

## Results for Announcement to the Market

In accordance with the Listing Rules, Fargo Enterprises Limited encloses for immediate release the following information:

1. Appendix 4E
2. Unaudited Preliminary Final Financial Statements for the year to 30 June 2021

### Appendix 4E

Preliminary final report for the year ended 30 June 2021 as required by ASX Listing Rule 4.3A

#### Results for Announcement to the Market

(all comparisons to the year ended 30 June 2020)

	30 June 2021	Up/Down	Movement %
Revenue from continuing operations	-	-	-
Profit/(Loss) from ordinary activities after tax	(601,884)	Down	32%
Net Profit/(Loss) for the period	(844,950)	Down	76%
Net tangible asset per share	0.0006	Down	53%

#### Dividend Information

	Amount per share	Franked amount	Tax rate for franking credit%
Dividend per share for period to 30 June 2021	Nil	Nil	Nil

The Company does not propose to pay any dividends in the current year and does not have a dividend reinvestment plan.

#### Net Tangible Asset/(Liability) Information

	30 June 2021	30 June 2020
Net Tangible Asset/(Liability) Per Security	\$0.0006	\$0.001

#### Details of entities over which control has been gained or lost

- Control gained over entities: N/A
- Control lost over entities: N/A

#### Details of Associates / Joint Ventures

- N/A

#### Other significant information

- N/A

#### Accounting Standards

- For foreign entities, the set of accounting standards used in compiling the report: N/A

#### Results of the period

Refer Review and Results of Operations.

#### Statement on the financial statements

The financial Statements are currently under audit with no qualification being envisioned.



**FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)**  
**ABN 99 000 031 292**

**PRELIMINARY FINAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

<b>Index:</b>	<b>Page</b>
Corporate Directory	1
Review and Results of Operations	2
Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Cash Flows	5
Consolidated Statement of Changes in Equity	6
Condensed Notes to the Financial Statements	7

**FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)**

ABN 99 000 031 292  
**CORPORATE DIRECTORY**

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**DIRECTORS**

Dr Catriona Wallace – Non-Executive Director

Mr Zane Lewis – Non-Executive Director

Mr Phillip Coulson – Non-Executive Director

**Company Secretary**

Mr Zane Lewis

**Registered Office**

Suite 1, 295 Rokeby Road

Perth WA 6008

Australia

Ph: +61 (08) 6555 2950

**Auditor**

William Buck (NSW) Pty Limited

Level 29, 66 Goulburn Street

Sydney NSW 2000

**Share Registry**

Automatic Registry Services

Level 2, 267 St Georges Terrace

Perth WA 6000

**Securities Exchange Listing**

ASX Limited

Level 40, Central Park

152-158 St Georges Terrace

Perth WA 6000

**ASX Code – FGO**

**Website**

<https://fargoenterprises.com.au/>

# FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)

## REVIEW AND RESULTS OF OPERATIONS

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### PRINCIPAL ACTIVITIES

The Group is an innovative enterprise Software as a Service (**SaaS**) company which has developed an Artificial Intelligence (**AI**) platform (**Flamingo Platform**) based on Unsupervised Machine Learning technology. The Group provides AI-based products including Cognitive Virtual Assistants and a Knowledge Engine which are used by enterprises to improve their sales, service and internal knowledge processes.

During the period, the Group entered into an exclusive, binding conditional term sheet for sale of all assets of Flamingo Ai Limited relating to the Flamingo Platform (refer to further details below).

### REVIEW AND RESULTS OF OPERATIONS

The Group reported a loss after tax for the year of \$844,950 (2020: loss after tax of \$3,585,675). The net assets of the Group have decreased to \$660,437 at 30 June 2021 (2020: net asset of \$1,319,651).

The Group's cash and cash equivalents decreased from a balance of \$1,522,261 at 30 June 2020 to a balance of \$649,519 at 30 June 2021 and the Group had a net working capital surplus of \$800,700 (2020: net working capital surplus of \$1,302,997).

During the year the Company announced that it has 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 (the "Transaction").

The consideration for the Transaction is comprised of a \$500,000 cash payment, of which \$100,000 is to be retained under a warranty security deed for 12 months post-completion. As the Company will not incur further operational costs beyond meeting its obligations to maintain platforms to serve existing clients, the purchase price may be reduced for any prepaid revenue received before completion and also in specific circumstances where the Purchaser provides assistance in the interim period to completion with day to day operations (including engineering support) and transitioning clients.

The remaining condition to the completion of the Transaction is receipt of approval by the Foreign Review Investment Board (**FIRB**). 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.

On 23 August 2021, the Company announced that it has entered into a binding Terms Sheet to acquire Odessa Minerals Limited. Odessa has agreed to acquire a 90% interest in the Aries Project, Calwynyardah Project and Aries Extension Project, as well as 11 applications for exploration licences, which are located in the Kimberley region of Western Australia and are highly prospective for diamonds

The acquisition consideration consists of ~196m Ordinary Fargo shares and ~98m unquoted options with an exercise price of \$0.04 and a 4-year expiry date.

As part of the transaction process, the Company intends to:

- consolidate the current shares on issue on a 5 to 1 basis, subject to shareholder approval.
- As part of The Company will issue a Prospectus to raise a minimum of \$4 million at \$0.02 per share.
- The Company will appoint Dr Darren Holden and Ms Lisa Wells as Non-Executive Directors, with Dr Catriona Wallace and Phillip Coulson resigning as Directors, and Mr Zane Lewis remaining as a Director.

The transaction is subject to various conditions precedent, including shareholder approval, the disposal of the Flamingo business (refer Note 10) and re-compliance with Chapters 1 and 2 of the Listing Rules.

Post re-listing, the Company intends to change its name to "Odessa Minerals Limited".

# FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	30 June 2021 \$	30 June 2020 \$
Other income		34,289	40,247
Impairment expenses		-	(21,076)
Corporate expenses		(265,982)	(337,766)
Employee expenses		-	(189,498)
Occupancy and office expenses		(2,474)	(26,976)
Public company expenses		(324,542)	(251,096)
Transaction costs		(35,000)	(88,000)
Depreciation expense		(8,175)	-
Travel and entertainment		-	(2,354)
Interest expense		-	(3,374)
<b>Loss before income tax</b>		<u>(601,884)</u>	<u>(879,893)</u>
Income tax expense		-	-
<b>Loss for the year from continuing operations</b>		<u>(601,884)</u>	<u>(879,893)</u>
<b>Loss for the year from discontinued operations</b>	2	<u>(243,066)</u>	<u>(2,705,782)</u>
<b>Loss for the year</b>		<u>(844,950)</u>	<u>(3,585,675)</u>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		(4,730)	18,118
<b>Total comprehensive loss for the year</b>		<u>(849,680)</u>	<u>(3,567,557)</u>
<b>Total comprehensive income for the year is attributable to:</b>			
<b>Loss for the year</b>			
Continuing operations		(601,884)	(879,893)
Discontinuing operations		(243,066)	(2,705,782)
		(844,950)	(3,585,675)
<b>Other comprehensive income for the year</b>			
Continuing operations		-	-
Discontinuing operations		(4,730)	18,118
		(4,730)	18,118
		<u>(849,680)</u>	<u>(3,567,557)</u>
<b>Earnings Per Share</b>			
From continuing operations			
Basic and diluted loss per share (cents per share)		(0.05)	(0.08)
From discontinued operations			
Basic and diluted loss per share (cents per share)		(0.02)	(0.24)
Combined Basic and diluted loss per share (cents per share)		(0.07)	(0.32)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

**FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	Note	30 June 2021 \$	30 June 2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		649,519	1,522,261
Trade and other receivables		20,103	23,970
Other current assets		6,795	44,242
Assets classified as held for sale	2	49,434	187,492
<b>TOTAL CURRENT ASSETS</b>		<b>725,851</b>	<b>1,777,965</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		7,650	16,654
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,650</b>	<b>16,654</b>
<b>TOTAL ASSETS</b>		<b>733,501</b>	<b>1,794,619</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		50,003	51,563
Liabilities classified as held for sale	2	23,061	423,405
<b>TOTAL CURRENT LIABILITIES</b>		<b>73,064</b>	<b>474,968</b>
<b>TOTAL LIABILITIES</b>		<b>73,064</b>	<b>474,968</b>
<b>NET ASSETS</b>		<b>660,437</b>	<b>1,319,651</b>
<b>SHAREHOLDERS' EQUITY</b>			
Issued capital		34,997,148	34,893,595
Reserves		259,995	325,897
Accumulated losses		(34,596,706)	(33,899,841)
<b>SHAREHOLDERS' EQUITY</b>		<b>660,437</b>	<b>1,319,651</b>

The Consolidated Statement of Financial Position should be read in conjunction  
with the notes to the financial statements.

**FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	30 June 2021	30 June 2020
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		-	605,589
Government grants		74,480	618,751
Interest received		8,256	43,222
Payments to suppliers and employees		(944,643)	(4,963,359)
<b>Net cash used in operating activities</b>		<b>(861,907)</b>	<b>(3,695,797)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		-	(40,469)
Proceeds from sale of plant and equipment		2,200	-
Cash flows relating to the sale of the Flamingo AI business		(10,000)	-
<b>Net cash used in investing activities</b>		<b>(7,800)</b>	<b>(40,469)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(869,707)</b>	<b>(3,736,266)</b>
Cash and cash equivalents at the beginning of the financial year		<b>1,522,261</b>	5,018,109
Effects of foreign currency translation		(3,035)	240,418
<b>Cash and cash equivalents at the end of the financial year</b>		<b>649,519</b>	<b>1,522,261</b>

The Consolidated Statement of Cash Flows should be read in conjunction  
with the notes to the financial statements.



**FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

	Issued Capital	Option Reserve	Foreign Currency Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>34,893,595</b>	<b>1,181,422</b>	<b>(267,492)</b>	<b>(31,065,412)</b>	<b>4,742,113</b>
Loss for the year	-	-	-	(3,585,675)	(3,585,675)
Other comprehensive income	-	-	18,118	-	18,118
Total comprehensive loss for the year	-	-	18,118	(3,585,675)	(3,567,557)
<b>Transactions with owners, recognised directly in equity</b>					
Transactions involving options	-	145,095	-	-	145,095
Expiry of options	-	(751,246)	-	751,246	-
<b>Balance at 30 June 2020</b>	<b>34,893,595</b>	<b>575,271</b>	<b>(249,374)</b>	<b>(33,899,841)</b>	<b>1,319,651</b>
<b>Balance at 1 July 2020</b>	<b>34,893,595</b>	<b>575,271</b>	<b>(249,374)</b>	<b>(33,899,841)</b>	<b>1,319,651</b>
Loss for the year	-	-	-	(844,950)	(844,950)
Other comprehensive income	-	-	(4,730)	-	(4,730)
Total comprehensive loss for the year	-	-	(4,730)	(844,950)	(849,680)
<b>Transactions with owners, recognised directly in equity</b>					
Issue of shares	103,553	-	-	-	103,553
Transactions involving options	-	86,913	-	-	86,913
Expiry of options	-	(148,085)	-	148,085	-
<b>Balance at 30 June 2021</b>	<b>34,997,148</b>	<b>514,099</b>	<b>(254,104)</b>	<b>(34,596,706)</b>	<b>660,437</b>

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

# FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2021

### 1. Accounting Policies

#### Basis of Preparation

These consolidated financial statements cover Fargo Enterprises Limited (Formerly Flamingo AI Limited) (the Company) and the entities it controlled for all or part of the financial year (also referred to as the Consolidated Entity or the Group). Fargo Enterprises Limited (Formerly Flamingo AI Limited) is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

The financial information in this report does not include all the notes of the type normally included within the annual financial reports and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial reports.

Therefore it is recommended that this report should be read in conjunction with the annual financial reports for the year ended 30 June 2021, when it becomes available, and be considered together with any public announcements made by Fargo Enterprises Limited during the year ended 30 June 2021 in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

### 2. Discontinued Operations

During the year the Company announced that it has 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 (the "Transaction").

The consideration for the Transaction is comprised of a \$500,000 cash payment, of which \$100,000 is to be retained under a warranty security deed for 12 months post-completion. As the Company will not incur further operational costs beyond meeting its obligations to maintain platforms to serve existing clients, the purchase price may be reduced for any prepaid revenue received before completion and also in specific circumstances where the Purchaser provides assistance in the interim period to completion with day to day operations (including engineering support) and transitioning clients.

The remaining condition to the completion of the Transaction is receipt of approval by the Foreign Review Investment Board (FIRB). 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.

The Directors are of the view that the proposed Transaction is in the best interests of the Company and its Shareholders and subject to the conditions being met, will unanimously recommend that all Shareholders vote in favour of the proposed Transaction. Each Director intends to vote all shares held or controlled by them in favour of the proposed Transaction.

As described in Note 3, subsequent to year end the Company has entered into a transaction to acquire Odessa Minerals Limited. A condition precedent to the completion of the transaction is the completion of the disposal of the existing business.

	30 June 2021	30 June 2020
	\$	\$
<b>Results of discontinued operations</b>		
Revenue	66,865	1,254,286
Employee Expenses	(78,507)	(2,997,585)
Other expenses	(231,424)	(962,483)
Loss before income tax	(243,066)	(2,705,782)
Income tax expense	-	-
Total Loss after tax attributable to the discontinued operations	(243,066)	(2,705,782)

# FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2021

### 2. Discontinued Operations (continued)

	30 June 2021	30 June 2020
	\$	\$
<b>Assets and liabilities of the discontinued operations</b>		
<b>Assets</b>		
Trade and other receivables	3,032	20,535
Other current assets	27,973	139,018
Property, Plant and Equipment	18,429	27,939
<b>Assets classified as held for sale</b>	<b>49,434</b>	<b>187,492</b>
<b>Liabilities</b>		
Trade and other payables	23,061	191,194
Deferred Income	-	55,000
Employee benefits	-	177,211
<b>Liabilities classified as held for sale</b>	<b>23,061</b>	<b>423,405</b>

### 3. Events subsequent to reporting date

On 23 August 2021, the Company announced that it has entered into a binding Terms Sheet to acquire Odessa Minerals Limited. Odessa has agreed to acquire a 90% interest in the Aries Project, Calwynyardah Project and Aries Extension Project, as well as 11 applications for exploration licences, which are located in the Kimberley region of Western Australia and are highly prospective for diamonds.

The acquisition consideration consists of ~196m Ordinary Fargo shares and ~98m unquoted options with an exercise price of \$0.04 and a 4-year expiry date.

As part of the transaction process, the Company intends to:

- consolidate the current shares on issue on a 5 to 1 basis, subject to shareholder approval.
- As part of The Company will issue a Prospectus to raise a minimum of \$4 million at \$0.02 per share.
- The Company will appoint Dr Darren Holden and Ms Lisa Wells as Non-Executive Directors, with Dr Catriona Wallace and Phillip Coulson resigning as Directors, and Mr Zane Lewis remaining as a Director.

The transaction is subject to various conditions precedent, including shareholder approval, the disposal of the Flamingo business (refer Note 10) and re-compliance with Chapters 1 and 2 of the Listing Rules.

Post re-listing, the Company intends to change its name to "Odessa Minerals Limited".

There were no other significant events after the reporting date

### 4. Commitments and Contingent liabilities

There are no other commitments or contingent assets/liabilities as at 30 June 2021.

### 5. Audit Status

These financial statements are based on accounts that are in the process of being audited.