WhiteHawk Limited

2019 Annual Report

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CORPORATE INFORMATION

Directors

Terry Roberts
Philip George
Louise McElvogue
Tiffany Kleemann

Registered Office

Level 28
140 St Georges Terrace
Perth WA 6000

Principal Place of Business

Alexandria, VA
USA

Share Registry

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

Company Secretary

Kevin Kye

ASX Code

WHK

Website

http://www.whitehawk.com

Accountant

Traverse Accountants
Level 3
35 Lime Street
Sydney NSW 2000
Australia

Auditor

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

Lawyer

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

CHAIRWOMAN'S LETTER

Dear Shareholders,

We have made great advancements in the evolution of our business over the past year. WhiteHawk has been positioned for strong scalable growth as originally planned through acting on the critical lessons we have learned about the market; the recent codification of government regulations and accountability of their supply chain and contractor companies; combined with the completion of online integration and automation of our product lines; and the game changing partnership we have put in place with Sontiq/EZShield.

Our innovative Cyber Risk focused business model enables us to remain agile, to partner with the best open data and AI enabled platforms, and to continually evolve to align with customer needs and appetites. We now have optimal positioning in the cyber risk market, across companies and organizations of all sizes in the United States. We will now seek to increase our business internationally.

Instead of testing and piloting our product lines and virtual services, we are now engaging, tailoring proposals and contracting to sell them at scale, with the revenue margins that only come from thoughtful and consistent R&D and business investment over the past two years. We value the support of our shareholders that has enabled us to mature our business and we look forward to repaying that faith through increased shareholder returns.

What have we learned and how are we applying it:

1) Our Cyber Risk Radar solution is very effective at identifying, prioritizing, documenting and mitigating business and cyber risks across any size supply chain. Whilst we are continuing to make progress with Financial Institutions, we have found that Defense Industrial Base (DIB) sector is more rapidly accepting of highly automated systems that have the capability to do the majority of work required rather than rely on manpower intensive processes. Further, the updated U.S. Cybersecurity Maturity Model Certification (CMMC) regulations starting in 2020, across all U.S. Federal Supply Chain Companies, Vendors and Contractors, is a new regulatory imperative for the Defense Industrial Base sector to meet and for which there are insufficient experienced cyber security personnel to undertake manual work.
2) Our 3 longer term U.S. Government contracts that took time to win, are slower to execute as a majority of U.S. Federal Government Departments are not positioned to fast track their transition to new commercial innovations, in order to effectively meet their growing complex requirements. Accordingly, we worked to select enduring Cyber Risk or Marketplace projects that allow us to implement SaaS or online platform solutions that replace manpower-intensive services in government. Three such initiatives have been scoped.
3) Our strategic partnership with Sontiq/EZShield provides us with a scalable business model and seamless access to thousands of businesses who need to address their

Digital Age risks easily and affordably. This Business Risk Suite SaaS service for companies across all sectors can be implemented in moments and applied across thousands as a benefit of membership, or as an added business risk service from a bank, or insurance firm, or Managed Security Service Provider (MSSP). Ours is a comprehensive Identity Theft, Financial Fraud, Mobile Device Security and Cyber Risk SaaS service, covering the company and all employees at monthly fees starting at US$30. Understandably this is the channel where we are now focusing more of our sales time and effort, with 2 advanced proposals underway.

4) Finally, the media around the world still reports on the lack of a sense of urgency regarding Cyber Risk Identification, Prioritization and Mitigation – across all business sectors and the majority of Executives. The lack of available cyber security expertise results in business approaching the problem through continual review and monitoring rather than solution vetting, testing and implementation, leaving them exposed to major risks. We see this through the regular news reports of businesses being hit with cyber-attacks and suffering huge losses from not being prepared. We believe that the best way to tackle this opportunity is to leverage the new U.S. CMMC regulatory business imperative with U.S. Federal Contractor Executives and business customer risk mitigation and enablement with Banking, Insurance and MSSP Executives.

According to Ponemon Institute's 2019 Survey, 67% of businesses with 100-1000 employees have experienced a cyber-attack in the past 12 months.

The same survey indicated that businesses spent an average of $2,650,000 to mitigate the damage or theft of IT assets.

The likelihood of an SMB having a cyber--attack in 2019 is 66% – CPO Magazine.

R&D and Product Development Advancements

With our Investors continued belief in WhiteHawk's vision of a fearless internet, WhiteHawk continues to provide impactful, scalable and affordable cyber risk solutions to Government and Industry customers. Investors in cyber security fuel the innovative tech community to minimize the disruption and financial loss wreaked by cyber criminals and the dark web. Investment in WhiteHawk has made the following R&D and product developments possible:

- Investment in streamlining our online platform's architecture and technology baseline. Time and cost required for O&M have been reduced, freeing up resources to focus on capabilities development. By end of 2020, we will be utilizing best-of-breed services and technologies that are manageable with the added benefit of keeping and attracting young, top talent.
- Focusing capability development to align to business and revenue generation opportunities. Current focus is on integration with strategic partners such as Sontiq/EZShield and increasing automation in support of scaling delivery of WhiteHawk's Cyber Risk Radar.
- Automation efforts allowed reduction of precious time required to create the Cyber Risk Scorecard by 40% in 4Q of FY2019. By end of 2Q FY2020, goal is to be 100% automated.

- Increasing coordination and collaboration with internal vendor management and consulting services teams, allows continual evolution of the R&D roadmap to align capabilities with upcoming sales pipelines.

Profit Margins Up and Costs Down

While developing, integrating, testing and scaling our online platforms and SaaS product lines, WhiteHawk is always focused on maintaining a tight talented team, keeping business costs down, and ensuring performance and delivery efficiency to grow our margins near and long term. Much of our upfront platform and product development expenditures are one-time costs that are optimized with each additional contract or business customer.

As always, looking forward to being in Sydney for our AGM in May and hoping to see you there.

Terry Roberts

Chairwoman

IMPACT OF CORONAVIRUS PANDEMIC ON WHITEHAWK'S OPERATIONS AND REVENUE 2020

WhiteHawk Continued Operations. – From WhiteHawk's inception, as a provider of Cyber Risk products, services and solutions, our business model is a virtual and scalable one. Especially in these most challenging of times, WhiteHawk is designed to continue to provide our effective SaaS Risk services, Online Cybersecurity Exchange, and Advisory Services remotely, leveraging publicly available risk data sets and AI based analytics. In addition, WhiteHawk marketing, sales and customer communications are predominantly online or via teleconference and email. While the WhiteHawk Team often work face to face, all of our employees and partners can work remotely for as long as necessary and not miss a beat regarding product development nor business execution**.** WhiteHawk ends this reporting period with a cash balance of $1.5M combined with additional Working Capital Facilities from RiverFort Global (comprising a A$400,000 Loan and a A$1.5m combined share placement and Equity Swap) as per the ASX announcement dated 30 January 2020 (subject to shareholder approval to the placement to be obtained at the 2020 AGM in May) will provide WhiteHawk sufficient cash to operate well into 2021.

Terry Roberts, CEO

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 2019.

DIRECTORS

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

TERRY ROBERTS *Chief Executive Officer and Chairman*

PHILIP GEORGE *Non-Executive Director*

LOUISE MCELVOGUE *Non-Executive Director*

TIFFANY KLEEMANN *Non-Executive Director*

CHIEF EXECUTIVE OFFICER

TERRY ROBERTS

COMPANY SECRETARY

KEVIN KYE *B Comm, CA, CPA, AGIA, ACIS*

INFORMATION ON DIRECTORS

TERRY ROBERTS

Chief Executive Officer and Executive Chairman
Appointed 19 January 2018
Length of Service: 26 Months
Qualifications: MSSI
Director's Interests: 5,715,562 shares

Terry Roberts is a global risk and cyber intelligence professional with over 20 years of Executive level experience across government, industry and academia, to include TASC VP Cyber Engineering and Analytics; an Executive Director Carnegie Mellon Software Engineering Institute; and the Deputy Director of Naval Intelligence.

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 an 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, 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 also 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).

Terry has held many executive positions, including Director of Intelligence, Commander Naval Forces Europe and Commander-in-Chief NATO AFSOUTH; Director, Defense Intelligence Resource Management Office (manager of the General Defense Intelligence Program); Director, Naval Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) Scientific and Technical Intelligence (S&TI) analysis at the Office of Naval Intelligence; special assistant to the Associate Director of Central Intelligence for Military Support and the Chief of Staff for the Director Military Intelligence Staff. In addition, Terry has directed, conducted, and enabled intelligence operations globally, with much of this work being focused on the requirements, planning, and implementation of intelligence and communications technologies, software, and architectures.

Terry Roberts is Chair Emeritus of the Intelligence and National Security Alliance (INSA) Cyber Council, was a Member of the AFCEA Intelligence Committee from 2008-2017, former President, Naval Intelligence Professionals (NIP), a 2017/18 Cyber Fellow at New America (non-partisan think tank), and a member of the USNA Cyber Education Advisory BOD since 2010 and of the Cyber Florida Advisory BOD since 2018.

Terry's personal awards include the Office of the Secretary of Defense Medal for Exceptional Civilian Service; the Navy Senior Civilian Award of Distinction, the NGA Personal Medallion for Excellence; the Coast Guard Distinguished Public Service Award; the Director of Central Intelligence National Intelligence Certificate of Distinction; the National Intelligence Reform Medal; and the National Intelligence Meritorious Unit Citation.

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: 32 Months
Qualifications: B Science, Internetworking & Security
Director's Interests: 400,000 shares, 600,000 performance rights

Philip George has experience as a managing director and CEO with a strong background in fintech, cyber-security and IT networking. He has previously worked as a CEO, CTO & Operations Manager & GM. 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 modern cloud-based telephony solutions to small & medium businesses. Mr George is the founder of Bamboo, a mobile fintech platform that allows people to effortlessly invest using their spare change.

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: 26 Months
Qualifications: BA, MA, FAICD
Director's Interests: 400,000 shares, 600,000 performance rights

Ms McElvogue is a non-executive director experienced in building digital businesses, leading innovation and managing risk for boards, corporates and start-ups globally. She is an Industry Professor, Data and Digital at the UTS Business School and a Fellow of the Australian Institute of Company Directors.

Current board roles include Whitehawk, Healthdirect, Australian Institute of Company Directors' NSW Council, Humanitix Advisory Board and the Australian Physiotherapy Association. She previously served on the Australian Federal Government's Convergence

Review Committee which reviewed media and technology regulation and seven years on Sydney Living Museums for the NSW Government.

From streaming video to utilities and banking applications, Louise has led more than 30 digital products over two decades in the US, Europe and Australia, working on consumer digital applications, business change and growth strategies for companies including McDonald's, British Gas, News Corp and the BBC.

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: 26 Months
Qualifications: CISSP, CIPP
Director's Interests: 400,000 shares, 600,000 performance rights

Tiffany Kleemann is currently the SVP of Imperva. She joined Imperva in July 2019 through the acquisition of Distil Networks where she was CEO. She was 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 2019, 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
Terry Roberts	10	10
Philip George	10	9
Louise McElvogue	10	9
Tiffany Kleemann	10	8

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The net loss after tax for the year was US$2,748,991 (2018 loss: US$3,479,514).

PRINCIPAL ACTIVITIES AND STRATEGY

The Group has developed and operates an online Cybersecurity Exchange platform that sells a breadth of cyber risk scoping, prioritization and mitigation products and services to businesses and organizations of all sizes. WhiteHawk products line annual subscriptions now include: an online Cyber Risk Profile & Scorecard for SME's, a Cyber Risk Program for mid-sized and large Industry and Government entities, a Cyber Risk Radar across Supply Chains, Vendors and Partners and a Sontiq-WhiteHawk Business Suite for SME's. All product lines are scalable online, or SaaS service based and include automated Cyber Risk Scorecards and virtual Cyber Risk Consulting support that are sold as annual renewable subscriptions.

By design the Group fully leverages publicly available global data sets and AI based algorithms, risk tradecraft and analytics, to assess, validate and mitigate Digital Age Risks efficiently and effectively. In addition, the Group continues to vet innovation continuously and partner with best of breed solution and channel providers, ensuring a breadth of sales options.

RECENT HIGHLIGHTS

- Creation of a comprehensive Enterprise Cyber Risk Program including: Continuous Risk Monitoring, Prioritization, Validation via Real Time Red-Team and Dark Net Assessment. Four Cyber Risk Programs sold via Strategic Partnership with Global Consulting Group, based in Washington DC.
- Cyber Risk Radar implementation for Top 12 US Defence Industrial Base (DIB) Company, across their 150 suppliers has been demonstrated to five Department of Defense Agencies and Departments, with a current Proof of Value proposal under discussion.
- In 2020, the U.S. Federal Government is in process of implementing comprehensive, new Cybersecurity Maturity Model Certification (CMMC) policies across all contractors, suppliers and vendors Official Government Site: https://www.acq.osd.mil/cmmc/faq.html. The WhiteHawk Cyber Risk Radar automates and scales the ability for government contractors of all sizes to achieve CMMC Levels 1-4 in 2020 and is being showcased to become a key method of choice for Prime Defense Industrial Base (DIB) contractors.
- Four US DIB Company Cyber Risk Radar proposals in various stages of scoping and refinement, being strongly motivated by achieving the new CMMC Levels of certification requirement

- Based upon current contract in place with U.S. Department of Homeland Security (DHS) CISA as sub-contractor to Guidehouse (formerly PWC Federal), new comprehensive task has been scoped for 2020
- Additional U.S. Federal Government customer Cyber Risk Radar near term contract being negotiated for early second quarter 2020 (delayed from 2019)
- Delayed by Global Pandemic, Sontiq/WHK SMB Digital Age Risk Offering for both a US Financial Institution Business Card and MSSP
- Proven WhiteHawk Product Lines (Cyber Risk Radar, Scorecards and Program), have been aligned by the marketing team into online demo videos and standardized communication's Lexicon, for scaling of efficient and effective customer outreach and engagement
- Additional Working Capital Facilities from RiverFort Global comprising a A$400,000 Loan and a A$1.5m combined placement and Equity Swap) as per the ASX announcement dated 30 January 2020 (subject to shareholder approval to the placement to be obtained at the 2020 AGM in May)
- The January 2019 RiverFort Global Equity Swap has to date returned an excess of AUD$60K to WhiteHawk above the original placement.

2020 OUTLOOK

While we are all being impacted by the global pandemic, the need for effective cyber security has only increased as Forbes recently reported, "cybercriminals continue to exploit the coronavirus pandemic … The FBI has warned of a significant spike in coronavirus scams, adding to concerns about an 'unprecedented wave' of cyber-attacks voiced by United States Attorney Scott Brady."

WhiteHawk has always been focused on how to scale the effective assessment of Digital Age Risks and near real-time risk mitigation, essentially leveraging an online automated business model operating in an essential service area and accordingly:

- WhiteHawk product lines and services continue to be sold and executed via cloud based online platforms, SaaS services and virtual consultations;
- As WhiteHawk's has operated a virtual business model since inception, WhiteHawk is designed to continue to provide our SaaS Risk services, Online Cybersecurity Exchange, and Advisory Services remotely.
- All WhiteHawk employees can work 100% remotely, their tasks and deliverables are tracked online now and into the future.
- Communications with customers are primarily via teleconference and email. Thus far, the majority of our face to face meetings have been readily transitioned to virtual sessions.

So how do we leverage these strengths in our business model and market focus to ensure that WhiteHawk remains strategically positioned for growth in 2020 in spite of the Global Pandemic:

- Continue to advance our Product Lines – based upon real customer feedback and iterative in-house development
- Take care of our experienced and productive multidisciplinary team during these challenging times, continuing to provide them remote work total flexibility and state of the tech performance tools and positive management enablement
- Consistently and compassionately virtually engage with our customers, our sales channels and our partners, remaining open and agile to new needs and requirements and opportunities
- Fully leverage our successfully automated, scaled and optimized for margins product lines:
    - Cyber Risk Radar
    - Online Customer Journey & Cyber Risk Scorecard
    - Cyber Risk Program
- Lead with our Product Line marketing materials, video demos and splash pages for ease of engagement and speed of sales generation in a non-face to face environment
- Continue to seek time critical opportunities with our federal government contracts, prime partners and customers during this stressful time, offering options that are not manpower driven and very effective, as cyber bad actors ramp up during this global crisis
- Continue to actively position our Cyber Risk Radar across the Defense Industrial Base and key U.S. Federal Government Departments (as the AI Driven and automated approach to track and implement Cyber Resilience across over 330,000+ companies) has put us at the forefront of enabling all U.S. Federal government contractors to meet the new 2020 Cybersecurity Maturity Model Certification (CMMC) Levels
- Remain focused on our large and potentially game changing contracts and opportunities so that they can come fruition during the Global Pandemic, in order to prevent a future Cyber Pandemic.

Our primary areas of focus for 2020 remain on track:

1. Kick off Phase 1 of the Sontiq/EZShield/WhiteHawk SMB SaaS services to one of two Tier 1 Financial Institutions (currently in advanced discussions) across their respective business customers. Thereby scaling our online services to thousands of SMB's or Family Offices in 2020.
2. Remain in sync with the new U.S. Federal Government CMMC 2020 policies, execute a Proof of Value with a key DOD Department or Agency, advance the 4 mature Cyber Risk Radar proposal conversations with Top Tier Defense Industrial Base Companies, delivering 1-2 new contracts in 2020.
3. Drive, work and deliver major task on 3rd U.S. Government contracts in 2020, and fully execute on others and win additional contract with WhiteHawk as Prime.

WhiteHawk has a strong balance sheet with US$1.5m cash held as at 31 December 2019, no debt and subsequent to year end, the Company has the following financing facilities available in 2020:

(a) As of 31 December 2019, AUD$116,667 is payable to the Company under an Equity Swap Agreement as per the ASX announcement dated 5 February 2019.
(b) As per the ASX announcement dated 30 January 2020, AUD$400,000 working capital loan facility is available to the Company.
(c) As per the ASX announcement dated 30 January 2020, AUD$1.5m is available to the Company as a placement by the Company that will be placed into an equity swap repayable to the Company in equal instalments over 12 months. The placement is subject to shareholder approval to be obtained at the AGM in May 2020.

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, the Company has the following financing facilities available in 2020:

a) As of 31 December 2019, AUD$116,667 is payable to the Company under an Equity Swap Agreement as per the ASX announcement dated 5 February 2019.
b) As per the ASX announcement dated 30 January 2020, AUD$400,000 working capital loan facility is available to the Company.
c) As per the ASX announcement dated 30 January 2020, AUD$1.5m is available to the Company as a placement by the Company that will be placed into an equity swap repayable to the Company in equal instalments over 12 months. The placement is subject to shareholder approval to be obtained at the AGM in May 2020.

On 11 March, the 2020 Novel Coronavirus (COVID-19) was declared a global pandemic by the World Health Organisation. There is significant uncertainty as to the short, medium, and long-term impact of COVID-19 outbreak on the local and global economy. It is reasonably possible that COVID-19 will have an adverse impact on the Group's revenues, results, and ability to raise capital for the next reporting year. As at the date of this report, the full effect of the outbreak remains uncertain. The effects may or may not be significant but cannot be reliably estimated or quantified.

No other matter or circumstance has arisen since 31 December 2019 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 (2018: 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 22.

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 01/01/19	Vesting of Performance rights	Closing Balance 31/12/19
Directors			
Terry Roberts[1]	5,715,562	-	5,715,562
Philip George	-	200,000	200,000
Louise McElvogue	-	200,000	200,000
Tiffany Kleemann	-	200,000	200,000
Key management personnel			
Soo Kim	-	-	-
Kevin Goodale[2]	439,593	-	439,593
Total	**6,155,155**	**600,000**	**6,755,155**

1) Under the Exchange Agreement between the Company and the previous shareholders of WhiteHawk CEC Inc referred to in the Company's Prospectus dated 21 November 2017, Ms Roberts is entitled to receive 48,772,796 conditional shares upon the achievement of certain milestones of the business.
2) Under the Exchange Agreement between the Company and the previous shareholders of WhiteHawk CEC Inc referred to in the Company's Prospectus dated 21 November 2017, Mr 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 01/01/19 No.	Rights Granted No.	Rights Exercised No.	Rights Lapsed No.	Balance 31/12/19 No.
Directors					
Terry Roberts	-	-	-	-	-
Philip George	1,000,000	-	(200,000)	-	800,000
Louise McElvogue	1,000,000	-	(200,000)	-	800,000
Tiffany Kleemann	1,000,000	-	(200,000)	-	800,000
Key management personnel					
Soo Kim	-	-	-	-	-
Kevin Goodale	-	-	-	-	-
Total	**3,000,000**	**-**	**(600,000)**	**-**	**2,400,000**

TABLE 3 - DETAILS OF REMUNERATION

2019	Salary and Fees US$	Other Fees US$	Share Based Payments US$	Total US$
Directors				
Terry Roberts	153,981	-	-	153,981
Philip George	18,000	1,710	27,846	47,556
Louise McElvogue	18,000	-	27,846	45,846
Tiffany Kleemann	18,000	-	27,846	45,846
Total Directors	**207,981**	**1,710**	**83,538**	**293,229**
Key Management Personnel				
Soo Kim	268,745	-	-	**268,745**
Kevin Goodale	134,585	-	-	**134,585**
Total KMP	**403,330**	**-**	**-**	**403,330**
Total	**611,311**	**1,710**	**83,538**	**696,559**

Terry Roberts
Chief Executive Officer
27 March 2020

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 2019 is dated and was approved by the Board on 27 March 2020. 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 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM

RSM AUSTRALIA PARTNERS

GNS

G N Sherwood
Partner

Sydney, NSW
Dated: 27 March 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	For the Year Ended 31 Dec 2019 US$	For the Year Ended 31 Dec 2018 US$
Revenue from continuing operations	2	1,028,846	506,529
Cost of goods sold		(521,602)	(365,537)
Gross profit		507,244	140,992
Other income		54,302	13,359
Professional expenses		(268,666)	(387,226)
Research and development expense		(695,911)	(720,815)
Employee benefits expense		(826,579)	(962,250)
Share based payments expense	16	(327,598)	(302,532)
IT expenditure		(19,215)	(20,017)
Conference and travel expenditure		(51,938)	(87,220)
Marketing expenditure		(198,618)	(292,095)
Office and occupancy expenses		(79,973)	(138,852)
Depreciation		(612,723)	(431,460)
Finance costs		(4,946)	(5,075)
General and administration expenses		(224,370)	(286,323)
Loss before income tax		**(2,748,991)**	**(3,479,514)**
Income tax expense	3	-	-
Loss for the year		**(2,748,991)**	**(3,479,514)**
Other comprehensive loss			
Exchange differences on translation foreign operations		(42,200)	(19,224)
Total comprehensive loss for the year		**(2,791,191)**	**(3,498,738)**
Loss per share			
From continuing operations			
- Basic/diluted losses per share (US cents)	20	(1.92)	(4.59)

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 2019

	Notes	As at 31 Dec 2019 US$	As at 31 Dec 2018 US$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,526,785	1,292,191
Trade and other receivables	5	392,587	213,185
Other current assets		100,187	-
Total Current Assets		**2,019,559**	**1,505,376**
Non-Current Assets			
Property, plant and equipment	6	199,015	13,485
Intangible assets	7	764,764	1,356,840
Total Non-Current Assets		**963,779**	**1,370,325**
Total Assets		**2,983,338**	**2,875,701**
LIABILITIES			
Current Liabilities			
Trade and other payables	8	334,667	281,111
Financial liabilities	9	-	261,755
Contract liabilities		141,350	249,900
Lease liabilities	10	56,683	-
Total Current Liabilities		**532,700**	**792,766**
Non-Current Liabilities			
Lease liabilities	10	145,041	-
Total Non-Current Liabilities		**145,041**	**-**
Total Liabilities		**677,741**	**792,766**
Net Assets		**2,305,597**	**2,082,935**
EQUITY			
Contributed equity	12	11,175,429	8,489,174
Reserves	13	433,994	148,596
Accumulated losses		(9,303,826)	(6,554,835)
Total Equity		**2,305,597**	**2,082,935**

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 2019

	Notes	Contributed Equity US$	Accumulated Losses US$	Reserves US$	Total US$
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	13	-	-	(19,224)	(19,224)
Total comprehensive loss		**-**	**(3,479,514)**	**(19,224)**	**(3,498,738)**
Transactions with owners in their capacity as owners					
Issued capital net of issue costs	12	1,189,214	-	-	1,189,214
Performance rights issued	12, 13	-	-	302,642	302,642
At 31 December 2018		**8,489,174**	**(6,554,835)**	**148,596**	**2,082,935**
2019					
At 1 January 2019		8,489,174	(6,554,835)	148,596	2,082,935
Loss for the year		-	(2,748,991)	-	(2,748,991)
Other comprehensive loss	13	-	-	(42,200)	(42,200)
Total comprehensive loss		**-**	**(2,748,991)**	**(42,200)**	**(2,791,191)**
Transactions with owners in their capacity as owners					
Issued capital net of issue costs	12	2,686,255	-	-	2,686,255
Performance rights issued	12, 13	-	-	327,598	327,598
At 31 December 2019		**11,175,429**	**(9,303,826)**	**433,994**	**2,305,597**

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 2019

	Notes	For the Year Ended 31 Dec 2019 US$	For the Year Ended 31 Dec 2018 US$
Cash flows from operating activities			
Receipts from customers		824,011	648,122
Payments to suppliers and employees		(2,721,191)	(3,117,802)
Interest received		6,729	9,897
Listing expenses paid		(11,755)	-
Net cash outflow from operating activities	16	**(1,902,206)**	**(2,459,783)**
Cash flows from investing activities			
Payments for plant and equipment		(9,398)	-
Website development costs paid		-	(489,903)
Net cash outflow from investing activities		**(9,398)**	**(489,903)**
Cash flows from financing activities			
Proceeds from issue of shares		2,639,790	1,148,309
Proceeds from the exercise of options		14,328	-
Repayment of borrowings		(250,000)	-
Loans to other entities		(57,289)	-
Transaction costs related to issues of shares, convertible notes or options		(168,871)	(560,740)
Net cash inflow from financing activities		**2,177,958**	**587,569**
Net (decrease)/increase in cash and cash equivalents		**266,354**	**(2,362,117)**
Cash and cash equivalents at the beginning of the financial year		1,292,191	3,681,997
Foreign exchange adjustment to cash balance		(31,760)	(27,689)
Cash and cash equivalents at end of the year		**1,526,785**	**1,292,191**

Pursuant to Listing Rule 4.10.19, in the period from the Group's admission date on 22 January 2018 to the period ended 27 March 2020, 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

The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

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 2019.

The financial statements were authorised on 27 March 2020 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 2019. 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 2019.

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. Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated group has elected not to recognise right-of-use asset and corresponding lease liability for short term leases with terms 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

G. Lease liabilities

A leased liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residential guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying of the right-of-use asset is fully written down.

H. Finance costs

Finance cost attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

I. 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.

J. 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.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the above.

K. 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'.

L. 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.

M. 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.

N. 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.

O. 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.

P. 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.

Q. Current vs non-current

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

R. 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.

S. 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.

T. 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.

U. 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.

V. 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.

W. 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 25.

X. 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.

Y. 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.

Z. Rounding of amounts

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

AA. 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 financial statements, the Group incurred a loss after tax of US$2,748,991 and had net cash outflows from operating activities of US$1,902,206 for the year ended 31 December 2019. In addition, as disclosed in the Note 23, it is reasonably possible that the COVID-19 pandemic could an adverse impact on Whitehawk's revenues, results, and its ability to raise capital for the next reporting year.

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

- Whitehawk has cash and cash equivalents of US$1,526,785 as at 31 December 2019. As at that date Whitehawk had net current assets of US$1,486,859 and net assets of US$2,305,597. Whitehawk has reperformed its cash flow forecasts following the COVID-19 pandemic and has determined that it has adequate cash resources in place to fund its operations for the next 12 months.

- In January 2020, the Company undertook a short term working capital loan facility of AUD$400,000. In addition, Whitehawk entered into Share Placement and Equity Swap of A$1.5m with Riverfort, a significant shareholder, subject to shareholder approval at the AGM expected to be held in May 2020.
- If required, Whitehawk has the ability to continue to raise additional funds on a timely basis pursuant to the Corporations Act 2001.
- Whitehawk has the ability to scale back a significant portion of its development activities if required.

Accordingly, the Directors believe that Whitehawk 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.

Should the effects of COVID-19 be worse than expected by the directors, or adversely impact the Groups's ability to raise capital, these factors may indicate a material uncertainty which may cast significant doubt as to whether Whitehawk will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if Whitehawk does not continue as a going concern.

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

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

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 January 2019. AASB 16 *Leases* replaces AASB 117 *Leases*.

The adoption of this new Standard has resulted in the Group recognising a right-of-use asset and related lease liability in connection with all current leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

On 31 December 2018, the Group did not have any non-ow value operating leases with lease terms longer than 12 months. As a result, the adoption of AAB 16 did not have any effect on the Group's opening balances at 1 January 2019.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

CC. 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	Likely impact on initial application
Conceptual Framework for Financial Reporting	1 January 2020	31 December 2020	When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements.
AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework	1 January 2020	31 December 2020	When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements.
AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020	31 December 2020	When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements.

Standard/ Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending	Likely impact on initial application
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	31 December 2020	When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements.
AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059	1 January 2020	31 December 2020	When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements.
AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform	1 January 2020	31 December 2020	When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements.
AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	1 January 2020	31 December 2020	When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements.
IFRS 17 Insurance Contracts	1 January 2021	31 December 2022	The entity is yet to undertake a detailed assessment of the impact of IFRS 17. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2022.

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.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

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 reflected in Note 12(c) will be achieved. There is uncertainty around the timing and achievement of non-market conditions for performance and consequently the vesting periods have been estimated based on reasonable expectations.

2. REVENUE

	For the Year Ended 31 Dec 2019 US$	For the Year Ended 31 Dec 2018 US$
Rendering of services and sale of goods		
United States	1,028,846	506,529
Australia	-	-
	1,028,846	**506,529**
Goods transferred at a point in time	-	-
Goods transferred over time	1,028,846	506,529
	1,028,846	**506,529**

3. INCOME TAX EXPENSE

The Components of Tax Expense Comprise:	For the Year Ending 31 Dec 2019 US$	For the Year Ending 31 Dec 2018 US$
Current tax	-	-
Deferred tax	-	-
	-	-

(a) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Loss from continuing operations before income tax expense	**(2,748,991)**	**(3,479,514)**
Tax at the Australian tax rate of 27.5% (2018 – 27.5%)	(755,973)	(956,866)
Add tax effect of:		
- Other assessable items	-	-
- Other non-allowable items	173,768	219,570
Less tax effect of:		
- Other non-assessable items	-	-
- Other deductible items	(37,853)	(170,569)
Carried forward tax benefit not recognized in the current year	620,058	907,865
Total income tax expense	**-**	**-**

The Group has carry forward tax losses related to international operations of approximately $7,542,096 (2018: US$5,287,341), 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.

4. CASH AND CASH EQUIVALENTS

	As at 31 Dec 2019 US$	As at 31 Dec 2018 US$
Cash at bank and in hand	1,526,785	1,292,191
	1,526,785	**1,292,191**

5. TRADE AND OTHER RECEIVABLES

	As at 31 Dec 2019 US$	As at 31 Dec 2018 US$
CURRENT		
Trade receivables	231,180	134,895
Other receivables	161,407	78,290
	392,587	**213,185**

6. PROPERTY, PLANT AND EQUIPMENT

	As at 31 Dec 2019 US$	As at 31 Dec 2018 US$
Office equipment at cost	**50,605**	41,206
Accumulated depreciation	(38,264)	(27,721)
Closing balance	**12,341**	**13,485**
Right of use assets – leased office	196,778	-
Accumulated depreciation	(10,104)	-
Closing balance	**186,674**	-
	199,015	**13,485**

	Office Equipment	Right of Use Assets	Total
Balance at 1 January 2019	13,485	-	13,485
Additions	9,398	196,778	206,176
Depreciation	(10,542)	(10,104)	(20,646)
Balance at 31 December 2019	**12,341**	**186,674**	**199,015**

7. INTANGIBLE ASSETS

	As at 31 Dec 2019 US$	As at 31 Dec 2018 US$
Capitalised website development costs	1,776,227	1,776,227
Accumulated amortisation	(1,011,463)	(419,387)
Closing balance	**764,764**	**1,356,840**
Balance at 1 January 2019/2018	1,356,840	1,310,680
Additions	-	465,547
Amortisation	(592,076)	(419,387)
Balance at 31 December 2019/2018	**764,764**	**1,356,840**

8. TRADE AND OTHER PAYABLES

CURRENT Trade payables	**219,910**	**180,628**
Payroll liabilities	72,864	57,615
Accrued expenses	41,893	42,868
	334,667	**281,111**

9. FINANCIAL LIABILITIES

	As at 31 Dec 2019 US$	As at 31 Dec 2018 US$
NON-CURRENT Promissory notes (a)	-	261,755
	-	**261,755**

a) On 27 July 2016, the Company signed a Promissory Note to borrow US$250,000 from Ana R. Smythe. The term of the loan was two years and interest was due and payable at a rate of 1.9% per annum. The outstanding balance has been paid in full in the 2019 financial year.

10. LEASES

Nature of leasing activities (in the capacity as lessee)

The Group leases a property in Alexandria, VA. The lease contract provides for a fixed increase of 2.75% to lease payment annually.

Lease Liability Balance at beginning of the year	-	-
Additions	196,778	-
Interest expense	4,946	-
Lease payments	-	-
Balance at the end of the year	**201,724**	**-**

Current lease liability	56,683	-
Non-current lease liability	145,041	-
Balance at the end of the year	**201,724**	**-**

	Minimum Lease Payments Due			
	Within 1 Year	**1-5 Years**	**After 5 Years**	**Total**
	USD	**USD**	**USD**	**USD**
31 December 2019	74,269	161,390	-	235,659
31 December 2018	-	-	-	-

11. COMMITMENTS

Operating Lease

In the 2018 financial year, the Group leased an office under an operating lease (the new office lease in 2019 has been classified as a finance lease). The future minimum lease payments were as follows:

	Minimum Lease Payments Due			
	Within 1 Year	1-5 Years	After 5 Years	Total
	USD	USD	USD	USD
31 December 2019	-	-	-	-
31 December 2018	66,446	-	-	66,446

Short term lease and low value lease expenses during the period amounted to $57,631 (2018: $105,973) representing the minimum lease payments for leases shorter than 12 months and $5,000 USD.

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 2019	43,893	-	-	43,893
31 December 2018	100,792	-	-	100,792

12. CONTRIBUTED EQUITY

A. SHARE CAPITAL

	As at 31 December 2019		As at 31 December 2018	
	No. of Shares	US$	No. of Shares	US$
Ordinary shares				
At the beginning of the year	107,023,340	8,489,174	69,502,498	7,299,960
Issue of shares	44,157,390	2,650,875	1,846,330	118,603
Entitlements issue	-	-	35,674,512	1,160,456
Issue of shares in lieu of services received	2,924,560	182,577	-	-
Shares issued on conversion of options	205,005	14,510	-	-
Shares issued on vesting of performance rights	3,600,000	-	-	-
Share issue expenses	-	(161,707)	-	(89,845)
	157,910,295	**11,175,429**	**107,023,340**	**8,489,174**

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. 1,987,271 unlisted options expiring 22 October 2020, exercisable at AU$0.10 each;
3. 6,439,405 unlisted options expiring 26 October 2020, exercisable at AU$0.10 each;
4. 316,700 unlisted options expiring 31 October 2020, exercisable at AU$0.10 each;
5. 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. 1,800,000 unlisted performance rights, 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 $0.1695.

   (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 $0.1978.

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.

The following ordinary shares were issued in the financial year as a result of performance targets being met:

(a) 600,000 based on each year of service by non-executive directors:
(b) 3,000,000 performance rights that were 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.

13. RESERVES

	Performance Rights Reserve US$	Foreign Currency Translation Reserve US$	Total Reserves US$
Balance at 31 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 31 December 2018	**321,428**	**(172,832)**	**148,596**
Share-based payments expense	327,598	-	327,598
Foreign currency translation differences arising during the year	-	(42,200)	(42,200)
Balance at 31 December 2019	**649,026**	**(215,032)**	**433,994**

A. FOREIGN TRANSLATION RESERVE

The reserve is used to recognise exchange differences arising from the translation of the financial statements to US dollars.

B. PERFORMANCE RIGHTS RESERVE

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

14. 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 2019 and 31 December 2018 and this is the format of the information provided to the chief operating decision maker.

Segment performance

	Australia		USA		Total	
	December 2019	December 2018	December 2019	December 2018	December 2019	December 2018
	US$	US$	US$	US$	US$	US$
External sales	-	-	1,028,846	506,529	1,028,846	506,529
Total segment revenue	**-**	**-**	**1,028,846**	**506,529**	**1,028,846**	**506,529**
Segment operating result	(854,275)	(817,103)	(1,277,047)	(2,225,876)	(2,131,322)	(3,042,979)
EBITDA	**(854,275)**	**(817,103)**	**(1,277,047)**	**(2,225,876)**	**(2,131,322)**	**(3,042,979)**
Depreciation and amortisation	-	-	(612,723)	(431,460)	(612,723)	(431,460)
Finance costs	-	-	(4,946)	(5,075)	(4,946)	(5,075)
Loss before income tax expense	**(854,275)**	**(817,103)**	**(1,894,716)**	**(2,662,411)**	**(2,748,991)**	**(3,479,514)**
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	**(854,275)**	**(817,103)**	**(1,894,716)**	**(2,662,411)**	**(2,748,991)**	**(3,479,514)**

Assets and liabilities

Segment assets	1,234,434	295,442	1,748,904	2,580,259	2,983,338	2,875,701
Segment liabilities	32,924	36,761	644,817	756,005	677,741	792,766

15. SHARE BASED PAYMENTS

During the twelve (12) months to 31 December 2019, the following transactions were equity settled by the Group:

Performance Rights

Grant Date	Expiry Date	Exercise Price	Balance at 1 Jan 2019	Granted	Converted	Balance at 31 Dec 2019
20/12/2017	-	-	13,000,000	-	-	13,000,000
19/01/2018	18/01/2023	-	3,000,000	-	(600,000)	2,400,000
30/11/2018	30/06/2020	-	3,000,000	-	(3,000,000)	-
21/06/2019	30/06/2021	-	-	3,000,000	-	3,000,000
Total			**19,000,000**	**3,000,000**	**(3,600,000)**	**18,400,000**
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 2019 US$	For the Year Ended 31 Dec 2018 US$
Vesting expense of 3m rights issued to directors	108,150	104,448
Vesting expense of 13m rights issued to advisors	105,917	193,750
Vesting expense of 3m rights issued to advisors	72,741	4,334
Vesting expense of 3m rights issued to advisors	40,790	-
Total	**327,598**	**302,532**

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 rights issued	1,500,000	1,500,000
Vesting share price	$0.1695	$0.1978
Exercise price	-	-
Expiry date	30/06/2021	30/06/2021
Share price on issue date	-	-
Dividend rate	-	-
Risk free rate	1.01%	1.01%
Volatility rate	107%	107%
Value per option	$0.0786	$0.0733

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

	For the Year Ending 31 Dec 2019 US$	For the Year Ending 31 Dec 2018 US$
Loss for the year	**(2,748,991)**	**(3,479,514)**
Depreciation expense	612,723	431,460
Share-based payments expense	327,598	302,532
Finance expense	4,946	-
Other non-cash transactions	135,915	-
Change in operating assets and liabilities		
Increase in trade and other receivables	(179,402)	(123,411)
Decrease)/Increase in trade and other payables	(54,995)	31,447
Expenses classed as investing activities	-	377,703
Net cash outflow from operating activities	**(1,902,206)**	**(2,459,783)**

17. CHANGES IN FINANCIAL LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2019 US$	2018 US$
Promissory notes		
Balance at the beginning of the financial year	261,755	256,874
Net cash inflow/(outflow) from financing activities	(250,000)	-
Interest accrued	-	4,881
Interest paid	(11,755)	-
Balance at the end of the financial year	-	261,755

18. FINANCIAL RISK MANAGEMENT

A. FINANCIAL RISK MANAGEMENT

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

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

Credit risk

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

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

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

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

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

	As at 31 Dec 2019 US$	As at 31 Dec 2018 US$
Cash and cash equivalents	1,526,785	1,292,191
Trade and other receivables	392,587	213,185

LIQUIDITY RISK

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

MARKET RISK

Foreign exchange risk

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

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

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

	Short Term Exposure US$	Long Term Exposure US$
31 December 2019		
Financial assets	142,219	-
Financial liabilities	32,924	-
31 December 2018		
Financial assets	295,442	-
Financial liabilities	36,761	-

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 2019	(85,428)	85,428	120,151	(230,151)
31 December 2018	(43,093)	43,093	25,868	(25,868)

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 US$	Floating interest rate US$	Fixed interest rate maturing within 1 year US$	Total US$
2019					
Financial Assets					
Cash and cash equivalents	0.48%	-	1,526,785	-	1,526,785
Trade and other receivables	-	392,587	-	-	392,587
Total financial assets		**392,587**	**1,526,785**	**-**	**1,919,372**
Financial Liabilities					
Trade and other payables	-	334,667	-	-	334,667
Total financial liabilities		**334,667**	**-**	**-**	**334,667**
2018					
Financial Assets					
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**
Financial Liabilities					
Trade and other payables	-	281,111	-	-	281,111
Financial liabilities	1.9%	-	-	261,755	261,755
Total financial liabilities		**281,111**	**-**	**261,755**	**542,866**

	Carrying amount US$	Contractual cash flow due 1 to 3 months US$	Contractual cash flow due 3 months to 1 year US$	Contractual cash flow due 1 to 5 years US$
2019				
Financial Assets				
Trade and other receivables	392,587	330,752	-	-
Total	**392,587**	**330,752**	**-**	**-**
Financial liabilities				
Trade and other payables	334,667	334,667	-	-
Total	**334,667**	**334,667**	**-**	**-**
2018				
Financial Assets				
Trade and other receivables	213,185	150,452	-	-
Total	**213,185**	**150,452**	**-**	**-**
Financial liabilities				
Trade and other payables	281,111	281,111	-	-
Financial liabilities	261,755	261,755	-	-
Total	**542,866**	**542,866**	**-**	**-**

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 2019 US$	For the Year Ended 31 Dec 2018 US$
RSM Australia Partners		
- Audit and review services	29,407	43,544

20. EARNINGS PER SHARE

	2019 US Cents	2018 US Cents
From continuing operations		
Basic earnings per share	(1.92)	(4.59)
Diluted earnings per share	(1.92)	(4.59)
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	143,517,701	75,865,985
- Diluted earnings per share	143,517,701	75,865,985
Weighted average number of other securities outstanding not included in diluted EPS calculations as the securities are anti-dilutive in nature	53,948,571	55,962,270
Net loss after tax used in calculation of earnings per share	($2,748,191)	($3,479,514)

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 2019 (31 December 2018: nil).

23. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to year-end, the Company has the following financing facilities available in 2020:

a) As of 31 December 2019, AUD$116,667 is payable to the Company under an Equity Swap Agreement as per the ASX announcement dated 5 February 2019.
b) As per the ASX announcement dated 30 January 2020, AUD$400,000 working capital loan facility is available to the Company.
c) As per the ASX announcement dated 30 January 2020, AUD$1.5m is available to the Company as a placement by the Company that will be placed into an equity swap repayable to the Company in equal instalments over 12 months. The placement is subject to shareholder approval to be obtained at the AGM in May 2020.

On 11 March, the 2020 Novel Coronavirus (COVID-19) was declared a global pandemic by the World Health Organisation. There is significant uncertainty as to the short, medium, and long-term impact of COVID-19 outbreak on the local and global economy. It is reasonably possible that COVID-19 will have an adverse impact on the Group’s revenues, results, and ability to raise capital for the next reporting year. As at the date of this report, the full effect of the outbreak remains uncertain. The effects may or may not be significant but cannot be reliably estimated or quantified.

No other matter or circumstance has arisen since 31 December 2019 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:

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

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.

25. PARENT ENTITY DISCLOSURES

	2019 US$	2018 US$
WhiteHawk Limited		
Financial position		
Assets		
Total current assets	1,234,434	295,442
Total non-current assets	8,250,949	7,085,174
Total assets	**9,485,383**	**7,380,616**
Liabilities		
Total current liabilities	32,924	36,761
Total liabilities	**32,924**	36,761
Net assets	**9,452,459**	**7,343,855**
Equity		
Contributed equity	11,067,041	8,380,786
Reserves	(119,434)	(362,753)
Accumulated losses	(1,495,148)	(674,178)
Total equity	**9,452,459**	**7,343,855**
Financial performance		
Loss for the year	(820,970)	(430,932)
Other comprehensive loss	(42,220)	(672,274)
Total comprehensive loss	**(863,190)**	**(1,103,206)**

A. GUARANTEES ENTERED INTO BY THE PARENT ENTITY

The parent entity has not entered into any guarantees.

B. CONTINGENT ASSETS OR LIABILITIES

The parent entity does not have any contingent assets or liabilities.

C. COMMITMENTS

The parent entity does not have any commitments.

D. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

  Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

DECLARATION BY DIRECTORS

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

(a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including

(i) giving a true and fair view of the financial position and performance of the Company and the Group; and

(ii) complying with Australian Accounting Standards, including the Interpretations, and the Corporations Regulations 2001;

(b) the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1; and

(c) the directors have been given the declarations required by s.295A of the Corporations Act 2001

(d) there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable;

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

On behalf of the Directors:

Terry Roberts
Chief Executive Officer and Chairman
27 March 2020

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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 2019, 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 2019 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that Whitehawk incurred a loss of USD$2,748,991 and had net cash outflows from operating activities of USD$1,902,206 for the year ended 31 December 2019. In addition, as disclosed in the Note 23, it is reasonably possible that the COVID-19 pandemic could have an adverse impact on Whitehawk's revenues, results, and its ability to raise capital for the next reporting year. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Recognition of revenue Refer to Note 3 in the financial statements	
As at 31 December 2019, the Company had recognised $1,028,846 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; • Performed analytical procedures in relation to revenue recognised and the resulted contract liabilities. • Tested a sample of revenue to invoices and other supporting documentation. • Assessed the adequacy of revenue disclosures in light of the requirements of the Australia Accounting Standards.
Share Based Payments Refer to Note 9 in the financial statements	
Share-based payments resulted in an expense of $327,598 in the Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year under review. In addition, there was a transfer from the share-based payments reserve of $164,728 in relation to shares issued in respect of performance rights for which the performance milestones have been achieved. Share-based payment transactions are non-routine and complex and the assumptions used in valuating these instruments is judgmental and includes and element of estimation uncertainty. Share based payments are therefore considered to be Key Audit Matter for the year under review.	Our audit procedures in relation to the share-based payments included the following: • Obtained the clients schedules and related valuation workings in relation to share-based payments. • Reperformed the valuations and tested the mathematical accuracy of the client's workings in relation to share-based payments and determined the share based payment expense and related reserves were not materially misstated. • Reviewed the assumptions included in the valuation models. • Inspected supporting documentation in relation to the inputs used in valuing share-based payments. • Review the minutes and ASX announcements to determine the completeness of share-based payment transactions. • Evaluated the appropriateness of the related disclosures in respect of the share-based payments including the judgements 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 2019, 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 2019.

In our opinion, the Remuneration Report of Whitehawk Limited, for the year ended 31 December 2019, 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 27 March 2020

SHAREHOLDER INFORMATION

SPREAD OF SHAREHOLDERS

As at 24 March 2020, there were 1,697 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	36	5,600	0.00%
1,001 – 5,000	205	778,523	0.49%
5,001 – 10,000	322	2,650,238	1.67%
10,001 – 100,000	907	35,828,724	22.53%
100,001 and over	227	119,732,275	75.31%
Total	1,697	158,995,360	100.00%

Based on the price per security of 3.2 cents, number of holders with an unmarketable holding as at 24 March 2020: 722, with a total 5,497,124, amounting to 3.46% of Issued Capital.

SUBSTANTIAL SHAREHOLDERS

The Company's register of substantial shareholders recorded the information as at 24 March 2020.

Top 20 Holdings as at 24 March 2020		
Holder Name	**Balance**	**%**
MR DARREN CARTER	11,145,228	7.01%
VIVIEN ENTERPRISES PTE LTD	7,667,439	4.82%
TERESA WILLIAMS ROBERTS	5,715,562	3.59%
MR AMILCAR ALBINO MORENO	5,500,000	3.46%
VANTAGE HOUSE LIMITED	5,480,000	3.45%
MR BERTRAND LALANNE	4,750,000	2.99%
S3 CONSORTIUM PTY LTD	2,700,000	1.70%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,039,667	1.28%
FLOREANT AMBO PTY LTD <REZOS FAMILY SUPER FUND A/C>	2,000,000	1.26%
H K TEY PTY LTD <STAFF SUPER FUND A/C>	1,900,000	1.20%
MR DAVID MURRAY GUILLE <THE YALLINGUP A/C>	1,868,611	1.18%
LUIS JOSE CRUZ-RIVERA	1,758,375	1.11%
MR ANDREW SWIFT	1,404,073	0.88%
BORN INTERNATIONAL PTY LTD	1,402,409	0.88%
MR DAVID MURRAY GUILLE & MR MARCUS PARASCO KOTSOGLO <KONG PARTNERS A/C>	1,395,000	0.88%
MR RICHARD GEORGE WHITTINGTON	1,377,717	0.87%
MR YUBO PENG	1,325,207	0.83%
MR STEVEN LUKE JACKSON	1,215,327	0.76%
MR FELIX OZIE NOEL CORREA & MRS CHERYL BERTHA CORREA <CORREA SUPER FUND A/C>	1,211,107	0.76%
MR CRAIG MARTIN ROGERS	1,200,000	0.75%
TOTAL TOP 20	**63,055,722**	**39.66%**