

**WHITEHAWK LIMITED**  
**ACN 620 459 823**

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## **ENTITLEMENT ISSUE PROSPECTUS**

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For a non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.045 per Share to raise up to \$1,605,349 (based on the number of Shares on issue as at the date of this Prospectus) together with one (1) free option for every two (2) Shares subscribed for and issued (**New Option**) (**Offer**).

### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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1. **CORPORATE DIRECTORY**

**Directors**

Terry Roberts  
*CEO and Executive Chair*

Phil George  
*Non-Executive Director*

Louise McElvogue  
*Non-Executive Director*

Tiffany O. Jones  
*Non-Executive Director*

**Company Secretary**

Kevin Kye

**Share Registry\***

Automic Registry Services  
Level 2,  
267 St Georges Terrace  
PERTH WA 6000

Telephone: +61 8 9324 2099  
Facsimile: +61 8 9321 2337

**Auditor\***

RSM Australia Partners  
Level 13  
60 Castlereagh Street  
SYDNEY NSW 2000

**Registered Office**

Level 28  
140 St Georges Terrace  
PERTH WA 6000

Telephone: +61 8 6311 4636  
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Email: [kk@whitehawk.com](mailto:kk@whitehawk.com)  
Website: [www.whitehawk.com](http://www.whitehawk.com)

**Solicitors**

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

**Corporate Advisor**

Viaticus Capital Pty Ltd  
PO Box 512  
COTTESLOE WA 6911

\* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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**2. TIMETABLE**

Lodgement of Prospectus with the ASIC	14 September 2018
Lodgement of Prospectus & Appendix 3B with ASX	Pre-open of the Market 17 September 2018
Notice sent to Optionholders	17 September 2018
Notice sent to Shareholders	18 September 2018
Ex date	19 September 2018
Record Date for determining Entitlements	20 September 2018
Prospectus despatched to Shareholders & Company announces despatch has been completed	24 September 2018
Last day to extend the Closing Date	10 October 2018
Closing Date*	15 October 2018
Securities quoted on a deferred settlement basis	16 October 2018
ASX notified of under subscriptions	18 October 2018
Despatch of holding statements	22 October 2018
Quotation of Securities issued under the Offer*	23 October 2018

\*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

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### **3. IMPORTANT NOTES**

This Prospectus is dated 14 September 2018 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **3.1 Risk factors**

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 4 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

#### **3.2 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 4 of this Prospectus.

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## 4. DETAILS OF THE OFFER

### 4.1 Company update

The Company completed a successful initial public offer, raising \$4.5 million strongly supported by institutional and retail investors, and was admitted to the ASX on 22 January 2018.

#### Online Cybersecurity Exchange

The Company's top priority after listing, as set out in its IPO Prospectus, was the 2.0 implementation of the online cyber security exchange platform and Decision Engine, which are the main pillars of the Company's business model.

A Patent application (PCT) for WhiteHawk's artificial intelligence based solution engine "CyberPath" was filed in February 2018. Improvements to the Online Cybersecurity Exchange customer experience, gathered during market research, testing and customer feedback from the initial launch of version, has enabled full launch of the WhiteHawk 3.0 website and 3.0 CyberPath Solution Engine which are now live. CyberPath 3.0 incorporates advanced cybersecurity expertise, artificial Intelligence (AI) and proprietary data science algorithms, to match cybersecurity products to businesses. This advanced matching delivers cyber risk mitigation to WhiteHawk customers online.

Your Company continues to vet and on-board new vendor products and services, to the Online Cybersecurity Exchange which now stands at over 600 products and services.

#### Advisory Contracts

Delays in start dates of two primary consulting contracts as a result of respective customer business processes impacted the receipt of revenues since listing.

The Company's five-year advisory contract with the US Department of Homeland Security on cybersecurity had its start date delayed by six months however this consulting engagement is now currently underway.

A contract for 360 Cyber Risk Framework with a top 10 US financial institution was initiated in May 2018 and commenced in July 2018. The 360 Framework, which explores cybersecurity in supply chain partners is under consideration for expansion by this Institution in 2019.

#### New Low Cost Sales Channels

Market research completed in February 2018 informed the development of two new low cost sales channels:

- 360 Cyber Risk Framework - these consulting contracts identify, monitor and mitigate the cyber risks of supply-chain partners, and include an initial commitment of US\$50,000 to US\$200,000 depending on the size and scope of the prime WhiteHawk customer. The 360 Framework then drives supplier company of those prime customer to visit the WhiteHawk's Online Cyberpath, seek virtual assistance from Cyber Analysts and product and service purchases. The supplier companies can range from 50 to in excess of 5000, depending on the size of the prime customer's needs.

- Cybercrime Support Network/211 Hotline – this is a US nationwide website for cyber breaches that will be launched in October 2018 with US State-by-US State pilots commencing in 2019. The Cybercrime Support Network non-profit is committed to enabling the online reporting of cybercrime and fraud and then enabling connections to effective response, remediation and future prevention services. As a strategic partner, WhiteHawk will be connected to small and medium sized businesses that suffer a cyber attack and need immediate assistance.

These are both low cost sales channels and in the case of the 360 Cyber Risk Framework are reasonably expected to be revenue generating upfront. Both sales channels have the potential to be high impact because they drive customers to the WhiteHawk Cybersecurity Exchange to mitigate identified cyber risks, either as a result of having suffered a cybercrime attack, or as a contractual requirement under a supply chain contract with a 360 Cyber Risk Framework prime company (for example a financial institution, manufacturer, US Federal Government contractor or utility).

In addition, WhiteHawk is working with a top tier financial institution to offer the Online Cybersecurity Exchange to their business customers as an ongoing service. This will provide foundational cyber protection to their customers and reduce the risk and costs of cybercrime and fraud for both the customer and the financial institution. This service will be rolled out to other financial institutions and insurance companies.

### **360 Cyber Risk Framework Pipeline**

As evidenced by recent cybersecurity breaches that are the result of supply chain partners, real-time Cyber Risk Frameworks are needed more than ever. WhiteHawk continues to implement its bespoke 360 Cyber Risk Frameworks across a sales pipeline of customer sectors that include the U.S. Government, U.S. utilities, major manufacturers and financial institutions.

The latest customer channel focus is on the 3,200+ power and water utilities across the United States (regional power associations, regulators, and larger private utilities) which are focused on controlling cyber-related risks.

### **Driving supplier companies to the online Solution Engine CyberPath**

Initial implementations of the 360 Cyber Risk Framework, have demonstrated that over 60% of all supplier companies have cyber risk factors that require mitigation by WhiteHawk Cyber Analysts and online platform. WhiteHawk Cyber Analysts have developed an automated process to generate Cyber Risk Scorecards from the Cyber Risk Rating insights.

Current 360 Cyber Risk Framework customers are planning to expand Cyber Risk Frameworks in 2019, by moving beyond the largest 100 supplier companies, to include the 100 to 500 Supply Chain Companies being evaluated via the 360 Cyber Risk Frameworks.

### **U.S. Cybercrime Support Network (CSN) 211 Hotline**

Our strategic partnership with the U.S. Cybercrime Support Network (**CSN**) 'Call 211' Hotline, launches in the US in October 2018. CSN market research on cybercrime and fraud trends in the US shows that approximately one third of US entities impacted by a cybercrime and fraud event will use the website to report the event and get immediate cybersecurity remediation. Small-to-medium



enterprises (**SMEs**) which call the 211 Network will be connected to WhiteHawk's Online Cybersecurity Exchange, to provide tailored cyber response services and product sales, establishing new WhiteHawk customer accounts.

An estimated 160,000+ cybercrime and fraud events have been reported so far in 2018 in the US, within just five US States (California, Florida, Michigan, Texas, New York). WhiteHawk is onboarding cybercrime vendor response services into the online Exchange, in order to provide support services across the US.

### **Product Offering for Customers of Financial Institutions and Insurance Companies**

WhiteHawk is building partnerships with financial institutions and insurance companies for the WhiteHawk Cybersecurity Exchange to be offered as an accessible and scalable service to their SME enterprise customers, thereby reducing the level of cybercrime and fraud losses impacting their business customers and the bank or insurance company's profitability.

### **Use of Funds**

Whilst the Online Cybersecurity Exchange has been successfully launched and patent application filed, as a result of the delays in revenue experienced in the first half of the year your Company believes that it is prudent to seek additional funding to fully leverage and grow the current and future sales channels, the Cyber 360 Review product and the Cybercrime Support Network 211 partnership and to deliver customers to the Online Cybersecurity Exchange at scale. This will enable your Company to continue to grow the online cyber security market presence as outlined in the IPO Prospectus.

In addition, after migrating all development and data science to our internal team, WhiteHawk has continued to streamline operations, consolidate platform development within the team and has achieved a reduced ongoing monthly overhead from the initial scale up that was needed to develop the CyberPath and Online Cybersecurity Exchange.

Funds raised will be directed to growing customer channels, focused market engagement in identified sectors and channel sales of the 360 Risk Frameworks, service partnerships and scaling virtual Cyber Analyst Hubs in key customer concentration areas.

### **Including Shareholders**

Your Company has decided to seek this funding by way of a rights issue to enable all shareholders to participate and to benefit from the discounted offer price and additional benefit of the free 1 for 2 New Option.

## **4.2 The Offer**

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by Shareholders registered at the Record Date at an issue price of \$0.045 per Share together with one (1) free New Option for every two (2) Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 35,674,414 Shares and 17,837,207 New Options will be issued pursuant to this Offer to raise up to \$1,605,349. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 19,125,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in section 5.1 of this Prospectus.

#### **4.3 Minimum subscription**

There is no minimum subscription.

#### **4.4 Acceptance**

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) accept your **full** Entitlement;
- (b) accept **part** of your Entitlement;
- (c) accept your full Entitlement **and apply for additional Shortfall Shares**; or
- (d) not accept any of your Entitlement.

Instructions on how to participate in the Offer in any of the ways set out above are set out in the Entitlement and Acceptance Form accompanying this Prospectus.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

One (1) New Option with an exercise price of \$0.10 and an expiry date of two years from the date of issue will be issued for every two (2) Shares subscribed for and issued under the Offer.

#### **4.5 Payment**

You may pay for your Entitlement (and any Shortfall) by cheque or BPAY® by following the relevant instructions below.

### By cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "WhiteHawk Limited- Entitlement Issue Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

### By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.** Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

## 4.6 Underwriting

The Offer is not underwritten.

## 4.7 Effect on control of the Company

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 33% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders assuming no New Options have been exercised is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	14.02%	5,000,000	10,000,000	9.34%
Shareholder 2	5,000,000	7.01%	2,500,000	5,000,000	4.67%
Shareholder 3	1,500,000	2.10%	750,000	1,500,000	1.4%
Shareholder 4	400,000	0.56%	200,000	400,000	0.37%
Shareholder 5	50,000	0.07%	25,000	50,000	0.05%
Total	71,348,828		35,674,414		107,023,242

**Notes:**

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

No Applicant will be issued any Securities above their Entitlement if the effect of that issue would be to increase the voting power of that Applicant above 19.9%.

**4.8 Shortfall Offer**

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.045 being the price at which Shares have been offered under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for additional Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shares in accordance with Section 4.4(c) above. Securities will be issued under the Shortfall Offer at the absolute discretion of the Directors, and as such there is no guarantee that any Shortfall Shares applied for will be issued to Eligible Shareholders. The Company will have no liability to any Applicant who receives less than the number of Shares applied for. No Securities under the Shortfall Offer will be issued to any Applicant under the Shortfall Offer if in the reasonable opinion of the Directors the effect of that issue would be to increase the voting power of the Applicant above 19.9%.

**4.9 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

The Company does not intend to seek listing of the New Options.

**4.10 Issue**

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

#### **4.11 Overseas shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

##### **United Kingdom**

Neither the information in this Prospectus nor any other document relating to the Offer or Shortfall Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

##### **Singapore**

This Prospectus and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities may not be issued, circulated or distributed, nor may these Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the *Securities and Futures Act*, Chapter 289

of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's Shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### **New Zealand**

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **Nominees and custodians**

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **4.12 Enquiries**

Any questions concerning the Offer should be directed to Kevin Kye, Company Secretary, on +61 8 6311 4636.

## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,605,349 before expenses of the Offer. No funds will be raised from the issue of the New Options.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Active Customer Channel Growth	200,000	12%
2.	Focused Market Engagement	216,000	14%
3.	360 Risk Frameworks Channel Sales	482,000	30%
4.	Scaling of Virtual Cyber Analyst Hubs	370,000	23%
5.	Expenses of the Offer <sup>1</sup>	58,663	4%
6.	Working Capital	278,686	17%
	<b>Total</b>	<b>1,605,349</b>	<b>100%</b>

#### Notes:

1. Refer to section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

### 5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,546,686 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 71,348,828 as at the date of this Prospectus to 107,023,242 Shares following completion of the Offer; and
- (c) increase the number of Options on issue from 19,125,000 as at the date of this Prospectus to 36,962,207 Options following completion of the Offer.

### 5.3 Pro-forma balance sheet

The auditor reviewed balance sheet as at 30 June 2018 and the unaudited pro-forma balance sheet as at 30 June 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are

accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

**Pro Forma Consolidated Statement of Financial Position**

Note	Reviewed Consolidated Group	Pro Forma Adjustment	Pro Forma Consolidated Group
	\$	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	1,275,936	1,546,686	2,822,622
Trade and other receivables	270,558		270,558
<b>Total Current Assets</b>	<b>1,546,494</b>	<b>1,546,686</b>	<b>3,093,180</b>
<b>Non-Current Assets</b>			
Property plant and equipment	19,522		19,522
Intangible assets	1,652,878		1,652,878
<b>Total Non-Current Assets</b>	<b>1,672,400</b>	-	<b>1,672,400</b>
<b>Total Assets</b>	<b>3,218,894</b>	<b>1,546,686</b>	<b>4,765,580</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	294,284		294,284
Financial liabilities	259,324		259,324
<b>Total Current Liabilities</b>	<b>553,608</b>	-	<b>553,608</b>
<b>Total Non-Current Liabilities</b>	-	-	-
<b>Total Liabilities</b>	<b>553,608</b>	-	<b>553,608</b>
<b>Net Assets</b>	<b>2,665,286</b>	<b>1,546,686</b>	<b>4,211,972</b>
<b>EQUITY</b>			
Contributed equity	7,369,170	1,552,686	8,921,856
Reserves	4,515	119,762	124,277
Accumulated losses	-4,708,399	-	-4,834,161
<b>Equity</b>	<b>2,665,286</b>	<b>1,546,686</b>	<b>4,211,972</b>

**Notes (Pro Forma Adjustments and Assumptions):**

The Pro Forma Historical Statement of Financial Position gives effect to the capital raising contemplated under the Offer as if it had occurred on the date being presented, being 30 June 2018. Unless specifically described, the Pro Forma Historical Consolidated Financial



Information does not include adjustments for the Group's business occurring after 30 June 2018 that do not relate to the capital raising contemplated under the Offer. The pro forma adjustments are as follows:

1. The Offer is fully subscribed;
2. Expenses of the Offer are as set out in section 8.8 of this Prospectus;
3. Unlisted options issued under the Offer are free attaching and are valued at nil cost for the purposes of the Pro Forma Historical Statement of Financial Position; and
4. The Company issues the incentive performance rights to Viaticus as set out in section 8.4 of this Prospectus.

#### 5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

##### Shares

	Number
Shares currently on issue	71,348,828 <sup>1,2</sup>
Shares offered pursuant to the Offer	35,674,414
<b>Total Shares on issue after completion of the Offer</b>	<b>107,023,242</b>

##### Notes:

1. 216,393 Shares subject to escrow until 3 November 2018, 1,624,014 Shares subject to escrow until 14 December 2018, 2,721,938 Shares subject to escrow until 20 December 2018 and 12,774,751 Shares subject to 24 months escrow from the date of quotation.
2. In addition to the existing Shares on issue, under the original Exchange Agreement, the Company is contractually bound to issue up to 72,000,000 additional Shares (**Conditional Shares**) upon the achievement of specified milestones by the Company's business. This would increase the number of Shares on issue by up to 72,000,000 Shares. As at the date of this Prospectus, none of the milestones relating to these Conditional Shares have been achieved.

##### Options

	Number
Options currently on issue: (Unquoted exercisable at \$0.20 expiring on or before 23 January 2023) <sup>1</sup>	10,000,000
(Unquoted exercisable at \$0.25 expiring on or before 23 January 2020) <sup>2</sup>	9,125,000
New Options offered pursuant to the Offer (Quoted exercisable at \$0.10 on or before two (2) years from the date of issue)	17,837,207
<b>Total Options on issue after completion of the Offer</b>	<b>36,962,207</b>

##### Notes:

1. Subject to 24 months escrow from the date of quotation.
2. 8,333 Options subject to 24 months escrow and 866,673 Options subject to escrow until 20 December 2018.

## Performance Rights

	Number
Performance Rights currently on issue <sup>1</sup>	16,000,000
Performance Rights offered pursuant to the Offer	Nil
<b>Total Performance Rights on issue after completion of the Offer</b>	16,000,000

### Notes:

1. In addition to the Performance Rights on issue, the Company has entered into agreements to issue 2,600,000 Performance Rights to certain key employees (non-Directors) as incentives relating to their role with the Company.

## 5.5 Details of substantial holders

Based on publicly available information as at 14 September 2018, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Darren Carter	9,290,000	13.02
Terry Roberts	5,715,562	8.01

Mr Darren Carter has notified the Company that he presently intends to take up his Entitlement under the Offer.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

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## 6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

### 6.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### (a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### (b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### (c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the

sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

**6.2 Rights Attaching to New Options offered under the Offer**

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is two (2) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## 7. RISK FACTORS

### 7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### 7.2 Company specific

#### (a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 71,348,828 currently on issue to 107,023,242. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.055 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

#### (b) Technology Risk

WhiteHawk US' market involves rapidly evolving products and technological change. The Company cannot guarantee that it will be able to engage in research and development at the requisite levels. The Company cannot assure investors that it will successfully identify new technological opportunities and continue to have the needed financial resources to develop new products in a timely or cost-effective manner. At the same time, products, services and technologies developed by others may render the Company's products and services obsolete or non-competitive.

#### (c) Research and Development and Technical Risk

WhiteHawk US' products and services are the subject of continuous research and development and necessarily need to be substantially developed further in order to gain and maintain competitive and technological advantage, and in order to meaningfully improve the products' and services' usability, scalability and accuracy. There are no guarantees that the Company will be able to undertake such research



and development successfully. Failure to successfully undertake such research and development, anticipate technical problems, or estimate research and development costs or timeframes accurately will adversely affect the Company's results and viability.

(d) **Intellectual Property Rights**

A substantial part of the Company's commercial success will depend on its ability to establish and protect WhiteHawk US' intellectual property to maintain trade secret protection and operate without infringing the proprietary rights of third parties.

Further, the commercial value of the Company's intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.

It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against WhiteHawk US or the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation will be potentially significant and may divert management's attention from normal commercial operations.

Additionally, securing rights to (or developing) technologies complementing WhiteHawk US' existing intellectual property will also play an important part in the commercial success of the Company. There is no guarantee that such rights can be secured or such technologies can be developed.

(e) **Data loss, theft or corruption**

WhiteHawk US stores data in its own systems and networks and also with a variety of third party service providers. Corruption, theft or loss of the data as a result of misuse, exploitation or hacking of any of these systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the WhiteHawk US' systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers.

(f) **Reliance on Key Personnel Risk**

The Company depends on the expertise, experience and efforts of its executive officers and other key employees. A failure to attract and retain executive, business development, technical and other key personnel could reduce the Company's revenues and operational effectiveness. There is a continuing demand for relevant qualified personnel, and the Company believes that its future growth and success will depend upon its ability to attract, train and retain such personnel. Competition for personnel in the Company's industry is intense, and there is a limited number of persons with knowledge of, and experience in, this industry. An inability to attract or maintain a sufficient number of requisite personnel could have a material adverse effect on the Company's performance or on the Company's ability to capitalise on market opportunities.

(g) **Limited history**

The Company was only recently incorporated and has limited operating history and limited historical financial performance.

No assurance can be given that the Company will maintain commercial viability through WhiteHawk US' existing products or services or otherwise. Achievement of the Company's objectives will depend on the Board's and the executive team's ability to successfully implement its development and growth strategy. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer.

(h) **Foreign exchange**

The Company will be operating in a variety of jurisdictions and as such, expects to generate revenue and incur costs and expenses in more than one currency. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.

**7.3 Industry specific**

(a) **User experience risk**

The Company's business model is based on recurring revenue arising from customers. A poor user experience may not necessarily be anticipated and may affect growth of customer numbers and repeat purchases or ongoing contracts with the Company for use of its software services. Factors which may contribute to poor customer experience include:

- ease of setting up and commencing use of the products offered;
- simplicity and reliability of customer usage; and
- quality of services provided.

Poor user experiences may result in the loss of customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of the Company's products. If any of these occur, it may adversely impact the Company's revenues.

(b) **Scalability**

Scalability is the key to any company that is looking at a potential global market. While the Company believes that the WhiteHawk Exchange, other products, software and its service architecture have been built for scalability, there are no guarantees that its products will be able to meet future demand and requirements of consumers.

(c) **Information technology risk**

With any technical project there are risks with the chosen technology, vendors and employees and in execution. Whilst WhiteHawk US has employed and engaged subject-matter experts, employs experienced persons, standard security technologies and approaches there are risks that delivery will fail to meet expectations or deadlines, that technologies become obsolete, natural disasters occur, the Company or WhiteHawk US is the subject of a fraud or malicious attack or platforms are compromised resulting in a negative impact on the Company's performance.

(d) **Reliance on third party providers**

The Company intends to develop WhiteHawk US' products so that they can be utilised with a number of operating systems, internet platforms and other hardware devices. While the Company will therefore depend on its products being able to operate on a range of systems, platforms and devices, it is unable to control third party developers of such systems. Any changes to external platforms, systems or devices that give preference to competing products or adversely impact on the functionality of the Company's products may render consumers less likely to use the Company's products, which may have a detrimental impact on the Company's financial performance. Likewise, the Company's products are predicated on consumers being able to access the internet and cellular networks. If third party providers raise the cost of these networks or restrict the ability of consumers to access these networks via the Company's products, this is likely to detrimentally affect the Company's financial performance.

(e) **Brand risks**

WhiteHawk US has established its trademarks. The Company believes that to have global branding is critical for the long term success of its business. Negative commentary or a complaint regardless of accuracy via social media, media in general and or word of mouth may have a damaging impact on the ability of the Company to reach its potential, and may not necessarily be based on accurate data or real experience.

Furthermore, claims by third parties of rights to the Company's trading names may cause the Company to incur costs or be required to pay damages or lose rights to their use. This may adversely impact on the operating results and potential of the Company.

(f) **Infringement of third party intellectual property rights**

If a third party accuses the Company or WhiteHawk US of infringing its intellectual property rights or if a third party commences litigation against the Company or WhiteHawk US for the infringement of trademarks or other intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, intellectual property litigation is expensive. Costs that the Company incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against the Company or WhiteHawk US may be able to obtain injunctive or other equitable relief that could prevent WhiteHawk US from further using its branding, trademarks or commercialising its products. In the event of a successful claim of infringement against the Company or WhiteHawk US, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these licenses could prevent WhiteHawk US from commercialising available products and could cause it to incur substantial expenditure.

(g) **Future capital requirements**

There is no certainty regarding the ability of the Company to raise sufficient funds to meet its needs into the future. The Company's future capital requirements depend on a number of factors including the Company's ability to generate income from its operations. The Company may need to raise additional capital from equity or debt sources due to unforeseen circumstances. There can be no assurance that the Company will be able to raise such capital on favorable terms or at all. If adequate funds are not available on acceptable terms the Company may not be able to develop its business and this may have an adverse impact on the Company's operations.

(h) **Regulatory compliance**

The Company is required to comply with the laws governing privacy, taxation and consumer trade practices in each jurisdiction in which it operates. The Company may be subject to other laws in jurisdictions in which it plans to operate and the applicable laws may change from time to time.

These laws and applicable regulations give rise to risks and compliance costs for the Company. Non-compliance with such regulations, changes in the interpretation of current regulations, loss or failure to secure renewal of an accreditation, or the introduction of new laws or regulations may lead to fines imposed on the Company by the relevant regulatory authority or Governmental body, revocation of permits or licenses, or damage to the Company's reputation and may have a material adverse effect on the Company's costs, business model and competitive environment and therefore could materially adversely affect the Company's future financial performance and position.

(i) **Exchange rate movements**

The Company is exposed to exchange rate movements because many of its costs and expenses will be in the United States and revenue it might earn in the future from its operations and product sales may not always be paid to the Company in US dollars. Accordingly, movements in exchange rates may have an impact on the Company's financial position and performance.

(j) **Doing business outside of Australia**

The Company currently has all of its operations in the USA. For operational reasons the company may also establish operations in other jurisdictions.

Wherever the Company sets up operations the Company is exposed to a range of multi-jurisdictional risks such as risks relating to currency exchange rates, labour practices, environmental matters, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regime (including in relation to taxation and foreign investment and practices of government and regulatory authorities) and other issues in foreign jurisdictions in which the Company operates. Businesses that operate across multiple jurisdictions face additional complexities from the unique business requirements in each jurisdiction.

Management experience will help to mitigate, but will not remove, this risk.

(k) **Insurance**

The Company and WhiteHawk US seek to maintain appropriate policies of insurance consistent with those customarily carried by organisations in their industry sector. Any increase in the cost of the insurance policies of the Company, WhiteHawk US or the industry in which they operate could adversely affect the Company's business, financial condition and operational results. The Company's insurance coverage may also be inadequate to cover losses it sustains. Uninsured loss or a loss in excess of the Company's insured limits could adversely affect the Company's business, financial condition and operational results.

(l) **Contractual disputes**

The Company's business model is dependent in part on contractual agreements with third parties that have an interaction with the Company's target market. The Company is aware that there are associated risks when dealing with third parties including but not limited to insolvency, fraud and management failure. Should a third party contract fail, there is the potential for negative financial and brand damage for the Company.

(m) **Credit risks**

The Company will be exposed to credit risks relating to delayed or non-payments from its customers. A failure by the Company to adequately assess and manage credit risk may result in credit losses potentially resulting in a material adverse effect on the Company's business, operating and financial performance, including decreased operating cash flows

## 7.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its activities. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility

with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

**7.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company

### **8.2 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:



- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
14/09/2018	WhiteHawk 360 Cyber Risk Framework Contract Pipeline
31/08/2018	Half Yearly Report and Accounts
27/08/2018	WhiteHawk Expands Current Portfolio of Products and Services
23/08/2018	Appendix 3B
31/07/2018	Appendix 4C - quarterly
23/07/2018	WhiteHawk Announces Partnership with Salmon Ventures
20/06/2018	Change in substantial holding
01/06/2018	Appendix 3B
21/05/2018	Results of Meeting
14/05/2018	Change in substantial holding
14/05/2018	Ceasing to be a substantial holder
14/05/2018	Ceasing to be a substantial holder
14/05/2018	May 2018 Investor Presentation
14/05/2018	Strategic Partnership with Cybercrime Support Network
08/05/2018	WhiteHawk to hold webinar for investors
08/05/2018	WhiteHawk Secures US\$325k 360 Cyber Risk Framework Contract
07/05/2018	Trading Halt
30/04/2018	Appendix 4C - quarterly
16/04/2018	WhiteHawk Releases CyberPath Decision Engine 2.0
16/04/2018	Change in substantial holding
13/04/2018	Notice of Annual General Meeting/Proxy Form

Date	Description of Announcement
29/03/2018	Appendix 4G & Corporate Governance Statement
29/03/2018	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.whitehawk.com](http://www.whitehawk.com).

### 8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.075	18 June 2018
Lowest	\$0.04	6 September 2018
Last	\$0.055	14 September 2018

### 8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

#### Corporate Advisory Mandate with Viaticus

The Company, and Viaticus Capital Pty Ltd (**Viaticus**) have entered into a mandate agreement (as varied) (**Viaticus Mandate**) whereby Viaticus has agreed to assist the Company to develop and implement international investor relations, business development and capital raising strategies. The initial term of the Viaticus Mandate is a period of 12 months from 1 July 2018 and thereafter renewable by mutual agreement in writing (**Term**).

In consideration for its services, Viaticus will receive the following additional remuneration from the Company:

- (a) (**Retainer**): the Company shall pay Viaticus a retainer of \$2,500 per calendar month during the Term;
- (b) (**Capital Raising**): Viaticus will receive a transaction management fee and capital raising fee in relation to any capital raising of the Company for which Viaticus has introduced brokers or investors. Such fee to calculated at the rate of 6% of the amount invested by each investor introduced by Viaticus. Where a fee is payable by the Company to a licensed broker or licensed fund investor and they were introduced by Viaticus, the Company will pay a transaction management fee of 1%. For the purpose of the Offer, Viaticus has agreed that its capital raising fee will only be paid on Shortfall placed by Viaticus, and not on funds raised under the Offer.

- (c) **(Reimbursement):** The Company will also be required to reimburse Viaticus for its reasonable out-of-pocket expenses as part of its services but will be required to obtain the Company's consent for any single expenses greater than \$100.
- (d) **(Incentive Performance Rights):** the Company will also issue Viaticus 3,000,000 performance rights expiring 30 June 2020, to be issued the earlier of the Shares to be issued under the Offer or such other date as agreed between the parties:
- (i) 1,500,000 shall vest on the issue date and convert to Shares when the 5-day volume weighted average price (**VWAP**) of Shares exceeds the price that is 150% above the Share price at the date of the Viaticus Mandate;
  - (ii) 1,500,000 shall vest on the issue date and convert to Shares when the 5-day VWAP of Shares exceeds the price that is 200% above the Share price at the date of the Viaticus Mandate;
  - (iii) the performance rights shall convert to Shares upon the announcement of a takeover, merger, scheme of arrangement, share capital reconstructions or planned sale of the Company's main business or undertaking; and
  - (iv) the performance rights are freely transferable by Viaticus.

The Viaticus Mandate otherwise contains standard terms and conditions for an agreement of this nature.

## 8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

## Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Performance Rights	Entitlement	\$
Teresa Roberts	5,715,562	Nil	Nil	2,857,781	128,600
Philip George	Nil	Nil	1,000,000	Nil	Nil
Louise McElvogue	Nil	Nil	1,000,000	Nil	Nil
Tiffany Jones	Nil	Nil	1,000,000	Nil	Nil

The Board recommends all Shareholders take up their Entitlement.

The Board advises that Teresa Roberts is unable to participate in the Offer as she is a resident of the United States of America and is deemed ineligible (refer to section 4.12 of this Prospectus). Accordingly, Ms Roberts will not be able to take up her Entitlement.

## Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$350,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2017 (\$USD)	2018 (\$USD)
Teresa Roberts	\$149,813	\$144,000
Philip George	\$12,000	\$18,000
Louise McElvogue	\$6,000	\$18,000
Tiffany Jones	\$12,000	\$18,000

## 8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$133,495 (excluding GST and disbursements) for legal services provided to the Company.

Viaticus Capital Pty Ltd has acted as the corporate advisor to the Company in relation to the Offer. The Company estimates it will pay Viaticus Capital Pty Ltd a fee equal to 6% of the Shortfall for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Viaticus Capital Pty Ltd has been paid fees totalling \$204,840 (excluding GST and disbursements) for services provided to the Company.

## 8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus,

Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC;
- (d) RSM Australia Partners has given its written consent to being named as the auditor to the Company in this Prospectus and the inclusion of the audit reviewed balance sheet. RSM Australia Partners have not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC;
- (e) Viaticus Capital Pty Ltd has given its written consent to being named as the corporate advisor to the Company in this Prospectus. Viaticus Capital Pty Ltd have not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$58,663 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
Transaction management and capital raising fees at 6% <sup>1</sup>	27,000
ASIC fees	3,206
ASX fees	7,457
Legal fees	15,000
Miscellaneous costs	6,000
<b>Total</b>	<b>58,663</b>

### Notes:

1. This figure is indicative only. The transaction management and capital Raising fee of 6% is only payable to Viaticus in relation to placement of any Shares under the Shortfall Offer (refer to section 8.4 of this Prospectus for further details). This figure has been estimated on the basis that Viaticus places 10,000,000 Shares under the Shortfall Offer. The actual amount payable to Viaticus may be more or less than this indicative figure depending on the Shortfall under the Offer and Viaticus' ability to place that Shortfall.

## 8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 6311 4636 and the

Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.whitehawk.com](http://www.whitehawk.com).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### **8.10 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

#### **8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **8.12 Privacy Act**

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the

Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.



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**9. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**Teresa Roberts**  
**CEO and Executive Chair**  
**For and on behalf of**  
**WhiteHawk Limited**

For personal use only

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## 10. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means WhiteHawk Limited (ACN 620 459 823).

**Consolidated Group** means the Company and its subsidiary, WhiteHawk CEC Inc.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Exchange Agreement** means the original agreement pursuant to which the Company acquired 100% of the interests in WhiteHawk CEC Inc. and which was summarised in the Company's IPO Prospectus.

**IPO Prospectus** means the Company's prospectus dated 21 November 2017 and announced to ASX on 22 January 2018.

**New Option** means an Option issued on the terms set out in section 6.2 of this Prospectus.

**Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Securities** means Shares and/or New Options offered pursuant to the Entitlement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Shortfall** means the Shares not applied for under the Offer (if any).

**Shortfall Application Form** means the shortfall application form either attached to or accompanying this Prospectus.

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in section 4.8 of this Prospectus.

**Shortfall Securities** means those Securities issued pursuant to the Shortfall.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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