WhiteHawk Limited

2020 Annual Report

For the year ended 31 December 2020

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CORPORATE INFORMATION

Directors

Terry Roberts
Philip George
Tiffany Kleemann
Melissa King (appointed 13 November 2020)
Louise McElvogue (resigned 13 November 2020)

Registered Office

Level 28
140 St Georges Terrace
Perth WA 6000

Principal Place of Business

Alexandria, VA
USA

Share Registry

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

Company Secretary

Kevin Kye

ASX Code

WHK

Website

http://www.whitehawk.com

Accountant

Traverse Accountants
Level 3
35 Lime Street
Sydney NSW 2000
Australia

Auditor

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

Lawyer

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

CHAIR LETTER

Dear Shareholders,

Global Cyber Risks and threat actors have not abated during COVID-19. In fact, the online crime, fraud, scams, espionage and losses grew exponentially. All the while, WhiteHawk product lines advanced to address these Digital Age risks at speed and without missing a step, in support of current client contract renewals, winning of a new Federal Government 5 year prime contract, engaging with prospective opportunities and launching our new website and online product features www.whitehawk.com, Software as a Service (SaaS) and Platform as a Service (PaaS) solutions and innovative partnerships. WhiteHawk's business model and team succeeded in 2020, doubling our revenue and meeting our "A" KPI's.

The WhiteHawk Team has taken all of our 2019 and 2020 lessons learned from our current clients, our Proofs of Value and continuous engagement with prospective customers, to develop a focused and executable growth strategy for 2021 and beyond.

WhiteHawk Value Proposition:

1. Unique end to end Cyber Risk Product Lines, from risk scoping to risk mitigation – proven, accessible, scalable, affordable. All via online and virtual services.
2. Profit margins are 25% to 75% and at scale with an EMBED Business Model.
3. Team is Talented, Right Sized and Optimized.
4. Pipeline of industry and government opportunities has advanced and broadened during COVID.
5. New offering of Cyber Risk Platform as a Service (PaaS) is a game changer for ISP, MSP, Financial and Insurance Sector's ability to effectively scale Digital Age Risk services across all their Business and Family Office clients.

WhiteHawk High Level Objectives:

1. Continue to retain/grow Cyber Risk Radar and Cyber Risk Program contracts across current/future pipeline as baseline revenue and for product improvement.
2. Implement two WH Cyber Risk Platform as a Service (PaaS) to Industry (ISP/MSP/Insurance/Financial) Primes for their Business Clients. Cyber Risk PaaS can be co-branded or white labelled and with or without support services.
3. Provide Sontiq/WH Business Risk Suite as a comprehensive Software as a Service (SaaS) alternative approach for Prime Company Business Clients.

4. Meet B and C Key Performance Indicators:

Milestones - KPI's

A. 100% increase in Share Price from .20 to .40 and achieving one of the below:
   - Consolidated revenues of US$2M (ACHIEVED)
   - 300 customer products (ACHIEVED)
   - 500 online contracts/Scorecards (ACHIEVED)

B. 200% increase in Share Price from .20 to .60 and achieving one of the below:
   - Consolidated revenues of US$5M
   - 1,000 customer products (ACHIEVED)
   - 2,500 online contracts/Scorecards

C. 300% increase in Share Price from .20 to .80 and achieving one of the below:
   - Consolidated revenues of US$10M
   - 2,000 customer products
   - 5,000 online contracts/Scorecards

5. Optimise shareholder returns through growing recurring annual revenue SaaS and PaaS contracts, always ensuring continuous product line improvement based upon customer feedback and technical innovation and automation.

WhiteHawk Near Term Objectives:

1. Win current Request for Quotation for a White Labelled Cyber Risk PaaS in support of over 10,000 companies.

2. Finalize 2-3 of current Cyber Risk Radar & Program contract proposals.

3. Advance WhiteHawk Cyber Risk PaaS and/or Sontiq/WH Business Suite offering current draft proposals into 1-2 Contracts, thereby meeting B - KPI's.

4. Drive organic growth on current government contracts, upcoming Task Orders and Request For Proposals.

5. Continue to grow opportunity pipeline, resulting in virtual and face to face demos, and proposals across all product lines.

Completed 2021 Strategy Enablers:

1. Responsibility for Daily Operations moved to new COO role enabling CEO to focus on growth initiatives.

2. Fully leveraging strategic partner's sales teams/contract vehicles & incoming RFP's, expanding sales opportunities by 25% across 3 key Product Lines: Cyber Risk Radar, Program and Platform as a Service.

3. Created and executing on updated "Go to Market & Communications Strategy" mapped to 2021 Targets.

4. Assessing whitehawk.com platform capabilities against sales strategy, advancing a development roadmap that is growth focused.

5. Aligning internal Product Line Delivery Playbooks (reporting and tracking cadence) to ensure repeatability and scalability.

Cost of Not Being Cyber Resilient: US Dollars

Australian Cost of Cybercrime - $29 billion per year

Crime, Espionage & Fraud - $945 billion globally in 2020

Estimated to be $5.2 - 10.5 trillion globally by 2025

Average Cost of a Data Breach - $3.86 million in 2020 globally

Ransomware Global Recovery Cost – over $20 billion in 2021

Business Email Compromises (Phishing) – over $26 billion globally 2016-2019

Following on from the Pandemic, WhiteHawk renewed a focus on US Federal Government Departments, Contractors and Manufacturers in 2020/2021. Especially focusing on the new U.S. Defence Industrial Base (DIB) Cyber regulatory framework, the Cybersecurity Maturity Model Certification (CMMC) that is being put in place across 300,000+ DIB Companies starting in 2020. We have incorporated CMMC into our online Customer Journey and our Cyber Risk Scorecards, automating insights into any companies CMMC Risk Baseline and making it straightforward for us to support any DIB Prime and their Suppliers, Vendors, Partners. This automated approach allowed us to conduct eight CMMC Proof of Values (POV), thereby learning key lessons, perfecting our approach and gaining valuable customer insights and feedback. Three of these POV's are still active Cyber Risk Radar contract scoping opportunities.

We are also gaining exciting traction with our newest offering, the Cyber Risk Platform as a Service (PaaS). This approach came out of our proposal scoping conversations with a Global Insurance Group who executed a partnership agreement with us in 2020, getting us to realize that our end to end assessable, scalable, and tailorable online approach to cyber risk identification and mitigation can be tailored to any corporation who provides telecommunications, internet, managed IT, banking or insurance services - to thousands of business or organization clients. As a result, we have broadened our opportunity pipeline to market and sell both our Sontiq/WH Business Risk Suite Sontiq/WH Business Risk SaaS Suite and our entire customer risk journey via a white labelled or co-branded PaaS that either the Prime Client can operate or we can manage for them. As a result, we have responded to a request for quote and are awaiting the selection.

In 2020 we achieved a singular end to end Cyber Risk Customer Journey that meets the breadth of our original vision to offer effective, easy, comprehensive yet affordable services to all companies and organisations globally, no matter their level of cyber sophistication. With our updated and automated approach, we prevent and mitigate the impacts of the breadth of Digital Age Risks https://www.whitehawk.com/cyber-risk-journey , risks in near real-time and within budget. For sophisticated clients, our Cyber Risk Radar, Cyber Risk Program and now Cyber Risk Platform as a Service (PaaS) are competitive with best of breed across government and industry.

We greatly appreciate your continued enablement of WhiteHawk growth.

Terry W Roberts
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 2020.

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 Chair*

PHILIP GEORGE *Non-Executive Director*

TIFFANY KLEEMANN *Non-Executive Director*

MELISSA KING *Non-Executive Director (appointed 13 November 2020)*

LOUISE MCELVOGUE *Non-Executive Director (resigned 13 November 2020)*

CHIEF EXECUTIVE OFFICER

TERRY ROBERTS

COMPANY SECRETARY

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

INFORMATION ON DIRECTORS

TERRY ROBERTS

Chief Executive Officer and Executive Chair
Appointed 19 January 2018
Length of Service: 38 Months
Qualifications: BA, MSSI, 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: 44 Months
Qualifications: B Science, Internetworking & Security
Director's Interests: 600,000 shares, 400,000 performance rights

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

Mr George is the founder of NURV Consulting which delivers modern cloud-based telephony solutions to small & medium businesses. Mr George is the founder of Bamboo, a mobile fintech platform that allows people to effortlessly invest using their spare change.

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

TIFFANY KLEEMANN

Non-Executive Director
Appointed 19 January 2018
Length of Service: 38 Months
Qualifications: CISSP, CIPP
Director's Interests: 600,000 shares, 400,000 performance rights

Tiffany Kleemann is an Operating Partner at TDF Ventures. A dynamic business executive with more than 20 years of proven business and operations experience within the information technology and cyber security industries (large, midsize, and start-up companies), the White House, government and US military, she has demonstrated success leading teams that repeatedly overachieve on key revenue growth targets and business outcomes. Her most recent operating roles include CEO (Distil Networks), President & COO (NS8), CRO (iSIGHT Partners) and SVP roles (Imperva and FireEye). She has successfully led and exited two cyber security start-up companies.

Most recently Tiffany was President & COO of NS8, a fraud prevention company. Prior to NS8, Tiffany was at Imperva as SVP of Bot Mitigation. She joined the Imperva executive team through the acquisition of Distil Networks where she was the Chief Executive Officer of Distil, the leader in protecting websites, mobile apps and APIs from botnets and automated attacks.

Prior to Distil, Tiffany was at FireEye leading the Global Strategic Partnerships and Alliance Operations teams. She joined the FireEye team through the acquisition of iSIGHT Partners where she was the Chief Revenue Officer & SVP of Client Solutions for iSIGHT. As CRO, Tiffany led the development of business strategy, field execution and all revenue generating functions, including sales, marketing, product management, alliances, channel, delivery teams, and all customer and partner revenue contributions.

Prior to iSIGHT Partners, Tiffany spent over a decade at Symantec in senior roles. She also had a distinguished career in the government as Deputy Chief of Staff at the White House Office of Cyber Security and Critical Infrastructure Protection under the leadership of Richard Clarke. In this role, she contributed to the development of the President's National Strategy to Secure Cyberspace.

Tiffany graduated from the Coast Guard Academy and received her commission as a Coast Guard Officer. Operational duties included Deck Watch Officer, Operations Officer and Law Enforcement Officer aboard the cutter JUNIPER in Newport, RI, Executive Officer and lead Law Enforcement Officer aboard the cutter GRAND ISLE in Gloucester, MA, and Coast Guard Congressional Affairs Liaison for the Coast Guard.

Tiffany sits on the Board of Directors for Whitehawk (ASX listed). She also serves on the U.S. Government's State, Local, Tribal, and Private Sector Policy Advisory Committee (SLTPS-PAC) to advise the government on policies for sharing classified information. Tiffany is a certified expert in Information Security (CISSP), Privacy (CIPP), and Executive Coaching. She is regularly asked to keynote industry events and conferences around the globe focused on information security, cyber risk, government, public-private partnership, leadership and mentorship.

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

Melissa King

Non-Executive Director
Appointed 13 November 2020
Length of Service: 4 Months
Qualifications: BA, MBA, GAICD
Director's Interests: Nil

Melissa King is a strategic, agile and innovative leader with extensive transformation, commercial and communications experience. Melissa currently leads the Organising Committee for the most prestigious international women's basketball competition - FIBA Women's Basketball World Cup 2022. She was the first female Chief Executive of Australia's most iconic not for profit humanitarian organisations, Surf Life Saving Australia and 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 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 spanned from her time at Surf Life Saving Australia where data protection was critical. She saw the value in implementing measures to mitigate risk and protect the organisation and its members/customers, a position she continues to encourage for businesses small, medium and large today. Melissa is also a strong advocate for the Sustainable Development Goals and is Non-Executive Director on the United Nations Association of Australia (UNAA) Board.

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.

LOUISE MCELVOGUE

Non-Executive Director
Appointed 19 January 2018, Resigned 13 November 2020
Length of Service: 34.5 Months
Qualifications: BA, MA, FAICD
Director's Interests: 400,000 shares, 600,000 performance rights as at the date of resignation.

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

Industry Professor, Data and Digital at the UTS Business School and a Fellow of the Australian Institute of Company Directors.

Current board roles include Whitehawk, Healthdirect, Australian Institute of Company Directors' NSW Council, Humanitix Advisory Board and the Australian Physiotherapy Association. She previously served on the Australian Federal Government's Convergence Review Committee which reviewed media and technology regulation and seven years on Sydney Living Museums for the NSW Government.

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

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

MEETINGS OF DIRECTORS

During the financial year ended 31 December 2020, 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	9	9
Philip George	9	9
Tiffany Kleemann	9	8
Melissa King	2	2
Louise McElvogue	7	7

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The net loss after tax for the year was US$1,809,633 (2019 loss: US$2,748,991).

PRINCIPAL ACTIVITIES AND STRATEGY

The Group has developed and operates an online Cybersecurity Exchange platform of end-to-end Cyber Risk Software as a Service (SaaS) and Platform as a Service (PaaS) Products and Virtual Services, focused cyber risk scoping, prioritization and mitigation for businesses and organizations of all sizes. WhiteHawk's business model includes a complimentary initial Cyber Threat Readiness Questionnaire, Maturity Model, Scorecard and Virtual Consult.

Annual Product Line subscriptions include: Cyber Risk Profile & Scorecard with mapping to Solution Options for SME's; Cyber Risk Monitoring and Quarterly Scorecards; Cyber Risk Program for mid-sized to large Industry and Government entities, Cyber Risk Radar across Supply Chains, Vendors and Partners; Cyber Risk PaaS and/or Sontiq-WH Business Risk Suite for Prime Company Business Clients. All product lines are AI based, automated and scalable, and include tailored action plans named Cyber Risk Scorecards and virtual Cyber Risk Consults to by Cyber Analysts or Cyber deep Subject Matter Experts.

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

RECENT HIGHLIGHTS

- Invoiced US$1.9M in 2020, nearly doubling the invoiced US$1M in 2019, as well as experiencing a US$200K increase in contract liabilities in 2020.
- Invoicing for the 4th quarter 2020 of US$273K.
- US$181K in receivables will be collected in January 2021.
- Executing on Phase 2 of current contract with U.S. Department of Homeland Security (DHS) CISA QSMO Cybersecurity Marketplace, as sub-contractor to Guidehouse (formerly PWC Federal), for $1.5 to $1.8M USD Fiscal Year 2021, starting October 2021.
- Executing on the first sole-source Prime U.S. Federal Government CIO Cyber Risk Radar contract for base year and 4 option years, not to exceed $1.18M USD per year with US$580K invoiced in five months of 2020.
- Executing on next phase and scoping of 2021 Cyber Risk Program $400K USD contract via a Global Consulting Firm in direct support of a Global Manufacturer, including: advanced risk validation by Red-Team, prioritization and mapping to Company risk priorities and how to best mitigate top risks in 2021 via innovative best practices and solution options from our portfolio of almost 200 best of breed solution partners.
- Responded to Request for Quotation (RFQ) February 26th, 2021 for a Cybersecurity Marketplace Platform as a Service (PaaS), to potentially service 10,000+ Defence Industrial Base manufacturers.
- Executing on and will be responding to new Task Orders, expected in 2021, on second and third U.S. Federal Government Department CIO Contracts.
- Signed partnership agreement with a Global Insurance Group, with intent to tailor WhiteHawk Cyber Risk Platform as a Service (PaaS) for business clients has been delayed to second quarter 2021.
- Engagement continues on two Proofs of Value (POV), one in the U.S. Financial Sector and one with a U.S. Government Agency.

- Sontiq/WhiteHawk Small Business Suite offerings to two U.S. Financial Institutions with 5,000-10,000 current clients, as an annual SaaS contract, remain under review by each institution's new client services and risk teams respectively.
- New near term partnered opportunities with General Dynamics Information Technology (GDIT) and Red River.
- Developed, vetted and executing on new 2021 Strategy, to include growing Sales Pipeline across U.S. Federal Government, Defence Industrial Base and Industry, with broadened Go to Market Strategies in the U.S. and now including the Australian market.
- Underwent a due diligence review to become an ESG (Environment, Social, Governance) Registered company, a new standard in measuring the sustainability and ethical impact of a company.
- COVID-19 Impact Update:
    - No delays in product line development, execution and client delivery
    - Sales engagement and virtual demo's underway continuously
    - Able to hire top talent to meet current contract requirements and work and collaborate virtually.
- Continue to experience contract scoping and completion delays of 90 days or greater, with government and industry procurement teams. Welcoming the 2021 U.S. Administration's renewed focus on Cyber Risk and Resilience and the US market heightened awareness following on the SolarWinds hack, affecting both US Federal Government and major corporates.
- WhiteHawk finished the 4th quarter with a cash position of US$2.4M and no debt.
- Additional Working Capital Facilities from RiverFort Global comprising of a A$1m combined placement and Equity Swap as per the ASX announcement dated 1 July 2020. The July 2020 RiverFort Global Equity Swap has to date returned an excess of A$232K to WhiteHawk above the original placement amount

2021 OUTLOOK

WhiteHawk High Level Objectives:

1. Continue to retain/grow Cyber Risk Radar and Cyber Risk Program contracts across current/future pipeline as baseline revenue and for product improvement.
2. Implement two WH Cyber Risk Platform as a Service (PaaS) to Industry (ISP/MSP/Insurance/Financial) Primes for their Business Clients. Cyber Risk PaaS can be co-branded or white labeled and with or without support services.
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4. Meet B and C Key Performance Indicators:

Milestones - KPI's

A. 100% increase in Share Price from .20 to .40 and achieving one of the below:
   - Consolidated revenues of US$2M (ACHIEVED)
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B. 200% increase in Share Price from .20 to .60 and achieving one of the below:
   - Consolidated revenues of US$5M
   - 1,000 customer products (ACHIEVED)
   - 2,500 online contracts/Scorecards

C. 300% increase in Share Price from .20 to .80 and achieving one of the below:
   - Consolidated revenues of US$10M
   - 2,000 customer products
   - 5,000 online contracts/Scorecards

5. Optimise Company financial position with recurring annual revenue SaaS and PaaS contracts, always ensuring continuous product line improvement based upon customer feedback and technical innovation and automation.

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 2021 the Company issued 563,836 shares at nil consideration as a result of performance rights vesting;
b) On 11 February 2021 the Company issued 4,333,333 shares at a cost price of AUD$0.17558 on conversion of 4,333,333 performance rights and 24,000,000 shares at a cost price of AUD$0.17558 pursuant to the Exchange Agreement summarised in Section 13.1 of the Replacement Prospectus lodged with ASX on 22 January 2018.

No other matter or circumstance has arisen since 31 December 2020 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 (2019: 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 AUDITOTRS

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.

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 23.

AUDITOR

RSM Australia Partners is the Company's appointed auditor.

REMUNERATION REPORT

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

Remuneration philosophy

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

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

Remuneration structure

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

NON-EXECUTIVE DIRECTOR REMUNERATION

OBJECTIVE

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

STRUCTURE

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

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

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

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

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

SENIOR MANAGER AND EXECUTIVE DIRECTOR REMUNERATION

OBJECTIVE

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

STRUCTURE

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

FIXED REMUNERATION

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

EQUITY BASED REMUNERATION

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

TABLE 1 - SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

	Opening Balance 01/01/20	Addition	Vesting of Performance rights	Closing Balance 31/12/20
Directors				
Terry Roberts[1, 4]	5,715,562	314,000	-	6,029,562
Philip George	200,000	-	200,000	400,000
Tiffany Kleemann	200,000	-	200,000	400,000
Melissa King	-	-	-	-
Key management personnel				
Soo Kim	-	1,000,000	-	1,000,000
Kevin Goodale[2, 4]	439,593	314,000	-	753,593
Total	**6,555,155**	**1,628,000**	**400,000**	**8,583,155**

1) Under the Exchange Agreement between the Company and the previous shareholders of WhiteHawk CEC Inc referred to in the Replacement Prospectus released to ASX on 22 January 2018, Ms Roberts is entitled to receive up to 48,772,800 conditional shares upon the achievement of certain milestones of the business.
2) Under the Exchange Agreement between the Company and the previous shareholders of WhiteHawk CEC Inc referred to in the Replacement Prospectus released to ASX on 22 January 2018, Mr Goodale is entitled to receive up to 3,751,200 conditional shares upon the achievement of certain milestones of the business.
3) Subsequent to year end, on 21 January 2021 Philip George and Tiffany Kleeman received 200,000 shares each as a result of vesting performance rights.
4) Also subsequent to year end, on 11 February 2021 Terry Roberts and Kevin Goodale received 16,257,600 shares and 1,250,400 shares respectively, as a result of achievement of certain milestones of the business. This reduces the respective entitlements stated in Note 2 above the those amounts issued subsequent to year end.

TABLE 2 - PERFORMANCE RIGHTS HELD BY KEY MANAGEMENT PERSONNEL

	Opening Balance 01/01/20 No.	Rights Granted No.	Rights Exercised No.	Rights Lapsed No.	Balance 31/12/20 No.
Directors					
Terry Roberts	-	-	-	-	-
Philip George	800,000	-	(200,000)	-	600,000
Tiffany Kleemann	800,000	-	(200,000)	-	600,000
Melissa King	-	-	-	-	-
Key management personnel					
Soo Kim	-	1,000,000	-	-	1,000,000
Kevin Goodale	-	-	-	-	-
Total	**1,600,000**	**1,000,000**	**(400,000)**	**-**	**2,200,000**

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TABLE 3 - DETAILS OF REMUNERATION

2020	Salary and Fees US$	Other Fees US$	Share Based Payments US$	Total US$
Directors				
Terry Roberts	160,962	-	-	160,962
Philip George	21,500	2,043	24,772	48,315
Tiffany Kleemann	21,500	-	24,772	46,272
Melissa King[1]	3,329	316	-	3,645
Louise McElvogue[2]	21,500	-	6,850	28,350
Total Directors	**228,791**	**2,359**	**56,394**	**287,544**
Key Management Personnel				
Soo Kim	258,462	-	4,325	262,787
Kevin Goodale	134,585	-	-	134,585
Total KMP	**393,047**	**-**	**4,325**	**397,372**
Total	**621,838**	**2,359**	**60,719**	**684,916**

Notes:

1. Melissa King was appointed 13 November 2020.
2. Louise McElvogue resigned 13 November 2020.

Terry Roberts
Chief Executive Officer
26 March 2021

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 2020 is dated and was approved by the Board on 26 March 2021. 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 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM

RSM AUSTRALIA PARTNERS

Anthony Travers
Partner

Sydney, NSW
Dated: 26 March 2021

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	For the Year Ended 31 Dec 2020 US$	For the Year Ended 31 Dec 2019 US$
Revenue from continuing operations	2	1,888,087	1,028,846
Cost of goods sold		(956,479)	(521,602)
Gross profit		**931,608**	**507,244**
Other income	2	763,949	54,302
Professional expenses		(305,230)	(268,666)
Research and development expense		(598,441)	(695,911)
Employee benefits expense		(972,149)	(826,579)
Share based payments expense	14	(427,643)	(327,598)
IT expenditure		(26,113)	(19,215)
Conference and travel expenditure		(18,210)	(51,938)
Marketing expenditure		(210,322)	(198,618)
Office and occupancy expenses		(19,936)	(79,973)
Depreciation		(659,879)	(612,723)
Finance costs		(19,510)	(4,946)
General and administration expenses		(247,757)	(224,370)
Loss before income tax		**(1,809,633)**	**(2,748,991)**
Income tax expense	3	-	-
Loss for the year		**(1,809,633)**	**(2,748,991)**
Other comprehensive income/(loss)			
Exchange differences on translation foreign operations		81,138	(42,200)
Total comprehensive loss for the year		**(1,728,495)**	**(2,791,191)**
Loss per share			
From continuing operations			
- Basic/diluted losses per share (US cents)	20	(1.06)	(1.92)

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 2020

	Notes	As at 31 Dec 2020 US$	As at 31 Dec 2019 US$
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,368,486	1,526,785
Trade and other receivables	5	268,544	308,513
Other current assets		224,615	100,187
Financial assets	6	1,095,344	84,074
Total Current Assets		**3,956,989**	**2,019,559**
Non-Current Assets			
Property, plant and equipment	7	145,303	199,015
Intangible assets	8	172,689	764,764
Total Non-Current Assets		**317,992**	**963,779**
Total Assets		**4,274,981**	**2,983,338**
LIABILITIES			
Current Liabilities			
Trade and other payables	9	454,303	334,667
Contract liabilities		350,607	141,350
Lease liabilities	10	76,744	56,683
Total Current Liabilities		**881,654**	**532,700**
Non-Current Liabilities			
Lease liabilities	10	88,090	145,041
Total Non-Current Liabilities		**88,090**	**145,041**
Total Liabilities		**969,744**	**677,741**
Net Assets		**3,305,237**	**2,305,597**
EQUITY			
Contributed equity	11	13,475,921	11,175,429
Reserves	12	942,775	433,994
Accumulated losses		(11,113,459)	(9,303,826)
Total Equity		**3,305,237**	**2,305,597**

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 2020

	Notes	Contributed Equity US$	Accumulated Losses US$	Reserves US$	Total US$
2019					
At 1 January 2019		8,489,174	(6,554,835)	148,596	2,082,935
Loss for the year		-	(2,748,991)	-	(2,748,991)
Other comprehensive loss	12	-	-	(42,200)	(42,200)
Total comprehensive loss		-	**(2,748,991)**	**(42,200)**	**(2,791,191)**
Transactions with owners in their capacity as owners					
Issued capital net of issue costs	11	2,686,255	-	-	2,686,255
Performance rights issued	11, 12	-	-	327,598	327,598
At 31 December 2019		**11,175,429**	**(9,303,826)**	**433,994**	**2,305,597**
2020					
At 1 January 2020		11,175,429	(9,303,826)	433,994	**2,305,597**
Loss for the year		-	(1,809,633)	-	(1,809,633)
Other comprehensive income	12	-	-	81,138	81,138
Total comprehensive loss		**-**	**(1,809,633)**	**81,138**	**(1,728,495)**
Transactions with owners in their capacity as owners					
Issued capital net of issue costs	11	2,300,492	-	-	2,300,492
Performance rights issued	11, 12	-	-	427,643	427,643
At 31 December 2020		**13,475,921**	**(11,113,459)**	**942,775**	**3,305,237**

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 2020

	Notes	For the Year Ended 31 Dec 2020 US$	For the Year Ended 31 Dec 2019 US$
Cash flows from operating activities			
Receipts from customers		2,147,854	824,011
Payments to suppliers and employees		(3,275,366)	(2,721,191)
Interest received		1,635	6,729
Listing expenses paid		-	(11,755)
Grants received		13,999	-
Net cash outflow from operating activities	15	**(1,111,878)**	**(1,902,206)**
Cash flows from investing activities			
Payments for plant and equipment		-	(9,398)
Net cash outflow from investing activities		**-**	**(9,398)**
Cash flows from financing activities			
Proceeds from issue of shares		-	2,639,790
Proceeds for exercise of options		1,298,268	14,328
Proceeds from equity swap		119,459	-
Proceeds from borrowings		488,960	-
Repayment of borrowings		(289,000)	(250,000)
Proceeds from loans to other entities		365,254	-
Loans to other entities		-	(57,289)
Transaction costs related to issues of shares and options		-	(168,871)
Transaction costs related to loans and borrowings		(22,720)	-
Net cash inflow from financing activities		**1,960,221**	2,177,958
Net increase in cash and cash equivalents		848,343	266,354
Cash and cash equivalents at the beginning of the financial year		1,526,785	1,292,191
Foreign exchange adjustment to cash balance		(6,642)	(31,760)
Cash and cash equivalents at end of the year		**2,368,486**	1,526,785

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 2020

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of the consolidated entity (referred to hereafter as the 'Group') consisting of WhiteHawk Limited (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the year ended 31 December 2020.

The financial statements were authorised on 26 March 2021 by the directors of the company.

BASIS OF PREPARATION

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

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

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

ACCOUNTING POLICIES

A. Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 31 December 2020. 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 2020.

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

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

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

B. Reverse acquisition accounting

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

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

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

C. Foreign currency translation

(I) FUNCTIONAL CURRENCY

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

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

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

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

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

(II) PRESENTATION CURRENCY

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

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

D. Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

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

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

Sale of goods

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

Rendering of services

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

Interest

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

Other revenue

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

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.

E. Income tax

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

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

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

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

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

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

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

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

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

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

F. Right-of-use assets

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

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

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

G. Lease liabilities

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

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

H. Finance costs

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

I. Impairment of assets

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

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

J. Cash and cash equivalents

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

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

K. Trade and other receivables

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

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

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

L. Trade and other payables

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

M. Contract liabilities

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

N. Provisions

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

O. Financial instruments

(I) RECOGNITION, INITIAL MEASUREMENT AND DERECOGNITION

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

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

(II) CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES

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

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

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

(III) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

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

P. Employee benefits

(I) WAGES AND SALARIES AND ANNUAL LEAVE

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

(II) RETIREMENT BENEFIT OBLIGATIONS

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

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

Q. Current vs non-current

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

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

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

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

R. Goods and services tax (GST)

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

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

S. Intangible assets

(I) RECOGNITION OF INTANGIBLE ASSETS

Website development costs

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

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

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

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

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

Subsequent measurement

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

The following useful lives are applied:

- Software: 5 years

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

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

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

T. Plant and equipment

Plant and equipment are measured on the cost basis.

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

Depreciation

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

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

Plant and equipment – 3 to 5 years

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

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

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

U. Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

V. Operating segments

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

W. Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 25.

X. Issued capital

Ordinary shares are classified as equity.

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

Y. Share-based payments

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

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

The cost of equity-settled transactions 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.

Z. Rounding of amounts

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

AA. Going concern

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

As disclosed in the financial statements, the Group incurred a loss after tax of US$1,728,495 (2019: US$2,791,191) and had net cash outflows from operating activities of US$1,111,877 (2019: US$1,902,206) for the year ended 31 December 2020.

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$2,368,486 as of 31 December 2020. As at that date Whitehawk had net current assets of US$3,075,335 and net assets of US$3,305,237. 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.

It is expected that as the Company has managed to produce a better financial outcome in 2020 than in 2019 even despite the COVID-19 pandemic, it is not expected that COVID-19 will have a material impact on the Company's ability to continue as a going concern. However, should the effects of COVID-19 be worse than expected by the directors, or adversely impact the Groups' ability to raise capital, these factors may indicate a material uncertainty which may cast significant doubt as to whether Whitehawk will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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

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

There have been no accounting pronouncements which have become effective from 1 January 2020 that have had a significant impact on the Group's financial results or position.

CC. 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.

Provision for impairment of receivables

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the COVID-19 pandemic and forward-looking information that is available. The allowance for expected credit losses is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Incremental borrowing rate

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

License and patent expenses

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

Capitalised development costs

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts of the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customer, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share based payments

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

In addition to the estimation uncertainty in relation to the inputs into the fair value models, there is inherent uncertainty in respect of the likelihood that non-market related performance hurdles reflected in Note 12(c) will be achieved. There is uncertainty around the timing and achievement of non-market conditions for performance and consequently the vesting periods have been estimated based on reasonable expectations.

2. REVENUE

	For the Year Ended 31 Dec 2020 US$	For the Year Ended 31 Dec 2019 US$
Rendering of services and sale of goods		
United States	1,888,087	1,028,846
Australia	-	-
	1,888,087	**1,028,846**
Goods transferred at a point in time	-	-
Goods transferred over time	1,888,087	1,028,846
Total sales revenue	**1,888,087**	**1,028,846**
Gain/(loss) on SWAP agreement	742,530	45,890
Interest income	1,643	6,752
Other income	19,659	1,660
Foreign exchange gain/(loss)	117	-
Total other income	**763,949**	**54,302**
Total income	**2,652,036**	**1,083,148**

3. INCOME TAX EXPENSE

The Components of Tax Expense Comprise:	For the Year Ended 31 Dec 2020 US$	For the Year Ended 31 Dec 2019 US$
Current tax	-	-
Deferred tax	-	-
	-	-

(a) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Loss from continuing operations before income tax expense	**(1,809,633)**	**(2,748,991)**
Tax at the Australian tax rate of 27.5% (2019 – 27.5%)	(497,649)	(755,973)
Add tax effect of:		
- Other assessable items	-	-
- Other non-allowable items	184,648	173,768
Less tax effect of:		
- Other non-assessable items	-	-
- Other deductible items	(44,943)	(37,853)
Carried forward tax benefit not recognized in the current year	357,944	620,058
Total income tax expense	**-**	-

The Group has carry forward tax losses related to international operations of approximately US$8,843,712 (2019: US$7,542,096), 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 2020 US$	As at 31 Dec 2019 US$
Cash at bank and in hand	2,368,486	1,526,785
	2,368,486	**1,526,785**

5. TRADE AND OTHER RECEIVABLES

	As at 31 Dec 2020 US$	As at 31 Dec 2019 US$
CURRENT		
Trade receivables	180,669	231,180
Other receivables	87,875	77,333
	268,544	**308,513**

Ageing Analysis

	0 – 3 months US$	3 – 6 months US$	6+ months US$	Non-Cash US$
31 December 2020	192,364	-	-	76,180
31 December 2019	237,554	-	-	70,959

6. FINANCIAL ASSETS

	As at 31 Dec 2020 US$	As at 31 Dec 2019 US$
Financial assets at fair value through profit or loss (FVPL)		
Equity swap loan receivable	1,095,344	84,074
Balance at beginning of the year	**84,074**	-
Equity swap loan proceeds paid	722,500	508,760
Repayments received in period	(453,760)	(470,576)
Net gain on the facility in the period	742,530	45,890
Balance at end of year	**1,095,344**	**84,074**

During the period, the Company entered into an Equity Swap Agreement (“ESA”) for A$1,000,000 with RiverFort Global Opportunities PCC Ltd ("RiverFort").

Under the ESA, WhiteHawk will receive 1/12th of the Equity Swap amount of A$1,000,000 each month plus an amount that represents 50% of the difference between 8.47cents (the Benchmark Price) and the market price for a month calculated on an aggregate of 10 lowest daily volume weighted average prices in that month (Market Price). Conversely, if the Market Price is below the Benchmark Price in that month, then WhiteHawk would receive that month’s portion of the Principal Amount less the difference between the Market Price and Benchmark Price.

The Equity Swap is expected to have a term of 12 months but may be extended or settled earlier depending on ASX monthly market trading volumes of WhiteHawk shares.

7. PROPERTY, PLANT AND EQUIPMENT

	As at 31 Dec 2020 US$	As at 31 Dec 2019 US$
Office equipment at cost	**50,605**	**50,605**
Accumulated depreciation	(41,199)	(38,264)
Closing balance	**9,406**	**12,341**
Right of use assets – leased office	210,245	196,778
Accumulated depreciation	(74,348)	(10,104)
Closing balance	**135,897**	**186,674**
	145,303	**199,015**

	Office Equipment	Right of Use Assets	Total
Balance at 1 January 2020	12,341	186,674	199,015
Additions	-	13,467	13,467
Depreciation	(2,935)	(64,244)	(67,179)
Balance at 31 December 2020	**9,406**	**135,897**	**145,303**

8. INTANGIBLE ASSETS

	As at 31 Dec 2020 US$	As at 31 Dec 2019 US$
Capitalised website development costs	1,776,227	1,776,227
Accumulated amortisation	(1,603,538)	(1,011,463)
Closing balance	**172,689**	**764,764**
Balance at 1 January 2020/2019	764,764	1,356,840
Additions	-	-
Amortisation	(592,075)	(592,076)
Balance at 31 December 2020/2019	**172,689**	**764,764**

9. TRADE AND OTHER PAYABLES

	As at 31 Dec 2020 US$	As at 31 Dec 2019 US$
CURRENT Trade payables	366,288	219,910
Payroll liabilities	42,684	72,864
Accrued expenses	45,331	41,893
	454,303	**334,667**

10. LEASES

Nature of leasing activities (in the capacity as lessee)

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

	As at 31 Dec 2020 US$	As at 31 Dec 2019 US$
Lease Liability		
Balance at beginning of the year	201,724	-
Additions	11,706	196,778
Interest expense	19,510	4,946
Lease payments	(68,106)	-
Balance at the end of the year	**164,834**	**201,724**

Current lease liability	76,744	56,683
Non-current lease liability	88,090	145,041
Balance at the end of the year	**164,834**	**201,724**

11. CONTRIBUTED EQUITY

A. SHARE CAPITAL

	As at 31 December 2020		As at 31 December 2019	
	No. of Shares	**US$**	**No. of Shares**	**US$**
Ordinary shares				
At the beginning of the year	157,910,295	11,175,429	107,023,340	8,489,174
Issue of shares	12,987,013	730,200	44,157,390	2,650,875
Entitlements issue	2,047,800	176,905	-	-
Issue of shares in lieu of services received	17,632,265	1,287,508	2,924,560	182,577
Shares issued on conversion of options	1,000,000	149,691	205,005	14,510
Shares issued on vesting of performance rights	6,600,000	-	3,600,000	-
Share issue expenses		(43,812)	-	(161,707)
	198,177,373	**13,475,921**	**157,910,295**	**11,175,429**

Ordinary shares

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

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

B. OPTIONS

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

1. 10,000,000 unlisted options expiring 24 January 2023, exercisable at AU$0.20 each;
2. 1,500,939 unlisted options expiring 25 November 2022, exercisable at AU$0.087137 each.

C. PERFORMANCE RIGHTS

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

1. 1,363,836 unlisted performance rights, 400,000 performance rights will vest and convert into equivalent number of shares for every year of service by non-executive directors of the Company;

2. 1,000,000 unlisted performance rights convertible into ordinary shares at 1:1 ratio subject to Milestone completion. 500,000 performance rights vests on share price achieving A$0.40 per share and tenure/service requirement until 31 December 2021 and remaining 500,000 performance rights vests on share price achieving A$0.40 per share and tenure/service requirement until 31 December 2022.

3. 13,000,000 unlisted performance rights convertible into ordinary shares at 1:1 ratio subject to Milestone completion.

   The 13,000,000 Performance Rights are subject to the following milestones:

   (a) Class A Performance Rights: 4,333,333 convert upon the Company's Share price increasing 100% above the IPO Share price (based on a five (5) consecutive day VWAP), and the Company (either directly or through its subsidiaries, including WhiteHawk US) achieving at least one of the following;

      (i) consolidated revenues of $2 million from the WhiteHawk US business; or
      (ii) 300 customer products; or
      (iii) 500 online contracts.

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

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

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

(a) 600,000 based on each year of service by non-executive directors:

(b) 3,000,000 performance rights that were subject to the following milestones:
   (i) 1,500,000 vest on the issue date and convert to ordinary shares when the 5 day volume weighted average price (VWAP) of Shares exceeds $0.1695.
   (ii) 1,500,000 vest on the issue date and convert to ordinary shares when the 5 day volume weighted average price (VWAP) of Shares exceeds $0.1978.

(c) 3,000,000 performance rights that were subject to the following milestones:
   (i) 1,500,000 vest on the issue date and convert to ordinary shares when the 5 day volume weighted average price (VWAP) of Shares exceeds $0.13475.
   (ii) 1,500,000 vest on the issue date and convert to ordinary shares when the 5 day volume weighted average price (VWAP) of Shares exceeds $0.16555.

12. RESERVES

	Performance Rights Reserve US$	Foreign Currency Translation Reserve US$	Total Reserves US$
Balance at 31 December 2018	**321,428**	**(172,832)**	**148,596**
Share-based payments expense	327,598	-	327,598
Foreign currency translation differences arising during the year	-	(42,200)	(42,200)
Balance at 31 December 2019	**649,026**	**(215,032)**	**433,994**
Share-based payments expense	427,643	-	427,643
Foreign currency translation differences arising during the year	-	81,138	81,138
Balance at 31 December 2020	**1,076,669**	**(133,894)**	**942,775**

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.

13. 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 2020 and 31 December 2019 and this is the format of the information provided to the chief operating decision maker.

Segment performance

	Australia		USA		Total	
	December 2020	December 2019	December 2020	December 2019	December 2020	December 2019
	US$	US$	US$	US$	US$	US$
External sales	-	-	1,888,087	1,028,846	1,888,087	1,028,846
Total segment revenue	**-**	**-**	**1,888,087**	**1,028,846**	**1,888,087**	**1,028,846**
Segment operating result	(352,318)	(854,275)	(777,926)	(1,277,047)	(1,130,244)	(2,131,322)
EBITDA	**(352,318)**	**(854,275)**	**(777,926)**	**(1,277,047)**	**(1,130,244)**	**(2,131,322)**
Depreciation and amortisation	-	-	(659,879)	(612,723)	(659,879)	(612,723)
Finance costs	-	-	(19,510)	(4,946)	(19,510)	(4,946)
Loss before income tax expense	**(352,318)**	**(854,275)**	**(1,457,315)**	**(1,894,716)**	**(1,809,633)**	**(2,748,991)**
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	**(352,318)**	**(854,275)**	**(1,457,315)**	**(1,894,716)**	**(1,809,633)**	**(2,748,991)**

Assets and liabilities

Segment assets	2,029,186	1,234,434	2,245,795	1,748,904	4,274,981	2,983,338
Segment liabilities	43,916	32,924	925,828	644,817	969,744	677,741

14. SHARE BASED PAYMENTS

During the twelve (12) months to 31 December 2020, the following transactions were equity settled by the Group:

Performance Rights

Grant Date	Expiry Date	Exercise Price	Balance at 1 Jan 2020	Granted	Converted	Lapsed	Balance at 31 Dec 2020
20/12/2017	20/12/2022	-	13,000,000	-	-	-	13,000,000
19/01/2018	19/01/2023	-	2,400,000	-	(600,000)	(436,164)	1,363,836
21/06/2019	30/06/2022	-	3,000,000	-	(3,000,000)	-	-
03/07/2020	30/06/2022	-	-	3,000,000	(3,000,000)	-	-
16/12/2020	16/12/2025	-	-	1,000,000	-	-	1,000,000
		Total	**18,400,000**	**4,000,000**	**(6,600,000)**	**(436,164)**	**15,363,836**
Weighted average exercise price			**AU$-**	**AU$-**	**AU$-**	**AU$-**	**AU$-**

Options

Grant Date	Expiry Date	Exercise Price	Balance at 1 Jan 2020	Granted	Converted	Lapsed	Balance at 31 Dec 2020
20/12/2017	24/01/2023	AU$0.20	10,000,000	-	-	-	10,000,000
22/10/2018	22/10/2020	AU$0.10	1,987,271	-	(1,987,271)	-	-
26/10/2018	26/10/2020	AU$0.10	6,439,405	-	(6,439,405)	-	-
31/10/2018	31/10/2020	AU$0.10	316,700	-	(316,700)	-	-
12/11/2018	12/11/2020	AU$0.10	8,888,889	-	(8,888,889)	-	-
25/05/2020	25/11/2022	AU$0.09	-	1,500,939	-	-	1,500,939
		Total	**27,632,265**	**1,500,939**	**(17,632,265)**	**-**	**11,500,939**
Weighted average exercise price			**AU$0.20**	**AU$0.09**	**AU$0.10**	**AU$-**	**AU$0.19**

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

	For the Year Ended 31 Dec 2020 US$	For the Year Ended 31 Dec 2019 US$
Vesting expense of 13m rights issued to advisors	105,978	105,917
Vesting expense of 2.4m rights issued to directors	15,454	108,150
Vesting expense of 3m rights issued to advisors	-	40,790
Vesting expense of 3m rights issued to advisors	118,974	72,741
Vesting expense of 3m rights issued to advisors	166,866	-
Vesting expense of 1m rights issued to key management personnel	4,326	-
Vesting expense of 1.5m options issued to RiverFort	16,045	-
Total	**427,643**	**327,598**

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

	Advisor Rights		KMP Rights		Options
	Tranche 1	Tranche 2	Tranche 1	Tranche 2	
Number of rights issued	1,500,000	1,500,000	500,000	500,000	1,500,939
Vesting share price	AU$0.1348	AU$0.1656	AU$0.40	AU$0.40	-
Exercise price	-	-	-	-	AU$0.0871
Expiry date	30/06/2022	30/06/2022	16/12/2025	16/12/2025	25/11/2022
Share price on issue date	AU$0.088	AU$0.088	AU$0.250	AU$0.250	AU$0.0650
Dividend rate	-	-	-	-	-
Risk free rate	0.26%	0.26%	0.09%	0.09%	0.24%
Volatility rate	139.0%	139.0%	89.7%	89.7%	55.6%
Value per option	AU$0.0782	AU$0.0742	AU$0.2054	AU$0.1857	AU$0.0162

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

	For the Year Ending 31 Dec 2020 US$	For the Year Ending 31 Dec 2019 US$
Loss for the year	**(1,809,633)**	**(2,748,991)**
Depreciation expense	659,879	612,723
Share-based payments expense	427,643	327,598
Finance expense	19,510	4,946
Other non-cash transactions	(617,820)	135,915
Change in operating assets and liabilities		
Increase in trade and other receivables	(83,459)	(179,402)
Increase/(decrease) in trade and other payables	292,002	(54,995)
Net cash outflow from operating activities	**(1,111,878)**	**(1,902,206)**

16. CHANGES IN FINANCIAL LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2020 US$	2019 US$
Promissory notes		
Balance at the beginning of the financial year	-	261,755
Net cash inflow/(outflow) from financing activities	-	(250,000)
Interest accrued	-	-
Interest paid	-	(11,755)
Balance at the end of the financial year	-	-
Other loans		
Balance at the beginning of the financial year	-	
Cash inflow from financing activities	488,960	
Cash outflow from financing activities	(289,000)	
Loan forgiven (Paycheck Protection Program Loan)	(230,000)	
Foreign exchange loss	30,040	
Balance at the end of the financial year	-	

17. FINANCIAL RISK MANAGEMENT

A. FINANCIAL RISK MANAGEMENT

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

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

Credit risk

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

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

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

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

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

	As at 31 Dec 2020 US$	As at 31 Dec 2019 US$
Cash and cash equivalents	2,368,486	1,526,785
Trade and other receivables	268,544	392,587
Financial assets	1,096,344	84,074

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 2020		
Financial assets	1,096,344	-
Financial liabilities	-	-
31 December 2019		
Financial assets	142,219	-
Financial liabilities	32,924	-

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 2020	(95,536)	95,536	198,527	(198,527)
31 December 2019	(85,428)	85,428	120,151	(230,151)

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$
2020					
Financial Assets					
Cash and cash equivalents	0.08%	-	2,368,486	-	2,368,486
Trade and other receivables	-	268,544	-	-	268,544
Financial assets	-	1,096,344	-	-	1,096,344
Total financial assets		**1,364,888**	**2,368,486**	**-**	**3,733,374**
Financial Liabilities					
Trade and other payables	-	454,303	-	-	454,303
Total financial liabilities		**454,303**	**-**	**-**	**454,303**
2019					
Financial Assets					
Cash and cash equivalents	0.48%	-	1,526,785	-	1,526,785
Trade and other receivables	-	308,513	-	-	308,513
Financial assets	-	84,074			84,074
Total financial assets		**392,587**	**1,526,785**	**-**	**1,919,372**
Financial Liabilities					
Trade and other payables	-	334,667	-	-	334,667
Total financial liabilities		**334,667**	**-**	**-**	**334,667**

	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$
2020				
Current Assets				
Trade and other receivables	268,544	192,364	-	-
Financial assets	1,096,344	-	1,096,344	-
Total	**1,364,888**	**192,364**	**1,096,344**	**-**
Financial liabilities				
Trade and other payables	454,303	454,303	-	-
Total	**454,303**	**454,303**	**-**	**-**
2019				
Current Assets				
Trade and other receivables	308,513	237,554	-	-
Financial assets	84,074	-	-	84,074
Total	**392,587**	**330,752**	**-**	**84,074**
Financial liabilities				
Trade and other payables	334,667	334,667	-	-
Total	**334,667**	**334,667**		

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.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
31 December 2020				
Financial Assets				
Financial assets (FVPL)	-	1,095,344	-	**1,095,344**
Net fair value	**-**	**1,095,344**	**-**	**1,095,344**
31 December 2019				
Financial Assets				
Financial assets (FVPL)	-	84,074	-	**84,074**
Net fair value	**-**	**84,074**	**-**	**84,074**

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.

18. AUDITOR'S REMUNERATION

	For the Year Ended 31 Dec 2020 US$	For the Year Ended 31 Dec 2019 US$
RSM Australia Partners		
- Audit and review services	32,056	29,407

19. EARNINGS PER SHARE

	2020 US Cents	2019 US Cents
From continuing operations		
Basic earnings per share	(1.06)	(1.92)
Diluted earnings per share	(1.06)	(1.92)
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	171,115,855	143,517,701
- Diluted earnings per share	171,115,855	143,517,701
Weighted average number of other securities outstanding not included in diluted EPS calculations as the securities are anti-dilutive in nature	26,300,939	53,948,571
Net loss after tax used in calculation of earnings per share	($1,809,633)	($2,748,191)

20. 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.

21. CONTINGENT ASSETS AND LIABILITIES

The Group did not have any contingent assets or liabilities at 31 December 2020 (31 December 2019: nil).

22. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

a) On 20 January 2021 the Company issued 563,836 shares at nil consideration as a result of performance rights vesting;
b) On 11 February 2021 the Company issued 4,333,333 shares at a cost price of AUD$0.17558 on conversion of 4,333,333 performance rights and 24,000,000 shares at a cost price of AUD$0.17558 pursuant to the Exchange Agreement summarised in Section 13.1 of the Replacement Prospectus lodged with ASX on 22 January 2018.

No other matter or circumstance has arisen since 31 December 2020 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.

23. CONTROLLED ENTITIES

Controlled entities consolidated:

	Country of Incorporation	Percentage Owned (%) 2020	2019
Legal Parent Entity			
WhiteHawk Limited (accounting subsidiary)	Australia		
Subsidiaries of WhiteHawk Limited			
WhiteHawk CEC Inc (accounting parent)	USA	100%	100%

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

24. PARENT ENTITY DISCLOSURES

	2020 US$	2019 US$
WhiteHawk Limited		
Financial position		
Assets		
Total current assets	2,029,187	1,234,434
Total non-current assets	10,041,593	8,250,949
Total assets	**12,070,780**	**9,485,383**
Liabilities		
Total current liabilities	43,917	32,924
Total liabilities	43,917	**32,924**
Net assets	**12,026,863**	**9,452,459**
Equity		
Contributed equity	13,367,532	11,067,041
Reserves	1,321,060	(119,434)
Accumulated losses	(2,661,729)	(1,495,148)
Total equity	**12,026,863**	**9,452,459**
Financial performance		
Loss for the year	(352,318)	(820,970)
Other comprehensive loss	(81,138)	(42,220)
Total comprehensive loss	**(433,456)**	**(863,190)**

A. GUARANTEES ENTERED INTO BY THE PARENT ENTITY

The parent entity has not entered into any guarantees.

B. CONTINGENT ASSETS OR LIABILITIES

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

C. COMMITMENTS

The parent entity does not have any commitments.

D. SIGNIFICANT ACCOUNTING POLICIES

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

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

DECLARATION BY DIRECTORS

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

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

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

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

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

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

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

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

On behalf of the Directors:

Terry Roberts
Chief Executive Officer and Chair
26 March 2021

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
To the Members of Whitehawk Limited

Opinion

We have audited the financial report of Whitehawk Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, 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 2020 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Certified System Quality ISO 9001

Key Audit Matter	How our audit addressed this matter
Recognition of revenue Refer to Note 2 in the financial statements	
As at 31 December 2020, the Company had recognised US$1,888,087 of revenue from the rendering of services and sale of goods. The revenue is considered to be a Key Audit Matter due to the judgement required in relation to determining the performance obligations and timing of their delivery to customers.	Our audit procedures in relation to the carrying value of internally developed intangible assets included: • Assessed the design and implementation and testing of the operating effectiveness of management's key controls over all streams of revenue recognised in the financial statements. • Performed analytical procedures in relation to revenue recognised and the resulted contract liabilities. • Tested a sample of revenue to invoices and other supporting documentation. • Assessed the adequacy of revenue disclosures in light of the requirements of the Australia Accounting Standards.
Share Based Payments Refer to Note 12 in the financial statements	
Share-based payments resulted in an expense of US$427,643 in the Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year under review. Share-based payment transactions are non-routine and complex and the assumptions used in valuating these instruments is judgmental and includes and element of estimation uncertainty. Share based payments are therefore considered to be Key Audit Matter for the year under review.	Our audit procedures in relation to the share-based payments included the following: • Obtained the clients schedules and related valuation workings in relation to share-based payments. • Reperformed the valuations and tested the mathematical accuracy of the client's workings in relation to share-based payments and determined the share-based payment expense and related reserves were not materially misstated. • Reviewed the assumptions included in the valuation models. • Inspected supporting documentation in relation to the inputs used in valuing share-based payments. • Review the minutes and ASX announcements to determine the completeness of share-based payment transactions. • Evaluated the appropriateness of the related disclosures in respect of the share-based payments including the judgements and estimation uncertainty in relation thereto.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Whitehawk Limited, for the year ended 31 December 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

RSM

RSM Australia Partners

Anthony Travers
Partner

Sydney, NSW dated 26 March 2021

SHAREHOLDER INFORMATION

SPREAD OF SHAREHOLDERS

As of 19 March 2021, there were 5,405 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	70	16,897	0.01%
1,001 – 5,000	1,872	5,679,243	2.50%
5,001 – 10,000	1,136	9,038,554	3.98%
10,001 – 100,000	2,074	68,427,944	30.13%
100,001 and over	253	143,911,904	63.38%
Total	5,405	230,074,542	100%

Based on the price per security of 30 cents, number of holders with an unmarketable holding as of 19 March 2021: 341, with a total 397,281, amounting to 0.18% of Issued Capital.

SUBSTANTIAL SHAREHOLDERS

The Company's register of substantial shareholders recorded the information as of 19 March 2021.

Top 20 Holdings as of 19 March 2021		
Holder Name	**Balance**	**%**
TERESA WILLIAMS ROBERTS	22,287,162	9.81%
VIVIEN ENTERPRISES PTE LTD	17,000,000	7.49%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,185,848	2.72%
MR AMILCAR ALBINO MORENO	5,600,000	2.47%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,186,887	2.28%
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	3,760,908	1.66%
AYMON PACIFIC PTY LTD <JEREZOS A/C>	3,000,000	1.32%
CITICORP NOMINEES PTY LIMITED	2,651,450	1.17%
VANTAGE HOUSE LIMITED	2,175,000	0.96%
KEVIN ROBIN GOODALE	2,003,993	0.88%
H K TEY PTY LTD <STAFF SUPER FUND A/C>	1,970,000	0.87%
MR DAVID MURRAY GUILLE <THE YALLINGUP A/C>	1,868,611	0.82%
MR ANDREW SWIFT	1,800,286	0.79%
ANA ROBERTS SMYTHE	1,689,993	0.74%
PULA HOLDINGS PTY LTD <HERATH SUPER FUND A/C>	1,650,888	0.73%
S3 CONSORTIUM PTY LTD	1,562,735	0.69%
MR FELIX OZIE NOEL CORREA & MRS CHERYL BERTHA CORREA <CORREA SUPER FUND A/C>	1,482,986	0.65%
MR KERRY RUSSELL THOMPSON	1,300,000	0.57%
S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C>	1,290,000	0.57%
MR CRAIG MARTIN ROGERS	1,200,000	0.53%
TOTAL TOP 20	**85,666,747**	**37.73 %**