



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

**ABN 99 000 031 292**

**ANNUAL REPORT**

**30 JUNE 2021**

# FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)

ABN 99 000 031 292

## ANNUAL REPORT 30 JUNE 2021

### DIRECTORS' REPORT

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#### CORPORATE DIRECTORY

##### Directors

Dr Catriona Wallace – Non-Executive Director  
Mr Zane Lewis – Non-Executive Director  
Mr Phillip Coulson – Non-Executive Director

##### Company Secretary

Mr Robbie Featherby

##### 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

Automic 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)

ABN 99 000 031 292

## ANNUAL REPORT 30 JUNE 2021

### DIRECTORS' REPORT

The Directors of Fargo Enterprises Limited (Formerly Flamingo AI Limited) ("the Company") present their report, together with the financial statements of the Company and its controlled entities ("the Group" or "the Consolidated Entity") for the financial year ended 30 June 2021.

#### Directors

The names and the particulars of the Directors of the Company during or since the end of the financial year are:

Name	Status	Appointment/Resignation date
Dr Catriona Wallace	Non-Executive Director	Appointed 3 November 2016
Mr Zane Lewis	Non-Executive Director	Appointed 21 November 2019
Mr Phillip Coulson	Non-Executive Director	Appointed 29 January 2021
Mr Bryn Hardcastle	Non-Executive Director	Appointed 5 March 2020, Resigned 29 January 2021

#### 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).

#### Dividends

There were no dividends paid or recommended during the financial year ended 30 June 2021 (2020: Nil).

#### Review 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).

#### Significant changes in the state of affairs

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.

# FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)

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#### Information on Directors

##### ***Dr Catriona Wallace***

Non-Executive Director (appointed 3 November 2016)

##### Qualifications

PhD in Organisational Behaviour: Technology as a Substitute for Human Leaders

##### Experience

Dr Catriona Wallace is the founder and CEO of the Group. Dr Wallace is a multi-award winning, internationally recognised business leader, well published author, with a PhD and is statistically trained. She is the founder and now major shareholder of two successful businesses (excluding Flamingo), including the multi-award-winning customer experience design firm, Fifth Quadrant.

##### Interest in shares and options at the date of this report

174,191,994 ordinary shares

##### Special Responsibilities

Nil

##### Directorships held in other listed entities (last 3 years)

None

##### ***Mr Zane Lewis***

Non-Executive Director (Appointed 21 November 2019)

Company Secretary (Appointed 6 February 2017, resigned 3 September 2021)

##### Qualifications

Bachelor of Economics, Fellow of the Governance Institute of Australia

##### Experience

Mr Zane Lewis has over 20 years' experience with small cap multinational companies including corporate advisory roles at several ASX listed companies. Mr Lewis is a member of Chartered Secretaries Australia and is a Non-Executive Director and Company Secretary for a number of ASX Listed companies.

##### Interest in shares and options at the date of this report

118,884,023 ordinary shares

##### Special Responsibilities

Nil

##### Directorships held in other listed entities (last 3 years)

Tap Oil Limited (**TAP**)

Lion Energy Limited (**LIO**)

Wildcat Resources Limited (**WC8**)

Kingsland Global Limited (**KLO**)

Vital Metals Limited (**VML**)

8Vic Limited (**8VI**)

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### DIRECTORS' REPORT

#### Information on Directors (continued)

<b>Mr Bryn Hardcastle</b>	Non-Executive Director (Appointed 5 March 2020, Resigned 29 January 2021)
Qualifications	Bachelor of Laws, Bachelor of Arts
Experience	<p>Mr Hardcastle is an experienced corporate lawyer specialising in corporate, commercial and securities law. He is the founder of Bellanhouse Legal (acquired by HWL Ebsworth) which predominantly advises on equity capital markets, re-compliance transactions and takeovers across a variety of industries.</p> <p>Mr Hardcastle has extensive international legal experience and has advised on numerous cross border transactions working in the United Kingdom, the Middle East and North America. He also has experience acting as a Non-Executive Director of ASX listed companies.</p>
Interest in shares and options at the date of this report	1,500,000 ordinary shares
Special Responsibilities	Nil
Directorships held in other listed entities (last 3 years)	New Century Resources Limited ( <b>NCZ</b> )
<b>Mr Phillip Coulson</b>	Non-Executive Director (appointed 29 January 2021)
Qualifications	Bachelor of Economics
Experience	<p>Mr Coulson has over 18 years of corporate advisory experience, having held senior advisory positions at Mantagu Stockbrokers and Patersons Securities Limited. He has promoted and advised numerous companies in the identification and acquisition of technology and resource projects.</p>
Interest in shares and options at the date of his resignation	63,624,682 ordinary shares
Special Responsibilities	Nil
Directorships held in other listed entities (last 3 years)	Vital Metals Limited ( <b>VML</b> )

#### Company Secretary

On 3 September 2021, Mr Robbie Featherby was appointed as Company Secretary of the Company. Robbie Featherby is a Corporate Advisory Executive who holds a Bachelor of Commerce Degree majoring in Finance and Economics. Mr Featherby has an extensive number of years' experience in the financial services industry, more recently spending 4 years in London working at a leading investment research provider in the private equity sector.

Mr Featherby now provides company secretary services for a number of private and public companies.

#### Meetings of Directors

The number of formal meetings of Directors held during the year and the number of meetings attended by each director was as follows:

Director	Appointment/Resignation date	Number eligible to attend	Number attended
Catriona Wallace	Appointed 3 November 2016	4	4
Zane Lewis	Appointed 21 November 2019	4	4
Bryn Hardcastle	Appointed 5 March 2020, Resigned 29 January 2021	2	2
Phillip Coulson	Appointed 29 January 2021	2	2

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

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**ANNUAL REPORT 30 JUNE 2021****DIRECTORS' REPORT****Options****Unissued shares under option**

At the date of this report, the unissued ordinary shares of the Group under option are as follows:

<b>Expiry date</b>	<b>Grant date</b>	<b>Exercise price</b>	<b>Number under option</b>
3 November 2021	3 November 2016	\$0.029	4,922,948
16 December 2021	16 December 2016	\$0.040	2,932,808
22 March 2023	13 December 2017	\$0.040	361,111
28 February 2022	25 March 2019	\$0.008	1,100,000
28 February 2022	25 March 2019	\$0.008	6,780,000
28 February 2022	2 May 2019	\$0.008	8,500,000
<b>Total</b>			<b>24,596,867</b>

During the year and up to the date of this report, no options were exercised.

No option holder has any right under the options to participate in any other share issue of the Company or of any associated entity.

**Performance rights**

At the date of this report, the Company had the following performance rights on issue:

<b>Grant date</b>	<b>Performance right class</b>	<b>Expiration date</b>	<b>Number of rights issued</b>
10 April 2018	Class E	10 October 2021	4,000,000
1 October 2018	Class H	1 October 2021	4,000,000
1 October 2018	Class I	1 October 2021	4,000,000
<b>Total</b>			<b>12,000,000</b>

<b>Class</b>	<b>Performance milestone</b>
Class E	Flamingo achieves \$13,000,000 in Revenue in any 12-months period within 36 months of 4 November 2019
Class H	Upon volume weighted average price (VWAP) for 10 consecutive trading days of shares equals or exceeds 10 cents, within 36 months from date of issue
Class I	Upon volume weighted average price (VWAP) for 10 consecutive trading days of shares equals or exceeds 6 cents, within 36 months from date of issue

At the grant date, the Class E performance rights, with non-market vesting conditions, have been valued by reference to the prevailing share price at the grant date. No expense has been recognised in the current year in respect of these performance rights due to the uncertainty of meeting the performance milestones, which are based on future events.

The fair value of the Class H and I performance rights, with market linked vesting conditions, have been valued at the grant date by reference to the prevailing share price at that date, and adjusted for managements best estimate of achieving the respective performance milestones. The fair value of the Class H and I performance rights is being recognised equally over a 36-month vesting period.

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#### **Performance shares**

At the date of this report, the Company had no performance shares on issue. The Class G performance rights reported as on issue in the previous annual report expired on 19 October 2020 and 10 April 2021.

#### **Proceedings on behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

#### **Indemnifying officers**

The Company indemnifies each of its directors, officers and company secretary. The Company indemnifies each director or officer to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a director or officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the Corporations Act 2001. The Company must also use its best endeavours to insure a Director or officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

#### **Insurance premiums**

During the year, the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

#### **Environmental regulations**

In the normal course of business, there are no environmental regulations or requirements that the Group is subject to.

#### **Likely developments and expected results of 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 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.

#### **Matters subsequent to the end of the financial year**

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.

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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.

#### **Indemnification of auditors**

To the extent permitted by law, the Group has agreed to indemnify its auditors, William Buck (NSW) Pty Limited, as part of the terms of its audit engagement agreement against claims by third parties arising from their report on the financial report.

#### **Non-audit services**

During the year, William Buck (NSW) Pty Limited, provided the Company with other non-audit services totalling to \$16,000. Details of their remuneration can be found within the financial statements at note 5.

Where non-audit services are provided by William Buck (NSW) Pty Limited, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

#### **Auditor's independence declaration**

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 13 of the financial report.



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### DIRECTORS' REPORT

#### Remuneration Report (Audited)

This remuneration report for the year ended 31 June 2021 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (Cth), as amended (**Act**) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Director fee arrangements
5. Performance conditions linked to remuneration
6. Details of remuneration
7. Additional disclosures relating to equity instruments
8. Loans to key management personnel (KMP) and their related parties
9. Other transactions and balances with KMP and their related parties
10. Voting of shareholders at least years AGM

#### 1. Introduction

Key Management Personnel (**KMP**) have authority and responsibility for planning, directing and controlling the major activities of the Group. KMP comprise the directors of the Company and identified key management personnel.

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparable companies both locally and internationally and the objectives of the Group's compensation strategy.

#### 2. Remuneration governance

The Directors believe the Group is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committee. Accordingly, all matters are considered by the full Board of Directors, in accordance with a remuneration committee charter.

During the financial year, the Group did not engage any remuneration consultants.

#### 3. Executive remuneration arrangements

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds. Shares and options may only be issued subject to approval by shareholders in a general meeting.

At the date of this report the Group, the executive agreements with both Mr Olivier Cauderlier (CEO from 11 July 2019 until 17 August 2020) and Dr Catriona Wallace (Founder & Head of Business Development until 17 August 2020, after which she retained the role of Non-Executive Director) have ended.

The terms of their Executive Employment Agreements while they were effective during the year are summarised in the following table.

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#### 3. Executive remuneration arrangements (continued)

Executive Name	Remuneration
<b>Mr Olivier Cauderlier</b> (Chief Executive Office from 11 July 2019, ending 17 August 2020)	<ul style="list-style-type: none"><li>• Base executive salary of \$225,000 per annum, exclusive of superannuation;</li><li>• An annual short-term incentive of up to \$100,000 at the Company's discretion based on Mr Cauderlier's and the Company's performance including financial and non-financial measures and Mr Cauderlier's achievement of key performance indicators (STI bonus). The STI bonus is payable in cash and/or shares at Mr Cauderlier's election; and</li><li>• Subject to shareholder approval, Mr Cauderlier will be allocated 12,000,000 unquoted options in the Company at an exercise price of \$0.007 each (based on the 30-day VWAP prior to 10 July 2019), as follows:<ul style="list-style-type: none"><li>○ 4,000,000 options vesting 10 July 2020; and</li><li>○ The remaining 8,000,000 options vesting quarterly (in eight equal instalments of 1,000,000 options), commencing 10 October 2020.</li></ul></li><li>• Mr Cauderlier's Agreement is for indefinite term and will continue until terminated by either the Company giving the three months written notice or by Dr Wallace giving the Company three months written notice (or shorter period in limited circumstances)</li></ul>
<b>Dr Catriona Wallace</b> (Founder & Head of Business Development – contract terms effective from 31 August 2019, ending 17 August 2020.	<ul style="list-style-type: none"><li>• Base executive salary of \$175,000 per annum, inclusive of superannuation and Directors fees;</li><li>• An annual short-term incentive of up to \$30,000 at the Company's discretion based on Dr Wallace's and the Company's performance including financial and non-financial measures and Dr Wallace's achievement of key performance indicators (STI bonus). The STI bonus is payable in cash and/or shares at Dr Wallace's election; and</li><li>• Dr Wallace's Agreement is for an indefinite term and will continue until terminated by either the Company giving the three months written notice or by Dr Wallace giving the Company three months written notice (or shorter period in limited circumstances)</li></ul>

#### 4. Director fee arrangements

The Board policy is to remunerate Directors at a level to comparable companies for time, commitment, and responsibilities. Directors may receive performance related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to Directors.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is presently limited to an aggregate of \$500,000 per annum and any change is subject to approval by shareholders at the General Meeting. Fees for Directors are not linked to the performance of the Company, however, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

Total fees for the Directors for the financial year were \$170,764 (2020: \$340,442) and cover main Board activities only. Directors may receive additional remuneration for other services provided to the Group.

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**DIRECTORS' REPORT**

**5. Details of remuneration**

The Key Management Personnel of Fargo Enterprises Limited (Formerly Flamingo AI Limited) includes the current and former Directors of the Company and Key Management Personnel of the Consolidated Entity during the year ended 30 June 2021.

<b>30-Jun-21</b>	<b>Short term salary, fees &amp; commissions \$</b>	<b>Post- employment superannuation \$</b>	<b>Bonus \$</b>	<b>Share-based payments \$</b>	<b>Total \$</b>	<b>Performance based % of remuneration \$</b>
<b>Directors:</b>						
Catriona Wallace	175,240	3,339	-	-	178,579	-
Zane Lewis	62,639	-	-	-	62,639	-
Bryn Hardcastle	32,083	-	-	-	32,083	-
Phillip Coulson	25,000	-	-	-	25,000	-
<b>Key Management Personnel:</b>						
Olivier Cauderlier	45,719	2,714	-	-	48,433	-
<b>Total</b>	<b>340,681</b>	<b>6,053</b>	<b>-</b>	<b>-</b>	<b>346,734</b>	<b>-</b>

<b>30-Jun-20</b>	<b>Short term salary, fees &amp; commissions \$</b>	<b>Post- employment superannuation \$</b>	<b>Bonus \$</b>	<b>Share-based payments \$</b>	<b>Total \$</b>	<b>Performance based % of remuneration \$</b>
<b>Directors:</b>						
Catriona Wallace	179,679	17,070	-	-	196,749	-
Zane Lewis	96,333	-	-	-	96,333	-
Bryn Hardcastle	20,000	-	-	-	20,000	-
Olivier Cauderlier	216,702	20,307	-	-	237,009	-
Peter Lloyd	18,333	-	-	-	18,333	-
John Murray	25,000	2,375	-	-	27,375	-
<b>Total</b>	<b>556,047</b>	<b>39,572</b>	<b>-</b>	<b>-</b>	<b>595,799</b>	<b>-</b>

The relative proportions of remuneration that are linked to performance and those that are fixed for the current year are as follows:

<b>30-Jun-21</b>	<b>Fixed remuneration %</b>	<b>At risk: short term incentive %</b>	<b>At risk: share-based payments (options) %</b>
<b>Directors:</b>			
Catriona Wallace	100.0%	-	-
Zane Lewis	100.0%	-	-
Bryn Hardcastle	100.0%	-	-
Phillip Coulson	100.0%	-	-
Olivier Cauderlier	100.0%	-	-

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#### 6. Additional disclosures relating to equity instruments

##### KMP ordinary shareholdings

The number of ordinary shares in the Company, held by each KMP of the Group during the financial year is as follows:

30-Jun-21	Balance at the start of the year / at appointment date	Issued on conversion of performance rights/shares	Acquired on market purchase	Other changes during the year	Balance at end of the year/ at resignation date
<b>Directors:</b>					
Catriona Wallace	155,229,994	-	-	18,962,000 <sup>1</sup>	174,191,994
Zane Lewis	72,217,023	-	-	46,667,000 <sup>1</sup>	118,884,023
Bryn Hardcastle	1,500,000	-	-	-	1,500,000**
Phillip Coulson	63,624,682*	-	-	-	63,624,682
Olivier Cauderlier	-	-	-	-	-**
<b>Total</b>	<b>292,571,699</b>	<b>-</b>	<b>-</b>	<b>65,629,000</b>	<b>358,200,699</b>

\*Represents holdings as at the date of appointment.

\*\*Represents holdings as at the date of resignation.

<sup>1</sup> During the year Mr Zane Lewis and Dr Catriona Wallace were issued shares in lieu of fees owed to them as approved at the 2020 Annual General Meeting.

##### KMP options holdings

No directors or KMP's held any options over ordinary shares of the Company during or subsequent to the end of the financial year.

##### KMP performance rights holdings

The number of performance rights held by each KMP of the Group during the financial years is as follows:

30-Jun-21	Balance at the start of the year / at appointment date	Granted as remuneration during the year	Issued during the year	Exercised/ converted during the year*	Other movement (including expiry)	Balance at end of the year/ at resignation date	Vested and exercisable	Vested and un-exercisable
<b>Directors:</b>								
Catriona Wallace	-	-	-	-	-	-	-	-
Zane Lewis	3,000,000	-	-	-	(3,000,000)	-	-	-
Bryn Hardcastle	3,000,000	-	-	-	(3,000,000)	-	-	-
Phillip Coulson	-	-	-	-	-	-	-	-
Olivier Cauderlier	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 7. Loans to key management personnel and their related parties

There were no loans made to key management personnel during the financial year.

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**ANNUAL REPORT 30 JUNE 2021****DIRECTORS' REPORT****8. Other transactions and balances with KMP and their related parties**

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. During the year, the following entities provided corporate services and rental to the Group. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Entity	Nature of transactions	Key management personnel	Total transactions		Payable balance	
			2021	2020	2021	2020
			\$	\$	\$	\$
HWL Ebsworth	Legal fees	Bryn Hardcastle*	30,672	23,467	-	16,130
Smallcap Corporate Pty Ltd	Accounting fees	Zane Lewis	70,000	-	5,500	-
Smallcap Corporate Pty Ltd	Company Secretary	Zane Lewis	60,000	60,000	5,500	-

\* Mr Bryn Hardcastle resigned 29 January 2021.

During the year, the Company incurred legal fees of \$30,672 with HWL Ebsworth, a company related to Director Mr Bryn Hardcastle.

During the year, the Company incurred account fees of \$70,000 with Smallcap Corporate Pty Ltd, a company related to Mr Zane Lewis.

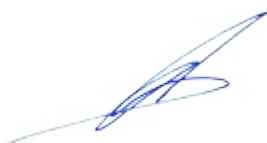
During the year, the Company incurred company secretarial fees of \$60,000 with Smallcap Corporate Pty Ltd, a company related to Mr Zane Lewis.

**9. Voting of shareholders at last year's annual general meeting**

At the 2020 AGM, 97.65% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**THIS IS THE END OF THE AUDITED REMUNERATION REPORT**

Signed in accordance with a resolution of the Board of Directors.

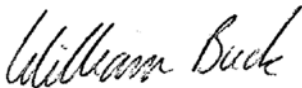
**Zane Lewis****Non-Executive Director**

20 September 2021

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF FARGO ENTERPRISES  
LIMITED AND ITS SUBSIDIARIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

- No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.



**William Buck**  
Accountants & Advisors  
ABN 16 021 300 521



**R. Ahrens**  
Partner  
Sydney, 20 September 2021

**ACCOUNTANTS & ADVISORS**

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

ABN 99 000 031 292

**ANNUAL REPORT 30 JUNE 2021**

**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>	2	(601,884)	(879,893)
Income tax expense	3	-	-
<b>Loss for the year from continuing operations</b>		(601,884)	(879,893)
<b>Loss for the year from discontinued operations</b>	10	(243,066)	(2,705,782)
<b>Loss for the year</b>		(844,950)	(3,585,675)

**Other comprehensive income:**

***Items that may be reclassified subsequently to profit or loss***

Exchange differences on translating foreign operations	(4,730)	18,118
<b>Total comprehensive loss for the year</b>	(849,680)	(3,567,557)

**Total comprehensive income for the year is attributable to:**

**Loss for the year**

Continuing operations	(601,884)	(879,893)
Discontinuing operations	(243,066)	(2,705,782)
	(844,950)	(3,585,675)

**Other comprehensive income for the year**

Continuing operations	-	-
Discontinuing operations	(4,730)	18,118
	(4,730)	18,118
	(849,680)	(3,567,557)

**Earnings Per Share**

From continuing operations			
Basic and diluted loss per share (cents per share)	6	(0.05)	(0.08)
From discontinued operations			
Basic and diluted loss per share (cents per share)	6	(0.02)	(0.24)
Combined Basic and diluted loss per share (cents per share)		(0.07)	(0.32)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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

ABN 99 000 031 292

**ANNUAL REPORT 30 JUNE 2021**

**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	7(a)	649,519	1,522,261
Trade and other receivables	8	20,103	23,970
Other current assets		6,795	44,242
Assets classified as held for sale	10	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	9	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	11	50,003	51,563
Liabilities classified as held for sale	10	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	12	34,997,148	34,893,595
Reserves	14	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 above consolidated statement of financial position should be read in conjunction with the accompanying notes.



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

ABN 99 000 031 292

**ANNUAL REPORT 30 JUNE 2021**

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

	<b>Issued Capital</b>	<b>Option Reserve</b>	<b>Foreign Currency Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<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 above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

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

ABN 99 000 031 292

**ANNUAL REPORT 30 JUNE 2021****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>	7(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>	7(a)	<b>649,519</b>	<b>1,522,261</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

# FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)

ABN 99 000 031 292

## ANNUAL REPORT 30 JUNE 2021

### CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 statements were issued by the board of directors on 20 September 2021.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. Where applicable, comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of preparation of the financial report

###### a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (**AASBs**) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (**AASB**), International Financial Reporting Standards (**IFRSs**), and the Corporations Act 2001.

###### b) Going concern

For the year ended 30 June 2021 the consolidated entity recorded a loss of \$844,950 (30 June 2020: loss \$3,585,675), net cash outflows from operating activities of \$861,907 (30 June 2020: outflows \$3,695,797), and net assets of \$660,437 as at that date (30 June 2020: net assets \$1,319,651). Of the cash outflows from operating activities for the year ended 30 June 2021, \$507,048 related to discontinued operations.

The financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and liabilities in the normal course of business for the following reasons:

- As described in Note 24, subsequent to year end the Company has entered into a transaction to acquire Odessa Minerals Limited for ~196m Ordinary Fargo shares and ~98m unquoted options with an exercise price of \$0.04 and a 4-year expiry date. Under the transaction, Fargo will issue a Prospectus to raise a minimum of \$4 million at \$0.02 per share; and
- As described in Note 10, during the year the Company entered into a binding share purchase agreement with BDNM Investments Pty Ltd for the sale of the Company's subsidiaries Flamingo Customer Experience Inc and Flamingo Ventures Pty Ltd. 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.

The ability of the consolidated entity to continue as a going concern is principally dependent on:

- The successful completion of the acquisition of Odessa Minerals Limited, including the associated capital raising of \$4,000,000 at \$0.02 per share;
- The successful disposal of the Company's subsidiaries and associated receipt of consideration described above; and
- The successful ongoing management of the Group's working capital.

Should the Consolidated Entity not achieve the matters set out above, there is uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Entity not be able to continue as a going concern.

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

ABN 99 000 031 292

## **ANNUAL REPORT 30 JUNE 2021**

### **CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **c) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Fargo Enterprises Limited (Formerly Flamingo AI Limited) ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Flamingo and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

##### **d) Income tax**

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

ABN 99 000 031 292

**ANNUAL REPORT 30 JUNE 2021**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**e) Income tax (continued)**

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**f) Financial instruments**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

**Financial assets at fair value through profit or loss**

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

**Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

**Impairment of financial assets**

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

# FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)

ABN 99 000 031 292

## ANNUAL REPORT 30 JUNE 2021

### CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### g) Impairment of non-financial assets

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits.

If any such indication exists, an impairment test is carried out on the asset by comparing the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

##### h) Intangible assets (including development assets)

Acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured on initial recognition at fair value at the acquisition date.

Internally developed intangible assets (referred to as development assets) are initially recognised at cost, including directly attributable costs.

Intangible assets with indefinite useful lives are not systematically amortised and are tested for impairment annually. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continued to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment.

##### i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits available on demand with banks with original maturity of three months or less.

##### j) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as a operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

ABN 99 000 031 292

**ANNUAL REPORT 30 JUNE 2021**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**l) Revenue**

**Revenue recognition**

The Group recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

*Time based and fixed fee consulting*

The Group's performance obligations in relation to time based and fixed fee consulting are defined within client contracts. The activities in the consulting contracts are considered to be highly interrelated, with clients being provided integrated services.

Revenue in relation to time-based consulting is recognised over time, as services are delivered, with revenue being calculated based on time incurred and material used.

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

ABN 99 000 031 292

## **ANNUAL REPORT 30 JUNE 2021**

### **CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue in relation to fixed fee consulting is recognised over time, as the customer simultaneously receive and consume the benefit of financial advice and consulting services.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue relating to government grants and the receipt of R&D tax credits from the Australian Government are recorded on an accrual basis. It is accrued in the period relating to which the relevant authority has a definite legal obligation to provide the grant.

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax.

#### **m) Goods and Services Tax (GST)**

Revenues and expenses, are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of the GST recoverable from, or payable to, the ATO is included with other receivables and payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **n) Employee benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees during the reporting period.

Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits. No employee benefits payable later than 12 months have been recognised in the current period.

#### **o) Share-based payments**

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The fair value of performance right options is determined using the satisfaction of certain performance criteria ('performance milestones').

The number of share options and performance rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. The fair value is determined using either a Black Scholes model (options) or by reference to the prevailing share price at the grant date, adjusted for management's best estimate of achieving the performance milestones attached to the issue (performance rights/shares).

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.



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

ABN 99 000 031 292

**ANNUAL REPORT 30 JUNE 2021**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**p) Equity and reserves**

Share capital represents the fair value of shares that have been issued. Any direct transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

The share based payment reserve records the value of share-based payments.

**q) Foreign currency transactions and balances**

*Functional and presentation currency*

The functional currency of each entity within the Group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the legal Parent's functional currency.

*Transaction and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognized other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

*Group companies*

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the historical exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

**r) Segment information**

*Identification of reportable segments*

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. There is currently one reportable segment.

# FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)

ABN 99 000 031 292

## ANNUAL REPORT 30 JUNE 2021

### CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### s) Earnings per share

Basic earnings per share is calculated by dividing:

- the loss attributable to the members of the parent entity, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year (if any).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

##### t) Assets classified as held-for-sale and discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

#### Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

##### *Impairment*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. The consolidated entity reviews intangible assets for impairment once a year, or more frequently if events or changes in circumstances indicate that there is impairment.

##### *Share-based payments*

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

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**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of the adopted Accounting Standards and Interpretations had any material effect on the consolidated entity's accounting treatments. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Standards and Interpretations in issue not yet adopted**

At the date of authorisation of the financial report, a number of Standards and Interpretations including those Standards and Interpretations issued by the IASB/IFRIC, where an Australian equivalent has not been made by the AASB, were in issue but not yet effective for which the Entity has considered it unlikely for there to be a material impact on the financial statements.

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$

**NOTE 2(b): LOSS FOR THE YEAR**

Loss before income tax includes the following specific expenses:

*Employee benefit expense*

Share-based payment expense	86,913	145,095
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**FARGO ENTERPRISES LIMITED (FORMERLY FLAMINGO AI LIMITED)**

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**ANNUAL REPORT 30 JUNE 2021****CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021****NOTE 3: INCOME TAX**

The financial accounts for the year ended 30 June 2021 comprise the results of Fargo Enterprises Limited (Formerly Flamingo AI Limited). The legal parent is incorporated and domiciled in Australia where the applicable tax rate for 30 June 2021 is 27.5%.

	30 June 2021	30 June 2020
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
(b) The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Income tax benefit on loss from continuing operations at 26% (2020: 27.5%)	(219,687)	(241,971)
Non-deductible items		
Non-deductible expenditure / (non-assessable income)	116,415	77,272
Adjustment for difference in tax rates	1,601	
Benefits from tax losses not brought to account	57,118	141,992
Benefits from tax loss not brought to account - US operations	6,723	
Temporary differences not recognised	37,830	22,706
Income tax attributable to operating income/(loss)	-	-
The applicable weighted average effective tax rates are as follows:	Nil%	Nil%
Balance of franking account at year end	Nil	Nil
<b>Deferred tax assets</b>		
Tax losses	(20,098)	119,606
Black hole expenditure	85,540	22,386
Unrecognised deferred tax asset	65,442	141,992
Less deferred tax assets not recognised	(65,442)	(141,992)
Net deferred tax	-	-
Unused tax losses for which no deferred tax asset has been recognised	65,442	141,992
Accumulated tax losses available not recognised	1,554,682	1,289,562

As disclosed in Note 10, the Group's subsidiary's Flamingo Customer Experience Inc and Flamingo Ventures Pty Ltd are discontinued operations. There was no tax expense relating to the discontinued operations in the current or previous year, and the Group does not expect to carry forward any tax losses in these entities after the expected disposal.

**Carry forward losses**

As disclosed in Note 22, the Group has entered into a transaction to acquire Odessa Minerals Limited. Should this transaction be completed, there is uncertainty as to whether tax losses may be carried forward.

Given the above, and because the Directors do not believe the realisation of the future income tax benefits as probable, assessable future income tax benefits attributable to tax losses carried forward have not been brought to account at 30 June 2021.

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

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**ANNUAL REPORT 30 JUNE 2021****CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021****NOTE 4: RELATED PARTY TRANSACTIONS****a) Key management personnel compensation**

The totals of remuneration paid to key management personnel during the year are as follows:

	30 June 2021	30 June 2020
	\$	\$
Short-term salary, fees and commissions	340,681	556,047
Post-employment superannuation	6,053	39,752
Share based-payments	-	-
	<u>346,734</u>	<u>595,799</u>

**b) Other related party transactions**

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. During the year, the following entities provided corporate services and rental to the Group. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Entity	Nature of transactions	Key management personnel	Total transactions		Payable balance	
			2021	2020	2021	2020
			\$	\$	\$	\$
HWL Ebsworth	Legal fees	Bryn Hardcastle*	30,672	23,467	-	16,130
Smallcap Corporate Pty Ltd	Accounting fees	Zane Lewis	70,000	-	5,500	-
Smallcap Corporate Pty Ltd	Company Secretary	Zane Lewis	60,000	60,000	5,500	-

\* Mr Bryn Hardcastle resigned 29 January 2021.

During the year, the Company incurred legal fees of \$30,672 with HWL Ebsworth, a company related to Director Mr Bryn Hardcastle.

As approved by shareholders at the 2020 Annual General Meeting on 30 October 2020, the Company issued shares in lieu of fees to the following:

- 18,962,000 shares to Dr Catriona Wallace for wages in lieu of cash; and
- 46,667,000 shares to SmallCap Corporate Pty Ltd (an entity associated with Mr Zane Lewis) for company secretarial fees in lieu of cash.

The total value of these shares recognised is \$103,553 recognised in the consolidated statement of profit or loss and other comprehensive income as follows:

- Corporate expense - \$46,667
- Employee expense (Discontinued Operations) - \$56,886

During the year, the Company incurred accounting fees of \$70,000 with Smallcap Corporate Pty Ltd, a company related to Mr Zane Lewis.

During the year, the Company incurred company secretarial fees of \$60,000 with Smallcap Corporate Pty Ltd, a company related to Mr Zane Lewis.

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**NOTE 5: AUDITOR'S REMUNERATION**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
Remuneration of the auditor of the Group for:	<b>William Buck</b>	<b>William Buck</b>
- Audit and review services of the financial report (provided by Audit Director)	20,000	81,176
- Other services (provided by Tax Director)	16,000	57,508
	<u>36,000</u>	<u>138,684</u>

**NOTE 6: LOSS PER SHARE**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
<b>Loss per share (EPS)</b>		
Loss from continuing operations used in calculation of basic EPS and diluted EPS	(601,884)	(879,893)
Loss from discontinued operations used in calculation of basic EPS and diluted EPS	(243,066)	(2,705,782)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	1,162,712,434	1,120,127,703

There are 36,596,867 potential ordinary shares which were not included in the calculation of diluted earnings per share due to their anti-dilutive effect.

**NOTE 7(a): CASH AND CASH EQUIVALENTS**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
Cash at bank	649,519	1,522,261
	<u>649,519</u>	<u>1,522,261</u>

Refer to Note 17 which details the risk associated with cash and cash equivalents.

**NOTE 7(b): CASH FLOW INFORMATION**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
Loss after income tax	(844,950)	(3,585,675)
<b>Non-cash flows in loss after income tax</b>		
Depreciation	9,479	37,397
Share based payment expense	86,913	145,095
Expenses settled in shares in lieu of cash	103,553	-
<b>Changes in assets and liabilities</b>		
Decrease in trade and other receivables	17,503	50,673
Decrease in other current assets	178,991	7,518
Decrease in trade and other payables	(217,354)	(282,081)
Decrease in deferred income	(55,000)	(40,000)
Decrease in provisions	(141,042)	(28,723)
<b>Net cash used in operating activities</b>	<u><b>(861,907)</b></u>	<u><b>(3,695,796)</b></u>

**Credit standby facilities**

The Group has no credit standby facilities at 30 June 2021 (30 June 2020: none).

**Non-cash investing and financing activities**

There were no non-cash investing and financing activities during the year ended 30 June 2021 (30 June 2020: none).

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**ANNUAL REPORT 30 JUNE 2021****CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021****NOTE 8: TRADE AND OTHER RECEIVABLES**

	30 June 2021	30 June 2020
	\$	\$
<b>CURRENT</b>		
Trade receivables	-	-
GST receivable	20,101	23,970
	<u>20,101</u>	<u>23,970</u>

All trade and other receivable amounts are short-term. The net carrying value is considered a reasonable approximation of fair value. Refer to Note 17 which details the risks associated with trade and other receivables.

At 30 June 2021, trade receivables are aged as follows:

n/a – nil balance (30 June 2020: n/a – nil balance).

**NOTE 9: PLANT AND EQUIPMENT**

	30 June 2021	30 June 2020
	\$	\$
<b>Plant and equipment at cost</b>		
Opening balance at 1 July	126,846	210,082
Additions	-	40,743
Disposals	(3,494)	
Classified to asset held for sale	-	(123,979)
Closing balance at 30 June	<u>123,352</u>	<u>126,846</u>
<b>Accumulated depreciation</b>		
Opening balance at 1 July	110,193	169,138
Depreciation expense for the year	8,175	37,397
Disposals	(2,666)	
Classified to asset held for sale	-	(96,342)
Closing balance at 30 June	<u>115,702</u>	<u>110,193</u>
Net book value at 30 June	<u>7,650</u>	<u>16,654</u>

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**ANNUAL REPORT 30 JUNE 2021****CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021****NOTE 10: 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.

As described in Note 22, 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.

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
<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)
<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>	49,434	187,492
<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>	23,061	423,405



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**NOTE 10: DISCONTINUED OPERATIONS (continued)**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
<b>Cash flow used in discontinued Operations</b>		
Net Cash used in operating activities	507,048	2,858,215
Net Cash used in investing activities	-	23,816

**NOTE 11: TRADE AND OTHER PAYABLES**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
<b>CURRENT</b>		
Trade payables	50,003	51,563
	<u>50,003</u>	<u>51,563</u>

All trade and other payable amounts are short-term. The net carrying value is considered a reasonable approximation of fair value.

**NOTE 12: ISSUED CAPITAL**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
<b>(a) Share capital</b>		
1,185,756,703 (30 June 2020: 1,120,127,703) fully paid ordinary shares	<u>34,997,148</u>	<u>34,893,595</u>
	<b>No.</b>	<b>\$</b>
<b>(b) Movements in fully paid ordinary capital</b>		
Opening balance at 1 July 2019	<u>1,120,127,703</u>	<u>34,893,595</u>
Closing balance at 30 June 2020	<u>1,120,127,703</u>	<u>34,893,595</u>
Issue of shares	<u>65,629,000</u>	<u>103,553</u>
Closing balance at 30 June 2021	<u>1,185,756,703</u>	<u>34,997,148</u>

**(c) Capital Management**

Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet research and development programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

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**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 13: PERFORMANCE RIGHTS**

During the year ended 30 June 2021, the consolidated entity had the following performance rights on issue:

Grant Date	Performance right class	Expiration dates	Number of rights issued	Performance milestones
10-Apr-18	Class E	10-Oct-21	7,000,000*	Flamingo achieves \$13,000,000 in Revenue in any 12-month period within 36 months of 4 November 2019
19-Oct-17	Class G	19-Oct-20	9,000,000	Upon volume weighted average price (VWAP) for 10 consecutive trading days of shares equals or exceeds 10 cents, within 36-months of issue
10-Apr-18	Class G	10-Apr-21	6,000,000	Upon volume weighted average price (VWAP) for 10 consecutive trading days of shares equals or exceeds 10 cents, within 36-months of issue
1-Oct-18	Class H	1-Oct-21	4,000,000	Upon volume weighted average price (VWAP) for 10 consecutive trading days of shares equals or exceeds 10 cents, within 36-months of issue
1-Oct-18	Class I	1-Oct-21	4,000,000	Upon volume weighted average price (VWAP) for 10 consecutive trading days of shares equals or exceeds 6 cents, within 36-months of issue

\*During the year 15,000,000 performance rights of Class G expired. As at 30 June 2021 the total number of performance rights on issue are 12,000,000.

**NOTE 14: RESERVES**

	30 June 2021	30 June 2020
	\$	\$
<b>a) Reserves</b>		
Share based payment reserve	514,099	575,271
Foreign currency reserve	(254,104)	(249,375)
	<u>259,995</u>	<u>325,896</u>

The share based payment reserve records the value of share-based payment transactions. The foreign currency reserve records the exchange differences arising on translation of foreign operations with functional currencies, other than Australia dollars.

**b) Movement in share based payment reserve**

	No. of options / performance rights	\$
Opening balance at 1 July 2020	51,596,867	575,271
Vesting of share based payments	-	86,913
Expiry of share based payments	(15,000,000)	(148,085)
Closing balance at 30 June 2021	<u>36,596,867</u>	<u>514,099</u>

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**ANNUAL REPORT 30 JUNE 2021****CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021****NOTE 15: SHARE BASED PAYMENTS**

A summary of the inputs used in the valuation of the options and shares is as follows:

Options	Employee Replacement Options	Employee Options	Employee Options	Employee Options	Employee Options	Employee Options
Exercise price	\$0.029	\$0.04	\$0.04	\$0.008	\$0.008	\$0.008
Grant date	03-Nov-16	16-Dec-16	13-Dec-17	25-Mar-19	25-Mar-19	2-May-19
Expected volatility (i)	100%	100%	100%	100%	100%	100%
Expiry date	03-Nov-21	16-Dec-21	22-Mar-23	28-Feb-22	28-Feb-22	28-Feb-22
Value per option	\$0.0316	\$0.0665	\$0.0579	\$0.0057	\$0.0057	\$0.0032
Number of options	4,922,948	2,932,808	361,111	1,100,000	6,780,000	8,500,000
Vesting date	(ii)	(ii)	(ii)	(iii)	(ii)	(ii)

(i) Volatility was determined in reference to similar companies for the same period.

(ii) All employee options vest on the following basis; 1/3 vest on one-year anniversary of the grant date of the option with 1/36 vesting each month after the initial vesting date until all options have vested. Employee share options expired during the year have been removed from the table above.

(iii) All employee options vest on second-year anniversary of the employment date.

The share-based compensation at 30 June 2021 comprises of the following:

Description	30 June 21
	\$
Movement in performance rights (class G, H and I) issued	86,913
<b>Total</b>	<b>86,913</b>

**NOTE 16: OPERATING SEGMENTS**

The Group has identified its operating segment based on internal reports that are reviewed by the Board and management. The company has determined that it has one operating segment. The Board does not identify separate segments for internal management reporting hence no segment information has been reported.

**NOTE 17: FINANCIAL INSTRUMENTS****Financial risk management policies**

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable. The main purpose of non-derivative financial instruments is to raise finance for the Group's operations.

**Specific financial risk exposures and management**

The main risk the Group is exposed to through its financial instruments are market risk (including fair value and interest rate risk), cash flow interest rate risk, credit risk, foreign currency risk and liquidity risk.

*(a) Interest Rate Risk*

From time to time the Group has significant interest-bearing assets, but they are as a result of the timing of equity-raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates.

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**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)**

The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below:

	Floating interest rate	Non- interest bearing	2021 Total	Floating interest rate	Non- interest bearing	2020 Total
	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>						
- <i>Within one year</i>						
Cash and cash equivalents	649,519	-	649,519	1,522,261	-	1,522,261
Trade and other receivables	-	-	-	-	-	-
<b>Total financial assets</b>	649,519	-	649,519	1,522,261	-	1,522,261
<i>Weighted average interest rate</i>	0.01%			0.01%		
<b>Financial liabilities</b>						
- <i>Within one year</i>						
Trade and other payables	-	50,003	50,003	-	51,563	51,563
<b>Total financial liabilities</b>	-	50,003	50,003	-	51,563	51,563
<i>Weighted average interest rate</i>	n/a			n/a		
<b>Net financial assets</b>	649,519	(50,003)	599,516	1,522,261	(51,563)	1,470,698

**Sensitivity analysis**

The following table illustrates sensitivities to the consolidated entity's exposures to changes in interest rates. The table indicates the impact on how profit or equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Movement in profit	Movement in equity
<b>Year ended 30 June 2021</b>	\$	\$
+/-1% in interest rates	17	17
<b>Year ended 30 June 2020</b>		
+/-1% in interest rates	402	402

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**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)**

*(b) Credit risk*

The maximum exposure to credit risk is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	30 June 2021 \$	30 June 2020 \$
Cash and cash equivalents - AA Rated	8(a)	649,519	1,522,261

*(c) Liquidity risk*

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place. The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

30 June 2021	Interest rate	Less than 6 months \$	6-12 months \$	1-2 years \$	2-5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount assets/(liabilities) \$
<i>Financial liabilities at amortised cost</i>								
Trade and other payables	-	50,003	-	-	-	-	50,003	50,003
	-	50,003	-	-	-	-	50,003	50,003
30 June 2020	Interest rate	Less than 6 months \$	6-12 months \$	1-2 years \$	2-5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount assets/(liabilities) \$
<i>Financial liabilities at amortised cost</i>								
Trade and other payables	-	51,563	-	-	-	-	51,563	51,563
	-	51,563	-	-	-	-	51,563	51,563

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

ABN 99 000 031 292

**ANNUAL REPORT 30 JUNE 2021**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)**

*(d) Net fair value of financial assets and liabilities*

***Fair value estimation***

Due to the short-term nature of the receivables and payables of the Group, the carrying value approximates fair value.

*(e) Financial arrangements*

The consolidated entity had no other financial arrangements in place at 30 June 2021 based on the information available to the current board (30 June 2020: none).

*(f) Currency risk*

The currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the consolidated entity's functional currency. The consolidated entity is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US \$.

The Group's policy is not to enter into any currency hedging transactions.

The Group's foreign currency risk is predominantly associated with the discontinued operations described in Note 11. Following the expected disposal, the risk in relation to foreign currency would be expected to be low.

Cash and cash equivalents	30 June 2021		30 June 2020	
	Foreign Currency	AUD Equivalent	Foreign Currency	AUD Equivalent
US \$	14,844	19,744	12,422	18,100

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

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**ANNUAL REPORT 30 JUNE 2021****CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021****NOTE 18: PARENT ENTITY FINANCIAL INFORMATION**

The following information has been executed from the books and records of the legal parent Fargo Enterprises Limited (Formerly Flamingo AI Limited) have been prepared in accordance with Australian Accounting Standards and the accounting policies as outlined in Note 1.

*(a) Statement of financial position*

	30 June 2021	30 June 2020
	\$	\$
<b>ASSETS</b>		
Current assets	594,361	1,505,578
Non-current assets	7,650	16,654
<b>TOTAL ASSETS</b>	<b>602,011</b>	<b>1,522,232</b>
<b>LIABILITIES</b>		
Current liabilities	50,003	214,600
<b>TOTAL LIABILITIES</b>	<b>50,003</b>	<b>214,600</b>
<b>NET ASSETS</b>	<b>552,009</b>	<b>1,307,632</b>
<b>SHAREHOLDERS' EQUITY</b>		
Issued capital	34,997,148	34,893,595
Reserves	514,099	575,271
Accumulated Losses	(34,959,238)	(34,161,234)
<b>SHAREHOLDERS' EQUITY</b>	<b>552,009</b>	<b>1,307,632</b>

*(b) Statement of profit or loss and other comprehensive income*

Loss for the year	(798,004)	(8,926,573)
Total comprehensive loss	(798,004)	(8,926,573)

Included in the parent entity's loss for the financial year ending 30 June 2021 is an impairment charge for all the intercompany loans, representing the remaining related party non-current loan receivables owed to the parent by its subsidiaries. Management considers the recognition of the impairment charge to be reflective of the factors outlined in Note 10.

*(c) Guarantees entered into by Fargo Enterprises Limited (Formerly Flamingo AI Limited) for the debts of its subsidiaries*

There are no guarantees entered into by Fargo Enterprises Limited (Formerly Flamingo AI Limited) as at 30 June 2021 (30 June 2020: none).

*(d) Contingent liabilities of Fargo Enterprises Limited (Formerly Flamingo AI Limited)*

There were no known contingent liabilities of the Company as at 30 June 2021 (30 June 2020: none).

*(e) Commitments by Fargo Enterprises Limited (Formerly Flamingo AI Limited)*

The Company did not have any commitments or contractual obligations as at 30 June 2021 (30 June 2020: none).

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

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**ANNUAL REPORT 30 JUNE 2021****CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021****NOTE 19: CONTROLLED ENTITIES**

Controlled entity	Country of incorporation	Percentage ownership	
		30 June 2021	30 June 2020
Flamingo Ventures Pty Limited	Australia	100%	100%
Flamingo Customer Experience Inc	USA	100%	100%

**NOTE 20: COMMITMENTS**

	30 June 2021	30 June 2020
	\$	\$
No longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	-	-

Commitments represent contractual obligations for office leases and insurance.

**NOTE 21: CONTINGENT LIABILITIES**

The Group has no known contingent liabilities as at 30 June 2021 (30 June 2020: none).

**NOTE 22: 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.



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

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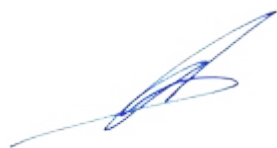
**ANNUAL REPORT 30 JUNE 2021**

In the Director's opinion:

- The consolidated financial statements and notes set out on pages 14 and 39 are in accordance with the Corporations Act 2001;
- The consolidated financial statements complying with Australian Accounting Standards and Corporations Regulations 2001, noting the matters documented in Note 1(a);
- the financial statements and notes also comply with the International Financial Reporting Standards as disclosed in Note 1;
- The consolidated financial statements and notes give a true and fair view, the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declaration required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.



**Zane Lewis**

**Non-Executive Director**

20 September 2021

## Fargo Enterprises Limited and its controlled entities

### Independent auditor's report to members

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Fargo Enterprises Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial report, which indicates that the Group recorded a loss after tax expense of \$844,950 (30 June 2020: \$3,585,675), incurred net cash outflows from operating activities of \$861,907 (30 June 2020: 3,695,797), and maintained net assets of \$660,437 as at that date (30 June 2020: \$1,319,651).

#### ACCOUNTANTS & ADVISORS

Sydney Office  
Level 29, 66 Goulburn Street  
Sydney NSW 2000

Parramatta Office  
Level 7, 3 Horwood Place  
Parramatta NSW 2150

Telephone: +61 2 8263 4000  
[williambuck.com](http://williambuck.com)

As stated in Note 1, these events or conditions, along with matters as set forth in Note 2, indicate material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Discontinued Operations	
Area of focus Refer also to note 1(s) and note 11	How our audit addressed it
<p>During the year the Group ceased the operations for its subsidiaries viz Flamingo Customer Experience Inc and Flamingo Ventures Pty Ltd. This meets the definition of discontinued operations under AASB 5 "Non-current Assets Held for Sale and Discontinued Operations"</p> <p>During the year ended 30 June 2021 the group incurred a loss after tax from these subsidiaries amounting to \$244,426 (2020: \$2,705,782).</p>	<p>Our audit work included, but was not limited to:</p> <ul style="list-style-type: none"> <li>Assessing that the accounting treatment has been applied by the Group is in accordance with AASB5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>;</li> <li>Performed audit procedures on the residual balances held within the subsidiaries as at 30 June 2021;</li> <li>Assessed the disclosure in the financial statements is appropriate including the restatement of the statement of profit or loss and other comprehensive income.</li> </ul>

Treatment of share-based payments (including options, performance rights and performance shares)	
Refer also to notes 1(n) and note 17	How our audit addressed it
<p>Accounting for share-based payments is a key audit matter due to the significance of the balances involved and the transactions occurring during the year, and the inherent complexities involved in accounting for them correctly, in line with AASB 2 'Share-Based Payments'.</p> <p>Management is required to identify the relevant criteria of each specific share-based payment transaction (i.e. market vs. non-market conditions, vesting vs. non-vesting conditions, equity vs. cash settlement), and ensure that it is being accounted for correctly.</p> <p>In addition, the fair value assessment of share-based payments involves a high level of management judgement and estimation.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Review of the share-based payment expense, cross-referencing material issues to supporting documentation, as well as a review of management's reconciliation of movements in the option reserve during the year;</li> <li>Testing on a sample basis: <ul style="list-style-type: none"> <li>Management's valuation techniques to assess the grant date fair value of share-based payments issued, verifying the reasonableness and accuracy of inputs applied;</li> <li>amounts recognised in the current year for issued share-based payments, in-line with the terms and conditions specified by the applicable agreement;</li> <li>other movements in share-based payments (including the exercise, lapsing and conversation of incentives);</li> </ul> </li> </ul> <p>Ensuring sufficient and adequate disclosure in the remuneration report in regard to share-based payment transactions with key management personnel, and in the consolidated financial report at note 17 and 1(n).</p>

## **Other Information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our independent auditor's report.

## **Report on the Remuneration Report**

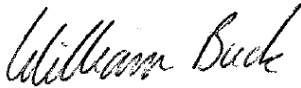
### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 8 to 12 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Fargo Enterprises Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**William Buck**

Accountants & Advisors  
ABN 16 021 300 521

**R. Ahrens**

Partner

Sydney, 20 September 2021

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

ABN 99 000 031 292

**ANNUAL REPORT 30 JUNE 2021**

**ADDITIONAL SHAREHOLDER INFORMATION  
AS AT 14 SEPTEMBER 2021**

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in the Annual Report. The information provided is current as at 14 September 2021.

**REGISTERED OFFICE OF THE COMPANY**

Suite 1, 295 Rokeby Road

Perth WA 6008

Australia

Ph: +61 (08) 6555 2950

**STOCK EXCHANGE LISTING**

Quotation has been granted for 1,185,756,703 ordinary shares and on the Australian Stock Exchange Ltd. The State Office of the Australian Stock Exchange Ltd in Perth, Western Australia has been designated the Home Branch of Fargo Enterprises Limited (Formerly Flamingo AI Limited).

There are no current on-market buy-back arrangements for the Company.

**VOTING RIGHTS**

For all ordinary shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

**SHARE REGISTRY**

The registers of shares and options of the Company are maintained by: -

Automatic Registry Services

Level 5, 126 Phillip Street

Sydney NSW 2000

**COMPANY SECRETARY**

The name of the Company Secretary is Robbie Featherby.

**SUBSTANTIAL HOLDERS**

Substantial holders in the Company are set out below:

**Ordinary shares**

Holder Name	Holding	% IC
PHOENIXAVIER PTY LTD	173,381,184	14.62%
GOLDEN TRIANGLE CAPITAL PTY LTD	118,884,023	10.03%
COULSON BROTHERS PTY LTD	63,624,682	5.37%

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

ABN 99 000 031 292

**ANNUAL REPORT 30 JUNE 2021****ADDITIONAL SHAREHOLDER INFORMATION  
AS AT 14 SEPTEMBER 2021****Holding Analysis**

Holding Ranges	Ordinary Shares
1 - 1,000	126
1,001 - 5,000	7
5,001 - 10,000	30
10,001 - 100,000	675
100,001 - 9,999,999,999	1,084
<b>Totals</b>	<b>1,922</b>
Holders with an unmarketable parcel	751

**EQUITY SECURITY HOLDERS**

The names of the 20 largest holders of ordinary shares, and the number of ordinary shares and percentage of capital held by each holder is as follows:

Position	Holder Name	Holding	% IC
1	PHOENIXAVIER PTY LTD	173,381,184	14.62%
2	GOLDEN TRIANGLE CAPITAL PTY LTD	118,884,023	10.03%
3	COULSON BROTHERS PTY LTD	63,624,682	5.37%
4	STEPHEN PILLINGER PTY LTD	26,271,136	2.22%
5	MR LIGANG ZHU	22,700,050	1.91%
6	MR LESLIE RAYMOND WITHERS	14,300,000	1.21%
6	OUTCOME POSITIVE PTY LTD <OUTCOME POSITIVE A/C>	14,300,000	1.21%
7	CITICORP NOMINEES PTY LIMITED	14,032,138	1.18%
8	JAM GROUP PTY LTD <A/C MORTON INVESTMENT A/C>	11,317,990	0.95%
9	MR PETER SANDERY & MRS DEBRA JILLIAN SANDERY <SANDERY FAMILY S/F A/C>	10,000,000	0.84%
9	MR GOKHAN OMER ANAYURT	10,000,000	0.84%
9	MR JAY MICHAEL ENGEL	10,000,000	0.84%
9	MR WILLIAM JOHN LAUKKA & MRS ELIZABETH ANNE LAUKKA <LAUKKA INVESTMENT A/C>	10,000,000	0.84%
10	PAUL HUNYOR <BUTE HALL DISCRETIONARY A/C>	7,950,200	0.67%
11	THE GRAYROCK GROUP PTY LTD <GRAYROCK SUPER FUND A/C>	6,962,500	0.59%
12	MRS SURANJITA MULVEY	6,020,000	0.51%
13	MR LUKE ALEXANDER CARRUTHERS	5,755,452	0.49%
14	KM & EA TAYLOR SUPERANNUATION PTY LTD <TAYLOR FAMILY S/FUND A/C>	5,050,508	0.43%
15	MR JOSEPH STANLEY GWOLO	5,000,000	0.42%

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

ABN 99 000 031 292

**ANNUAL REPORT 30 JUNE 2021****ADDITIONAL SHAREHOLDER INFORMATION  
AS AT 14 SEPTEMBER 2021**

16	MR PHILLIP JONES	4,958,434	0.42%
17	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	4,492,031	0.38%
18	MR PETER JAMES MULDOON	4,467,950	0.38%
19	SHREWSBURY LTD	4,225,000	0.36%
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,201,089	0.35%
	<b>Total</b>	<b>557,894,367</b>	<b>47.05%</b>
	<b>Total Issued Capital - Selected Security Class(es)</b>	<b>1,185,756,703</b>	<b>100.00%</b>