2011 fiscal year. Compensation, as reflected in the tables which follow, is presented on the basis of rules of the Securities and Exchange Commission and does not, in the case of certain stock-based awards or accruals, necessarily represent the amount of compensation realized or which may be realized in the future.

Name(a)	Stock Awards \$(b)	Total (\$)
Herman R. Landeis	\$ 62,500 (b)	\$ 62,500
Steven D. Armstrong	\$ 62,500 (b)	\$ 62,500

(a) Our directors receive no fees or cash compensation for their services. Directors are, however, reimbursed for their actual out-of-pocket expenses associated with attending meetings and carrying out their obligations as directors.

(b) Herman R. Landeis was granted 250,000 shares of common stock of the Company at \$0.25 per share for his service as the Company director on January 4, 2011. Steven D. Armstrong was granted 250,000 shares of common stock of the Company at \$0.25 per share for his service as the Company director on January 13, 2011

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

The following table presents information about the beneficial ownership of our common stock on April 15, 2011, held by our directors and executive officers and by those persons known to beneficially own more than 5% of our capital stock. The percentage of beneficial ownership for the following table is based on 56,733,652 shares of common stock outstanding as of April 15, 2011.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and does not necessarily indicate beneficial ownership for any other purpose. Under these rules, beneficial ownership includes those shares of common stock over which the stockholder has sole or shared voting or investment power. It also includes (unless footnoted) shares of common stock that the stockholder has a right to acquire within 60 days after

April 15, 2011, through the exercise of any option, warrant or other right. The percentage ownership of the outstanding common stock, however, is based on the assumption, expressly required by the rules of the Securities and Exchange Commission, that only the person or entity whose ownership is being reported has converted options or warrants into shares of our common stock.

Beneficial Ownership of Current Directors, Executive Officers and 5% Holders of the Company

Name of Beneficial Owner (1)	Number of Shares	Percent of Outstanding Shares of Common Stock (2)
Val M. Holms- CEO, President, and Director	26,350,000 (3)	46.83%
Karen S. Midtlyng- Secretary, and Director	2,250,000 (4)	3.97%
David Deffinbaugh - CFO, Treasurer and Director	97,222 (5)	*
Herman R. Landeis - Director	250,000 (6)	*
Bill M. Baber - Director	97,222 (7)	*
W. Edward Nichols - Director	97,222 (8)	*

* Less than 1%

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1. As used in this table, beneficial ownership means the sole or shared power to vote, or to direct the voting of, a security, or the sole or shared investment power with respect to a security (i.e., the power to dispose of, or to direct the disposition of, a security). The address of each person is care of the Company at 1425 Birch Ave. Suite A; Helena, MT 59601.

2. Figures are rounded to the nearest tenth of a percent.

3. Includes 26,350,000 shares held directly

4. Includes 2,250,000 shares held directly

Includes 83,333 vested shares of restricted shares and 60 days of vested shares as of April 2, 2012. 250,000
5. stock options were granted on March 20, 2012, with 1/3 vesting immediately and remaining 2/3 vesting over 24 month period.

6. Includes 250,000 shares held directly

Includes 83,333 vested shares of restricted shares and 60 days of vested shares as of April 2, 2012. 250,000
7. stock options were granted on March 20, 2012, with 1/3 vesting immediately and remaining 2/3 vesting over 24 month period.

Includes 83,333 vested shares of restricted shares and 60 days of vested shares as of April 2, 2012. 250,000
8. stock options were granted on March 20, 2012, with 1/3 vesting immediately and remaining 2/3 vesting over 24 month period.

Change in Control

We are unaware of any contract, or other arrangement or provision of our Articles or By-laws, the operation of which may at a subsequent date result in a change of control of BRI.

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

Transactions With Related Persons, Promoters, and Certain Control Persons

None.

Promoters and Certain Control Persons

None.

Director Independence

Our Board of Directors has determined that three of our six directors are currently independent directors as that term is defined in Rule 5605(a)(2) of the Marketplace Rules of the National Association of Securities Dealers. We are not presently required to have independent directors. If we ever become a listed issuer whose securities are listed on a national securities exchange or on an automated inter-dealer quotation system of a national securities association, which has independent director requirements, we intend to comply with all applicable requirements relating to director independence.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The aggregate fees billed by our principal accountant for services rendered during the fiscal years ended December 31, 2011 and 2010, are set forth in the table below:

Fee Category	Year ended		Year ended	
	December 31, 2011		December 31, 2010	
Audit fees (1)	\$	45,000	\$	28,000
Audit-related fees (2)		-		-
Tax fees (3)		-		-
All other fees (4)		-		-
Total fees	\$	45,000	\$	28,000

Audit fees consists of fees incurred for professional services rendered for the audit of annual financial statements, (1) for reviews of interim financial statements included in our quarterly reports on Form 10-Q, and for services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) Audit-related fees consists of fees billed for professional services that are reasonably related to the performance of the audit or review of our financial statements, but are not reported under Audit fees.

(3) Tax fees consists of fees billed for professional services relating to tax compliance, tax advice and tax planning.

(4) All other fees consists of fees billed for all other services, such as review of our registration statement on Form

S-1.

Audit Committee s Pre-Approval Policies and Procedures

We do not at this time have an audit committee. Our Board of Directors (in lieu of an audit committee) pre-approves the engagement of our principal independent accountants to provide audit and non-audit services. Section 10A(i) of the Securities Exchange Act of 1934 prohibits our auditors from performing audit services for us as well as any services not considered to be audit services unless such services are pre-approved by the Board of Directors (in lieu of an audit committee) or unless the services meet certain minimum standards.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)

(1) Financial Statements See Item 8 in Part II of this report.

(2) All other financial statement schedules are omitted because the information required to be set forth therein is not applicable or because that information is in the financial statements or notes thereto.

(b)

(3) Exhibits specified by Item 601 of Regulation S-K.

EXHIBIT INDEX

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The following exhibit index shows those exhibits filed with this report and those incorporated herein by reference:

Exhibits	Description of Document	F i l e d Form Herewith	Incorporated Herein by Reference	
			Exhibit	Filing Date
3.1	Articles of Incorporation	S-1	3.1	02-26-09
3.2	Bylaws	S-1	3.2	02-26-09
4.1	Non-Qualified Stock Option and Stock Appreciation Rights Plan adopted on June 10, 2008	S-1	10.3	02-26-09
4.2	Form of Registration Rights Agreement 2010	10-K	4.3	04-15-11
4.3	Form of Warrant 2010	10-K	4.4	04-15-11
4.4	Form of Warrant 2011 (Convertible Bridge Loan)	8-K	10.1	05-25-11
4.5	Form of Convertible Promissory Note 2011	8-K	10.2	05-25-11
10.1	Assignment of Interest Agreement between Bakken Resources, Inc. (formerly Multisys Language Solutions, Inc.) and Peter Schmid dated June 11, 2008	S-1	10.2	02-26-09
10.2	Asset Purchase Agreement with Holms Energy, LLC entered into on November 26, 2010	8-K	10.1	10-21-10
10.3	Asset Purchase Agreement between Holms Energy, LLC and Evenette and Rocky Greenfield entered into on November 12, 2010	8-K	10.2	10-21-10
10.4	Promissory note with Holms Energy, LLC for \$485,000 entered into on November 12, 2010	8-K	10.2	11-18-10
10.5	Office Lease beginning December 1, 2010	10-K	10.6	04-15-11
10.7	Form of Common Stock and Warrant Purchase Agreement 2010	10-K	10.7	04-15-11

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10.8	Employment Agreement by and between Bakken Resources, Inc. and Val M. Holms, dated February 1, 2011	8-K	10.1	02-07-11
10.9	Employment Agreement by and between Bakken Resources, Inc. and Karen Midtlyng, dated February 1, 2011	8-K	10.2	02-07-11
10.10	Employment Agreement be and between Bakken Resources, Inc. and David Deffinbaugh, dated effective as of January 1, 2012	X		
10.11	Form of Securities Purchase Agreement, entered into by Bakken Resources, Inc. on February 4, 2011	8-K	10.1	02-09-11
10.12	Form of Securities Purchase Agreement, entered into by Bakken Resources, Inc. on March 18, 2011	8-K	10.1	03-24-11

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10.13	Oil and Gas Lease by and between Rocky Greenfield and Evenette Greenfield, Trustees of the Revocable Living Trust of Rocky Greenfield and Evenette Greenfield and Empire Oil Company dated July 29, 2008	10-K	10.12	04-15-11
10.14	Oil and Gas Lease No.1 by and between Rocky Greenfield and Evenette Greenfield, Trustees of the Revocable Living Trust of Rocky Greenfield and Evenette Greenfield and Empire Oil Company dated July 14, 2008	10-K	10.13	04-15-11
10.15	Amendment to Oil and Gas Lease by and between The Rocky Greenfield and Evenette Greenfield Revocable Living Trust, Rocky Greenfield and Evenette Greenfield, Trustees and Oasis Petroleum North America, LLC dated	10-K	10.14	04-15-11

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September 18, 2009

10.16	Extension, Amendment and Ratification of Oil and Gas Lease by and between Evenette Greenfield and Rocky Greenfield and The Armstrong Corporation dated September 9, 2003	10-K	10.15	04-15-11
10.17	Extension, Amendment and Ratification of Oil and Gas Lease by and between Evenette Greenfield and The Armstrong Corporation dated November 24, 2004	10-K	10.16	04-15-11
10.18	Oil and Gas Lease No.2 by and between Rocky Greenfield and Evenette Greenfield, Trustees of the Revocable Living Trust of Rocky Greenfield and Evenette Greenfield and Empire Oil Company dated July 14, 2008	10-K	10.17	04-15-11
10.19	Oil and Gas Lease by and between Val Holms and Mari Holms, individually and as Trustees of the Val Holms and Mari Holms Revocable Living Trust and Empire Oil Company dated July 29, 2008	10-K	10.18	04-15-11
10.20	Oil and Gas Lease by and between Val Holms and Mari Holms, individually and as Trustees of the Val Holms and Mari Holms Revocable Living Trust and Empire Oil Company dated July 14, 2008	10-K	10.19	04-15-11
10.21	Oil and Gas Lease by and between Val Holms and Mari Holms, individually and as Trustees of the Val Holms and Mari Holms Revocable Living Trust and The Armstrong Corporation dated March 1, 2005	10-K	10.20	04-15-11
10.22	Oil and Gas Lease by and between Val Holms and Mari Holms Revocable Living Trust, Val Holms and Maris Holms Trustees and The Armstrong Corporation dated September 9, 2003	10-K	10.21	04-15-11
10.23	Oil and Gas Lease by and between Val Holms and Mari Holms, Trustees of the Val Holms and Mari Holms Revocable Living Trust and the Armstrong Corporation dated November 24, 2004	10-K	10.22	04-15-11

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10.24	Oil and Gas Lease by and between Val Holms and Mari Holms, individually and as Trustees of the Val Holms and Mari Holms Revocable Living Trust and Empire Oil Company dated July 14, 2008	10-K	10.23	04-15-11
10.25	Form of Convertible Bridge Loan Agreement 2011	8-K	10.1	05-25-11
10.26	Mineral Property Sale and Purchase Agreement Between John L. Reely, Lincoln Green, Inc. and Bakken Resources, Inc. dated effective as of September 21, 2011	8-K	10.1	09-27-11
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer		X	
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer		X	
32.1	Section 1350 Certification of Chief Executive Officer		X	
32.2	Section 1350 Certification of Chief Financial Officer		X	

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SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act of 1934, as amended, the registrant caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in Helena, MT on this 16th day of April, 2012.

BAKKEN RESOURCES, INC.

Date: April 16, 2012

By:

/s/ Val M. Holms

Val M. Holms

President, CEO, and Director

(principal executive officer)

In accordance with Section 13 or 15(d) of the Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant in the capacities indicated below on this 16th day of April, 2012.

Date: April 16, 2012

By:

/s/ Val M. Holms

Val M. Holms

President, CEO, and Director

(principal executive officer)

Date: April 16, 2012

By:

/s/ David Deffinbaugh

David Deffinbaugh

Chief Financial Officer and Director

(principal financial and accounting officer)

Date: April 16, 2012

By:

/s/ Karen Midtlyng

Karen Midtlyng

Secretary and Director

Date: April 16, 2012

By:

/s/ Bill M. Baber

Bill M. Baber

Director

Date: April 16, 2012

By:

/s/ W. Edward Nichols

Edward W. Nichols

Director

