

2018

WhiteHawk Limited

2018 Annual Report



WHITEHAWK

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CORPORATE INFORMATION

Directors

Teresa Roberts
Philip George
Louise McElvogue
Tiffany Kleemann

Registered Office

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140 St Georges Terrace
Perth WA 6000

Share Registry

Automatic Registry Services
Level 2
267 St Georges Terrace
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Company Secretary

Kevin Kye

ASX Code

WHK

Website

<http://www.whitehawk.com>

Accountant

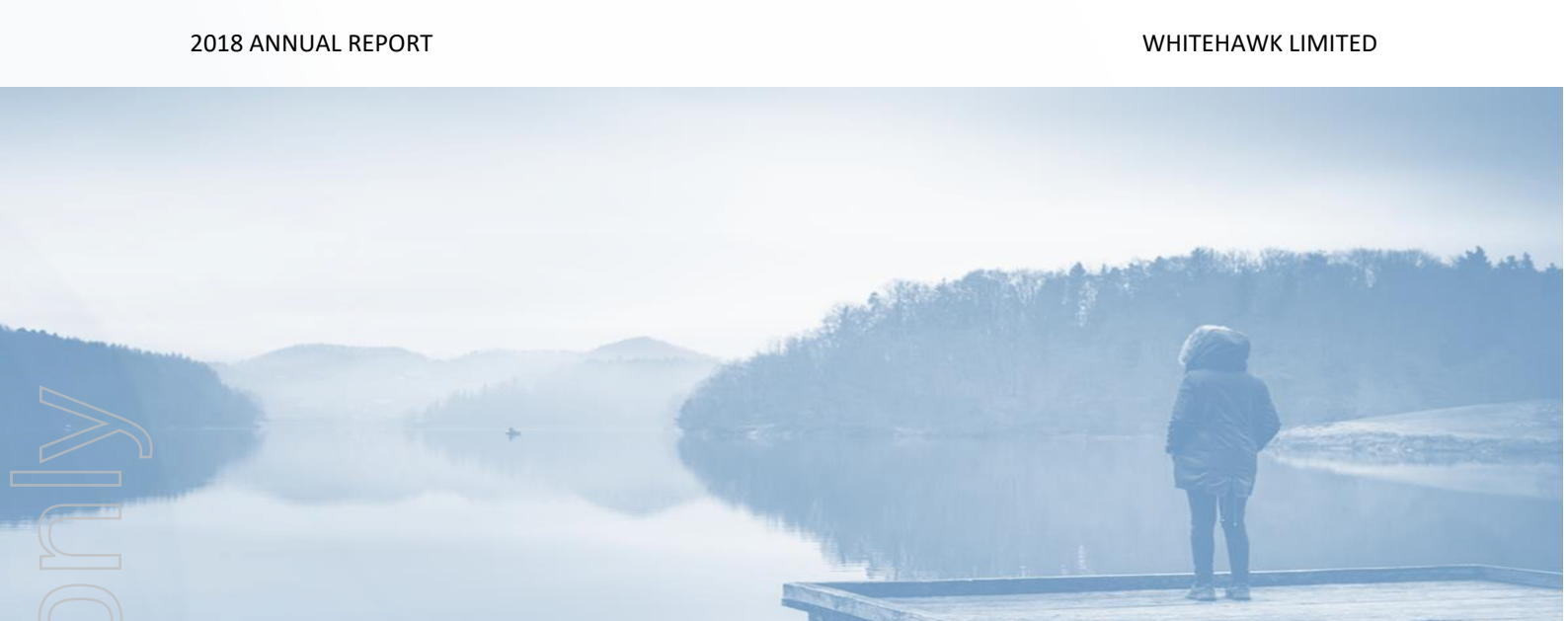
Traverse Accountants
Level 3
35 Lime Street
Sydney NSW 2000
Australia

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,

2018 was a growth year for your company, WhiteHawk, with growth in revenue, growth in sales channels, growth in product lines, and in realization of how best to target and access SME customers at scale and long term. Taking the results of the customer engagement survey conducted earlier in 2018, WhiteHawk shifted the sales focus to the U.S. Defense Industrial Base and U.S. Federal Government for sales of the 360 Cyber Risk Frameworks and to strategic partnership proposals with U.S. Financial Institutions and Insurance Groups for SME customer services. In addition, WhiteHawk targeted the U.S. Utility sector in the 3rd and 4th quarters.

Each of our customer sales channels efforts has resulted in a diverse and ever growing pipeline of opportunities: one current contract and 4 ongoing engagements with major Defense Industrial Base companies; one current contract and 2 submitted proposals to U.S. Government cyber requests for proposals; a decision to focus on the U.S. Energy Sector with a Proof of Value currently underway; one current contract and 3 current engagements with the US Financial Sector; and 3 current engagements to provide foundational cybersecurity services to US Financial, Insurance and Manufacturing SME customers resulting in ROI to the prime company, through the prevention and mitigation of cybercrime and fraud from impacting their SME customers.

Starting at the end of 2018, WhiteHawk has also put in place a groundbreaking SME focused partnership with top Identity Protection company, EZShield. EZShield is a top US brand, has over 15 million current consumers, and a new affordable SME SaaS integrated Identity, Fraud, and Mobile Device offering for their current and future SME customers. However, EZShield needed an online Cyber Risk Profile capability and the ability to get a Cyber Liability Insurance quote in real time. By partnering with WhiteHawk, EZShield now has added these capabilities and further differentiates their powerful SME offering and

enables their SME customers to become cyber resilient via the WhiteHawk Cybersecurity Exchange. Both EZShield and WhiteHawk are opening their respective SME sales channels to each other, ensuring an innovative and competitive advantage. The integrated offering is SaaS and online platform based and can therefore be marketed across the U.S. today and globally in the future.

While real traction is achieved, WhiteHawk continues to advance its online platform, vet innovative cyber SME offerings, optimize the talent set of the team and has reduced monthly average expenses to following the build and roll out phase whilst revenues are now increasing.

In the 4th quarter, in order to effectively deliver a breadth of major sales channels and individual engagements, WhiteHawk completed an Entitlements Issue on a 1 for 2 basis at 4.5c per share with a free attaching 2-year 10c option to raise AUD\$1.6m before costs.

WhiteHawk has a strong balance sheet with US\$1.29m cash held as at December 31, 2018, no debt and subsequent to year end, raised an additional AUD\$1,245,000 (before costs) to Institutional Investor RiverFort and to a UK Sophisticated Investor who has supported your company in every capital raising undertaken.

I am greatly looking forward to being in Sydney for our AGM on the 8th of May and meeting with WhiteHawk shareholders.



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 2018.

DIRECTORS

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

<u>TERESA ROBERTS</u>	<i>Chief Executive Officer and Chairman, appointed 19 January 2018</i>
<u>PHILIP GEORGE</u>	<i>Non-Executive Director, appointed 14 July 2017</i>
<u>LOUISE MCELVOGUE</u>	<i>Non-Executive Director, appointed 19 January 2018</i>
<u>TIFFANY KLEEMANN</u>	<i>Non-Executive Director, appointed 19 January 2018</i>
<u>TOBY HICKS</u>	<i>Non-Executive Director, appointed 14 July 2017, resigned 19 January 2018</i>
<u>KEVIN KYE</u>	<i>Non-Executive Director, appointed 14 July 2017, resigned 19 January 2018</i>

CHIEF EXECUTIVE OFFICER

<u>TERESA ROBERTS</u>	Appointed 19 January 2018
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COMPANY SECRETARY

<u>KEVIN KYE</u>	Appointed 14 July 2017
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INFORMATION ON DIRECTORS

TERESA ROBERTS

Chief Executive Officer and Executive Chairman

Appointed 19 January 2018

Length of Service: 14 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: 20 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.

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: 14 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 KLEEMANN



Non-Executive Director

Appointed 19 January 2018

Length of Service: 14 Months

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

The Board considers Ms Kleemann to be an independent director as Ms Kleemann 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 2018, 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	10	9
Philip George	10	9
Louise McElvogue	10	10
Tiffany Kleemann	10	7

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The net loss after tax for the year was US\$3,479,514 (2017 loss: US\$2,812,113).

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

- One new sale of a 360 Cyber Risk Framework to a U.S. Top 12 Defense Industrial Base customer and a contract extension with a U.S. Top 10 Financial Institution.
- Phase 1 implementation of 360 Cyber Risk Framework for U.S. Government has resulted in substantial maturation of WhiteHawk Cyber Scorecard offering that will benefit all WhiteHawk customers. Phase 2 scoping of the U.S. Government contract in progress.
- Advancing strategic partnership offering for major Financial Institutions and Insurance Groups to service their SME customers with cyber risk scorecards and risk mitigation.

- Continued strategic partnerships with top US Defense Industrial Base Companies, providing cyber innovation services to large US government CIO contract proposals.
- Technical and Data Science Team met online AI Tool and online customer journey and maturity model benchmarks; updated website functionality.
- Monthly operating cost reductions remain in place.
- Subsequent to the year-end, share placement with UK Institutional Investor and a UK sophisticated investor.

2019 OUTLOOK

Taking the results of the customer engagement survey conducted earlier in 2018, WhiteHawk shifted the sales focus to the U.S. Defense Industrial Base and U.S. Federal Government for sales of the 360 Cyber Risk Frameworks and to strategic partnership proposals with U.S. Financial Institutions and Insurance Groups for SME customer services.

The U.S. Defense Industrial Base and Government supply chain and vendor company risk regulations and business drivers currently in place to implement Risk Frameworks in a timely fashion, is proving to be a more mature sales market. Our extensive research with the Utility Sector has shown that further regulation is required before this Sector will focus on the cyber risks of their vendors or partners. Hence our continued focus on the U.S. Department of Energy.

WhiteHawk maintains a strong pipeline of more than 50 potential customers which are in mature stages of business development across the Defense Industrial Base, U.S. Government, and Financial/Insurance Sectors. The Company expects three additional sales of the 360 Cyber Risk Framework and one Strategic Partnership with a Bank or Insurance Company in first quarter 2019. One of the target frameworks has 3,200 companies and the strategic partnerships connect WhiteHawk with tens of thousands of SME customers.

Leveraging the key lessons learned from 2018 sales channel partnerships and 360 Cyber Risk Framework contracts, a WhiteHawk Subscription Model Service Catalogue is under development. This WhiteHawk Services Catalogue is being mapped to the 360 Cyber Risk Framework offering, allowing customers to tailor the Framework deliverables to meet their business risk objectives. Service levels will be offered at the Silver, Gold, & Platinum subscription levels with matching price points. Such an approach also enables timely quotes and proposals across all large industry and government customers, thereby standardizing the level and delivery of Risk Framework analytics, reporting, and services. In this way, WhiteHawk will continue to optimize sales and operations while driving a robust pipeline of 2019 contract proposals.

WhiteHawk has a strong balance sheet with US\$1.29m cash held as at 31 December 2018, no debt and subsequent to year end, raised an additional AUD\$1,245,000 (before costs).

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

- Subsequent to year-end, as a follow up to placement to Institutional Investor, RiverFort, raising AUD\$1,050,000 before costs, the Company also completed a separate placement to a UK Sophisticated Investor raising an additional AUD\$195,000 before costs;
- On 6 March 2019, the Company announced to the ASX a Sales & Service Delivery Partnership with EZShield. The partnership is jointly focused on an enhanced and affordable offering for both WhiteHawk and EZShield Small and Midsize Enterprise (SME) customers. Through this partnership, EZShield customers will be able to receive the WhiteHawk Cyber Risk Profile and Customer Journey as part of their EZShield subscription within the coming months.

No other matter or circumstance has arisen since 31 December 2018 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 (2017: 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 19.

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 01/01/18	Granted as Compensation	Acquired	Closing Balance 31/12/18
Directors				
Teresa Roberts ¹	5,715,562	-	-	5,715,562
Philip George	-	-	-	-
Louise McElvogue	-	-	-	-
Tiffany Kleemann	-	-	-	-
Key management personnel				
Luis Cruz-Riviera ²	1,758,375	-	-	1,758,375
Antonio Crespo ³	-	-	-	-
Kevin Goodale ⁴	439,593	-	-	439,593
Total	7,913,530	-	-	7,913,530

- 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) Mr Riviera resigned 27 June 2018.
- 3) Mr Crespo resigned 28 February 2019.
- 4) 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 01/01/18 No.	Rights Granted No.	Rights Exercised No.	Rights Lapsed No.	Closing Balance 31/12/18 No.
Directors					
Teresa Roberts	-	-	-	-	-
Philip George	-	1,000,000	-	-	1,000,000
Louise McElvogue	-	1,000,000	-	-	1,000,000
Tiffany Kleemann	-	1,000,000	-	-	1,000,000
Key management personnel					
Luis Cruz-Riviera	-	-	-	-	-
Antonio Crespo	-	-	-	-	-
Kevin Goodale	-	-	-	-	-
Total	-	3,000,000	-	-	3,000,000

TABLE 3 - DETAILS OF REMUNERATION

2018	Salary and Fees	Other Fees	Share Based Payments	Total
	US\$	US\$	US\$	US\$
Directors				
Teresa Roberts	144,000	-	-	144,000
Philip George	18,000	1,710	64,667	84,377
Louise McElvogue	18,000	-	64,667	82,667
Tiffany Kleemann	18,000	-	64,667	82,667
Total Directors	198,000	1,710	194,001	393,711
Key Management Personnel (KMP)				
Luis Cruz-Riviera ¹	123,735	-	-	123,735
Antonio Crespo ²	163,654	-	-	163,654
Kevin Goodale	144,000	-	-	144,000
Total KMP	431,389	-	-	431,389
Total	629,389	1,710	194,001	825,100

¹ Mr Riviera resigned 27 June 2018

² Mr Crespo resigned 28 February 2019



Terry W Roberts
Chief Executive Officer
29 March 2019

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 2018 is dated and was approved by the Board on 29 March 2019. The Corporate Governance Statement is available on the Company's website at <https://www.whitehawk.com>.

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Whitehawk Limited for the year ended 31 December 2018, 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

G N Sherwood

G N Sherwood
Partner

Sydney, NSW

Dated: 29 March 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

		For the Year Ended 31 Dec 2018	For the Year Ended 31 Dec 2017
	Notes	US\$	US\$
<i>Revenue from continuing operations</i>	3	506,529	86,437
Cost of goods sold		(365,537)	(49,540)
Gross profit		140,992	36,897
Other income		13,359	2,130
License fees and patent expense		(1,013)	(1,569)
Professional expenses		(387,226)	(169,524)
Research and development expense		(720,815)	-
Employee benefits expense		(962,250)	(624,556)
Share based payments expense	16	(302,532)	(18,693)
IT expenditure		(20,017)	(12,209)
Conference and travel expenditure		(87,220)	(66,887)
Marketing expenditure		(292,095)	(130,670)
Office and occupancy expenses		(138,852)	(140,730)
Depreciation		(431,460)	(12,073)
Finance costs		(5,075)	(263,048)
Foreign exchange loss		-	(30,590)
General and administration expenses		(285,310)	(75,189)
Costs of listing	4	-	(1,305,402)
Loss before income tax		(3,479,514)	(2,812,113)
Income tax expense	5	-	-
Loss for the year		(3,479,514)	(2,812,113)
<i>Other comprehensive loss</i>			
Exchange differences on translation foreign operations		(19,224)	(153,515)
Total comprehensive loss for the year		(3,498,738)	(2,965,628)
<i>Loss per share</i>			
From continuing operations			
- Basic/diluted losses per share (US cents)	20	(4.59)	(27.03)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

		As at 31 Dec 2018	As at 31 Dec 2017
	Notes	US\$	US\$
ASSETS			
Current Assets			
Cash and cash equivalents	6	1,292,191	3,681,997
Trade and other receivables	7	213,185	89,774
Total Current Assets		1,505,376	3,771,771
Non-Current Assets			
Property, plant and equipment	8	13,485	25,559
Intangible assets	9	1,356,840	1,310,680
Total Non-Current Assets		1,370,325	1,336,239
Total Assets		2,875,701	5,108,010
LIABILITIES			
Current Liabilities			
Trade and other payables	10	531,011	761,319
Financial liabilities	11	261,755	256,874
Total Current Liabilities		792,766	1,018,193
Total Liabilities		792,766	1,018,193
Net Assets		2,082,935	4,089,817
EQUITY			
Contributed equity	13	8,489,174	7,299,960
Reserves	14	148,596	(134,822)
Accumulated losses		(6,554,835)	(3,075,321)
Total Equity		2,082,935	4,089,817

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

		Contributed Equity	Accumulated Losses	Reserves	Total
	Notes	US\$	US\$	US\$	US\$
2017					
At 1 January 2017		314,307	(263,208)	-	51,099
Loss for the year		-	(2,812,113)	-	(2,812,113)
Other comprehensive loss	14	-	-	(153,515)	(153,515)
Total comprehensive loss		-	(2,812,113)	(153,515)	(2,965,628)
<i>Transactions with owners in their capacity as owners</i>					
Issued capital net of issue costs	13	6,995,537	-	-	6,995,537
Shares redeemed	13	(9,884)	-	-	(9,884)
Performance rights issued	13, 14	-	-	18,693	18,693
At 31 December 2017		7,299,960	(3,075,321)	(134,822)	4,089,817
2018					
At 1 January 2018		7,299,960	(3,075,321)	(134,822)	4,089,817
Loss for the year		-	(3,479,514)	-	(3,479,514)
Other comprehensive loss	14	-	-	(19,224)	(19,224)
Total comprehensive loss		-	(3,479,514)	(19,224)	(3,498,738)
<i>Transactions with owners in their capacity as owners</i>					
Issued capital net of issue costs	13	1,189,214	-	-	1,189,214
Performance rights issued	13, 14	-	-	302,642	302,642
At 31 December 2018		8,489,174	(6,554,835)	148,596	2,082,935

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 2018

		For the Year Ended 31 Dec 2018	For the Year Ended 31 Dec 2017
	Notes	US\$	US\$
Cash flows from operating activities			
Receipts from customers		648,122	85,979
Payments to suppliers and employees		(3,117,802)	(1,126,845)
Interest received		9,897	1,973
Listing expenses paid		-	(66,297)
Net cash outflow from operating activities	17	(2,459,783)	(1,105,190)
Cash flows from investing activities			
Payments for plant and equipment		-	(28,335)
Website development costs paid		(489,903)	(1,310,680)
Bonds paid		-	(23,456)
Net cash outflow from investing activities		(489,903)	(1,362,471)
Cash flows from financing activities			
Proceeds from issue of shares		1,148,309	3,389,850
Convertible loan proceeds received		-	2,270,381
Transaction costs related to issues of shares, convertible notes or options		(560,740)	(126,030)
Net cash inflow from financing activities		587,569	5,534,201
Net (decrease)/increase in cash and cash equivalents		(2,362,117)	3,066,540
Cash and cash equivalents at the beginning of the financial year		3,681,997	603,755
Foreign exchange adjustment to cash balance		(27,689)	11,702
Cash and cash equivalents at end of the year		1,292,191	3,681,997

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 2019, 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 2018

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 2018.

The financial statements were authorised on 29 March 2019 by the directors of the company.

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

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 31 December 2018. 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 2018.

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\$).

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

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

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

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

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

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 receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses. Collectability of other receivables is assessed on an ongoing basis. Any amount determined to be an impairment loss is recognised in the Consolidated Statement of Comprehensive Income as an 'impairment expense'.

J. 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.

K. Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

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 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 constructive 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 24.

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\$3,479,514 and had net cash outflows from operating activities of US\$2,459,783 for the year ended 31 December 2018. As at that date the Group had net current assets of US\$712,610, net assets of US\$2,082,935 as well as cash and cash equivalents of US\$1,292,191 as at 31 December.

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\$1,292,191 as at 31 December 2018. As at that date the Group had net current assets of US\$712,610 and net assets of US\$2,082,935. 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.

- In February 2019, the Company undertook a placement to raise AU\$1.05m for 16.15m shares at 6.5c per share.
- If required, the Group has the ability to continue to raise additional funds 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. New, revised or amending Accounting Standards and Interpretations adopted

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL

method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The investment classifications 'available-for-sale financial assets' and 'held-to-maturity investments' are no longer used and 'financial assets at fair value through other comprehensive income' was introduced. There were no investments held in these categories as at 31 December 2017. The new hedging accounting requirements also are deemed to have no impact as the Company doesn't apply hedge accounting. The Company has applied the simplified approach to measuring expected credit losses which has resulted in no additional impairment expense.

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The Company's main sources of income are through its online cybersecurity marketplace transactions, advisory services, 360 cyber risk review contracts and executive consulting. The adoption of AASB 15 has been determined to not have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements. There is therefore no impact on opening retained profits as at 1 January 2018.

AA. 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
<i>AASB 16 Leases</i> 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 31 December 2019, no additional lease liability or right to use asset is expected to be recognised.	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 in 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 2018 US\$	For the Year Ended 31 Dec 2017 US\$
<i>Revenue from continuing operations</i>		
Rendering of services and sale of goods	506,529	83,047
Other income	-	3,390
	506,529	86,437

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

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	1,117,740
Deemed purchase consideration (non-cash equity payment)	
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 2018 US\$	For the Year Ending 31 Dec 2017 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	(3,479,514)	(2,812,113)
Tax at the Australian tax rate of 27.5% (2017 – 27.5%)	(956,866)	(773,331)
<i>Add tax effect of:</i>		
- Other assessable items	-	126,597
- Other non-allowable items	219,570	706,773
<i>Less tax effect of:</i>		
- Other non-assessable items	-	(209,900)
- Other deductible items	(170,569)	(365,748)
Carried forward tax benefit not recognized in the current year	907,865	515,609
Total income tax expense	-	-

The Group has carry forward tax losses related to international operations of approximately US\$5,287,341 (2017: US\$1,986,013), 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 2018 US\$	As at 31 Dec 2017 US\$
Cash at bank and in hand	1,292,191	3,681,997
	1,292,191	3,681,997

7. TRADE AND OTHER RECEIVABLES

	As at 31 Dec 2018 US\$	As at 31 Dec 2017 US\$
CURRENT		
Trade receivables	134,895	89,774
Other receivables	78,290	-
	213,185	89,774

8. PROPERTY, PLANT AND EQUIPMENT

	As at 31 Dec 2018 US\$	As at 31 Dec 2017 US\$
Office equipment at cost	41,206	41,206
Accumulated depreciation	(27,721)	(15,647)
Closing balance	13,485	25,559
Balance at beginning of the year	25,559	9,297
Additions	-	28,335
Depreciation	(12,074)	(12,073)
Balance at end of year	13,485	25,559

9. INTANGIBLE ASSETS

	As at 31 Dec 2018 US\$	As at 31 Dec 2017 US\$
Capitalised website development costs	1,776,227	1,310,680
Accumulated amortisation	(419,387)	-
Closing balance	1,356,840	1,310,680
Balance at beginning of the year	1,310,680	-
Additions	465,547	1,310,680
Amortisation	(419,387)	-
Balance at end of year	1,356,840	1,310,680

10. TRADE AND OTHER PAYABLES

	As at 31 Dec 2018 US\$	As at 31 Dec 2017 US\$
CURRENT		
Trade payables	180,628	629,882
Payroll liabilities	57,615	46,536
Accrued expenses	42,868	31,980
Contract liabilities	249,900	-
Other payables	-	52,921
	531,011	761,319

11. FINANCIAL LIABILITIES

	As at 31 Dec 2018 US\$	As at 31 Dec 2017 US\$
NON-CURRENT		
Promissory notes (a)	261,755	256,874
	261,755	256,874

- a) On 27 July 2016, the Company signed a Promissory Note to borrow US\$250,000. The term of the loan was two years and interest was due and payable at a rate of 1.9% per annum. The outstanding balance has been paid in full subsequent to year end.

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 2018	66,446	-	-	66,446
31 December 2017	152,174	-	-	152,174

Lease expense during the period amounted to \$105,973 (2017: \$99,348) representing the minimum lease payments.

Salesforce Contract

The Group has engaged in a one year contract with Salesforce, a Customer Relations Management (CRM) platform:

Minimum Lease Payments Due				
	Within 1 Year	1-5 Years	After 5 Years	Total
	USD	USD	USD	USD
31 December 2018	100,792	-	-	100,792

The Group will renegotiate a new contract in November of 2019 with Salesforce.

13. CONTRIBUTED EQUITY

A. SHARE CAPITAL

	As at 31 December 2018		As at 31 December 2017	
	No. of Shares	US\$	No. of Shares	US\$
Ordinary shares				
At the beginning of the year	69,502,498	7,299,960	154	314,307
Issue of shares	1,846,330	118,603	-	3,035
Entitlements issue	35,674,512	1,160,456	-	-
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	-	(89,845)	-	(406,705)
	107,023,340	8,489,174	69,502,498	7,299,960

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;
3. 2,192,276 unlisted options expiring 22 October 2020, exercisable at AU\$0.10 each;
4. 6,439,405 unlisted options expiring 26 October 2020, exercisable at AU\$0.10 each;
5. 316,700 unlisted options expiring 31 October 2020, exercisable at AU\$0.10 each;
6. 8,888,889 unlisted options expiring 12 November 2020, exercisable at AU\$0.10 each.

C. PERFORMANCE RIGHTS

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

1. 2,400,000 unlisted performance rights subject to 24 months escrow, 600,000 performance rights will vest and convert into equivalent number of shares for every year of service by non-executive directors of the Company;
2. 3,000,000 unlisted performance rights convertible into ordinary shares at 1:1 ratio subject to Milestone completion.

The 3,000,000 Performance Rights are subject to the following milestones:

- (a) 1,500,000 vest on the issue date and convert to ordinary shares when the 5 day volume weighted average price (VWAP) of Shares exceeds \$0.0975.
- (b) 1,500,000 vest on the issue date and convert to ordinary shares when the 5 day volume weighted average price (VWAP) of Shares exceeds \$0.13.
3. 13,000,000 unlisted performance rights convertible into ordinary shares at 1:1 ratio subject to Milestone completion.

The 13,000,000 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
	US\$	US\$	US\$
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)
Share-based payments expense	302,532	-	302,532
Foreign currency translation differences arising during the year	110	(19,224)	(19,114)
Balance at 1 December 2018	321,428	(172,832)	148,596

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 2018 and 31 December 2017 and this is the format of the information provided to the chief operating decision maker.

Segment performance

	Australia		USA		Total	
	December 2018	December 2017	December 2018	December 2017	December 2018	December 2017
	US\$	US\$	US\$	US\$	US\$	US\$
External sales	-	-	506,529	86,437	506,529	86,437
Total segment revenue	-	-	506,529	86,437	506,529	86,437
Segment operating result	(817,103)	(54,793)	(2,225,876)	(1,176,797)	(3,042,979)	(1,231,590)
EBITDA	(817,103)	(54,793)	(2,225,876)	(1,176,797)	(3,042,979)	(1,231,590)
Depreciation and amortisation	-	-	(431,460)	(12,073)	(431,460)	(12,073)
Finance costs	-	(1,305,401)	(5,075)	(263,049)	(5,075)	(1,568,450)
Loss before income tax expense	(817,103)	(1,360,194)	(2,662,411)	(1,451,919)	(3,479,514)	(2,812,113)
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	(817,103)	(1,360,194)	(2,662,411)	(1,451,919)	(3,479,514)	(2,812,113)

Assets and liabilities

Segment assets	295,442	900,686	2,580,259	4,207,324	2,875,701	5,108,010
Segment liabilities	36,761	588,702	756,005	429,492	792,766	1,018,193

16. SHARE BASED PAYMENTS

During the twelve (12) months to 31 December 2018, the following transactions were equity settled by the Group:

Performance Rights

Grant Date	Expiry Date	Exercise Price	Balance at 1 Jan 2018	Granted	Converted	Balance at 31 Dec 2018
20/12/2017	-	-	13,000,000	-	-	13,000,000
20/12/2017	18/01/2023	-	3,000,000	-	-	3,000,000
30/11/2018	30/06/2020	-	-	3,000,000	-	3,000,000
Total			16,000,000	3,000,000	-	19,000,000
Weighted average exercise price			US\$-	US\$-	US\$-	US\$-

The share based payments expense recognised in the year is as follows:

	For the Year Ended 31 Dec 2018	For the Year Ended 31 Dec 2017
	US\$	US\$
Vesting expense of 3m rights issued to advisors	104,448	12,638
Vesting expense of 13m rights issued to directors	193,750	6,055
Vesting expense of 3m rights issued to advisors	4,334	-
Total	302,532	18,693

For rights granted during the current financial period, the valuation model inputs used to determine the fair value at the grant date are as follows:

	Tranche 1	Tranche 2
Number of options issued	1,500,000	1,500,000
Vesting share price	\$0.0975	\$0.1300
Exercise price	-	-
Expiry date	30/06/2020	30/06/2020
Share price on issue date	-	-
Dividend rate	-	-
Risk free rate	2.04%	2.04%
Volatility rate	120%	120%
Value per option	\$0.0383	\$0.0341

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

	For the Year Ending 31 Dec 2018	For the Year Ending 31 Dec 2017
	US\$	US\$
Loss for the year	(3,479,514)	(2,812,113)
Depreciation expense	431,460	12,073
Share-based payments expense	302,532	18,693
Cost of listing	-	1,239,105
Finance expense	-	263,048
Other non-cash transactions	-	65,168
<i>Change in operating assets and liabilities</i>		
Decrease/(Increase) in trade and other receivables	(123,411)	90,968
Increase in trade and other payables	31,447	17,868
Expenses classed as investing activities	377,703	-
Net cash outflow from operating activities	(2,459,783)	(1,105,190)

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 from 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 2018	As at 31 Dec 2017
	US\$	US\$
Cash and cash equivalents	1,292,191	3,681,997
Trade and other receivables	213,185	89,774

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 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	Long Term Exposure
	US\$	US\$
31 December 2018		
Financial assets	295,442	-
Financial liabilities	36,761	-
31 December 2017		
Financial assets	900,686	-
Financial liabilities	588,702	-

The following table illustrates the sensitivity of profit or loss and equity in regard 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 2018	(43,093)	43,093	25,868	(25,868)
31 December 2017	(135,415)	135,415	31,198	(31,198)

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\$
2018					
<i>Financial Assets</i>					
Cash and cash equivalents	0.36%	-	1,292,191	-	1,292,191
Trade and other receivables	-	213,185	-	-	213,185
Total financial assets		213,185	1,292,191	-	1,505,376
<i>Financial Liabilities</i>					
Trade and other payables	1.93%	531,011	-	-	531,011
Financial liabilities		-	-	261,755	261,755
Total financial liabilities		531,011	-	261,755	792,766
2017					
<i>Financial Assets</i>					
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
<i>Financial Liabilities</i>					
Trade and other payables	1.93%	761,319	-	-	761,319
Financial liabilities		-	-	256,874	256,874
Total financial liabilities		761,319	-	256,874	1,018,193

	Carrying amount	Contractual cash flow due 1 to 3 months	Contractual cash flow due 3 months to 1 year	Contractual cash flow due 1 to 5 years
	US\$	US\$	US\$	US\$
2018				
<i>Financial Assets</i>				
Trade and other receivables	213,185	150,452	-	-
Total	213,185	150,452	-	-
<i>Financial liabilities</i>				
Trade and other payables	531,011	281,111	-	-
Financial liabilities	261,755	261,755	-	-
Total	792,766	542,866	-	-
2017				
<i>Financial Assets</i>				
Trade and other receivables	89,774	89,774	-	-
Total	89,774	89,774	-	-
<i>Financial liabilities</i>				
Trade and other payables	761,319	761,319	-	-
Financial liabilities	256,874	-	256,874	-
Total	1,018,193	761,319	256,874	-

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 2018	For the Year Ended 31 Dec 2017
	US\$	US\$
<i>RSM Australia Partners</i>		
- Audit and review services	43,544	21,589
- Other services (Investigating Accountants Report)	-	17,035

20. EARNINGS PER SHARE

	2018 US Cents	2017 US Cents
From continuing operations		
Basic earnings per share	(4.59)	(27.03)
Diluted earnings per share	(4.59)	(27.03)
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	75,865,985	10,403,072
- Diluted earnings per share	75,865,985	10,403,072
Weighted average number of other securities outstanding not included in diluted EPS calculations as the securities are anti-dilutive in nature	55,962,270	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 2018 (31 December 2017: nil).

23. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to year-end, as a follow up to placement to Institutional Investor, RiverFort, raising AUD\$1,050,000 before costs, the Company also completed a separate placement to a UK Sophisticated Investor raising an additional AUD\$195,000 before costs.

On 6 March 2019, the Company announced to the ASX a Sales & Service Delivery Partnership with EZShield. The partnership is jointly focused on an enhanced and affordable offering for both WhiteHawk and EZShield Small and Midsize Enterprise (SME) customers. Through this partnership, EZShield customers will be able to receive the WhiteHawk Cyber Risk Profile and Customer Journey as part of their EZShield subscription within the coming months.

No other matter or circumstance has arisen since 31 December 2018 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. CONTROLLED ENTITIES

Controlled entities consolidated:

	Country of Incorporation	Percentage Owned (%)	
		2018	2017
Legal Parent Entity			
WhiteHawk Limited (accounting subsidiary)	Australia		
Subsidiaries of WhiteHawk Limited			
WhiteHawk Inc (accounting parent)	USA	100%	100%

25. PARENT ENTITY DISCLOSURES

	2018	2017
	US\$	US\$
WhiteHawk Limited		
Financial position		
<i>Assets</i>		
Total current assets	295,442	900,686
Total non-current assets	7,085,174	6,654,991
Total assets	7,380,616	7,555,677
<i>Liabilities</i>		
Total current liabilities	36,761	588,702
Total liabilities	36,761	588,702
Net assets	7,343,855	6,966,975
<i>Equity</i>		
Contributed equity	8,380,786	7,191,571
Reserves	(362,753)	18,383
Accumulated losses	(674,178)	(242,979)
Total equity	7,343,855	6,966,975
Financial performance		
Loss for the year	(430,932)	(61,014)
Other comprehensive loss	(672,274)	(11,907)
Total comprehensive loss	(1,103,206)	(72,921)

26. ANNUAL REPORT DIFFERENCES FROM LODGED APPENDIX 4E

Adjustments have been made to the 2018 financial statements subsequent to the lodgement of the Appendix 4E on 28 February 2019. 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
	\$	\$	\$
Loss After Income Tax	(\$3,479,514)	(\$3,479,514)	-
Net Assets	2,082,935	2,082,935	-
Total Equity	2,082,935	2,082,935	-
Cash Flow Statement Changes:			
Payments to suppliers and employees	(3,117,802)	(2,396,987)	(720,815)
Net cash outflow from operating activities	(2,459,783)	(1,738,968)	(720,815)
Website development costs paid	(489,903)	(1,210,718)	720,815
Net cash outflow from operating activities	(489,903)	(1,210,718)	720,815
Net decrease in cash and cash equivalents	(2,362,117)	(2,362,117)	-

An adjustment was made to reclassify research and development expenditure from investing to operating cash flows.

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 W Roberts
Chief Executive Officer and Chairman
29 March 2019

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 2018, 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 2018 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
Recognition of revenue Refer to Note 3 in the financial statements	
As at 31 December 2018, the Company had recognised \$506,529 of revenue from the rendering of services and sale of goods. The revenue is considered to be a Key Audit Matter due to the judgement required in relation to determining the performance obligations and timing of their delivery to customers.	Our audit procedures in relation to the carrying value of internally developed intangible assets included: - Assessed the design and implementation and testing of the operating effectiveness of management's key controls over all streams of revenue recognised in the financial statements; - Selected samples of revenue transactions that evidence an underlying arrangement with a customer exists, that invoiced amounts have been calculated in line with performance obligations and that the revenue recognition criteria and contractual obligations had been met by the Company. - Assessed the adequacy of revenue disclosures in light of the requirements of the Australia Accounting Standards.
The carrying value of internally developed intangible assets Refer to Note 9 in the financial statements	
As at 31 December 2018, the Company had capitalised US\$1,356,840 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 <i>Intangible Assets</i>. - 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 2018, 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 2018.

In our opinion, the Remuneration Report of Whitehawk Limited, for the year ended 31 December 2018, 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 2019

SHAREHOLDER INFORMATION

SPREAD OF SHAREHOLDERS

At 21 March 2019, there were 918 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	26	3,376	0.00%
1,001 – 5,000	132	419,705	0.33%
5,001 – 10,000	162	1,332,586	1.05%
10,001 – 100,000	472	18,605,456	14.68%
100,001 and over	126	106,419,607	83.94%
Total	918	126,780,730	100.00%

Based on the price per security of 6.5 cents, number of holders with an unmarketable holding as at 21 March 2019: 228, with a total 878,841, amounting to 0.69% of Issued Capital.

SUBSTANTIAL SHAREHOLDERS

The Company's register of substantial shareholders recorded the information as at 21 March 2019.

Top 20 Holdings as at 21 March 2019		
Holder Name	Balance at 21 March 2019	%
BNP PARIBAS NOMINEES PTY LTD <JARVIS A/C NON TREATY DRP> (a)	14,273,058	11.26%
MR DARREN CARTER (b)	11,560,211	9.12%
VANTAGE HOUSE LIMITED	8,243,492	6.50%
MR DARREN CARTER (b)	6,150,000	4.85%
TERESA WILLIAMS ROBERTS	5,715,562	4.51%
VIVIEN ENTERPRISES PTE LTD	5,252,439	4.14%
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	4,274,221	3.37%
MR BERTRAND LALANNE	2,600,000	2.05%
BAINPRO NOMINEES PTY LIMITED	2,486,034	1.96%
VICTORY CAPITAL EUROPE PTE LTD	2,165,000	1.71%
LUIS JOSE CRUZ-RIVERA	1,758,375	1.39%
MR AMILCAR ALBINO MORENO	1,650,000	1.30%
BORN INTERNATIONAL PTY LTD	1,500,000	1.18%
MR DAVID MURRAY GUILLE <THE YALLINGUP A/C>	1,418,611	1.12%
EROLRY PTY LTD <EROLRY SUPER FUND A/C>	1,350,000	1.06%
S3 CONSORTIUM PTY LTD	1,336,806	1.05%
MR FAZEL NOORI	1,301,443	1.03%
MISS DIANNE LESLEY LALANNE	1,215,000	0.96%
MR STEVEN LUKE JACKSON	1,015,842	0.80%

MISS GUIXIA SUN	932,000	0.74%
TOTAL TOP 20	76,198,094	60.10%

- a) Total relevant interest per Notice of Initial Substantial Holder dated 6 March 2019 indicates that RiverFort Global Opportunities PCC Ltd holds relevant interest of 14,978,276 shares or 11.814% of voting power of the Company;
- b) Total relevant interest per Notice of change of interests of substantial holder dated 20 February 2019 indicates that Darren Carter holds relevant interest of 17,710,211 shares or 13.969% of voting power of the Company.