

WHITEHAWK

WhiteHawk Limited

2022 Annual Report

For the year ended 31 December 2022

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CORPORATE INFORMATION

Directors

Terry Roberts
Philip George
Melissa King
Brian Hibbeln

Registered Office

Level 28
140 St Georges Terrace
Perth WA 6000

Principal Place of Business

Alexandria, VA
USA

Share Registry

Automic Registry Services
Level 5
191 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

CHAIR LETTER

Dear Shareholders,

It is my pleasure to present to you WhiteHawk's Annual Report for the year ended 31 December 2022. The results for the 2022 Financial Year reflected a successful financial year, including:

- 40% increase in year-on-year growth of revenue
- the first two cash positive quarters during the year
- Continuation of managing expenses with planned budget, contributing to improved profitability of the business
- Renewal of Cyber Risk Radar contract with Global Social Media Platform company as an important validation of WhiteHawk's Cyber Supply Chain Risk Management capabilities and features
- Completion of A\$3m private placement and bring FY2022 to a close with cash balance of US\$2.17m and no debt
- Position for further growth with strong pipeline of master service agreements (MSA), proof of value (POV) engagements and strategic opportunities that provides a strong foundation for revenue growth in 2023 and beyond.

There are three critical risks that ALL businesses and organizations share equally in the Digital Age; Financial, Supply Chain and Cyber. Our Software as a Service Product Lines map to each:

1. **Financial Risk** – the greatest daily threat to our revenue is from online crime and fraud from insiders, criminals, and state actors. Our Cyber Risk Program is a direct, seamless, and cost-effective way for any company to identify, prioritize and mitigate their risks continuously or annually: <https://www.whitehawk.com/cyber-risk-program>
2. **Supply Chain Risk** – vetting, onboarding, and monitoring the business and cyber risks from your suppliers, vendors, partners is complex, manpower intensive and expensive. Our Cyber Risk Radar Cyber-Supply Chain Risk Management (C-SCRM) platform and suite of tailorable global risk analytics and automated reporting enables resilience within any budget or regulatory environment: <https://www.whitehawk.com/cyber-risk-radar>

3. **Cyber Risk** – because most criminals are now online continuously targeting all sellable datasets, no business or organization can escape unless they identify, prioritize, and mitigate smartly their key risks to the revenue, reputation, and operations. With our annual or continuous cyber risk monitoring, reporting and mitigation assessments and virtual consult for \$1K – there are no more excuses: <https://www.whitehawk.com/cyber-risk-journey>
4. **Business Client Financial & Cyber Risk** – time for Insurance Groups, Financial Firms and MSP's to provide continuous and comprehensive financial fraud, identity theft and cyber risk services to all of their SME Clients – thereby enabling resilience across all starting at \$5 USD a month: <https://www.whitehawk.com/business-risk-suite>

Our Business Strategy and Objectives Are:

- Providing exceptional Software as a Service (SaaS) tailoring and technical reach back to our current Cyber Risk Radar and Cyber Risk Program clients, enabling automated cyber resilience across their enterprise and/or supply chains. And to ensure contract renewal and as needed, program growth to meet client business and risk mitigation objectives.
- Continued Product Feature and Capability advances to include the vetting of innovative partner capabilities, datasets and cyber risk mitigation solutions – so that our offerings outpace our competitors as a result of our Open business model.
- Proofs of Value (POV's) and Partnership co-marketing and sales, leading to contracts across a broader set of Sectors via several Channels running in parallel – Consulting Groups (regional and global), Amazon Online Marketplace, Sontiq WHK Business Suite: <https://www.whitehawk.com/business-risk-suite> and new Cyber Integrated Partners like hyprfire <https://www.hyprfire.com> and Orpheus <https://orpheus-cyber.com/?lang=en>
- As you know, we made a strategic pivot back to U.S. Federal and State/Local Government opportunities during COVID. These can be impactful, 5 year or longer in duration, multi-million-dollar opportunities that take a year or two to vet, compete and win. Our prep work was laid down starting in 2020 and 2021 with our Federal Partners Peraton and Dun & Bradstreet Public Sector and the 2022 and 2023 opportunities that are Cyber Risk Monitoring and Cyber-Supply Chain Risk Management focused are now regularly announced and being competed for. With our very capable Partners, we are responding to those that map to our capabilities and where we know the competitive landscape.
- We are starting to be known and recognized within the U.S. Cyber Market and Cyber Thought Leadership arena as a result of our experienced Digital Marketing and Communications Manager's online PR and Marketing campaigns both with our key Partners and with other thought leader platforms and personalities like: David Lawrence of RANE <https://www.ranenetwork.com>; Melissa Hathaway of Hathaway Global Strategies; and our upcoming short program with PBS Viewpoint with Dennis Quaid <https://viewpointproject.com/dennis-quaid-ptv-segments/> and have made sales connections based solely on this online presence.



WhiteHawk Value Proposition Remains:

1. Unique and continuously advanced end-to-end Cyber Risk Product Lines, from risk scoping to risk mitigation – proven, accessible, scalable, affordable. All via online and virtual services.
2. Gross margins continue to average 40% and year over year revenue growth.
3. A continuously renewed pipeline of Channels, Public and Private Sector Partnerships, and Fortune 1000 Leads.
4. 200+ strong innovative partner solutions that advance our offerings and impact, continuously across current and future clients:
<https://www.whitehawk.com/innovative-solutions>
5. COO continues to retain an extremely Talented, Productive and Positive In-House Technical and Cyber Business Team, with the average employee being with us for over 3 years.

Traction: When you are creating a new and advanced Cyber Resilience Business Model that is based primarily upon Risk Mitigation vice Compliance, you are bucking an Industrial Age system of endless security controls, check lists and audits that was all we had prior to 2000. But in the past 20 years as the www advanced and grew, billions of dollars have been invested in next generation scalable technologies for identifying and addressing vulnerabilities, threats and risks in near real-time. Within the past 10 years, these solutions have advanced because of access to publicly available risk and threat datasets and innovative AI based algorithms and analytics. WhiteHawk has both witnessed, vetted and integrated with these “best of the breed” partners and do so as a part of our daily business - because Cyber moves at the speed of software and our work is never done. Thanks to each of you for enabling us on this journey, through the platform development, the refining of our product lines, the implementation and fine tuning with our clients and the building of our strategic partnerships. If you are in Sydney on the 10th of May please join us for our AGM. And if you are in Perth, I will be keynoting at your CyberWest Summit on the 11th of May.

On behalf of your Company’s Board, Management and Employees, I thank each shareholder for your continued support of WhiteHawk’s growth and our passion to empower a fearless internet for all.



Terry W Roberts
Chief Executive Officer and Executive Chair

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 2022.

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 Executive Chair*

PHILIP GEORGE *Non-Executive Director*

MELISSA KING *Non-Executive Director*

BRIAN HIBBELN *Non-Executive Director*

CHIEF EXECUTIVE OFFICER

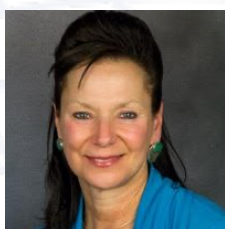
TERRY ROBERTS

COMPANY SECRETARY

KEVIN KYE *B Comm, CA, AGIA, ACG*

INFORMATION ON DIRECTORS

TERRY ROBERTS



Chief Executive Officer and Executive Chair

Appointed: 19 January 2018

Length of Service: 62 Months

Qualifications: BA, MSSSI, C&S, Cyber Exec Program

Director's Interests: 22,287,162 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 Defence 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 Defence (OSD).

Terry has held many executive positions, including Director of Intelligence, Commander Naval Forces Europe and Commander-in-Chief NATO AFSOUTH; Director, Defence Intelligence Resource Management Office (manager of the General Defence 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 Board of Directors since 2010 and of the Cyber Florida Advisory Board of Directors since 2018.

Terry's personal awards include the Office of the Secretary of Defence 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: 68 Months

Qualifications: B Science, Internetworking & Security

Director's Interests: 1,000,000 shares

Philip George has experience as a Managing Director and CEO with a strong background in finance, cybersecurity and technology. 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 a 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.

Melissa King

Non-Executive Director

Appointed 13 November 2020

Length of Service: 28 Months

Qualifications: BA, MBA, GAICD

Director's Interests: 484,496 shares and 562,740 performance rights

Melissa King is a strategic, agile and innovative leader with extensive transformation, commercial and communications experience. Melissa lead the Organising Committee for the FIBA Women's Basketball World Cup 2022 and as the Chief Executive of Australia's most iconic not for profit humanitarian organisation, Surf Life Saving Australia was instrumental in navigating the organisation through a time of change and growth including digital and business transformation. Melissa has advised Boards and Government Agencies on strategy, governance and fundraising, and mentors emerging leaders.

Melissa's experience spans corporate, government and for purpose sectors with organisations including Sydney Opera House, Department of Prime Minister & Cabinet – APEC Australia 2007 Taskforce and the Governance Institute.

Melissa's interest in cyber risk is linked to the importance data protection and of implementing measures to mitigate risk and protect organisations and its members/customers.

The Board considers Ms King 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.

Brian A Hibbeln

Non Executive Director

Appointed: 31 August 2021

Length of service: 19 months

Qualifications: BS in Physics from USAFA, MS Physics from FIT

Director's Interest: 277,260 shares and 722,740 performance rights.

Brian Hibbeln is a proven Executive technologist and innovator, with three decades across the Department of Defense and the US Intelligence Community, driving innovation, advanced technologies, partnerships and funding, to the direct benefit of warfighters, thereby giving the U.S. and our Allies a competitive edge on the battlefield. Today, he is a strategic advisor to policy institutes, technology associations and growth-minded technology firms that rely on his recommendations to guide and drive their future successes.

He is currently a venture partner for SineWave Ventures, LLC, an early-stage venture capital firm dedicated to accelerating technologies across the Fortune 500 and public sector ecosystems; a senior fellow at the Potomac Institute for Policy Studies, a U.S. based premier think tank for technology policy; a senior advisor for Blackstone Private Equity, the world's largest Private Equity and alternative asset manager. Brian is also a principal with Potomac Advocates, a leading Washington D.C. government relations and lobbying firm. As Chief Innovation Officer for NineTwelve, he was named vice chairman of the Hypersonic Ground Test Center (HGTC) at Purdue University.

Brian co-founded the United States Technology Leadership Council, advancing U.S. technology leadership to benefit society.

Prior to entering the private sector, Brian served over three decades in the U.S. Defense Department and Intelligence Community, championing novel uses of commercial systems, sensors and platforms.

MEETINGS OF DIRECTORS

During the financial year ended 31 December 2022, 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	10
Melissa King	10	10
Brian Hibbeln	10	9

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The net loss after tax for the year was US\$1,537,740 (2021 loss: US\$2,465,754).

PRINCIPAL ACTIVITIES AND STRATEGY

The Group developed the first online cyber resilience focused Cybersecurity Exchange platform of end-to-end Cyber Risk Software as a Service (SaaS) and Platform as a Service (PaaS) products and services, providing automated and scalable cyber risk scoping, prioritization and mitigation solutions for businesses and organizations of all sizes. Traditional cybersecurity approaches are primarily a complex combination of security controls, compliance, audits and governance which is technically challenging, difficult to manage, expensive and not scalable. The Group's automated, comprehensive online risk and resilience approach is easy to implement, effective, tailorable, assessable and affordable for all.

The Groups core annual subscription product lines include the Cyber Risk Radar - focused on scalable and automated Cyber-Supply Chain Risk Management (C-SCRM); the Cyber Risk Program - focused on a mid to large company or organization's 3rd party annual or continuous Cyber Risk Assessment with a prioritized risk mitigation to resilience plan; the Cyber Risk Scorecard - a 100% automated assessment of a company's threat landscape, priority risks, maturity, compliance, plus an actionable risk mitigation strategy. The Cyber Risk Scorecard is for sale via Amazon Web Services (AWS) online Marketplace: <https://aws.amazon.com/marketplace/pp/prodview-t7qm4zw4kiovi> and integrated with Dun & Bradstreet's Investigate platform: <https://www.dnb.com/products/public-sector/investigate.html> All product lines are automated and scalable, to include Virtual Consults by Cyber Analysts and/or Cyber deep Subject Matter Experts, mapping to solution options and online interactive individual client accounts.

By design the Group fully leverages publicly available global risk data sets and AI based algorithms, resilience tradecraft, cyber maturity frameworks and risk analytics - to assess, validate, and mitigate Digital Age Risks efficiently and effectively, across 1 to 10 to thousands of companies and organizations in a non-intrusive, not on-premise (Hacker

View) approach. The Group's product lines can be focused on any legal company or organization in the world to include an individual enterprise, a due diligence portfolio, an Insurance Group or Financial Firms Business Clients, or across a supply chain or group of vendors. In order to stay abreast of next generation cyber risk, resilience and analytic solutions the Group continuously reviews innovative solutions, partnering only with best of breed solution and channel providers, ensuring a breadth of options that effectively target identified risk priorities – while remaining easy to implement and cost effective.

As the global crises of the past 3 years have distracted many Executive Teams, the Group pivoted back to U.S. government Cyber Risk Monitoring and Cyber-Supply Chain Risk Management opportunities which have been growing in prominence and number across all Federal Departments and Agencies to grow opportunities in parallel to the Groups commercial pipeline. The Groups U.S. Government growth strategy has been to leverage our strong and deep partnerships with Peraton and Dun & Bradstreet Federal who often Prime these Requests for Information (RFI's), Proposals (RFP's) and Sources Sought (SS) integrating the Group's Cyber Risk and C-SCRM SaaS and PaaS Products lines into their Solutions and Services.

The Group continues to target, vet, and establish key sales channels that embed the Cyber Risk Scorecard comprehensive assessment and the Sontiq WHK Business Suite within their services to their business clients one at time or at scale, to include Consulting Firms, MSP's, ISP's, Financial Institutions, Insurance Groups, and Associations. This is an approach that provides multiple channels working in parallel and can scale renewable subscription growth across the few to the many - to the resilience of all.

RECENT HIGHLIGHTS

- Recognized US\$3.2M revenue in 2022 over US\$2.3M revenue recognized in 2021 being a 40% increase year on year.
- Revenue reported does not include US\$433K unearned revenue already invoiced in 2022 and US\$825K contract renewal announced on 8 December 2022.
- WhiteHawk ends 2022 with a cash balance of US\$2.171M, which does not include US\$425K in trade receivables as of 31 December 2022.
- US\$1.5M loss after income tax includes non-cash expenditures relating to depreciation and amortization expense of US\$67K, share based payment expenditure of US\$114K and provision for doubtful debt of US\$171K.
- Global Social Media Platform Company Cyber Risk Radar contract renewed as announced to ASX on 8 December 2022 for 12 months, with engagement for expansion to additional business units.
- Commenced Cyber-Supply Chain Risk Management (C-SCRM) Risk Analytics Integration first phase with Peraton in December 2022 and scoped phase 2 for 1st QTR 2023.

- Partner Dun & Bradstreet (D&B) sold 500 Cyber Compliance Licenses Powered by WhiteHawk to a major U.S. Federal System Integrator (FSI).
- With D&B Public Sector in lead, awaiting Board of U.S. Federal Reserve Bank decision on a Cyber Risk Monitoring contractual was ahead across all 5,000 U.S. Financial Institutions.
- Responded to the U.S. Department of Homeland Security (DHS) CISA NRM SCRM small business Sources Sought and positioning to respond to 1st QTR 2023 RFP – 3YRS for US\$30M.
- Signed a Letter of Intent with Peraton as a Cyber Technology Insertion and C-SCRM Partner on the DHS CISA Cybersecurity multi-billion-dollar contract vehicle ACTS and assisting with current RFP response for potential award in 3rd/4th QTR 2023.
- Executing Cyber Florida Critical Infrastructure Cyber Risk Assessments Pilot across 150 entities in 1st QTR 2023.
- Execution of a U.S. City, Cyber Risk Program for 2023, pending architecture transition.
- Responded 15DEC22 to a Department of Energy Cyber Resilience of Rural Utilities Request for Proposal (RFP).
- WHK working with AWS Federal on final scoping a major C-SCRM proof of value for several U.S. Department of Defense Program.
- Advancing Sontiq WHK Business Suite SaaS EMBED engagements to global Managed Service Providers, Financial & Insurance Firms for their SME Business Clients.
- A 60-day U.S. Government Cyber Risk Radar, C-SCRM Proof of Value, for \$350K USD that was delayed from 2022 announced in a Sources Sought response March 28th, with a potential new GSA RFP estimated for June 2023.

2023 OUTLOOK

Growth of Product Line features and strategic sales channels in 2023.

WhiteHawk continues to stay abreast of risk and security market innovation and automation, while adopting client feedback to seamlessly advance both the Cybersecurity online Exchange and all software as a service product lines, to include:

- **Completion of the Amazon Web Services (AWS) Vendor Insights security program.**
- **Ability to integrate Data Sources from additional Cyber Threat and Cybersecurity partners,** in order to satisfy varying client requirements and to advance fidelity and breadth of product lines.
- **Continuous Vetting, Showcasing and Integrating with Next Generation Vendor Partners in the U.S., Australia and Great Britain,** in order to provide end to end cyber risk, security and threat effective and affordable SaaS services in place.

- **Adding to WhiteHawk's product lines:**
 - Integration of compliance datasets data cover 10+ compliance frameworks across multiple industries. Development has started to leverage this data to create and add a Cyber Risk Compliance Report to augment our current Cyber Risk Scorecard.
 - Expansion of our current Cyber Risk Profile to add the ability to perform Cyber Risk Assessments with custom questionnaires; increasing our ability to service our clients with in-house capabilities and services.
 - Continued automation of whitehawk.com platform capabilities to decrease manpower necessary to operate and manage client subscriptions.

Strategic Sales Channels Continue With:

- Peraton focused on U.S. Federal Cyber Risk and C-SCRM RFP's
- Amazon Web Services (AWS) Federal with a focus on Proof of Value (POV's) with Department of Defense Clients.
- Dun & Bradstreet Public Sector, in support of all Public Sector clients.
- Global Risk and Security Consulting Group partnerships with GSIS and Hathaway Global Strategies, and now with Lockhaven Solutions, with reach-back to WhiteHawk to identify, prioritize and mitigate Digital Age Risks across their clients.
- State & Local Cybersecurity opportunities as a result of the \$1B USD in grants within the Infrastructure Bill that was signed into law in November 2021.
- **2023 Ongoing Engagements:**
 - State of Wisconsin Cyber Risk Radar 30-day POV kicked-off in February as transition to a phase one statewide initial contract.
 - Georgetown University Cyber Risk Program POV kicked-off February, as transition to initial contract.
 - Responded to Hillenbrand for Cyber Threat Intelligence Program RFP March 6, with demo 21 March and awaiting award announcement.
 - Sontiq WhiteHawk SMB Suite initial engagements with M&T Bank as a potential Digital Age Risk service and Embed SaaS offering across their Business Clients.
 - Signed co-sell Cyber Risk Program agreement with Lockhaven Solutions, starting with a focus on U.S. Law Firms.
 - Concluded Cyber Risk Program POV with Global Consulting Group, with a focus on leveraging with new company clients going forward.
 - After testing and evaluation, putting together an integrated Cyber Risk, Network Monitoring and Assessment joint offering with Perth based innovative Cyber Company hyperfire, with the ability to provide resilience to all SME's cost effectively, seamlessly and at scale.

Active 2022/2023 U.S. Government RFI's/Market Surveys/SB Sources Sought/RFP's:

- DHS CISA NRMCM SCRM SS submission 10 January, 2023 (3YR, \$30M)
- DHS CISA ACTS 15DEC22 RFP/5YR Contract – cybersecurity across CISA - \$2-3B per YR award 2nd/3rd quarter 2023
- GSA Supply Chain Risk Illumination RFI submission 28 March, 2023, in preparation for RFP in June 2023
- Federal Reserve Board Cyber Risk Monitoring 5,000 U.S. Financial Firms

- Sources Sought for Supply Chain and Industrial Analysis for U.S. Army Futures Command 21 March, 2023
- Space Cyber Digital Bloodhound IDIQ 2023
- DOE CESER Rural Utilities responded 19 December, 2022 \$250M from U.S. Infrastructure Bill 2022

WhiteHawk continues to grow revenue year on year with 2022 revenue of US\$3.2M over 2021 revenue of US\$2.3M and over 2020 revenue of US\$1.9M. WhiteHawk continues to put in place MSA's, POV's and a breadth of new strategic opportunities that provide a strong foundation for revenue growth in 2023 and beyond.

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 following the significant events took place:

- a) On 20 January 2023 the Company issued 677,260 shares at nil consideration as a result of performance rights vesting;
- b) On 20 January 2023 the Company issued 887,053 shares at nil consideration as part of a Share Award to employees of the Company.
- c) On 3 March 2023 the Company issued 2,343,750 shares pursuant to the Share Subscription Agreement announced to ASX on 31 October 2022.

No other matter or circumstance has arisen since 31 December 2022 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 (2021: 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.

INDEMNIFICATION AND INSURANCE OF AUDITORS

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

NON-AUDIT SERVICES

The auditor did not provide any non-audit services during the financial year (2021: Nil)

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 24.

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 15.8 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.

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 01/01/22	Addition	Vesting of Performance rights	Closing Balance 31/12/22
<i>Directors</i>				
Terry Roberts	22,287,162	-	-	22,287,162
Philip George ¹	600,000	-	200,000	800,000
Melissa King ²	47,236	-	237,260	284,496
Brian Hibbeln ³	-	-	-	-
<i>Key management personnel</i>				
Soo Kim ⁴	500,000	212,947	-	712,947
Kevin Goodale	2,003,993	-	-	2,003,993
Total	25,438,391	212,947	437,260	26,088,598

1. Subsequent to year end, on 20 January 2023 Philip George received 200,000 shares as a result of vesting performance rights.
2. Subsequent to year end, on 20 January 2023 Melissa King received 200,000 shares as a result of vesting performance rights.
3. Subsequent to year end, on 20 January 2023 Brian Hibbeln received 277,260 shares as a result of vesting performance rights.
4. Subsequent to year end, on 20 January 2022 Soo Kim received 787,053 shares as a Share Award provided to employee of the Company.

TABLE 2 - PERFORMANCE RIGHTS HELD BY KEY MANAGEMENT PERSONNEL

	Opening Balance 01/01/22 No.	Rights Granted No.	Rights Exercised/ Cancelled No.	Closing Balance 31/12/22 No.
<i>Directors</i>				
Terry Roberts	-	-	-	-
Philip George	400,000	-	(200,000)	200,000
Melissa King	1,000,000	-	(237,260)	762,740
Brian Hibbeln	-	1,000,000	-	1,000,000
<i>Key management personnel</i>				
Soo Kim	1,000,000	-	(1,000,000)	-
Kevin Goodale	-	-	-	-
Total	2,400,000	1,000,000	(1,437,260)	1,962,740

TABLE 3 - DETAILS OF REMUNERATION

2022	Salary and Fees US\$	Other Fees US\$	Share Based Payments US\$	Total US\$
<i>Directors</i>				
Terry Roberts	232,543	-	-	232,543
Philip George	25,000	2,520	5,817	33,337
Melissa King	25,000	2,520	31,248	58,768
Brian Hibbeln	25,000	-	29,349	54,349
Total Directors	307,543	5,040	66,414	378,997
<i>Key Management Personnel</i>				
Soo Kim	308,153	-	43,282	351,435
Kevin Goodale	158,677	-	-	158,677
Total KMP	466,830	-	43,282	510,112
Total	774,373	5,040	109,696	889,109

2021	Salary and Fees US\$	Other Fees US\$	Share Based Payments US\$	Total US\$
<i>Directors</i>				
Terry Roberts	155,000	-	-	155,000
Philip George	25,000	2,438	13,235	40,673
Melissa King	25,000	2,438	48,894	76,332
Brian Hibbeln ¹	8,333	-	-	8,333
Total Directors	213,333	4,876	62,129	280,338
<i>Key Management Personnel</i>				
Soo Kim	247,268	-	-	247,268
Kevin Goodale	129,600	-	-	129,600
Total KMP	376,868	-	-	376,868
Total	590,201	4,876	62,129	657,206

Notes:

1. Brian Hibbeln was appointed on 31 August 2021



Terry Roberts
Chief Executive Officer and Executive Chair
31 March 2023

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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 fourth edition of the Corporate Governance Principles and Recommendations.

The Company's Corporate Governance Statement for the financial year ending 31 December 2022 is dated and was approved by the Board on 31 March 2023. The Corporate Governance Statement is available on the Company's website at

<https://www.whitehawk.com>.

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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 2022, 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 AUSTRALIA PARTNERS



C J Hume
Partner

Sydney, NSW

Dated: 31 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

		For the Year Ended 31 Dec 2022	For the Year Ended 31 Dec 2021
	Notes	US\$	US\$
Revenue from continuing operations	2	3,215,299	2,302,517
Cost of goods sold		(1,467,847)	(1,348,448)
Gross profit		1,747,452	954,069
Other income	2	2,549	344
Professional expenses		(297,320)	(335,339)
Research and development expense		(901,754)	(452,153)
Employee benefits expense		(1,369,474)	(1,279,012)
Share based payments expense	16	(114,496)	(576,555)
IT expenditure		(18,733)	(23,533)
Conference and travel expenditure		(15,161)	(13,435)
Marketing expenditure		(71,452)	(37,194)
Office and occupancy expenses		(18,636)	(21,389)
Provision for doubtful debts		(171,094)	-
Depreciation and amortisation	7 & 8	(67,649)	(240,262)
Interest expense		(56,460)	(13,303)
Loss on equity swap agreement		-	(207,135)
General and administration expenses		(185,512)	(220,857)
Loss before income tax		(1,537,740)	(2,465,754)
Income tax expense	3	-	-
Loss for the year		(1,537,740)	(2,465,754)
<i>Other comprehensive income/(loss)</i>			
Exchange differences on translation foreign operations		(126,860)	(50,941)
Total comprehensive loss for the year		(1,664,600)	(2,516,695)
<i>Loss per share</i>			
From continuing operations			
- Basic/diluted losses per share (US cents)	21	(0.67)	(1.10)

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 2022

	Notes	As at 31 Dec 2022 US\$	As at 31 Dec 2021 US\$
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,171,183	1,350,130
Trade and other receivables	5	334,913	1,049,465
Other current assets		251,639	501,314
Total Current Assets		2,757,735	2,900,909
Non-Current Assets			
Property, plant and equipment	7	191,166	77,730
Total Non-Current Assets		191,166	77,730
Total Assets		2,948,901	2,978,639
LIABILITIES			
Current Liabilities			
Trade and other payables	9	339,171	448,292
Financial liabilities	10	1,009,324	-
Contract liabilities	11	1,260,754	1,070,825
Lease liabilities	12	68,667	87,129
Total Current Liabilities		2,677,916	1,606,246
Non-Current Liabilities			
Lease liabilities	12	167,959	7,296
Total Non-Current Liabilities		167,959	7,296
Total Liabilities		2,845,875	1,613,542
Net Assets		103,026	1,365,097
EQUITY			
Contributed equity	13	13,475,921	13,475,921
Reserves	14	1,744,058	1,468,389
Accumulated losses		(15,116,953)	(13,579,213)
Total Equity		103,026	1,365,097

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 2022

	Notes	Contributed Equity US\$	Accumulated Losses US\$	Reserves US\$	Total US\$
2021					
At 1 January 2021		13,475,921	(11,113,459)	942,775	3,305,237
Loss for the year		-	(2,465,754)	-	(2,465,754)
Other comprehensive income		-	-	(50,941)	(50,941)
Total comprehensive loss		-	(2,465,754)	(50,941)	(2,516,695)
<i>Transactions with owners in their capacity as owners</i>					
Issued capital net of issue costs	13	-	-	-	-
Performance rights expense	13, 14	-	-	576,555	576,555
At 31 December 2021		13,475,921	(13,579,213)	1,468,389	1,365,097
2022					
At 1 January 2022		13,475,921	(13,579,213)	1,468,389	1,365,097
Loss for the year		-	(1,537,740)	-	(1,537,740)
Other comprehensive income		-	-	(126,860)	(126,860)
Total comprehensive loss		-	(1,537,740)	(126,860)	(1,664,600)
<i>Transactions with owners in their capacity as owners</i>					
Issued capital net of issue costs	13	-	-	-	-
Performance rights expense	13, 14	-	-	402,529	402,529
At 31 December 2022		13,475,921	(15,116,953)	1,744,058	103,026

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 2022

	Notes	For the Year Ended 31 Dec 2022 US\$	For the Year Ended 31 Dec 2021 US\$
Operating activities			
Receipts from customers		3,938,599	2,276,718
Payments to suppliers and employees		(4,279,133)	(4,128,137)
Interest received		2,540	306
Interest paid		(533)	-
Net cash outflow from operating activities	17	(338,527)	(1,851,113)
Investing activities			
Payments for property, plant and equipment		(7,449)	-
Net cash outflow from investing activities		(7,449)	-
Financing activities			
Proceeds from equity swap		-	466,344
Proceeds from borrowings		1,258,690	445,017
Transaction costs related to loans and borrowings		(56,030)	(22,251)
Net cash inflow from financing activities		1,202,660	889,110
Net (decrease)/increase in cash and cash equivalents		856,684	(962,003)
Cash and cash equivalents at the beginning of the financial year		1,350,130	2,368,486
Foreign exchange adjustment to cash balance		(35,631)	(56,353)
Cash and cash equivalents at end of the year		2,171,183	1,350,130

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 2022

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 2022.

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.

The financial statements were authorised on 31 March 2023 by the directors of the company.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 2022. 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 2022.

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. 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.

C. 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.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

D. 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.

E. 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.

F. 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.

G. 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.

H. Cash and cash equivalents

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

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

I. Trade and other receivables

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

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

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

J. Trade and other payables

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

K. Contract liabilities

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

L. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

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

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

- (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or
- (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

M. 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.

N. 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.

O. 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.

P. 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.

Q. 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 27.

R. 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.

S. 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 is 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 is 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.

T. Rounding of amounts

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

U. 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\$1,537,740 (2021: US\$2,465,754) and had net cash outflows from operating activities of US\$338,527 (2021: US\$1,851,113) for the year ended 31 December 2022.

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\$2,171,183 as of 31 December 2022. As at that date Whitehawk had net current assets of US\$79,819 and net assets of US\$103,026. Whitehawk has determined that it has adequate cash resources in place to fund its operations for the next 12 months.
- 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.

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.

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

There have been no accounting pronouncements which have become effective from 1 January 2022 that have had a significant impact on the Group's financial results or position.

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

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

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.

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 13(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 2022 US\$	For the Year Ended 31 Dec 2021 US\$
Rendering of services and sale of goods		
Goods transferred over time (United States)	3,215,299	2,302,517
Total sales revenue	3,215,299	2,302,517
Interest income	2,549	306
Other income	-	38
Total other income	2,549	344
Total income	3,217,848	2,302,861

3. INCOME TAX EXPENSE

The Components of Tax Expense Comprise:	For the Year Ended 31 Dec 2022 US\$	For the Year Ended 31 Dec 2021 US\$
Current tax	-	-
Deferred tax	-	-
Total	-	-

(a) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Loss from continuing operations before income tax expense	(1,537,740)	(2,465,754)
Tax at the Australian tax rate of 25% (2021 – 26%)	(384,435)	(641,095)
Add tax effect of:		
- Other assessable items	47,482	-
- Other non-allowable items	46,484	289,355
Less tax effect of:		
- Other non-assessable items	-	-
- Other deductible items	(23,191)	(76,975)
Carried forward tax benefit not recognized in the current year	313,660	428,715
Total income tax expense	-	-

The Group has carry forward tax losses related to international operations of approximately US\$11,747,258 (2021: US\$10,492,616), 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 2022 US\$	As at 31 Dec 2021 US\$
Cash at bank and in hand	2,171,183	1,350,130
	2,171,183	1,350,130

5. TRADE AND OTHER RECEIVABLES

	As at 31 Dec 2022 US\$	As at 31 Dec 2021 US\$
CURRENT		
Trade receivables	223,725	927,800
Other receivables	111,188	121,665
	334,913	1,049,465

Aging Analysis

	0 – 3 months US\$	Non-Cash US\$	Total US\$
31 December 2022	235,265	99,648	334,913
31 December 2021	941,712	107,753	1,049,465

6. FINANCIAL ASSETS

	As at 31 Dec 2022 US\$	As at 31 Dec 2021 US\$
<i>Financial assets at fair value through profit or loss (FVPL)</i>		
Equity swap loan receivable	-	-
Balance at beginning of the year	-	1,095,344
Equity swap loan proceeds paid		-
Repayments received in period	-	(888,209)
Net (loss)/gain on the facility in the period	-	(207,135)
Balance at end of year	-	-

7. PROPERTY, PLANT AND EQUIPMENT

	As at 31 Dec 2022 US\$	As at 31 Dec 2021 US\$
Office equipment at cost	58,054	50,605
Accumulated depreciation	(46,231)	(43,677)
Closing balance	11,823	6,928
Right of use assets – leased office	354,002	210,245
Accumulated depreciation	(174,659)	(139,443)
Closing balance	179,343	70,802
	191,166	77,730

	Office Equipment	Right of Use Assets	Total
Balance at 1 January 2021	9,406	135,897	145,303
Additions	-	-	-
Depreciation	(2,478)	(65,095)	(67,573)
Balance at 31 December 2021	6,928	70,802	77,730
Additions	7,449	143,757	151,206
Depreciation	(2,554)	(65,095)	(67,649)
Adjustment to accumulated depreciation	-	29,879	29,879
Balance at 31 December 2022	11,823	179,343	191,166

8. INTANGIBLE ASSETS

	As at 31 Dec 2022 US\$	As at 31 Dec 2021 US\$
Capitalised website development costs	1,776,227	1,776,227
Accumulated amortisation	(1,776,227)	(1,776,227)
Closing balance	-	-
Balance at beginning of year	-	172,689
Additions	-	-
Amortisation	-	(172,689)
Balance at the end of year	-	-

9. TRADE AND OTHER PAYABLES

	As at 31 Dec 2022 US\$	As at 31 Dec 2021 US\$
CURRENT		
Trade payables	229,165	347,628
Payroll liabilities	3,206	52,368
Accrued expenses	106,800	48,296
	339,171	448,292

10. FINANCIAL LIABILITIES

	As at 31 Dec 2022 US\$	As at 31 Dec 2021 US\$
CURRENT		
Shares issuable under subscription agreement	1,009,324	-
	1,009,324	-

In October 2022, the Company executed a share subscription agreement with Lind Global Fund II, LP. Lind prepaid A\$2,000,000 ("Advance Payment") for a deemed value of A\$2,200,000 ("Advance Payment Credit"), which may be used to subscribe to ordinary shares of the Company ("Subscription Shares") within 24 months from the date of Advance Payment.

Shares will be issued for the remaining amount of the Advance Payment Credit based on the Purchase Price defined in the ASX announcement dated 31 October 2022, within 24 months from the date of the Advance Payment.

11. CONTRACT LIABILITIES

	As at 31 Dec 2022 US\$	As at 31 Dec 2021 US\$
Contract liabilities	1,260,754	1,070,825

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Opening balance	1,070,825	350,607
Amounts invoiced to customers	3,405,228	3,022,735
Transfer to revenue - included in the opening balance	(1,070,525)	(350,607)
Transfer to revenue - other balances	(2,144,774)	(1,951,910)
Total contract liabilities	1,260,754	1,070,825

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$1,260,754 as at 31 December 2022 (\$1,070,825 as at 31 December 2021) and is expected to be recognised as revenue in future periods as follows:

	As at 31 Dec 2022 US\$	As at 31 Dec 2021 US\$
Within 6 months	433,875	669,888
6 to 12 months	826,879	400,937
	1,260,754	1,070,825

12. 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.

	As at 31 Dec 2022 US\$	As at 31 Dec 2021 US\$
<i>Lease Liability</i>		
Balance at beginning of the year	94,425	164,834
Additions	222,152	-
Interest expense	7,706	13,288
Lease payments	(87,657)	(83,697)
Balance at the end of the year	236,626	94,425
Current lease liability	68,667	87,129
Non-current lease liability	167,959	7,296
Balance at the end of the year	236,626	94,425

13. CONTRIBUTED EQUITY

A. SHARE CAPITAL

	As at 31 December 2022		As at 31 December 2021	
	No. of Shares	US\$	No. of Shares	US\$
Ordinary shares				
At the beginning of the year	227,074,542	13,475,921	198,177,373	13,475,921
Issue of shares	13,000,000	-	-	-
Shares issued on vesting of performance rights and share award to an employee of the Company	650,207	-	4,897,169	-
Shares issued on achievement of US Milestones	-	-	24,000,000	-
Share issue expenses	-	-	-	-
At the end of the year	240,724,749	13,474,921	227,074,542	13,475,921

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 balance date, the following options over unissued ordinary shares were on issue:

- 10,000,000 unlisted options expiring 23 January 2023, exercisable at AU\$0.20 each;
- 5,000,000 unlisted options expiring 24 September 2024, exercisable at AU\$0.30 each.

C. PERFORMANCE RIGHTS

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

- 1,962,740 unlisted performance rights over unissued ordinary shares were on issue. The performance rights will vest and convert into equivalent number of shares for every year of service by non-executive directors of the Company;

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

- (a) 437,260 relating to service provided by non-executive directors of the Company;
- (b) 212,947 relating to shares issued as part of a Share Award to an employee of the Company.

14. RESERVES

	Performance Rights and Options Reserve US\$	Foreign Currency Translation Reserve US\$	Total Reserves US\$
Balance at 1 January 2021	1,076,669	(133,894)	942,775
Share-based payments expense	576,555	-	576,555
Foreign currency translation differences arising during the year	-	(50,941)	(50,941)
Balance at 31 December 2021	1,653,224	(184,835)	1,468,389
Share-based payments expense	114,496	-	114,496
Unlisted options agreed to be issued under share subscription agreement	288,033	-	288,033
Foreign currency translation differences arising during the year	-	(126,860)	(126,860)
Balance at 31 December 2022	2,055,753	(311,695)	1,744,058

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.

15. SEGMENT INFORMATION

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

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

The following tables present certain asset and liability information regarding geographical segments for the years ended 31 December 2022 and 31 December 2021 and this is the format of the information provided to the chief operating decision maker.

Segment performance

	Australia		USA		Total	
	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021
	US\$	US\$	US\$	US\$	US\$	US\$
External sales	-	-	3,215,299	2,302,517	3,215,299	2,302,517
Total segment revenue	-	-	3,215,299	2,302,517	3,215,299	2,302,517
Segment operating result	(612,361)	(1,312,009)	(801,270)	(900,180)	(1,413,631)	(2,212,189)
EBITDA	(612,361)	(1,312,009)	(801,270)	(900,180)	(1,413,631)	(2,212,189)
Depreciation and amortisation	-	-	(67,649)	(240,262)	(67,649)	(240,262)
Finance costs	(810)	-	(55,650)	(13,303)	(56,460)	(13,303)
Loss before income tax expense	(613,171)	(1,312,009)	(924,569)	(1,153,745)	(1,537,740)	(2,465,754)
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	(613,171)	(1,312,009)	(924,569)	(1,153,745)	(1,537,740)	(2,465,754)

Assets and liabilities

Segment assets	304,269	837,248	2,644,632	2,141,931	2,948,901	2,978,639
Segment liabilities	1,134,601	119,568	1,711,274	1,493,974	2,845,875	1,613,542

16. SHARE BASED PAYMENTS

During the twelve (12) months to 31 December 2022, the following transactions were equity settled by the Group:

Performance Rights

Grant Date	Expiry Date	Exercise Price	Balance at 1 Jan 2022	Granted	Converted	Lapsed/ Forfeited	Balance at 31 Dec 2022
20/12/2017	20/12/2022	-	8,666,667	-	-	(8,666,667)	-
19/01/2018	19/01/2023	-	400,000	-	(200,000)	-	200,000
16/12/2020	16/12/2025	-	1,000,000	-	-	(1,000,000)	-
14/05/2021	14/05/2026	-	1,000,000	-	(237,260)	-	762,740
06/05/2022	06/05/2027	-	-	1,000,000	-	-	1,000,000
Total			11,066,667	1,000,000	(437,260)	(9,666,667)	1,962,740
Weighted average exercise price			AU\$-	AU\$-	AU\$-	AU\$-	AU\$-

Options

Grant Date	Expiry Date	Exercise Price	Balance at 1 Jan 2022	Granted	Converted	Lapsed	Balance at 31 Dec 2022
20/12/2017	23/01/2023	AU\$0.20	10,000,000	-	-	-	10,000,000
25/05/2020	25/11/2022	AU\$0.09	1,500,939	-	-	(1,500,939)	-
24/09/2021	24/09/2024	AU\$0.30	5,000,000	-	-	-	5,000,000
Total			16,500,939	-	-	(1,500,939)	15,000,000
Weighted average exercise price			AU\$0.22	-	-	AU\$0.09	AU\$0.23

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

	For the Year Ended 31 Dec 2022 US\$	For the Year Ended 31 Dec 2021 US\$
Vesting expense of performance rights issued to advisors	-	229,980
Vesting expense of performance rights issued to directors	66,415	22,233
Vesting expense of Stock Appreciation Right Units issued to key management personnel	48,081	23,780
Issue of 5m options to advisors	-	300,562
Total	114,496	576,555

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

	Unlisted Options	Director Performance Rights
Number of options/rights issued	15,000,000	1,000,000
Exercise price	AU\$0.10	-
Expiry date	31/10/2024	06/05/2027
Share price on issue date	AU\$0.06	AU\$0.12
Dividend rate	-	-
Risk free rate	3.45%	1.48%
Volatility rate	90%	108%
Value per option/right	AU\$0.0284	AU\$0.1150

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

	For the Year Ending 31 Dec 2022 US\$	For the Year Ending 31 Dec 2021 US\$
Loss for the year	(1,537,740)	(2,465,754)
Depreciation expense	67,649	240,262
Share-based payments expense	114,496	576,555
Interest expense	56,460	13,303
Other non-cash expenses	23,566	-
Loss/(gain) on equity swap facility	-	197,823
<i>Change in operating assets and liabilities</i>		
Decrease/(increase) in trade and other receivables	714,032	(1,057,100)
(Decrease)/increase in trade and other payables	223,010	643,798
Net cash outflow from operating activities	(338,527)	(1,851,113)

18. CHANGES IN FINANCIAL LIABILITIES ARISING FROM FINANCING ACTIVITIES

	For the Year Ending 31 Dec 2022 US\$	For the Year Ending 31 Dec 2021 US\$
<i>Other loans</i>		
Balance at the beginning of the financial year	-	-
Share issuable under share subscription agreement (see Note 10)	815,207	-
Balance at the end of the financial year	815,207	-

19. FINANCIAL RISK MANAGEMENT

A. FINANCIAL RISK MANAGEMENT

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

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

Credit risk

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

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

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

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

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

	As at 31 Dec 2022 US\$	As at 31 Dec 2021 US\$
Cash and cash equivalents	2,171,183	1,350,130
Trade and other receivables	334,913	1,049,465

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 2022		
Financial assets	135,617	-
Financial liabilities	1,009,323	-
31 December 2021		
Financial assets	837,249	-
Financial liabilities	-	-

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 2022	(47,307)	47,307	(47,307)	47,307
31 December 2021	(71,768)	71,768	(71,768)	71,768

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\$
2022					
<i>Financial Assets</i>					
Cash and cash equivalents	0.00%	-	2,171,183	-	2,171,183
Trade and other receivables	-	334,913	-	-	334,913
Total financial assets					
<i>Financial Liabilities</i>					
Trade and other payables	-	339,171	-	-	339,171
Other financial liabilities	-	1,009,323	-	-	1,009,323
Total financial liabilities	-	1,348,494	-	-	1,348,494
2021					
<i>Financial Assets</i>					
Cash and cash equivalents	0.00%	-	1,350,130	-	1,350,130
Trade and other receivables	-	1,049,465	-	-	1,049,465
Total financial assets		1,049,465	1,350,130	-	2,399,595
<i>Financial Liabilities</i>					
Trade and other payables	-	448,292	-	-	448,292
Total financial liabilities		448,292	-	-	448,292

	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\$
2022				
<i>Current Assets</i>				
Trade and other receivables	334,913	235,265	-	-
Total	334,913	235,265	-	-
<i>Financial liabilities</i>				
Trade and other payables	339,171	339,171	-	-
Total	339,171	339,171	-	-

	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\$
2021				
<i>Current Assets</i>				
Trade and other receivables	1,049,465	941,711	-	-
Total	1,049,465	941,711	-	-
<i>Financial liabilities</i>				
Trade and other payables	448,292	448,292	-	-
Total	448,292	448,292	-	-

C. FAIR VALUE MEASUREMENT

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

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.

20. AUDITOR'S REMUNERATION

	For the Year Ended 31 Dec 2022 US\$	For the Year Ended 31 Dec 2021 US\$
<i>RSM Australia Partners</i>		
- Audit of the financial statements	34,000	32,635

21. EARNINGS PER SHARE

	2022 US Cents	2021 US Cents
<i>From continuing operations</i>		
Basic earnings per share	(0.67)	(1.10)
Diluted earnings per share	(0.67)	(1.10)
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	229,719,258	223,860,999
- Diluted earnings per share	229,719,258	223,860,999
Weighted average number of other securities outstanding not included in diluted EPS calculations as the securities are anti-dilutive in nature	22,265,173	23,545,688
Net loss after tax used in calculation of earnings per share	(\$1,537,740)	(\$2,465,754)

22. 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.

23. COMMITMENTS

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 2022	59,577	216,996	-	276,573
31 December 2021	85,792	14,596	-	100,388

24. CONTINGENT ASSETS AND LIABILITIES

The Group did not have any contingent assets or liabilities at 31 December 2022 (31 December 2021: nil).

25. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to year-end, the following the significant events took place:

- a) On 20 January 2023 the Company issued 677,260 shares at nil consideration as a result of performance rights vesting;
- b) On 20 January 2023 the Company issued 887,053 shares at nil consideration as part of a Share Award to employees of the Company.
- c) On 3 March 2023 the Company issued 2,343,750 shares pursuant to the Share Subscription Agreement announced to ASX on 31 October 2022.

No other matter or circumstance has arisen since 31 December 2022 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.

26. CONTROLLED ENTITIES

Controlled entities consolidated:

	Country of Incorporation	Percentage Owned (%)	
		2022	2022
Legal Parent Entity			
WhiteHawk Limited (accounting subsidiary)	Australia		
Subsidiaries of WhiteHawk Limited			
WhiteHawk CEC Inc (accounting parent)	USA	100%	100%

27. PARENT ENTITY DISCLOSURES

	2022 US\$	2021 US\$
WhiteHawk Limited		
Statement of financial position		
Assets		
Total current assets	304,270	837,249
Total non-current assets	11,576,867	10,447,525
Total assets	11,881,137	11,284,774
Liabilities		
Total current liabilities	1,134,603	119,569
Total liabilities	1,134,603	119,569
Net assets	10,746,534	11,165,205
Equity		
Contributed equity	13,367,532	13,367,532
Reserves	866,296	1,215,382
Accumulated losses	(3,487,294)	(3,417,709)
Total equity	10,746,534	11,165,205
Statement of profit or loss and other comprehensive income		
Loss for the year	(69,585)	(755,980)
Other comprehensive (loss)/income	(126,860)	(50,941)
Total comprehensive loss	(196,445)	(806,921)

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.

28. ANNUAL REPORT DIFFERENCES FROM LODGED APPENDIX 4E

Adjustments have been made to the 2022 financial statements subsequent to the lodgement of the Appendix 4E on 28 February 2023. The below is a summary of the differences between the financial statements contained in the Annual Report and the lodged Appendix 4E.

		Annual Report DR/(CR)	Lodged Appendix 4E DR/(CR)	Difference DR/(CR)
		\$	\$	\$
P&L	Interest expense	56,460	25,726	30,734
P&L	Depreciation	67,649	66,962	687
Equity	Contributed equity	(13,475,921)	(14,145,798)	669,877
Equity	Performance rights and options reserve	(2,055,753)	(2,057,138)	1,385
Equity	FCTR	311,695	306,046	5,649
	Total Equity	(15,095,870)	(15,804,202)	708,332
Asset	Right-of-use assets	179,343	5,707	173,636
Liability	Financial liabilities	(1,009,323)	(349,508)	(659,815)
Liability	Lease liabilities	(236,627)	(14,474)	(222,153)
	Net Assets	(1,066,607)	(358,275)	(708,332)

The following adjustments were made:

1. Recognition of an extension of the office lease in Alexandria, Virginia to April 2026;
2. An embedded derivative in the Share Subscription Agreement signed with Lind Global Fund II, LP;
3. Reclassification of the 13 million Initial Shares issued to the Lind Global Fund II, LP as unissued capital.

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 Chair
31 March 2023

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 2022, 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 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
Recognition of revenue Refer to Note 2 in the financial statements	
<p>As at 31 December 2022, the Company had recognised US\$3,215,299 of revenue from the rendering of services and sale of goods.</p> <p>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.</p>	<p>Our audit procedures in relation to the carrying value of internally developed intangible assets included:</p> <ul style="list-style-type: none"> 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 14 in the financial statements	
<p>Share-based payments resulted in an expense of US\$114,496 in the Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year under review.</p> <p>Share-based payment transactions are non-routine and complex and the assumptions used in valuating these instruments is judgmental and includes an element of estimation uncertainty. Share based payments are therefore considered to be Key Audit Matter for the year under review.</p>	<p>Our audit procedures in relation to the share-based payments included the following:</p> <ul style="list-style-type: none"> 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 2022 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.

For personal use only

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 2022.

In our opinion, the Remuneration Report of Whitehawk Limited, for the year ended 31 December 2022, 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 Australia Partners



C J Hume
Partner

Sydney, NSW dated 31 March 2023

SHAREHOLDER INFORMATION

SPREAD OF SHAREHOLDERS

As of 17 March 2023, there were 4,548 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	92	18,495	0.01%
1,001 – 5,000	1,266	4,017,650	1.64%
5,001 – 10,000	974	7,683,612	3.14%
10,001 – 100,000	1,889	64,924,747	26.54%
100,001 and over	327	167,988,308	68.67%
Total	4,548	244,632,812	100%

Based on the price per security of 6.8 cents, number of holders with an unmarketable holding as of 17 March 2023: 1,790, with a total 6,700,193, amounting to 2.74% of Issued Capital.

SUBSTANTIAL SHAREHOLDERS

The Company's register of substantial shareholders recorded the information as of 17 March 2023.

Top 20 Holdings as of 17 March 2023		
Holder Name	Balance	%
TERESA WILLIAMS ROBERTS	22,287,162	9.11%
CITICORP NOMINEES PTY LIMITED	15,142,008	6.19%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	14,753,585	6.03%
MR AMILCAR ALBINO MORENO	6,500,000	2.66%
AYMON PACIFIC PTY LTD <JEREZOS DISCRETIONARY A/C>	5,602,569	2.29%
S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C>	4,152,735	1.70%
MR JEREMIAH SEYRAK	4,102,967	1.68%
FLOREANT AMBO PTY LTD <REZOS FAMILY SUPER FUND A/C>	2,375,000	0.97%
MR DAVID MURRAY GUILLE <THE YALLINGUP A/C>	2,255,416	0.92%
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	2,068,393	0.85%
KEVIN ROBIN GOODALE	2,003,993	0.82%
PULA HOLDINGS PTY LTD <HERATH SUPER FUND A/C>	1,870,888	0.76%
ANA ROBERTS SMYTHE	1,689,993	0.69%
MR FELIX OZIE NOEL CORREA & MRS CHERYL BERTHA CORREA <CORREA SUPER FUND A/C>	1,610,036	0.66%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,565,487	0.64%
MR ANDREW SWIFT	1,500,000	0.61%
SOO HEE KIM	1,500,000	0.61%
MR RICHARD WOODMAN	1,500,000	0.61%
SUPERHERO SECURITIES LIMITED <CLIENT A/C>	1,434,211	0.59%
LE SALA PTY LTD <CRYER INVESTMENT A/C>	1,400,000	0.57%
MR DAVID MURRAY GUILLE & MR MARCUS PARASCO KOTSOGLO <KONG PARTNERS A/C>	1,252,500	0.51%
MR CRAIG MARTIN ROGERS	1,200,000	0.49%
TOTAL TOP 20	97,766,943	39.96%