

ASX RELEASE
29 April 2021

QUARTERLY ACTIVITIES REPORT – MARCH 2021

Fargo Enterprises Limited (**ASX: FGO**) (**Fargo** or the **Company**) provides the following quarterly activities report for the quarter ended 31 March 2021.

Sale of Flamingo Business Unit

As announced 26 August 2020, the Company entered into a binding share purchase agreement (**SPA**) with BDNM Investments Pty Ltd (**Purchaser**) for the sale of the Company's subsidiaries Flamingo Customer Experience Inc and Flamingo Ventures Pty Ltd (**Transaction**).

The remaining condition to the completion of the Transaction is receipt of approval by the Foreign Review Investment Board (**FIRB**). The Purchaser has advised that in mid April, FIRB requested an extension to the legislated 180 day review period, as consultants to FIRB had yet to provide FIRB with required information. The vendor has granted FIRB an extension and anticipates a decision from FIRB in the near future.

There is a risk the Transaction may not proceed if FIRB approval is not received. In the event the Transaction does not proceed, the Company will continue to explore all options in respect of the Flamingo AI business operations.

Fargo continues to operate the business with the assistance of the Purchaser, providing services to existing customers such as HSBC Australia. In addition, the Purchaser intends to continue development of the Flamingo AI Smart Hub in line with existing customer requirements and it will promote the Smart Hub product to prospective clients in both Australia and the US.

Future Plans

The Company has commenced a process to look for additional assets to acquire. Shareholders should note that in accordance with ASX Guidance Note 12, ASX will generally continue quotation of the Company's securities for a six-month period to allow the Company to complete the Transaction and identify and announce a suitable new business. Depending on the timing and size of transaction, the Company may need to re-comply with Chapters 1 and 2 of the Listing Rules.

Corporate

During the quarter the Company announced the establishment of a small shareholding sale facility (**Sale Facility**). A total of 1,200 shareholders collectively holding 41,903,875 fully paid ordinary shares participated in the Sale Facility. This reduction will in turn reduce the Company's administrative costs, including printing and mailing costs and share registry expenses.

The aggregate amount of payments of \$45,000 to directors and their associates during the quarter ended 31 March 2021 is related to non-executive director fees, and fees paid to director related entities for company secretary services.

The Company held \$926,000 cash as of 31 March 2021.

[ENDS]

This announcement has been approved by the board of Fargo Enterprises Limited.

For further information, investor or media enquiries, please contact info@fargoenterprises.com.au