WHITEHAWK

2017

WhiteHawk Limited
2017 Annual Report

ABN: 97 620 459 823

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CORPORATE INFORMATION

Directors

Teresa Roberts
Philip George
Louise McElvogue
Tiffany Jones

Registered Office

Level 24
140 St Georges Terrace
Perth WA 6000

Share Registry

Automic Registry Services
Level 2
267 St Georges Terrace
Perth WA 6000

Company Secretary

Kevin Kye

ASX Code

WHK

Website

http://www.whitehawk.com

Accountant

Traverse Accountants
Level 3
35 Lime Street
Sydney NSW 2000
Australia

Auditor

RSM Australia Partners
Level 13
60 Castlereagh Street
Sydney NSW 2000
Australia

Lawyer

Steinepreis Paganin
Level 4, The Read Buildings,
16 Milligan Street
Perth WA 6000
Australia

CHAIRMAN'S LETTER

Dear Shareholders,

As you know, global cyber security is the market to be in and SMB's are the underserved and overwhelmed customer set in need of immediate services. With our online approach that is accessible globally, we are beginning to disrupt in industry. **By investing in us, you are investing in our pioneering AI technology, B2B business model and a new way companies think about and purchase cyber security products and services.** On behalf of our WhiteHawk team, thank you for supporting our ever advancing business journey now and into the future, as we build our brand, customers and offerings to the next level and beyond.

Thanks to your investment: we have added needed top talent to our bench; we are launching 2.0 of the CyberPath Decision Engine; we are growing our Exchange of products and services; we are conducting the next phase of market research and sales channels partnerships and implementing the phase of our business intelligence analytics and future offerings.

- **According to Ponemon Institute's 2017 Survey, 61% of businesses with 100-1000 employees have experienced a cyber attack in the past 12 months.**
- **The same survey indicated that businesses spent an average of $1,027,053 to mitigate the damage or theft of IT assets.**
- **The likelihood of an SMB having a cyber attack in 2018 is over 50%. – JiveA**

WhiteHawk has achieved a great deal of this last year.

In 2017, the WhiteHawk online Cybersecurity Exchange has been implemented and instrumented.

We have evolved from a seed investment to our exciting listing on the ASX.

Our release of our Website 2.0 transitions our artificial intelligence cyber risk assessment approach from identifying customer needs and matching companies to best practice based product and service options; to a more advanced approach of matching company needs to optimal solution options, based upon industry risk, customer maturity and business scale.

We have grown from working in our respective home offices to collaborating face to face in our Alexandria, VA, USA based office and an office in Perth, AU.

Our staff has expanded from 3 fulltime employees, to 11 talented Data Scientists and developers, Cybersecurity Analysts, Digital Marketing and communications professionals and a Leadership team of 4.

We have successfully trade-marked our logo and brand in the US and have applied in Australia and China. We made our final application for a patent for our cutting-edge AI technology, our CyberPath Decision Engine.

The fast pace and ever-changing cybersecurity industry drives collaboration, as no one company can do it all, there is one company, WhiteHawk, that can provide solutions all in one place. Our exchange is rapidly becoming the place where a majority of cybersecurity providers want to showcase their products and services and scale their sales. WhiteHawk has identified and partnered with other top companies that are at the forefront of the cybersecurity industry providing innovative offerings to address the supply chain and sub-contractor risks in an automated and continuous solution with Interos and BitSight.

WhiteHawk's reputation as an innovative provider of cybersecurity technology and pragmatic risk frameworks has led to contractual agreements with large financial institutions and prime contractors to the US Federal Government.

In 2018 we are focused on driving customer supply chain and sub-contractor companies to our offerings, through our 360 Risk Framework contracts and attracting customer companies through continued search engine optimization and digital marketing. As always, WhiteHawk is advancing our online B2B Exchange platform, expanding our vendor offerings and scaling our virtual advisory services.

Because online crime and fraud is relentless and always in the news, our customers are looking for affordable and effective help. They need to know about us or be able to easily search for and find us online, discover our web site intuitive and easy to navigate, appreciate our virtual advisors and determine that our vendor offerings are impactful. Making this happen is our business focus every day and will lead to our long-term growth and success.

Looking forward to being in Sydney for our AGM on the 21st of May, hope to see you there.

Terry W Roberts
Chairman

DIRECTORS' REPORT

Your directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of WhiteHawk Limited (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the year ended 31 December 2017.

DIRECTORS

The following persons were directors of the Company during the financial year and up to the date of this report:

TERESA ROBERTS	*Chief Executive Officer and Chairman, appointed 19 January 2018*
PHILIP GEORGE	*Non-Executive Director, appointed 14 July 2017*
LOUISE MCELVOGUE	*Non-Executive Director, appointed 19 January 2018*
TIFFANY JONES	*Non-Executive Director, appointed 19 January 2018*
TOBY HICKS	*Non-Executive Director, appointed 14 July 2017, resigned 19 January 2018*
KEVIN KYE	*Non-Executive Director, appointed 14 July 2017, resigned 19 January 2018*

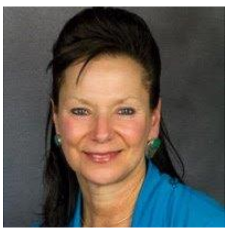
CHIEF EXECUTIVE OFFICER

TERESA ROBERTS	Appointed 19 January 2018

COMPANY SECRETARY

KEVIN KYE	Appointed 14 July 2017

INFORMATION ON DIRECTORS



TERESA ROBERTS

Chief Executive Officer and Executive Chairman

Appointed 19 January 2018

Length of Service: 2 Months

Terry Roberts has been a national security and cyber intelligence professional for over 35 years, as a US Naval Intelligence Officer, a Department of Defence Senior Executive and as a Cyber Engineering, Architecture and Analytics industry Executive.

Before establishing WhiteHawk US, Ms Roberts was the TASC VP (a $1.3B Defence Industrial Base Company), for Cyber Engineering and Analytics across the US Government, running all Cyber/IT, Financial and Business Analytics cross cutting, innovative technical services. Prior to TASC, Ms Roberts was the Executive Director of the Carnegie Mellon, Software Engineering Institute, leading the technical body of work for the entire US Interagency (over $40M portfolio), with a special focus on leveraging and transitioning commercial innovation and acquisition excellence to government programs and capabilities and establishing the Emerging Technologies Center and Cyber Intelligence Consortium.

Before transitioning to industry in 2009, Ms Roberts was the Deputy Director of Naval Intelligence (DDNI), where she led, together with the Director of Naval Intelligence, more than 20,000 intelligence and information-warfare military and civilian professionals and managed more than $5 billion in resources, technologies, and programs globally, leading the initial approach for the merging of Naval Communications and Intelligence under the OPNAV N2/N6 and the creation of the Information Dominance Corps.

Ms Roberts served as the Director of Requirements and Resources for the Office of the Under Secretary of Defense for Intelligence (USDI), spearheading the creation and implementation of the Military Intelligence Program (MIP) ($21B Program in capabilities and personnel), in partnership with the Director of National Intelligence, the Services, the Combat Support Agencies, and the Office of the Secretary of Defense (OSD). Ms Roberts is the Chair Emeritus of the Intelligence and National Security Alliance (INSA) Cyber Council, a Member of the AFCEA Intelligence Committee, on the Naval Intelligence Professionals (NIP) BOD, a member of the USNA Cyber Education Advisory BOD and previously in 2016 a Cyber Fellow at New America (non-partisan think tank) and an adjunct professor of Cyber Intelligence at DMGS.

Ms Roberts has not previously been a director of any other ASX listed company.

The Board does not consider Ms Roberts to be an independent director due to her role as an executive director of the Company.

PHILIP GEORGE

Non-Executive Director

Appointed 14 July 2017

Length of Service: 8 Months

Philip George has experience as a managing director and operations manager with a strong background in cyber security and IT networking. He has previously worked as a general manager, technical director, global IT manager, team lead, and IT Manager. For the last eleven years, Mr George primarily serviced the Finance, Oil & Gas, Start-up & Mining and Petrochemical industries. Mr George is the former Operations Manager for Uber Australia.

Mr George is the founder of NURV Consulting which delivers custom cloud based solutions to small & medium businesses. Over six years after establishing NURV Consulting, Mr George established and maintained wholesale and supplier relationships with Australian and international solutions providers to deliver premium end customer solutions.

Mr. George is currently a non-executive director of Department 13 International Limited.

The Board considers Mr George to be an independent director as Mr George is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

LOUISE MCELVOGUE

Non-Executive Director

Appointed 19 January 2018

Length of Service: 2 Months

Ms McElvogue is a non-executive director and executive experienced in building digital businesses, leading innovation and managing reputation and risk for boards, corporates and start-ups globally.

She is CEO of Macleod Media a digital and strategy consultancy in Sydney, Australia and has also worked in the US, UK and Asia building more than 30+ digital products for clients including McDonald's, the BBC and British Gas.

Ms McElvogue served on the Convergence Review Committee, appointed by the Prime Minister to review regulation of Australian media and digital regime

Ms McElvogue was previously head of customer experience at Agilisys London which works with government and corporates on digital and technology strategy. Ms McElvogue started her career as a business editor, producer and journalist.

Ms McElvogue is an existing Director of WhiteHawk US. In addition, Ms McElvogue is a Trustee of the NSW Government's Sydney Living Museums, Councillor of the Australian Institute of Company Directors (NSW) and Member of the AICD Technology and Innovation Panel, Non-Executive Director Australian Physiotherapists' Association and Chair of UTS' Advisory Board for the Faculty of Arts and Social Sciences and a member of UTS' Business School board

The Board considers Ms McElvogue to be an independent director as she is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of her judgement.

TIFFANY JONES

Non-Executive Director

Appointed 19 January 2018

Length of Service: 2 Months

Tiffany Jones is currently the CEO of Distill Networks and formerly VP of Global Strategic Partnerships and Alliance Operations at FireEye, Senior Vice President of Client Solutions & Chief Revenue Officer for iSIGHT and Mandiant, former Deputy Chief of Staff at the White House Office of Cyber Security and Critical Infrastructure Protection, and decorated US Coast Guard Officer.

Ms Jones graduated from the US Coast Guard Academy and has not previously been a director of any other ASX listed company.

The Board considers Ms Jones to be an independent director as Ms Jones is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of her judgement.

MEETINGS OF DIRECTORS

During the financial year ended 31 December 2017, the number of formal Directors' meetings held and number of such formal meetings attended by each of the Directors of the Company were as follows.

DIRECTOR	ELIGIBLE TO ATTEND	MEETINGS ATTENDED
Teresa Roberts	-	-
Philip George	-	-
Louise McElvogue	-	-
Tiffany Jones	-	-
Toby Hicks	-	-
Kevin Kye	-	-

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The net loss after tax for the year was US$2,812,113 (2016 loss: US$209,283).

PRINCIPAL ACTIVITIES AND STRATEGY

The Group operates a business to business (B2B) e-commerce cybersecurity exchange where vendor cybersecurity products and services can be matched to purchaser's needs (WhiteHawk Exchange) and bought online or via WhiteHawk Cyber Advisor using its patent pending CyberPath Decision Engine the underpinning of the WhiteHawk Exchange.

The Group has developed a machine learning algorithm and artificial intelligence platform under provisional patent application (CyberPath Decision Engine) for the WhiteHawk Exchange that enables buyers to determine and understand their top cyber business risks and which of the myriad vendor products suit their business, sector, budget and security/insurance requirements.

RECENT HIGHLIGHTS

- The Group completed a successful IPO, raising US$3.5M strongly supported by institutional and retail investors;
- As of 31 December 2017, the Group has a strong balance sheet with a cash balance of US$3.682M;
- With the successful IPO, the Company acquired as a wholly owned subsidiary WhiteHawk CEC Inc, the US based cyber security firm;
- The Company was admitted to the ASX on Monday, 22 January 2018 with official quotation commenced 24 January 2018;
- The Group has negotiated contracts to provide:
    - Services to defence industrial base contractor yielding US$65K in referral revenue and an estimated US$1.2M in direct revenue over the next five years;

- Services to US national financial institution, resulting in US$50K in revenue in the first quarter of 2018.

In 2017, the Group's top priority was the implementation of the online Exchange platform and Decision Engine, which are the main pillars of the WhiteHawk business model. As a result of increased resources being dedicated to the advancement of the online platform and growth of vendor offerings, Executive Consulting services were reduced which led to weaker than expected revenues. Revenue in 2017 was also supported by lead generation in US government contracting which was impacted by U.S. budget delays, reducing projected revenue by approximately 50 percent.

The Group's Subcontract awards were delayed by Prime Contractor, resulting in a delay of invoicing of US$113K, to be pushed back until 2018. Website Development costs in 2017 were US$1.3M, comprised mostly of in-house development team personnel costs and subcontractor development services. The R&D expenditure has resulted in key developments to the online platform and Decision Engine including:

- Acquisition of in-house development and data science talent;
- Stand-up of the e-commerce platform enabling the purchase of products and advisory services directly online;
- Reviewing and onboarding of over 500 products and services;
- Decision Engine (CyberPath) online Questionnaire and the CyberPath development.

2018 OUTLOOK

The Group expects revenue from contracts generated through its executive cyber security advisory services and has a strong pipeline of work pending. This contracted revenue will supplement revenue as the 2.0 website redesign (user experience) and 2.0 Decision Engine Release (matching industry risks with customer needs) versions are being tested and deployed to the website in February and April of 2018, respectively.

WhiteHawk has three primary online revenue streams; online sales of products and services, virtual advisory service bundles, and business intelligence reports. The Company has re-evaluated revenue streams to be equally focused on product sales and Advisory Service Bundles sales. During 2018, four levels of product and service bundles will be developed; basic, balanced, cloud and advanced, each being cumulative of the previous lower tier.

All three online revenue streams are dependent on driving website traffic either organically or via strategic channel partners. WhiteHawk is executing a comprehensive digital marketing strategy and building a network of channel partners and offerings to drive customer company website visits and conversion to online sales.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the Group's state of affairs occurred during the financial period.

MATTERS SUBSEQUENT TO BALANCE DATE

Post balance date, WhiteHawk US has filed one US patent application for the Decision Engine in February 2018.

US Trademark applications were filed in China and Australia in the first quarter of 2018.

Tesserent (ASX: TNT), a leading Australian provider of cyber security products and services, announced a partnership to help meet the cyber security needs of small to mid-sized businesses (SMBs) with the Group.

In March 2018, the Group announced that it had integrated technology from BitSight, the Standard in Security Ratings, and Interos, a proven leader in assessing and monitoring supply chain risks, to offer a 360 Cyber Risk Framework that takes a holistic approach to immediately addressing Digital Age business risks.

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect:

a) The Group's operations in future financial years; or
b) The results of those operations in future financial years; or
c) The Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this statement because the directors believe it could potentially result in unreasonable prejudice to the Group.

MATERIAL RISK EXPOSURE

The Board considers that adequate systems are in place to manage the Group's obligations and is not aware of Group's material exposure to economic, environmental and social sustainability risks.

ENVIRONMENTAL REGULATION

The Group's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. The Board considers that adequate systems are in place to manage the Group's obligations and is not aware of any breach of environmental requirements as they relate to the Group.

DIVIDENDS

No dividends were paid to members during the financial year (2016: US$Nil).

INDEMNIFICATION OF OFFICERS

During the financial year the Group paid premiums in respect of a contract insuring Directors and Executives against a liability incurred in the ordinary course of business.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration is set out on page 17.

AUDITOR

RSM Australia Partners is the Company's appointed auditor.

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and executives of the Group.

Remuneration philosophy

The performance of the Group depends upon the quality of its directors and executives, and the ability of the Group to attract, motivate and retain highly skilled directors and executives.

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors, the Chief Executive Officer and the executive team. The Board of Directors assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

NON-EXECUTIVE DIRECTOR REMUNERATION

OBJECTIVE

The Board of Directors recognises that the success of the Group will depend on the quality of its directors and its senior management. For this reason the Board of Directors reviews the remuneration arrangements for all senior employees to ensure that it attracts and keeps motivated, highly skilled and appropriately qualified Directors and executives.

STRUCTURE

The Company's Constitution and the ASX listing rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting of shareholders. An amount not exceeding the amount determined by shareholders in general meeting is then available to be split between the Directors as agreed between them. Clause 14.8 of the Constitution provides that the current non-executive director fee pool be set at $350,000.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned between directors is reviewed annually. The Board takes into account the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. The Chairman receives a higher fee in recognition of the additional time commitment required of a Chairman.

Non-executive directors are encouraged by the Board to hold shares in the Company (purchased by the directors on market). It is considered good governance for directors to have a stake in the company on whose board they sit.

Non-executive directors' remuneration is not linked to the performance of the Company.

SENIOR MANAGER AND EXECUTIVE DIRECTOR REMUNERATION

OBJECTIVE

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to ensure total remuneration is competitive by market standards.

STRUCTURE

In determining the level and make-up of executive remuneration, the Board of Directors reviews market conditions and the circumstances of the Company to ensure that the remuneration offered is sufficient to attract executives of the highest calibre.

FIXED REMUNERATION

The fixed remuneration of all employees is reviewed by the Board of Directors as is considered necessary.

EQUITY BASED REMUNERATION

The equity based remuneration of all employees is reviewed by the Board of Directors as is considered necessary.

TABLE 1 - SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

	Opening balance	Granted as compensation	Acquired	*Closing Balance 31/12/17*
Directors				
Teresa Roberts[1]	-	-	5,715,562	5,715,562
Philip George	-	-	-	-
Louise McElvogue	-	-	-	-
Tiffany Jones	-	-	-	-
Key management personnel				
Luis Cruz-Riviera[2]	-	-	1,758,375	1,758,375
Antonio Crespo	-	-	-	-
Kevin Goodale[3]	-	-	439,593	439,593
Total	-	-	7,913,530	7,913,530

WHITEHAWK

1) Under the Exchange Agreement between the Company and the previous shareholders of WhiteHawk CEC Inc referred to in the Company's Prospectus dated 21 November 2017, Ms Roberts is entitled to receive 48,772,796 conditional shares upon the achievement of certain milestones of the business.
2) Under the Exchange Agreement between the Company and the previous shareholders of WhiteHawk CEC Inc referred to in the Company's Prospectus dated 21 November 2017, Mr Cruz-Rivera is entitled to receive 15,004,800 conditional shares upon the achievement of certain milestones of the business.
3) Under the Exchange Agreement between the Company and the previous shareholders of WhiteHawk CEC Inc referred to in the Company's Prospectus dated 21 November 2017, Mr Goodale is entitled to receive 3,751,194 conditional shares upon the achievement of certain milestones of the business.

TABLE 2 - PERFORMANCE RIGHTS HELD BY KEY MANAGEMENT PERSONNEL

	Opening balance	Rights granted	Rights exercised	Rights lapsed	Balance 31/12/17
Directors					
Teresa Roberts	-	-	-	-	-
Philip George[1]	-	-	-	-	-
Louise McElvogue[1]	-	-	-	-	-
Tiffany Jones[1]	-	-	-	-	-
Key management personnel					
Luis Cruz-Rivera	-	-	-	-	-
Antonio Crespo	-	-	-	-	-
Kevin Goodale	-	-	-	-	-
Total	-	-	-	-	-

1 Director became entitled to 1,000,000 performance rights that were issued subsequent to balance date.

TABLE 3 - DETAILS OF REMUNERATION

2017	Salary and fees	Other fees	Share based payments	*Total*
	US$	US$	US$	*US$*
Directors				
Teresa Roberts	149,813	-	-	*149,813*
Philip George	12,000	-	2,003	*14,003*
Louise McElvogue	6,000	-	2,003	*8,003*
Tiffany Jones	12,000	-	2,003	*14,003*
Total Directors	179,813	-	**6,009**	***185,822***
Key management personnel (KMP)				
Luis Cruz-Riviera	140,864	-	-	*140,864*
Antonio Crespo	90,729	-	-	*90,729*
Kevin Goodale	83,718	-	-	*83,718*
Total KMP	**315,311**	**-**	**-**	***315,311***
Total	495,124	-	**6,009**	***501,133***

Terry Roberts
Chief Executive Officer
29 March 2018

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, WhiteHawk Limited ('the Company') has adopted the third edition of the Corporate Governance Principles and Recommendations.

The Company's Corporate Governance Statement for the financial year ending 31 December 2017 is dated and was approved by the Board on 29 March 2018. The Corporate Governance Statement is available on the Company's website at https://www.whitehawk.com.

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Whitehawk Limited for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

GNS

G N Sherwood
Partner

Sydney, NSW
Dated: 29 March 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	For the Year Ended 31 Dec 2017 US$	For the Year Ended 31 Dec 2016 US$
Revenue from continuing operations	3	86,437	219,488
Cost of goods sold		(49,540)	-
Gross profit		36,897	219,488
Other income		2,130	30,914
License fees and patent expense		(1,569)	(490)
Professional expenses		(169,524)	(18,347)
Employee benefits expense		(624,556)	(246,689)
Share based payments expense	16	(18,693)	(57,941)
IT expenditure		(12,209)	(483)
Conference and travel expenditure		(66,887)	(23,951)
Marketing expenditure		(130,670)	(5,114)
Office and occupancy expenses		(140,730)	(23,202)
Depreciation		(12,073)	(3,574)
Finance costs		(263,048)	(74,436)
Foreign exchange loss		(30,590)	-
General and administration expenses		(75,189)	(5,458)
Costs of listing	4	(1,305,402)	-
Loss before income tax		(2,812,113)	(209,283)
Income tax expense	5	-	-
Loss for the year		(2,812,113)	(209,283)
Other comprehensive income			
Exchange differences on translation foreign operations		(153,515)	(2,286)
Total comprehensive loss for the year		(2,965,628)	(211,569)
Loss per share			
From continuing operations			
- Basic/diluted losses per share (US cents)	20	(27.03)	(2.51)

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

WHITEHAWK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	As at 31 Dec 2017 US$	As at 31 Dec 2016 US$
ASSETS			
Current Assets			
Cash and cash equivalents	6	3,681,997	603,755
Trade and other receivables	7	89,774	486,940
Total Current Assets		3,771,771	1,090,695
Non-Current Assets			
Property, plant and equipment	8	25,559	9,297
Intangible assets	9	1,310,680	-
Total Non-Current Assets		1,336,239	9,297
Total Assets		5,108,010	1,099,992
LIABILITIES			
Current Liabilities			
Trade and other payables	10	761,319	42,768
Financial liabilities	11	256,874	754,115
Total Current Liabilities		1,018,193	796,883
Non-Current Liabilities			
Financial liabilities		-	252,010
Total Non-Current Liabilities		-	252,010
Total Liabilities		1,018,193	1,048,893
Net Assets		4,089,817	51,099
EQUITY			
Contributed equity	13	7,299,960	314,307
Reserves	14	(134,822)	-
Accumulated losses		(3,075,321)	(263,208)
Total Equity		4,089,817	51,099

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Contributed equity US$	Accumulated Losses US$	Reserves US$	Total US$
2016					
At 1 January 2016		255,000	(53,925)	-	201,075
Loss for the year		-	(209,283)	-	(209,283)
Other comprehensive income		-	-		-
Total comprehensive loss		-	(209,283)	-	(209,283)
Transactions with owners in their capacity as owners					
Issued capital net of issue costs	13	59,307	-	-	59,307
At 31 December 2016		314,307	(263,208)	-	51,099
2017					
At 1 January 2017		314,307	(263,208)	-	51,099
Loss for the year		-	(2,812,113)	-	(2,812,113)
Other comprehensive loss		-	-	(153,515)	(153,515)
Total comprehensive loss		-	(2,812,113)	(153,515)	(2,965,628)
Transactions with owners in their capacity as owners					
Issued capital net of issue costs	13	6,995,537	-	-	6,995,537
Shares redeemed	13	(9,884)	-	-	(9,884)
Performance rights issued	13	-	-	18,693	18,693
At 31 December 2017		7,299,960	(3,075,321)	(134,822)	4,089,817

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	For the Year Ended 31 Dec 2017 US$	For the Year Ended 31 Dec 2016 US$
Cash flows from operating activities			
Receipts from customers		85,979	193,533
Payments to suppliers and employees		(1,126,845)	(284,609)
Interest received		1,973	752
Listing expenses paid		(66,297)	-
Net cash outflow from operating activities	17	(1,105,190)	(90,324)
Cash flows from investing activities			
Payments for plant and equipment		(28,335)	(13,239)
Payments for intangible assets		(1,310,680)	-
Bonds paid		(23,456)	-
Net cash outflow from investing activities		(1,362,471)	(13,239)
Cash flows from financing activities			
Proceeds from issue of shares		3,389,850	-
Promissory note proceeds received		-	250,061
Convertible loan proceeds received		2,270,381	303,545
Transaction costs related to issues of shares, convertible notes or options		(126,030)	(53,545)
Net cash inflow from financing activities		5,534,201	500,061
Net increase in cash and cash equivalents		3,066,540	396,498
Cash and cash equivalents at the beginning of the financial year		603,755	207,257
Foreign exchange adjustment to cash balance		11,702	-
Cash and cash equivalents at end of the year		3,681,997	603,755

Pursuant to Listing Rule 4.10.19, in the period from the Group's admission date on 22 January 2018 to the period ended 29 March 2018, the Group's use of cash and cash equivalents have been consistent with the established business objectives at the date of admission.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of the consolidated entity (referred to hereafter as the 'Group') consisting of WhiteHawk Limited (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the year ended 31 December 2017.

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standard Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

ACCOUNTING POLICIES

A. Basis of consolidation

Basis of consolidation The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 31 December 2017. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December 2017.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

B. Reverse acquisition accounting

On 20 December 2017, WhiteHawk Limited wholly acquired WhiteHawk CEC Inc.

Under the accounting standard applicable to business acquisitions, AASB 3 *Business Combinations (FP)*, the acquisition does not meet the definition of a business combination as the net assets of WhiteHawk Limited at the date of acquisition did not represent a business. The transaction has therefore been accounted for as a reverse acquisition of WhiteHawk Limited by WhiteHawk CEC Inc. The transaction has been accounted for by reference to AASB 2 *Share Based Payments* as a deemed issue of shares. Under this scenario, WhiteHawk CEC Inc is deemed to be the acquirer and WhiteHawk Limited is deemed to be the subsidiary. Applying the reverse acquisition method of accounting, following the acquisition, the consolidated financial statements are required to represent the continuation of the financial statements of WhiteHawk CEC Inc from the date of acquisition.

Prior to completion of the acquisition of WhiteHawk CEC Inc, the functional and presentation of WhiteHawk Limited was Australian dollars (AU$).

The impact of the reverse acquisition on each of the primary statements is as follows:

- **Consolidated Statement of Financial Position**: the 31 December 2017 consolidated statement of financial position represents both WhiteHawk Limited and WhiteHawk CEC Inc. The 31 December 2016 statement of financial position represents the position of WhiteHawk CEC Inc at 31 December 2016.

- **Consolidated Statement of Profit or Loss and Other Comprehensive Income**: the 31 December 2017 consolidated statement of profit or loss and other comprehensive income comprises 12 months activities of WhiteHawk CEC Inc and activity for WhiteHawk Limited from the acquisition date on 20 December 2017. The 31 December 2016 statement of profit or loss and other comprehensive income comprises 12 months of WhiteHawk CEC Inc activity only.

- **Consolidated Statement of Changes in Equity**: The 31 December 2017 consolidated statement of changes in equity comprises of 12 months activities of WhiteHawk CEC Inc and activity for WhiteHawk Limited from the acquisition date on 20 December 2017 and transactions with equity holders for the period. The 31 December 2016 statement of changes in equity comprises changes in equity for the 12 month period of WhiteHawk CEC Inc only.

- **Consolidated Statement of Cash Flows**: The 31 December 2017 consolidated statement of cash flows comprises the cash transactions of WhiteHawk CEC Inc and activity for WhiteHawk Limited from the acquisition date on 20 December 2017. The 31 December 2016 statement of cash flows comprises of 12 months of WhiteHawk CEC Inc cash transactions only.

C. Foreign currency translation

(I) Functional currency

Items included in the financial statements of the Group's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency').

The functional currency of the Company is Australian dollars (AU$).

The functional currency of the WhiteHawk CEC Inc is United States dollars (US$).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

(II) Presentation currency

The financial statements are presented in United States dollars, which is the Group's presentation currency.

Functional currency balances are translated into the presentation currency using the exchange rates at the balance sheet date. Value differences arising from movements in the exchange rate is recognised in the statement of comprehensive income.

D. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rates which is the rate that exactly discounts the estimated future cash receipts over the expected future life of the financial asset.

When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

E. Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or are recognised directly in equity or in other comprehensive income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

With respect to land and buildings measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

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

F. Leases

Leases where the lessor retains substantially all of the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss on a straight-line basis over the period of the lease.

G. Impairment of assets

At the end of each reporting period the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash generating unit to which the asset belongs.

H. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

I. Trade and other receivables

Trade and other receivables are stated at their cost less an allowance for impairment of receivables.

J. Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Other receivables are generally due for settlement within 30 days.

Collectability of other receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance made for doubtful debts is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue).

The amount of the impairment loss is recognised in the Consolidated Statement of Comprehensive Income as 'impairment expenses'. When a trade or other receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Comprehensive Income.

K. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and are usually payable within 30 days of recognition.

L. Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

M. Financial Instruments

(I) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(II) Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss ("FVTPL"), that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(III) Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which requires a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

N. Employee benefits

(I) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the end of the reporting period are recognised in other payables in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

(II) Retirement benefit obligations

The Group does not maintain a superannuation plan. The Group makes fixed percentage contributions for all Australian resident employees to complying third party superannuation funds and for US resident employees to complying pension funds. The Group's legal or costructive obligation is limited to these contributions.

Contributions to complying third party superannuation funds and pension plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

O. Contributed equity

Costs directly attributable to the issue of new shares are shown as a deduction from the equity as a deduction proceeds net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

P. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

Q. Intangible assets

(I) Recognition of intangible assets

Website development costs

Expenditure on the research phase of projects to develop new customised software and/or hardware is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to and has sufficient resources to complete the project;
- the Group has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Costs that are directly attributable include employees' (other than Directors') costs incurred on software and hardware development, along with an appropriate portion of relevant overheads and borrowing costs.

Subsequent measurement

All intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing annually.

The following useful lives are applied:

- Software: 5 years

Any capitalised internally developed software that is not yet complete is not amortised but is subject to impairment testing annually.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

R. Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

Depreciation is calculated over the estimated useful life of the assets as follows:

Plant and equipment – 3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

S. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the loss attributable to the owners the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

T. Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

U. Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 23.

V. Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

W. Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Hull-White or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

X. Rounding of amounts

Amounts in the financial statements and directors' report have been rounded off to the nearest dollar.

Y. Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the annual report, the Group incurred a loss after tax of US$2,812,113 and had net cash outflows from operating activities of US$1,105,190 for the year ended 31 December 2017. As at that date the Group had net current assets of US$2,753,578, net assets of US$4,089,817 as well as cash and cash equivalents of US$3,681,997 as at 31 December 2017.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Group has cash and cash equivalents of US$3,681,997 as at 31 December 2017. As at that date the Group had net current assets of US$2,753,578 and net assets of US$4,089,817. The Group has performed a cash flow forecast and determined that it has adequate cash resources in place to fund its operations for the next 12 months even in the absence of obtaining additional funding.
- If required, the Group has the ability to continue to raise additional funds on a timely basis pursuant to the Corporations Act 2001.
- The Group has the ability to scale back a significant portion of its development activities if required.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Z. Annual report differences to Appendix 4E lodged 28 February 2018

Adjustments have been made to the 2017 financial statements subsequent to the lodgement of the Appendix 4E on 28 February 2018. The below is a summary of the differences between the financial statements contained in the Annual Report and the lodged Appendix 4E.

	Annual Report	Lodged Appendix 4E	Difference
	US$	US$	US$
Loss after income tax	(2,812,113)	(4,833,858)	2,021,745
Net assets	4,089,817	4,089,817	-
Equity			
Reserves	(134,822)	1,886,923	(2,021,745)
Accumulated losses	(3,075,321)	(5,097,066)	2,021,745

AA. New, revised or amending Accounting Standards and Interpretations adopted

At the date of authorisation of the financial statements the following standards and interpretations have been applied where applicable;

- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle
- ASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

BB. New Accounting Standards and Interpretations not yet mandatory or early adopted

The following Standards and Interpretations listed below were on issue but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' (December 2014) AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	1 January 2018	31 December 2019

The directors do not anticipate that the adoption of AASB 9 will have a significant impact on the Group's financial instruments.		

AASB 15 Revenue from Contracts with Customers
 	
AASB 15:
 	
• Replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:
    ○ establishes a new revenue recognition model
    ○ changes the basis for deciding whether revenue is to be recognised over time or at a point in time
    ○ provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
    ○ expands and improves disclosures about revenue
 	
The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2019 includes:
 	
• Change in timing of income recognition depending on performance consideration in the Group's contracts
• Change in income measurement for possible variable consideration in the Group's contracts
	1 January 2018	31 December 2019

AASB 16 Leases AASB 16: • Replaces AASB 117 Leases and some lease-related Interpretations • requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases • provides new guidance on the application of the definition of lease and on sale and lease back accounting • largely retains the existing lessor accounting requirements in AASB 117 • requires new and different disclosures about leases When this Standard is first adopted for the year ending 30 June 2020, it is estimated that additional lease liabilities of $125,000 and a corresponding right to use asset will be required to be accounted for.	1 January 2019	31 December 2020

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

License and patent expenses

There is a degree of judgement required in respect of the capitalisation of patent costs and the future commercial application thereof. The Directors have adopted a prudent approach and all patent costs incurred have been expensed.

Capitalised development costs

The Group commenced the capitalisation of its website development costs in the year under review. Judgement is required around the allocation of expenditure and resources to the development of the website. There is therefore a degree of estimation uncertainty inherent on the costs and resources allocated into the capitalised website development costs.

Share based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

In addition to the estimation uncertainty in relation to the inputs into the fair value models, there is inherent uncertainty in respect of the likelihood that non-market related performance hurdles will be achieved. The non-market conditions for the A, B and C class performance rights are estimated at 3, 4 and 5 years respectively and consequently the vesting periods have been estimated on the same basis.

3. REVENUE

	For the Year Ended 31 Dec 2017 US$	For the Year Ended 31 Dec 2016 US$
Revenue from continuing operations		
Rendering of services	83,047	219,488
Other income	3,390	-
	86,437	**219,488**

4. BUSINESS COMBINATIONS

	Country of Incorporation	Percentage Owned
WhiteHawk Limited - Legal parent, accounting subsidiary	Australia	100%
WhiteHawk CEC Inc - Legal subsidiary, accounting parent	USA	100%

On 20 December 2017, WhiteHawk Limited wholly acquired WhiteHawk CEC Inc. As noted in note 1(b), the acquisition was treated as a reverse acquisition as per AASB 3 Business Combinations.

Consideration transferred

	2017 US$
Shares and performance shares issued	1,117,740
	1,117,740

The consideration in a reverse acquisition is deemed to have been incurred by WhiteHawk CEC Inc in the form of shares and options issues to shareholders of WhiteHawk Limited. The acquisition date fair value of the consideration transferred has been determined by reference to the deemed fair value of shares agreed to be granted by WhiteHawk CEC Inc to the shareholders of WhiteHawk Limited and the number of shares on issue in WhiteHawk Limited prior to the acquisition.

Cost of listing

Deemed purchase consideration (non-cash equity payment)	1,117,740
Net liabilities acquired in WhiteHawk Limited at the date of acquisition	585,147
Capital raising costs recovered	(397,485)
Cost of listing	**1,305,402**

Assets and liabilities assumed at date of acquisition

	2017 US$
Current assets	124,113
Total assets	**124,113**
Current liabilities	546,533
Non-current liabilities	162,727
Total liabilities	**709,260**
Net liabilities acquired	**585,147**

5. INCOME TAX EXPENSE

The components of tax expense comprise:	**For the Year Ending 31 Dec 2017 US$**	**For the Year Ending 31 Dec 2016 US$**
Current tax	-	-
Deferred tax	-	-
	-	-

(a) Numerical reconciliation of income tax expense to prima facie tax payable

Loss from continuing operations before income tax expense	(2,812,113)	(209,283)
Tax at the Australian tax rate of 27.5% (2016 – 27.5%)	(773,331)	(57,553)
Add tax effect of:		
- Other assessable items	126,597	7,186
- Other non-allowable items	706,773	11,380
Less tax effect of:		
- Other non-assessable items	(209,900)	(6,994)
- Other deductible items	(365,748)	(1,163)
Carried forward tax benefit not recognized in the current year	515,609	47,144
Total income tax expense	-	-

The Group has carry forward tax losses related to international operations of approximately $1,986,013 (2016: US$111,071), which will generally expire at various dates in the next 20 years. Further, such losses are also subject to change of ownership provisions. Accordingly, some or all of the international losses may be limited in future periods or may expire before being able to be applied to reduce future foreign income tax liabilities.

The benefit of these losses will only be recognised where it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

6. CASH AND CASH EQUIVALENTS

	As at 31 Dec 2017 US$	As at 31 Dec 2016 US$
Cash at bank and in hand	3,681,997	603,755
	3,681,997	**603,755**

7. TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	89,774	26,130
Loan receivable[a]	-	460,810
	89,774	**486,940**

a) The loan relates to convertible note funding collected on the First Convertible Loan on behalf of WhiteHawk CEC Inc. by Viaticus Capital Pty Ltd, acting as agent for WhiteHawk CEC Inc. The loan is payable on demand, unsecured and interest free.

8. PROPERTY, PLANT AND EQUIPMENT

Office equipment at cost	41,206	12,871
Accumulated depreciation	(15,647)	(3,574)
Closing balance	**25,559**	**9,297**
Balance at beginning of the year	9,297	-
Additions	28,335	12,871
Depreciation	(12,073)	(3,574)
Balance at end of year	**25,559**	**9,297**

9. INTANGIBLE ASSETS

	As at 31 Dec 2017 US$	As at 31 Dec 2016 US$
Capitalised website development costs	1,310,680	-
Accumulated amortisation	-	-
Closing balance	**1,310,680**	-
Balance at beginning of the year	-	-
Additions	1,310,680	-
Amortisation	-	-
Balance at end of year	**1,310,680**	-

10. TRADE AND OTHER PAYABLES

CURRENT		
Trade payables	629,882	-
Payroll liabilities	46,536	27,720
Accrued expenses	31,980	15,048
Other payables	52,921	-
	761,319	**42,768**

11. FINANCIAL LIABILITIES

CURRENT		
Convertible Loan – debt host liability (a)	-	282,855
Convertible Loan – derivative liability (a)	-	471,010
	-	**754,115**
NON-CURRENT		
Promissory notes (b)	256,874	252,010
	256,874	**252,010**
	256,874	**1,006,125**

a) On 10 October 2016, the Company signed a Convertible Loan Agreement ("the First Agreement") with Viaticus Capital LLC as agent for a group of investors to borrow AU$1,050,000. The term of the loan was one year and interest was due and payable at a rate of 5% per annum. The First Agreement provided that the lender may convert the amount outstanding to ordinary shares at deemed face value of 150% of the Loan in the event of an IPO or reverse listing. Interest will commence accruing 150 days from the date of signing.

The assessed fair values of the embedded derivative are determined using a Black-Scholes option pricing model and a revalued at conversion and/or reporting date.

b) On 27 July 2016, the Company signed a Promissory Note to borrow US$250,000 from Ana R. Smythe. The term of the loan was two years and interest was due and payable at a rate of 1.9% per annum.

12. COMMITMENTS

Operating Lease

The Group leases an office under an operating lease. The future minimum lease payments are as follows:

	Minimum Lease Payments Due			
	Within 1 Year	1-5 Years	After 5 Years	Total
	USD	USD	USD	USD
31 December 2017	152,174	-	-	152,174

Lease expense during the period amounted to $99,348 (2016: $11,000) representing the minimum lease payments.

13. CONTRIBUTED EQUITY

A. SHARE CAPITAL

	As at 31 December 2017		As at 31 December 2016	
	No. of Shares	US$	No. of Shares	US$
Ordinary shares				
At the beginning of the year	154	314,307	108	255,000
Issue of shares	-	3,035	46	59,307
Shares issued to Founders	7,165,000	559		
Shares redeemed	(8)	(9,884)		
Issue of shares pursuant to public offer	22,500,000	3,510,000	-	-
Shares issued to vendors	8,437,500	1,316,250	-	-
Shares issued on conversion of convertible notes	31,399,998	2,771,468	-	-
Reverse acquisition accounting adjustment	(146)	(199,070)	-	-
Share issue expenses	-	(406,705)	-	-
	69,502,498	7,299,960	154	314,307

Ordinary shares

Each ordinary shareholder maintains, when present in person or by proxy or by attorney at any general meeting of the Company, the right to cast one vote for each ordinary share held.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

B. OPTIONS

As at the date of this report, the following options over unissued ordinary shares were on issue:

1. 10,000,000 unlisted options expiring 24 January 2023, exercisable at AU$0.20 each;
2. 9,125,000 unlisted options expiring 24 January 2020, exercisable at AU$0.25 each.

C. PERFORMANCE RIGHTS

As at the date of this report, the following performance rights over unissued ordinary shares were on issue:

1. 13,000,000 unlisted performance rights convertible into ordinary shares at 1:1 ratio subject to Milestone completion.

The Performance Rights are subject to the following milestones:

(a) Class A Performance Rights: 4,333,333 convert upon the Company's Share price increasing 100% above the IPO Share price (based on a five (5) consecutive day VWAP), and the Company (either directly or through its subsidiaries, including WhiteHawk US) achieving at least one of the following;
  (i) consolidated revenues of $2 million from the WhiteHawk US business; or
  (ii) 300 customer products; or
  (iii) 500 online contracts;

(b) Class B Performance Rights: 4,333,333 convert upon the Company's Share price increasing 200% above the IPO Share price (based on a five (5) consecutive day VWAP), and the Company (either directly or through its subsidiaries, including WhiteHawk US) achieving at least one of the following;
  (i) consolidated revenues of $5 million from the WhiteHawk US business; or
  (ii) 1,000 customer products; or
  (iii) 2,500 online contracts.

(c) Class C Performance Rights: 4,333,334 convert upon the Company's Share price increasing 300% above the IPO Share price (based on a five (5) consecutive day VWAP), and the Company (either directly or through its subsidiaries, including WhiteHawk US) achieving at least one of the following;
  (i) consolidated revenues of $10 million from the WhiteHawk US business; or
  (ii) 2,000 customer products; or
  (iii) 5,000 online contracts.

14. RESERVES

	Performance Rights Reserve	Foreign Currency Translation Reserve	Total Reserves
Balance at 1 January 2017	-	-	-
Share-based payments expense	18,693	93	18,786
Foreign currency translation differences arising during the year	93	(153,701)	(153,608)
Balance at 1 December 2017	**18,786**	**(153,608)**	**(134,822)**

15. SEGMENT INFORMATION

The Group operates in the retail, consulting and business intelligence segments being a business to business (B2B) e-commerce cybersecurity exchange. WhiteHawk CEC Inc is a Delaware, USA corporation with operations based in Alexandria VA, USA and offices in Alexandria VA, USA and Perth, Australia.

This operating segment is monitored by the Group's chief operating decision makers and strategic decisions are made on the basis of adjusted segment operating results. The chief operating decision makers of the Group are the Chief Executive Officer and Chief Financial Officer.

The following tables present certain asset and liability information regarding geographical segments for the years ended 31 December 2017 and 31 December 2016 and this is the format of the information provided to the chief operating decision maker.

Segment performance

	Australia		USA		Total	
	December 2017 US$	December 2016 US$	December 2017 US$	December 2016 US$	December 2017 US$	December 2016 US$
External sales	-	-	86,437	219,488	86,437	219,488
Total segment revenue	-	-	**86,437**	**219,488**	**86,437**	**219,488**
Segment operating result	(54,793)	-	(1,176,797)	(131,273)	(1,231,590)	(131,273)
EBITDA	**(54,793)**	-	**(1,176,797)**	**(131,273)**	**(1,231,590)**	**(131,273)**
Depreciation and amortisation	-	-	(12,073)	(3,574)	(12,073)	(3,574)
Finance costs	(1,305,401)	-	(263,049)	(74,436)	(1,568,450)	(74,436)
Loss before income tax expense	(1,360,194)	-	(1,451,919)	(209,283)	(2,812,113)	(209,283)
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	**(1,360,194)**	-	**(1,451,919)**	**(209,283)**	**(2,812,113)**	**(209,283)**

Assets and liabilities

Segment assets	900,686	-	4,207,324	1,099,992	5,108,010	1,099,992
Segment liabilities	588,702	-	429,492	1,048,893	1,018,193	1,048,893

16. SHARE BASED PAYMENTS

During the twelve (12) months to 31 December 2017, the following transactions were equity settled by the Group:

Date	Description	No of Securities	Total Value US$	Vested Value US$
20/12/2017	Issue of performance rights to advisors	13,000,000 performance rights[a]	1,580,958	12,684
20/12/2017	Issue of performance rights to directors	3,000,000 performance rights[b]	459,480	6,009
			2,040,438	**18,693**

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Notes:

a) As stated in Note 2, the vesting periods for various classes of performance rights range from 3 to 5 years. The performance rights were only issued on 20 December and consequently the vesting period is only 11 days.

b) Directors became entitled to performance rights during the year ended 31 December 2017, which have not yet vested. The performance rights have been issued subsequent to the period end.

17. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	For the Year Ending 31 Dec 2017	For the Year Ending 31 Dec 2016
	$	**$**
Loss for the year	(2,812,113)	(209,283)
Depreciation expense	12,073	3,574
Share-based payments expense	18,693	57,941
Cost of listing	1,239,105	-
Finance expense	263,048	-
Other non-cash transactions	65,168	(3,081)
Change in operating assets and liabilities		
Decrease/(Increase) in trade and other receivables	90,968	(26,876)
Increase in trade and other payables	17,868	39,045
Decrease in financial liabilities at FV through PNL	-	48,356
Net cash outflow from operating activities	**(1,105,190)**	**(90,324)**

18. FINANCIAL RISK MANAGEMENT

A. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and inter-entity loans.

The directors' overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

CREDIT RISK

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The receivable balances are monitored on an ongoing basis. The group's exposure to bad debts is not significant.

There is considerable concentration of credit risk within the Group as it only has a limited number of customers at this stage of its development.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises form default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised third parties, there is no requirement for collateral security.

The maximum exposure to credit risk at balance date is as follows:

	As at 31 Dec 2017 US$	As at 31 Dec 2016 US$
Cash and cash equivalents	3,681,997	603,755
Trade and other receivables	89,774	486,940

LIQUIDITY RISK

The Group's policy is to maintain a comfortable level of liquidity through the continual monitoring of cash reserves and the raising of additional capital as required.

MARKET RISK

Foreign exchange risk

Most of the Group's transactions occur in the USA and are predominantly denominated in USD. Cash and cash equivalents used to fund working capital are mainly held in US bank accounts.

The Group's is exposed to foreign exchange risk when capital is raised in AUD and then transferred to the US subsidiary. The Group closely monitors foreign currency movements at such times but does not use hedging instruments to manage such risk.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into USD at the closing rate:

	Short Term Exposure US$	Long Term Exposure US$
31 December 2017		
Financial assets	900,686	-
Financial liabilities	588,702	-
31 December 2016		
Financial assets	-	-
Financial liabilities	-	-

The following table illustrates the sensitivity of profit or loss and equity in regards to the Group's financial assets and financial liabilities and the $USD/$AUD exchange rate 'all other things being equal'. It assumes a +/- 10% change of the $AUD/$USD exchange rate for the year. This percentage has been determined based on the average market volatility in exchange rate in the previous twelve (12) months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the $AUD had strengthened/weakened against the $USD by 10% then this would have had the following impact:

	Loss for the Year		Equity	
	+ 10%	-10%	+ 10%	-10%
	US$	US$	US$	US$
31 December 2017	(135,415)	135,415	31,198	(31,198)
31 December 2016	-	-	-	-

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

(B) FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity as well as management's expectations of the settlement period of all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

	Weighted average interest rate	Non-interest bearing	Floating interest rate	Fixed interest rate maturing within 1 year	Total
	%	US$	US$	US$	US$
2017					
Financial Assets					
Cash and cash equivalents	0.09%	-	3,681,997	-	3,681,997
Trade and other receivables	-	89,774	-	-	89,774
Total financial assets		89,774	3,681,997	-	3,771,771
Financial Liabilities					
Trade and other payables	1.93%	761,319	-	256,874	1,018,193
Total financial liabilities		761,319	-	256,874	1,018,193
2016					
Financial Assets					
Cash and cash equivalents	0.33%	-	603,755	-	603,755
Trade and other receivables	-	486,940	-	-	486,940
Total financial assets		486,940	603,755	-	1,090,695
Financial Liabilities					
Trade and other payables	64.33%	42,768	-	1,006,125	1,048,893
Total financial liabilities		42,768	-	1,006,125	1,048,893

	Carrying amount US$	Contractual cash flow due 1 to 3 months US$	Contractual cash flow due 3 months to 1 year US$	Contractual cash flow due 1 to 5 years US$
2017				
Financial Assets				
Trade and other receivables	89,774	89,774	-	-
Total	89,774	89,774	-	-
Financial liabilities				
Trade and other payables	761,319	761,319	-	-
Financial liabilities	256,874	-	256,874	-
Total	1,018,193	761,319	256,874	-
2016				
Financial Assets				
Trade and other receivables	486,940	26,130	460,810	-
Total	486,940	26,130	460,810	-
Financial liabilities				
Trade and other payables	42,768	42,768	-	-
Financial liabilities	1,006,125	-	-	252,010
Total	1,048,893	42,768	-	252,010

C. NET FAIR VALUES

The net fair value of assets and liabilities approximates their carrying value. No financial assets and liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and notes to the financial statements.

D. SENSITIVITY ANALYSIS

The Company has performed a sensitivity analysis relating to its exposure to foreign currency risk at balance date. The effect on profit or loss and equity as a result of changes in the value of the US Dollar to the Australian Dollar and other currencies with all other variables remaining constant, is not expected to be significant.

19. AUDITOR'S REMUNERATION

	For the Year Ended 31 Dec 2017 US$	For the Year Ended 31 Dec 2016 US$
RSM Australia Partners		
- Audit and review services	21,589	-
- Other services (Investigating Accountants Report)	17,035	-

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20. EARNINGS PER SHARE

	2017 US Cents	2016 US Cents
From continuing operations		
Basic earnings per share	(27.03)	(2.51)
Diluted earnings per share	(27.03)	(2.51)
Weighted average number of shares used for the purposes of calculating diluted earnings per share reconciles to the number used to calculate basic earnings per share as follows:		
- Basic earnings per share	10,403,072	8,347,500
- Diluted earnings per share	10,403,072	8,347,500
Weighted average number of other securities outstanding not included in diluted EPS calculations as the securities are anti-dilutive in nature	5,324,315	-

21. RELATED PARTY TRANSACTIONS

A.KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in the Remuneration Report.

B. TRANSACTIONS WITH OTHER RELATED PARTIES

There were no related party transactions aside from those listed in the Remuneration Report.

22. CONTINGENT ASSETS AND LIABILITIES

The Group did not have any contingent assets or liabilities at 31 December 2017 (31 December 2016: nil).

23. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Post balance date, WhiteHawk US has filed one US patent application for the Decision Engine in February 2018.

US Trademark applications were filed in China and Australia in the first quarter of 2018.

Tesserent (ASX: TNT), a leading Australian provider of cyber security products and services, announced a partnership to help meet the cyber security needs of small to mid-sized businesses (SMBs) with the Group.

In March 2018, the Group announced that it had integrated technology from BitSight, The Standard in Security Ratings, and Interos, a proven leader in assessing and monitoring supply chain risks, to offer a 360 Cyber Risk Framework that takes a holistic approach to immediately addressing Digital Age business risks.

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect:

a) The Group's operations in future financial years; or
b) The results of those operations in future financial years; or
c) The Group's state of affairs in future financial years.

24. PARENT ENTITY DISCLOSURES

	2017 US$	2016 US$
WhiteHawk Limited		
Financial position		
Assets		
Total current assets	900,686	-
Total non-current assets	6,654,991	
Total assets	7,555,677	-
Liabilities		
Total current liabilities	588,702	-
Total liabilities	588,702	-
	6,966,975	-
Equity		
Contributed equity	7,191,571	-
Reserves	18,383	-
Accumulated losses	(242,979)	-
Total equity	6,966,975	-
Financial performance		
Loss for the year	(61,014)	-
Other comprehensive income	(11,907)	-
Total comprehensive loss	(72,921)	-

DECLARATION BY DIRECTORS

The directors of the Company declare that, in the opinion of the directors:

(a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including
    (i) giving a true and fair view of the financial position and performance of the Company and the Group; and
    (ii) complying with Australian Accounting Standards, including the Interpretations, and the Corporations Regulations 2001;
(b) the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1; and
(c) the directors have been given the declarations required by s.295A of the Corporations Act 2001
(d) there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable;

Signed in accordance with a resolution of the directors made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Directors:

Terry Roberts
Chief Executive Officer and Chairman
29 March 2018

RSM Australia Partners
Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501
www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
To the Members of Whitehawk Limited

Opinion

We have audited the financial report of Whitehawk Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
Acquisition of Whitehawk CEC Inc. Refer to Note 4 in the financial statements	
Whitehawk Limited acquired 100% of Whitehawk CEC Inc. on 20 December 2017 in a reverse acquisition through the issue of 8,437,500 fully paid ordinary shares at 20 cents per share. The accounting in relation to a reverse acquisition is non-routine and technically complex from an accounting perspective.	Our audit procedures in relation to accounting for acquisition of Whitehawk CEC Inc. include the following: • Reviewing the Exchange Agreement to obtain an understanding of the transaction and the related accounting considerations. • Critically evaluating management's determination that WhiteHawk Limited is the accounting acquiree and did not meet the definition of a business as set out in AASB 3 Business Combinations. • Reviewing and assessing the reverse acquisition entries for compliance with both the agreement and applicable accounting standards. • Assessing the appropriateness of the financial statement disclosures in relation to the acquisition. • Review the Prospectus so as to determine that the accounting entries in relation to the transaction in the Company's records were consistent with the information contained in the Prospectus.

Equality and Share-based payments expense Refer to Note 13 in the financial statements	
During the financial year a number of options and performance rights were issued to employees of the entity as well as to the Company's corporate advisors and investors who subscribed to shares under the Company's IPO. The Accounting in relation to these instruments is non-routine and inherently complex in terms of the valuation and the related accounting treatment.	Our audit procedures in relation to accounting for the issue of various shares, options, and performance rights: • Making inquiries of management and reviewing relevant agreements to understand the share-based payment schemes established in the year. • Critically evaluate the valuation methodology and key assumptions used in determining the fair value of the performance rights at grant date having consideration of the market, the share price, the expected volatility, the vesting period, and the number of shares expected to vest. • Recalculating the estimated charge to the Statement of Profit or Loss and the related balance in the Reserves. • Reviewing the accounting treatment adopted by management and ensuring it is in line with the treatment set out in AASB 2 *Share Based Payments*. • Considering the adequacy of the Group's disclosures in respect of the judgements taken in the valuation models.
The carrying value of internally developed intangible assets Refer to Note 9 in the financial statements	
As at 31 December 2017, the Company had capitalised US$1,310,680 of development costs in relation to the development of its website. The capitalised development costs are considered to be a Key Audit Matter due to the judgment required in relation to the point at which capitalisation of development costs should commence, as well as the nature of the costs that can be capitalised into the carrying value of these intangible assets. In addition to the matters referred to above consideration needs to be given as to whether there is any impairment risk with regards to the carrying value of these intangible assets.	Our audit procedures in relation to the carrying value of internally developed intangible assets included: • Obtained an understanding of the nature of the company's development activities, and critically reviewing management's assessment that they meet the criteria for recognition as an intangible asset set out in AASB 138 *Intangible Assets.* • Obtained the calculations and supporting workings used to quantify the capitalised development costs and performed substantive testing on a sample basis to obtain assurance that the costs incurred were directly related to the development of the website. • Evaluated the appropriateness of the related disclosures in respect of the capitalised development costs including the judgments and estimation uncertainty in relation thereto.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2017, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf.
This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report
We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2017.

In our opinion, the Remuneration Report of Whitehawk Limited, for the year ended 31 December 2017, complies with section 300A of the Corporations Act 2001.

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

RSM

RSM Australia Partners

GNS

G N Sherwood
Partner

Sydney, NSW dated 29 March 2018

SHAREHOLDER INFORMATION

SPREAD OF SHAREHOLDERS

At 21 March 2018, there were 924 holders of Shares. The shareholders were entitled to one vote for each Share held.

Spread of Holdings	No of Holders	No of Units	% of Total Issued Capital
1 – 1,000	6	118	0.00%
1,001 – 5,000	223	717,208	1.03%
5,001 – 10,000	189	1,618,574	2.33%
10,001 – 100,000	406	15,643,213	22.51%
100,001 and over	100	51,523,385	74.13%
Total	924	69,502,498	100.00%

Based on the price per security of 14.5 cents, number of holders with an unmarketable holding as at 21 March 2018: 134, with a total 308,886, amounting to 0.44% of Issued Capital.

SUBSTANTIAL SHAREHOLDERS

The Company's register of substantial shareholders recorded the information as at 21 March 2018.

Top 20 Holdings as at 21 March 2018

Holder Name	Balance at 21 March 2018	%
TERESA WILLIAMS ROBERTS	5,715,562	8.22
VANTAGE HOUSE LIMITED	3,363,333	4.84
MR DARREN CARTER[a]	2,566,667	3.69
J P MORGAN NOMINEES AUSTRALIA LIMITED	2,475,000	3.56
VICTORY CAPITAL EUROPE PTE LTD	2,165,000	3.12
MR DARREN CARTER[a]	2,033,333	2.93
LUIS JAVIER CRUZ-RIVERA	1,758,375	2.53
REGAL FUNDS MANAGEMENT PTY LIMITED[b]	1,666,667	2.40
CITICORP NOMINEES PTY LIMITED	1,666,005	2.40
WILLOWDALE HOLDINGS PTY LTD	1,589,465	2.29
BORN INTERNATIONAL PTY LTD	1,500,000	2.16
FONTELINA PTY LTD<AAP A/C>	1,125,000	1.62
MR BERTRAND LALANNE	1,100,000	1.58
WHITE SWAN NOMINEES PTY LTD	1,000,000	1.44
ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	928,572	1.34
RICHSHAM NOMINEES PTY LTD	828,572	1.19
SANCOAST PTY LTD	800,000	1.15
CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	750,000	1.08
KONKERA PTY LTD <KONKERA FAMILY A/C>	692,143	1.00
MAHSOR HOLDINGS PTY LTD <ROSHAM FAMILY S/F NO 2 A/C>	666,667	0.96
	34,390,361	**49.48**

WHITEHAWK

a) Total relevant interest per Notice of Initial Substantial Holder dated 21 February 2018 indicates that Mr Darren Carter holds relevant interest of 4,600,000 shares or 6.62% of voting power of the Company;
b) Total relevant interest per Notice of Initial Substantial Holder dated 16 February 2018 indicates that Regal Funds Management Pty Ltd holds relevant interest of 4,166,667 shares or 5.99% of voting power of the Company.