WhiteHawk Limited

2023 Annual Report

For the year ended 31 December 2023

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CORPORATE INFORMATION

Directors

Terry Roberts
Philip George
Melissa King
Brian Hibbeln

Registered Office

Level 28
140 St Georges Terrace
Perth WA 6000

Principal Place of Business

Alexandria, VA
USA

Share Registry

Automic Registry Services
Level 5
191 St Georges Terrace
Perth WA 6000

Company Secretary

Kevin Kye

ASX Code

WHK

Website

http://www.whitehawk.com

Accountant

Traverse Accountants
24- 26 Kent Street
Millers Point NSW 2000

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,

2023 was another solid foundation year that has positioned 2024 to be a growth year for WhiteHawk. In 2023, we saw:

- Steady revenue from contract renewals and smaller new contracts. Recognized US$1.8M revenue in 2023—including the first month's revenue of a US$1.2M contract signed in December 2023.
- A New Cyber Risk Program Contract Phase 1 with U.S. subsidiary of Cailabs.
- The end of the 5-month delay for the final award in April 2024, of Peraton's bid for U.S. Veterans Affairs Supply Chain Risk Management (SCRM) with WhiteHawk as a sub-contractor for SCRM solutions.
- A new relationship with a U.S. National Center, focused on Critical Infrastructure Cyber Risk Assessments starting with a US$100K Proof of Concept across 200 U.S. Public and Private Water Sector Entities; and a follow-on U.S. State Cyber Risk Radar quote for US$1M projected for May/June 2024.
- New SaaS Solution sales and distribution channel with Carahsoft, a large U.S. and Canada Federal, State and Local reseller. Contracts for two U.S. Cities now in process.
- WhiteHawk registered as Cyber Risk Assessment Partner with a global consulting firm, with weekly Client engagement and sales meetings.
- As part of business growth in Australia, a Joint go-to-market campaign with Perth-based partner Hyprfire, including registration with CAUDIT IT and Cyber reseller to Colleges and Universities in Australia and Asia.
- The initiation of new Cyber-Supply Chain Risk Management (C-SCRM) requirements in U.S. Federal contracting Requests for Proposals (RFPs) has driven several U.S. Federal partners to reach out to WhiteHawk for Cyber Risk Radar SaaS services.
- WhiteHawk's continued engagement with Dun and Bradstreet to support GSA SCRIPTS BPA (Supply Chain Illumination Program, Tools and Services that is sponsored by the U.S. Office of the Secretary of Defense. RFP set to be released by April 2024 to be awarded to three large U.S. Federal Contractors and up to five small businesses for a total of US$99M/yr. for 10 years.
- Continued retention across all current Clients, with Annual Recurring Revenue of $1.4M per year over the past 3 years.
- As a result of in-house Development Team and AI/ML based automation, now reaching margins of 80% for contracts over $100K.

Allied Threat Landscape Imperatives

2024 Testimony: FBI Director Wray issued a stark warning on the growing threat posed by Chinese cyberattacks targeting U.S. Critical Infrastructure. Cyber Risk Reviews of critical infrastructure is a business targeted by WhiteHawk in 2023 and an area where WhiteHawk's products are very well positioned. The new sales channel with Carahsoft enables US Federal and State Agencies, National, State and Municipal Utilities involved in water, energy, and transport to contract with WhiteHawk without additional government approvals.

China's Intentions:

- Positioning themselves within American infrastructure, preparing to unleash havoc and cause real-world harm to American citizens and communities when they deem it necessary to strike.
- Specific targeting of critical infrastructure in the U.S., including:
- Water treatment plants
- Electrical grids
- Oil and natural gas pipelines
- Transportation systems

Risk to Every American:

- The risk posed by these cyberattacks requires immediate attention.
- The potential consequences for every American are significant.
- The imperative to safeguard critical infrastructure against cyber threats.

Source: Executive Summary - China: The Risk to Corporate America — FBI

Our 2024 Business Strategy and Objectives

Optimize Company financial position with recurring revenue from SaaS annual subscriptions of WHK and Partner Solutions. Key objectives:

- Execute on near-term US Federal, State and Local wins with Peraton and Carahsoft. Build new 2024 opportunities based upon proven combined capabilities.
- Fully leverage 2023/24 Critical Infrastructure Risk Assessment Proofs-of-Value engagements at the State and Local level in the U.S. and AU – demonstrating impact, scalability, and cost-effectiveness.
- Grow current Consulting Firm formal and informal business partnerships via proven, automated Cyber Risk Product Lines for their Enterprise, Supply Chain, Government and Critical Infrastructure Clients.
- Continue to retain, advance, and grow current Cyber Risk Radar and Cyber Risk Program contracts across current pipelines for annual recurring revenue and product improvement.

WhiteHawk Value Proposition Remains Strong

- Gross margins driven from 40% to 80% through AI/ML based automation.
- Unique and continuously advanced end-to-end Cyber Risk SaaS and PaaS AI/ML-Based Product Lines, from risk scoping to risk mitigation – proven, accessible, scalable, and affordable. All via online and virtual services.
- A continuously renewed pipeline of Channels, Public and Private Sector Partnerships, and Fortune 1000 Leads.
- 200+ strong innovative AI/ML/Quantum partner solutions that advance our offerings and impact, continuously across current and future clients.
- Advanced and Automated in 2023 Cyber Compliance Features in all Product Lines.
- Continued retention of an extremely talented, productive, and positive in-house Technical and Cyber Business Team, with an average of 4 years at WHK.

Thanks to each of you for enabling us on this journey—through platform development, the continuous advancement of AI/ML automated SaaS/PaaS Product lines, implementation, and fine tuning with our clients; and building of our strategic sales partnerships.

Our Virtual AGM is scheduled for the 8th of May, and we will be scheduling Town Hall sessions in Sydney and Melbourne in early May 2024.

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

Terry W Roberts
Chief Executive Officer and Executive Chair

DIRECTORS' REPORT

Your directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of WhiteHawk Limited (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the year ended 31 December 2023.

DIRECTORS

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

TERRY ROBERTS	*Chief Executive Officer and Executive Chair*
PHILIP GEORGE	*Non-Executive Director*
MELISSA KING	*Non-Executive Director*
BRIAN HIBBELN	*Non-Executive Director*

CHIEF EXECUTIVE OFFICER

TERRY ROBERTS

COMPANY SECRETARY

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

INFORMATION ON DIRECTORS

TERRY ROBERTS

Chief Executive Officer and Executive Chair
Appointed: 19 January 2018
Length of Service: 74 Months
Qualifications: BA, MSSI, C&S, Cyber Exec Program
Director's Interests: 22,520,999 shares and 25,029,711 stock appreciation rights

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.

WHITEHAWK®

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: 80 Months
Qualifications: B Science, Internetworking & Security
Director's Interests: 1,000,000 shares

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

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

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

Melissa King

Non-Executive Director
Appointed 13 November 2020
Length of Service: 40 Months
Qualifications: BA, MBA, GAICD
Director's Interests: 765,246 shares and 362,740 performance rights

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

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

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

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

Brian A Hibbeln

Non Executive Director
Appointed: 31 August 2021
Length of service: 31 months
Qualifications: BS in Physics from USAFA, MS Physics from FIT
Director's Interest: 3,023,470 shares and 522,740 performance rights.

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

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

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

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

MEETINGS OF DIRECTORS

During the financial year ended 31 December 2023, 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	12	12
Philip George	12	12
Melissa King	12	12
Brian Hibbeln	12	12

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The net loss after tax for the year was US$2,844,279 (2022 loss: US$1,537,740).

PRINCIPAL ACTIVITIES AND STRATEGY

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

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

By design the Group fully leverages publicly available global risk data sets and AI/ML based algorithms, resilience tradecraft, cyber maturity frameworks and risk analytics - to assess, validate, and mitigate Digital Age Risks efficiently and effectively, across 1 to 10 to thousands of companies and organizations in a non-intrusive, not on-premise, Hacker View Annual or Continuous 3rd Party Cyber Audit. The Group's product lines can be focused on any legal company or organization in the world to include an individual enterprise, a due diligence portfolio, an Insurance Group or Financial Firms Business Clients, or across a supply chain or group of vendors. In order to stay abreast of next generation cyber risk, resilience and analytic solutions the Group continuously reviews innovative solutions, partnering only with best of breed solution and channel providers, ensuring a breadth of options that effectively target identified risk priorities – while remaining easy to implement and cost effective.

How Open Datasets Leverage AI/ML:

By design WHK datasets and those of our Partners are continuously vetted for their advanced AI/ML capabilities that take "big global risk/threat data sets" and through AI based algorithms answer key Cyber Compliance, Maturity, Risk questions for any legal entity in the world, in near real time or we don't partner with/integrate them. These AI/ML based analytics constantly adjust to evolving threats and determine leading indicators of cyber threat actions.

How the WHK Platform / Product Lines Use AI/ML:

Our WHK platform normalizes across a portfolio of AI/ML curated data analytics to produce an enriched, tailored, actionable assessment that is automatically mapped to top 3 prioritized areas of focus and risk mitigation solution options from our marketplace. The algorithms constantly adjust to determine the weight and priorities of vulnerabilities and remediation actions.

How AI/ML is Used to Continue to Support Product When In Market:

With larger contracts across hundreds to thousands of companies and organizations, WHK conducts portfolio trend and more predictive AI/ML Analytics can be conducted at scale within our platform and with R&D Partners like Peraton Labs and University Research Partners, like Norwich University Applied Research Institute. AI drives assessment of metrics that best correlate to indicators of risk and assess the remediation measures that will have the greatest impact to advance security and resilience across an entire Sector or Portfolio of Companies, Suppliers, State and Local Entities.

The Group's Government growth strategy has been to leverage and build upon our strong and deep partnerships with Peraton and Dun & Bradstreet Federal who often Prime these Requests for Information (RFI's), Proposals (RFP's) and Sources Sought (SS), integrating the Group's Cyber Risk and C-SCRM SaaS and PaaS Products lines into their Solutions and Services. WHK has been able to retain these important business development relationships even as key personnel have changed, working on a weekly basis to communicate and collaborate on a portfolio of near term and longer-term joint opportunities. Starting in 2024, all product lines are also now available to U.S. and Canada, Federal, State, and Local Clients via Carahsoft contract vehicles, Account Leads and Sales Teams.

RECENT HIGHLIGHTS

- Recognized US$1.8M revenue in 2023.
- Revenue reported does not include US$421K unearned revenue already invoiced in 2023 and only one months' revenue of US$1.2M contract signed in December 2023.
- WhiteHawk ends 2023 with a cash balance of US$103K.
- US$2.8M loss after income tax includes non-cash expenditures relating to depreciation and amortization expense of US$53K, share based payment expenditure of US$250K and provision for doubtful debt of US$171K.
- Contract Order for USD $1.2M on existing contract with Global Social Media Company started in December 2023 focused on Third-Party Risk Management (TPRM) services, to include:
  - Third-Party Risk Platform Operations, Configuration, and Tuning Services
  - Cyber Architecture and SME Services
  - Cyber Risk Data Integration Services
- New Cyber Risk Program Contract Phase 1 with U.S. subsidiary of Cailabs being implemented.
- Awaiting final award of Peraton's bid for Veterans Affairs Supply Chain Risk Management (SCRM) with WhiteHawk as a sub-contractor for SCRM solutions.
- National Center, Critical Infrastructure focused Cyber Risk Radar quote for $1M, pending procurement decision in March 2024.
- New SaaS Solution sales and distribution channel being put in place for Cyber Risk Programs and Radars at the U.S. State and Local level nation-wide.
- WhiteHawk registered as Cyber Risk Assessment Partner with global consulting firm.
- PMY connection with major sporting event sponsor for Vendor Cyber Risk Monitoring and Assessments, under final review.
- Notified by two U.S. Cities that Cyber Risk Programs are in final procurement processing.
- Joint go to market campaign with Perth based Partner hyprfire being executed in Western Australia.
- Scoping and responding to DHS CISA Cyber Threat Intelligence quick turn Other Transaction Authority (OTA) for proposal submission on March 19, 2024 and to be awarded in April 2024.

- Sub-contracted under Peraton for Supply Chain Risk Management Program for GSA Federal Travel & Expense 15YR Contract Peraton Prime, asked for Cyber Risk Radar quote for Bid submitted on 20 February, 2024, Award expected 4QTR 2024.
- Supporting Dun and Bradstreet on GSA SCRIPTS BPA (Supply Chain Illumination Program, Tools & Services), sponsored by the Office of the Secretary of Defense. RFP set to be released by April 2024, with a quick 2 week turn, will be awarded to 3 Large Federal Contractors and up to 5 small businesses for a total of $99M a year for 10 years.
- Critical Infrastructure Cyber Risk Assessment (CIRA) Program contract for USD $1.9M, for State and Local client via Peraton delayed in procurement and State Legislature reviews. Not expected to be released until May/June timeframe 2024.
- U.S. Department of Homeland Security, Cybersecurity and Critical Infrastructure Agency (CISA) ACTS 5YR Contract which Peraton responded to as Prime with WHK as sub-contractor was lost. Once public announcement of winner is made, WhiteHawk will engage to be a Cyber Risk SaaS Partner.

OUTLOOK

RENEWED Focus on U.S. Federal and State and Local Channels

Business Premise: As an automated and cost-effective alternative to "Traditional Cybersecurity" complex technology stack, leverage publicly available cyber risk and threat big data and AI/ML based risk analytics, to provide a comprehensive and automated "Hacker View, Cyber Audit" of any organization or portfolio of companies - within 48 to 72 hours.

- Federal or State & Local Enterprise-Wide Resilience
  - Cyber Risk Program: https://www.whitehawk.com/cyber-risk-program
- Federal or State & Local Risk Mitigation Cyber Risk PaaS
  - https://www.whitehawk.com/cyber-risk-paas
- Federal Adversary Vulnerability Baseline API for Targeting
  - https://www.whitehawk.com/cyber-risk-scorecard
- Federal or State & Local Supply Chain Risk Prioritization & Management
  - Cyber Risk Radar: https://www.whitehawk.com/cyber-risk-radar
  - D&B Investigate: https://www.dnb.com/products/public-sector/investigate.html

In order to enable sales across the U.S. Government, WhiteHawk has put in place a new Distribution Channel and Sales Partnership with Carahsoft Technology Corp, a trusted U.S. Government IT Solutions Provider with revenues of $11B USD a year. This partnership provides WhiteHawk with:

- The ability to work with a Nation-wide Team of IT/Cyber Sales and Accounts Representatives.

- The ability to utilize the breadth of Carahsoft Federal, State and Local contract vehicles for clients to procure our automated SaaS cyber security products seamlessly and quickly.
- The ability to include our Risk and Expertise Products and Services as part of Carahsoft's National Association of State Procurement Officials (NASPO) vehicle. NASPO offers procurement vehicles for all states and municipalities – enabling our products to be acquired without direct engagement while also reducing potentially lengthy acquisition processes and approvals.
- The ability to jointly respond to US Federal and State Government and US Local Municipality Requests for Proposals (RFP's).

Carahsoft Technology Corp is a trusted U.S. and Canadian Government IT Solutions Provider, supporting an ecosystem of manufacturers, value-added resellers, system integrators, and consulting partners committed to helping government agencies select and implement the best solution at the best value. The company's dedicated Solutions Divisions proactively market, sell and deliver Adobe, Atlassian, AWS, Broadcom, CrowdStrike, Dell Technologies, F5, Forescout, Google Cloud, HPE, Micro Focus, Microsoft, Nutanix, NVIDIA, Okta, Oracle, Palo Alto Networks, Red Hat, SAP, Salesforce, ServiceNow, Splunk, Tableau, Trellix, VMware, Zscaler, Zoom. Carahsoft is listed by Forbes as #45 of America's Largest Private Companies.

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 29 February 2024, WhiteHawk announced oversubscribed A$2m placement to support growth in cybersecurity for artificial intelligence and machine learning. The full agreed proceeds, net of costs, were received on 7 March 2024.

No other matter or circumstance has arisen since 31 December 2023 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 (2022: Nil).

INDEMNIFICATION OF OFFICERS

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

INDEMNIFICATION AND INSURANCE OF AUDITORS

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

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

NON-AUDIT SERVICES

The auditor did not provide any non-audit services during the financial year (2022: Nil)

PROCEEDINGS ON BEHALF OF THE GROUP

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

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration is set out on page 27.

AUDITOR

RSM Australia Partners is the Company's appointed auditor.

REMUNERATION REPORT

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

Remuneration philosophy

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

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

Remuneration structure

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

NON-EXECUTIVE DIRECTOR REMUNERATION

OBJECTIVE

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

STRUCTURE

The Company's Constitution and the ASX listing rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting of shareholders. An amount not exceeding the amount determined by shareholders in general meeting is then available to be split between the Directors as agreed between them. Clause 15.8 of the Constitution provides that the current non-executive director fee pool be set at $350,000.

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

Each director receives a fee for being a director of the Company.

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

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

SENIOR MANAGER AND EXECUTIVE DIRECTOR REMUNERATION

OBJECTIVE

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

STRUCTURE

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

FIXED REMUNERATION

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

EQUITY BASED REMUNERATION

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

TABLE 1 - SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

	Opening Balance 01/01/23	Addition	Vesting of Performance rights	Closing Balance 31/12/23
Directors				
Terry Roberts	22,287,162	233,837	-	22,520,999
Philip George	800,000	-	200,000	1,000,000
Melissa King[1]	284,496	80,750	200,000	565,246
Brian Hibbeln[2]	-	2,546,210	277,260	2,823,470
Key management personnel				
Soo Kim	712,947	-	787,053	1,500,000
Kevin Goodale	2,003,993	-	-	2,003,993
Total	**26,088,598**	**2,860,797**	**1,464,313**	**30,413,708**

1. Subsequent to year end, on 22 January 2024 Melissa King received 200,000 shares as a result of vesting performance rights.
2. Subsequent to year end, on 22 January 2024 Brian Hibbeln received 200,000 shares as a result of vesting performance rights.

TABLE 2 - PERFORMANCE RIGHTS AND STOCK APPRECIATION RIGHTS HELD BY KEY MANAGEMENT PERSONNEL

	Opening Balance 01/01/23 No.	Rights Granted No.	Rights Exercised/ Cancelled No.	Closing Balance 31/12/23 No.
Directors				
Terry Roberts	-	25,029,711	-	25,029,711
Philip George	200,000	-	(200,000)	-
Melissa King	762,740	-	(200,000)	562,740
Brian Hibbeln	1,000,000		(277,260)	722,740
Key management personnel				
Soo Kim	5,787,053	-	(787,053)	5,000,000
Kevin Goodale	-	-	-	-
Total	**7,749,793**	**25,029,711**	**(1,464,313)**	**31,315,191**

TABLE 3 - DETAILS OF REMUNERATION

2023	Salary and Fees US$	Other Fees US$	Share Based Payments US$	Total US$
Directors				
Terry Roberts	175,000	19,470	84,223	278,693
Philip George	25,000	2,688	276	27,964
Melissa King	25,000	2,688	15,784	43,472
Brian Hibbeln	25,000		17,561	42,561
Total Directors	**250,000**	**24,846**	**117,844**	**392,690**
Key Management Personnel				
Soo Kim	280,418	23,650	39,728	343,796
Kevin Goodale	151,443	17,643	-	169,086
Total KMP	**431,861**	**41,293**	**39,728**	**512,882**
Total	**681,861**	**66,139**	**157,572**	**905,572**

2022	Salary and Fees US$	Other Fees US$	Share Based Payments US$	Total US$
Directors				
Terry Roberts	214,231	18,312	-	232,543
Philip George	25,000	2,520	5,817	33,337
Melissa King	25,000	2,520	31,248	58,768
Brian Hibbeln	25,000	-	29,349	54,349
Total Directors	**289,231**	**23,352**	**66,414**	**378,997**
Key Management Personnel				
Soo Kim	270,000	38,153	43,282	351,435
Kevin Goodale	142,477	16,200	-	158,677
Total KMP	**412,477**	**54,353**	**43,282**	**510,112**
Total	**701,708**	**77,705**	**109,696**	**889,109**

During the financial year, the company issued 25,029,711 Stock Appreciation Rights (SAR) units to Terry Roberts, Executive Chair of the Company as approved by shareholders on 10 May 2023.

The SAR's are denominated either "Price SAR Units" or "Revenue SAR Units".

Vesting Conditions - Price SAR Units

a) Upon, the first date that the Fair Market Value of the Common Stock appreciates and exceeds AU$0.209, provided Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date, 7,857,143 SAR Units shall become vested with an expiration date of June 1, 2027.
b) Upon, the first date that the Fair Market Value of the Common Stock appreciates and exceeds AU$0.285, provided Grantee has continued in the employment of the

Corporation or any Affiliate of the Corporation from the Grant Date through such date, 6,818,182 SAR Units shall become vested with an expiration date of June 1, 2027.

c) Upon, the first date that the Fair Market Value of the Common Stock appreciates and exceeds AU$0.361, provided Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date, 6,333,333 SAR Units shall become vested with an expiration date of June 1, 2027.

d) Upon, the first date that the Fair Market Value of the Common Stock appreciates and exceeds AU$0.437, provided Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date, 2,421,053 SAR Units shall become vested with an expiration date of June 1, 2027.

Vesting Conditions - Revenue SAR Units

a) **Class A Revenue SAR Units** - Upon the release of WHK's annual report, provided that the Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date:
   (i) 160,000 Class A Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2023 is greater than US$4,822,949;
   (ii) 160,000 Class A Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2024 is greater than US$4,822,949;
   (iii) 160,000 Class A Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2025 is greater than US$4,822,949; and
   (iv) 160,000 Class A Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2026 is greater than US$4,822,949.
   (v) Each Class A Revenue SAR Unit will expire on June 1, 2027.

b) **Class B Revenue SAR Units** - Upon the release of WHK's annual report, provided that the Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date:
   (i) 80,000 Class B Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2023 is greater than US$5,626,773;
   (ii) 80,000 Class B Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2024 is greater than US$5,626,773;
   (iii) 80,000 Class B Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2025 is greater than US$5,626,773;
   (iv) 80,000 Class B Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2026 is greater than US$5,626,773;
   (v) Each Class B Revenue SAR Unit will expire on June 1, 2027.

c) **Class C Revenue SAR Units** - Upon the release of WHK's annual report, provided that the Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date:

(i) 80,000 Class C Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2023 is greater than US$6,430,598;
(ii) 80,000 Class C Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2024 is greater than US$6,430,598;
(iii) 80,000 Class C Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2025 is greater than US$6,430,598;
(iv) 80,000 Class C Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2026 is greater than US$6,430,598;
(v) Each Class C Revenue SAR Unit will expire on June 1, 2027.

d) **Class D Revenue SAR Units** - Upon the release of WHK's annual report, provided that the Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date:
(i) 80,000 Class D Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2023 is greater than US$7,234,423;
(ii) 80,000 Class D Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2024 is greater than US$7,234,423;
(iii) 80,000 Class D Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2025 is greater than US$7,234,423;
(iv) 80,000 Class D Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2026 is greater than US$7,234,423;
(v) Each Class D Revenue SAR Unit will expire on June 1, 2027

Payment for Vested Price SAR Units

a) The Grantee shall be issued an amount of Common Stock in WHK or cash (or combination of shares and cash) equal to the Price SAR Unit Value upon the vesting of any Price SAR Units.
b) The "Price SAR Unit Value" is the difference between the target Fair Market Value of one share of the Corporation's Common Stock and the Base Price of the Price SAR Unit multiplied by the number of vested Price SAR Units, where:
(i) the "Base Price" is AU$0.076; and
(ii) the "Fair Market Value" is the five-day VWAP of WHK Common Stock at the vesting date.

Payment for Vested Revenue SAR Units

a) The Grantee shall be issued an amount of Common Stock in WHK or cash (or combination of shares and cash) equal to the Revenue SAR Unit Value upon the vesting of any Revenue SAR Units.
b) The "Revenue SAR Unit Value" is Australian dollar amount equal to the number of vested Revenue SAR Units.

Loans from Key Management Personnel

During the financial year, the following loans were provided by key management personnel:

a) $70,000 from Kevin Goodale. The loan is repayable by 1 May 2024 and interest is capitalised monthly at 12.1% per annum (2022: nil). Unpaid interest accrued to 31 December 2023 was $494.
b) $50,000 from Soo Kim. The loan is repayable by 1 May 2024 and interest is capitalised monthly at 12.1% per annum (2022: nil). Unpaid interest accrued to 31 December 2023 was $67.

Proceeds from these loans are to be utilised for short-term working capital.

This report is made in accordance with a resolution of directors, pursuant to Section 298(2)(a) of the *Corporations Act 2001*.

Terry Roberts
Chief Executive Officer and Executive Chair
28 March 2024

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 2023 is dated and was approved by the Board on 28 March 2024. 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 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM

RSM AUSTRALIA PARTNERS

GNS

G N Sherwood
Partner

Sydney, NSW
Dated: 28 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	For the Year Ended 31 Dec 2023 US$	For the Year Ended 31 Dec 2022 US$
Revenue from continuing operations	2	1,800,081	3,215,299
Cost of goods sold		(837,287)	(1,467,847)
Gross profit		**962,794**	**1,747,452**
Other income	2	3,373	2,549
Professional expenses		(347,759)	(297,320)
Research and development expense		(850,335)	(901,754)
Employee benefits expense		(1,462,412)	(1,369,474)
Share based payments expense	14	(250,423)	(114,496)
IT expenditure		(10,749)	(18,733)
Conference and travel expenditure		(63,537)	(15,161)
Marketing expenditure		(143,526)	(71,452)
Office and occupancy expenses		(24,311)	(18,636)
Provision for doubtful debts		(171,094)	(171,094)
Depreciation	6	(52,621)	(67,649)
Interest and finance expenses		(264,759)	(56,460)
General and administration expenses		(168,920)	(185,512)
Loss before income tax		**(2,844,279)**	**(1,537,740)**
Income tax expense	3	-	-
Loss for the year		**(2,844,279)**	**(1,537,740)**
Other comprehensive income/(loss)		-	
Items that may be reclassified subsequently to profit or loss Exchange differences on translation foreign operations		(18,313)	(126,860)
Total comprehensive loss for the year		**(2,862,592)**	**(1,664,600)**
Loss per share			
From continuing operations			
- Basic/diluted losses per share (US cents)	19	(1.04)	(0.67)

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 2023

	Notes	As at 31 Dec 2023 US$	As at 31 Dec 2022 US$
ASSETS			
Current Assets			
Cash and cash equivalents	4	103,030	2,171,183
Trade and other receivables	5	283,988	334,913
Other current assets		257,464	251,639
Total Current Assets		**644,482**	**2,757,735**
Non-Current Assets			
Property, plant and equipment	6	133,120	191,166
Total Non-Current Assets		133,120	**191,166**
Total Assets		**777,602**	**2,948,901**
LIABILITIES			
Current Liabilities			
Trade and other payables	7	434,619	339,171
Financial liabilities	8	541,067	1,009,324
Contract liabilities	9	421,069	1,260,754
Lease liabilities	10	75,586	68,667
Total Current Liabilities		**1,472,341**	**2,677,916**
Non-Current Liabilities			
Lease liabilities	10	111,252	167,959
Total Non-Current Liabilities		**111,252**	**167,959**
Total Liabilities		**1,583,593**	**2,845,875**
Net Assets		**(805,991)**	**103,026**
EQUITY			
Contributed equity	11	15,298,447	13,475,921
Reserves	12	1,856,794	1,744,058
Accumulated losses		(17,961,232)	(15,116,953)
Total Equity		**(805,991)**	**103,026**

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 2023

	Notes	Contributed Equity US$	Accumulated Losses US$	Reserves US$	Total US$
2022					
At 1 January 2022		13,475,921	(13,579,213)	1,468,389	1,365,097
Loss for the year		-	(1,537,740)	-	**(1,537,740)**
Other comprehensive income		-	-	(126,860)	**(126,860)**
Total comprehensive loss		**-**	(1,537,740)	(126,860)	**(1,664,600)**
Transactions with owners in their capacity as owners					
Issued capital net of issue costs	11	-	-	-	**-**
Performance rights expense	12	-	-	402,529	**402,529**
At 31 December 2022		**13,475,921**	**(15,116,953)**	**1,744,058**	**103,026**
2023					
At 1 January 2023		13,475,921	(15,116,953)	1,744,058	103,026
Loss for the year		-	(2,844,279)	-	(2,844,279)
Other comprehensive income		-	-	(18,313)	(18,313)
Total comprehensive loss		**-**	**(2,844,279)**	**(18,313)**	**(2,862,592)**
Transactions with owners in their capacity as owners					
Issued capital net of issue costs	11	1,703,152	-	-	1,703,152
Transfer within equity on conversion of performance rights		119,374	-	(119,374)	-
Performance rights expense	12	-	-	250,423	250,423
At 31 December 2023		**15,298,447**	**(17,961,232)**	**1,856,794**	**(805,991)**

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 2023

	Notes	For the Year Ended 31 Dec 2023 US$	For the Year Ended 31 Dec 2022 US$
Operating activities			
Receipts from customers		892,092	3,938,599
Payments to suppliers and employees		(3,940,861)	(4,279,133)
Interest received		3,370	2,540
Interest paid		(8,488)	(533)
Net cash outflow from operating activities	15	**(3,053,887)**	**(338,527)**
Investing activities			
Payments for property, plant and equipment		-	(7,449)
Net cash outflow from investing activities		**-**	**(7,449)**
Financing activities			
Proceeds from issue of shares, net of transaction costs		895,161	-
Proceeds from borrowings		170,000	1,258,690
Transaction costs related to issue of shares and borrowings		(81,276)	(56,030)
Net cash inflow from financing activities		**983,885**	**1,202,660**
Net (decrease)/increase in cash and cash equivalents		**(2,070,002)**	**856,684**
Cash and cash equivalents at the beginning of the financial year		2,171,183	1,350,130
Foreign exchange adjustment to cash balance		1,849	(35,631)
Cash and cash equivalents at end of the year		**103,030**	**2,171,183**

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 2023

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 2023.

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

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

The financial statements were authorised on 28 March 2024 by the directors of the company.

The directors have the power to amend and reissue the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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

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 2023. 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 2023.

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.

B. Foreign currency translation

(I) FUNCTIONAL CURRENCY

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

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

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

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

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

(II) PRESENTATION CURRENCY

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

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

C. Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

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

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

Sale of goods

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

Rendering of services

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

Interest

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

Other revenue

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

D. Income tax

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

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

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

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

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

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

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

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

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

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

E. Right-of-use assets

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

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

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

F. Lease liabilities

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

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

G. Finance costs

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

H. Cash and cash equivalents

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

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

I. Trade and other receivables

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

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

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

J. Trade and other payables

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

K. Contract liabilities

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

L. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

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

Financial assets at fair value through profit or loss

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

(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or

(ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

M. Employee benefits

(I) WAGES AND SALARIES AND ANNUAL LEAVE

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

(II) RETIREMENT BENEFIT OBLIGATIONS

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

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

N. Current vs non-current

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

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

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

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

O. Goods and services tax (GST)

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

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

P. Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Q. Parent entity information

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

R. Issued capital

Ordinary shares are classified as equity.

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

S. Share-based payments

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

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

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

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

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

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

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

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

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

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

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

T. Operating segments

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

U. Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

V. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

W. Accounting policy for Share Subscription Agreement

The Agreement is a hybrid financial instrument which includes a combination of debt financial liability, a derivative financial liability that represents the conversion feature to convert the debt instrument into a variable number of equity instruments and a derivative equity component representing the options issued.

On initial recognition, the embedded derivatives are recognised at fair value and the debt host liability is initially recognised based on the residual value from deducting the fair value of the embedded derivatives from the amount of consideration received from issuing the instruments. The arrangement holds a number of derivatives that all appear closely related. If a derivative is closely related to the host contract, it is not required to be recognized separately in accordance with the requirements of AASB 9. As these derivatives are closely related to the instrument, they have all been accounted for as a single embedded derivative.

The debt component is subsequently recognised as a financial liability at amortised cost, net of transaction costs. The difference between the fair value of the debt component on initial recognition and the redemption amount is recognised in profit or loss over the period of the instrument using the effective interest method.

The derivative liability is subsequently measured at fair value through profit or loss, with all gains or losses in relation to the movement of fair value being recognised in the profit or loss.

Transaction costs are apportioned to the debt liability, the embedded derivative and equity component in proportion to the allocation proceeds. The transaction costs attributed to the conversion feature are expensed immediately and transaction costs attributed to debt and equity components are offset against these components.

Financial liabilities are removed when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of the financial liability that has been extinguished and the consideration paid is recognised in profit or loss or other income finance costs.

X. Rounding of amounts

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

Y. Going concern

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

As disclosed in the financial statements, the Group incurred a loss after tax of US$2,844,279 (2022: US$1,537,740) and had net cash outflows from operating activities of US$3,053,887 (2022: US$338,527) for the year ended 31 December 2023. As at that date, the Group had net current liabilities of $827,859 and net liabilities of $805,991.

The Directors believe that it is reasonably foreseeable 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$103,030 as of 31 December 2023;
- $541,067 of current liabilities is an advanced purchase credit and will therefore be settled through the issue of shares with no cash impost;
- As announced to ASX on 29 February 2024, WhiteHawk announced an oversubscribed A$2m placement to support growth in cybersecurity for artificial intelligence and machine learning. The full agreed proceeds, net of costs, were received on 7 March 2024;
- As announced to ASX on 11 December 2023, WhiteHawk executed AI based Cyber Risk Contract with Top 5 Global Social Media Company valued at US$1.2M annually, which is expected to be received in monthly instalments;

- As announced to ASX on 31 October 2022, under the executed agreement with Lind Global Fund II, LP ("investor), the investor agreed to fund additional A$1m on pro-rata pricing and terms of initial A$2m funding, upon mutual agreement between the investor and the Company. The Company will access the additional A$1m funding only in circumstances of additional funding required to cover timing difference of executing sales opportunities;
- Whitehawk has the ability to scale back a significant portion of its operational costs and development activities if required; and
- If required, Whitehawk has the ability to continue to raise additional funds on a timely basis pursuant to the Corporations Act 2001. In addition, as disclosed in the quarterly cash flow report for the period ended 31 January 2024, WhiteHawk has short term bank and US government agency financing to provide immediate cash funding requirement until completion of any required capital raising.

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

There have been no accounting pronouncements which have become effective from 1 January 2023 that have had a significant impact on the Group's financial results or position.

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

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

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

CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Share based payments

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

In addition to the estimation uncertainty in relation to the inputs into the fair value models, there is inherent uncertainty in respect of the likelihood that non-market related performance hurdles reflected in Note 13(c) will be achieved. There is uncertainty around the timing and achievement of non-market conditions for performance and consequently the vesting periods have been estimated based on reasonable expectations.

Fair Value of Derivative Instrument

Included in the Financial Liability in Note 8 are a number of derivative instruments embedded within the liability. The Directors have exercised their judgement and determined that the derivative components are closely related, and consequently, the financial liability has been recognized as a single financial instrument, and not recognized separately in accordance with the requirements of AASB 9. There is significant judgement and estimation uncertainty in relation to the assumptions and inputs used in determining the fair value of the derivative component of this financial liability.

2. REVENUE

	For the Year Ended 31 Dec 2023 US$	For the Year Ended 31 Dec 2022 US$
Rendering of services and sale of goods		
Goods transferred over time (United States)	1,800,081	3,215,299
Total sales revenue	**1,800,081**	**3,215,299**
Interest income	3,373	2,549
Total other income	**3,373**	**2,549**
Total income	**1,803,454**	**3,217,848**

3. INCOME TAX EXPENSE

The Components of Tax Expense Comprise:	For the Year Ended 31 Dec 2023 US$	For the Year Ended 31 Dec 2022 US$
Current tax	-	-
Deferred tax	-	-
	-	-

(a) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Loss from continuing operations before income tax expense	**(2,844,279)**	**(1,537,740)**
Tax at the Australian tax rate of 25% (2022 – 25%)	(711,070)	(384,435)
Add tax effect of:		
- Other assessable items	-	47,482
- Other non-allowable items	161,766	46,484
Less tax effect of:		
- Other non-assessable items	(20,277)	-
- Other deductible items	(40,687)	(23,191)
Carried forward tax benefit not recognized in the current year	610,268	313,660
Total income tax expense	**-**	**-**

The Group has carry forward tax losses related to international operations of approximately US$14,180,886 (2022: US$11,747,258), 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 2023 US$	As at 31 Dec 2022 US$
Cash at bank and in hand	103,030	2,171,183
	103,030	**2,171,183**

5. TRADE AND OTHER RECEIVABLES

	As at 31 Dec 2023 US$	As at 31 Dec 2022 US$
CURRENT		
Trade receivables	120,934	223,725
Other receivables	163,054	111,188
	283,988	**334,913**

Aging Analysis

	0 – 3 months US$	Non-Cash US$	Total US$
31 December 2023	269,027	14,961	**283,988**
31 December 2022	235,265	99,648	**334,913**

6. PROPERTY, PLANT AND EQUIPMENT

	As at 31 Dec 2023 US$	As at 31 Dec 2022 US$
Office equipment at cost	58,054	58,054
Accumulated depreciation	(48,978)	(46,231)
Closing balance	**9,076**	**11,823**
Right of use assets – leased office	354,002	354,002
Accumulated depreciation	(229,958)	(174,659)
Closing balance	**124,044**	**179,343**
	133,120	**191,166**

	Office Equipment	Right of Use Assets	Total
Balance at 1 January 2022	**6,928**	**70,802**	**77,730**
Additions	7,449	143,757	151,206
Depreciation	(2,554)	(65,095)	(67,649)
Adjustment to accumulated depreciation	-	29,879	**29,879**
Balance at 31 December 2022	**11,823**	**179,343**	**191,166**
Additions	-	-	-
Depreciation	(2,490)	(50,131)	(52,621)
Adjustment to accumulated depreciation	(257)	(5,168)	**(5,425)**
Balance at 31 December 2023	**9,076**	**124,044**	**133,120**

7. TRADE AND OTHER PAYABLES

	As at 31 Dec 2023 US$	As at 31 Dec 2022 US$
CURRENT		
Trade payables	124,008	229,165
Payroll liabilities	32,945	3,206
Accrued expenses	65,023	106,800
Loans from key management personnel	120,561	-
Other payables	92,082	-
	434,619	**339,171**

Loans from Key Management Personnel

During the financial year, the following loans were provided by key management personnel:

a) $70,000 from Kevin Goodale. The loan is repayable by 1 May 2024 and interest is capitalised monthly at 12.1% per annum (2022: nil). Unpaid interest accrued to 31 December 2023 was $494.
b) $50,000 from Soo Kim. The loan is repayable by 1 May 2024 and interest is capitalised monthly at 12.1% per annum (2022: nil). Unpaid interest accrued to 31 December 2023 was $67.

8. FINANCIAL LIABILITIES

	As at 31 Dec 2023 US$	As at 31 Dec 2022 US$
CURRENT		
Shares issuable under subscription agreement	541,067	1,009,324
	541,067	**1,009,324**
Balance at the beginning of the year	1,009,324	-
Liability recognised on drawdown	-	1,009,324
Converted to shares	(691,210)	-
Interest expense	458,767	-
Gain on derivative	(235,814)	-
	541,067	**1,009,324**

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

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

9. CONTRACT LIABILITIES

	As at 31 Dec 2023 US$	As at 31 Dec 2022 US$
Contract liabilities	**421,069**	**1,260,754**

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

Opening balance	1,260,754	1,070,825
Amounts invoiced to customers	2,221,150	3,405,228
Transfer to revenue - included in the opening balance	(1,260,754)	(1,070,525)
Transfer to revenue - other balances	(1,800,081)	(2,144,774)
Total contract liabilities	**421,069**	**1,260,754**

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $421,069 as at 31 December 2023 ($1,260,754 as at 31 December 2022) and is expected to be recognised as revenue in future periods as follows:

	As at 31 Dec 2023 US$	As at 31 Dec 2022 US$
Within 6 months	365,117	433,875
6 to 12 months	55,952	826,879
	421,069	**1,260,754**

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 2023 US$	As at 31 Dec 2022 US$
Lease Liability		
Balance at beginning of the year	236,626	94,425
Additions	-	222,152
Interest expense	23,904	7,706
Lease payments	(73,692)	(87,657)
Balance at the end of the year	**186,838**	**236,626**

Current lease liability	75,586	68,667
Non-current lease liability	111,252	167,959
Balance at the end of the year	**186,838**	**236,626**

11. CONTRIBUTED EQUITY

A. SHARE CAPITAL

	As at 31 December 2023		As at 31 December 2022	
	No. of Shares	**US$**	**No. of Shares**	**US$**
Ordinary shares				
At the beginning of the year	240,724,749	13,475,921	227,074,542	13,475,921
Issue of shares	87,048,327	1,703,152	13,000,000	-
Shares issued on vesting of performance rights and share award to an employee of the Company	1,564,313	119,374	650,207	-
At the end of the year	**329,337,389**	**15,298,447**	**240,724,749**	**13,475,921**

Ordinary shares

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

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

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

B. OPTIONS

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

1. 5,000,000 unlisted options expiring 24 September 2024, exercisable at AU$0.30 each;
2. 22,500,000 unlisted options expiring 12 May 2026, exercisable at AU$0.10 each.

C. PERFORMANCE RIGHTS

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

1. 1,285,480 unlisted performance rights over unissued ordinary shares were on issue. The performance rights will vest and convert into equivalent number of shares for every year of service by non-executive directors of the Company.

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

(a) 677,260 relating to service provided by non-executive directors of the Company.

D. STOCK APPRECIATION RIGHTS

As at the balance date, the following stock appreciation rights were on issue:

1. 25,029,711 stock appreciation rights held by Terry Roberts (Chief Executive Officer and Executive Chair), as approved by shareholders on 10 May 2023.
2. 5,000,000 stock appreciation rights held by Soo Kim (Chief Operating Officer).
3. 200,000 stock appreciation rights held by an employee of the Company.

887,053 stock appreciation rights vested and converted to 887,053 ordinary shares on 20 January 2023.

12. RESERVES

	Performance Rights and Options Reserve US$	Foreign Currency Translation Reserve US$	Total Reserves US$
Balance at 1 January 2022	**1,653,224**	**(184,835)**	**1,468,389**
Share-based payments expense	402,529	-	**402,529**
Foreign currency translation differences arising during the year	-	(126,860)	**(126,860)**
Balance at 31 December 2022	**2,055,753**	**(311,695)**	**1,744,058**
Share-based payments expense	250,423	-	**250,423**
Transfer within equity on conversion of performance rights	(119,374)	-	**(119,374)**
Foreign currency translation differences arising during the year	-	(18,313)	**(18,313)**
Balance at 31 December 2023	**2,186,802**	**(330,008)**	**1,856,794**

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 2023 and 31 December 2022 and this is the format of the information provided to the chief operating decision maker.

Segment performance

	Australia		USA		Total	
	December 2023	December 2022	December 2023	December 2022	December 2023	December 2022
	US$	US$	US$	US$	US$	US$
External sales	-	-	1,800,081	3,215,299	1,800,081	3,215,299
Total segment revenue	**-**	**-**	**1,800,081**	**3,215,299**	**1,800,081**	**3,215,299**
Segment operating result	(858,606)	(612,361)	(1,668,293)	(801,270)	(2,526,899)	(1,413,631)
EBITDA	**(858,606)**	**(612,361)**	**(1,668,293)**	**(801,270)**	**(2,526,899)**	**(1,413,631)**
Depreciation and amortisation	-	-	(52,621)	(67,649)	(52,621)	(67,649)
Finance costs	(233,521)	(810)	(31,238)	(55,650)	(264,759)	(56,460)
Loss before income tax expense	**(1,092,127)**	**(613,171)**	**(1,752,152)**	**(924,569)**	**(2,844,279)**	**(1,537,740)**
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	**(1,092,127)**	**(613,171)**	**(1,752,152)**	**(924,569)**	**(2,844,279)**	**(1,537,740)**

Assets and liabilities

	Australia		USA		Total	
	December 2023	December 2022	December 2023	December 2022	December 2023	December 2022
	US$	US$	US$	US$	US$	US$
Segment assets	158,667	304,269	618,935	2,644,632	777,602	2,948,901
Segment liabilities	701,254	1,134,601	882,339	1,711,274	1,583,593	2,845,875

Intersegment transactions

There were no intersegment transactions in the financial year.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

14. SHARE BASED PAYMENTS

During the twelve (12) months to 31 December 2023, the following transactions were equity settled by the Group:

Performance Rights

Grant Date	Expiry Date	Exercise Price	Balance at 1 Jan 2023	Granted	Converted	Lapsed/ Forfeited	Balance at 31 Dec 2023
19/01/2018	19/01/2023	-	200,000	-	(200,000)	-	-
14/05/2021	14/05/2026	-	762,740	-	(200,000)	-	562,740
06/05/2022	06/05/2027	-	1,000,000	-	(277,260)	-	722,740
		Total	**1,962,740**	**-**	**(677,260)**	**-**	**1,285,480**
Weighted average exercise price			**AU$-**	**AU$-**	**AU$-**	**AU$-**	**AU$-**

Options

Grant Date	Expiry Date	Exercise Price	Balance at 1 Jan 2023	Granted	Converted	Lapsed	Balance at 31 Dec 2023
20/12/2017	23/01/2023	AU$0.20	10,000,000	-	-	(10,000,000)	-
24/09/2021	24/09/2024	AU$0.30	5,000,000	-	-	-	5,000,000
12/05/2023	12/05/2026	AU$0.10	-	22,500,000	-	-	22,500,000
		Total	**15,000,000**	**22,500,000**	**-**	**(10,000,000)**	**27,500,000**
Weighted			**AU$0.23**	**AU$0.10**	**-**	**AU$0.20**	**AU$0.14**

Stock Appreciation Rights

Grant Date	Expiry Date	Exercise Price	Balance at 1 Jan 2023	Granted	Converted	Lapsed	Balance at 31 Dec 2023
12/05/2023	01/06/2027	-	-	25,029,711	-	-	25,029,711
18/11/2021	31/12/2024	-	5,787,053	-	(787,053)	-	5,000,000
21/09/2022	End of Employment	-	300,000	-	(100,000)	-	200,000
		Total	**6,087,053**	**25,029,711**	**(887,053)**	**-**	**30,229,711**
Weighted			**AU$-**	**AU$-**	**AU$-**	**AU$-**	**AU$-**

During the financial year, the company issued 25,029,711 Stock Appreciation Rights (SAR) units to Terry Roberts, Executive Chair of the Company as approved by shareholders on 10 May 2023.

The SAR's are denominated either "Price SAR Units" or "Revenue SAR Units".

Vesting Conditions - Price SAR Units

a) Upon, the first date that the Fair Market Value of the Common Stock appreciates and exceeds AU$0.209, provided Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date, 7,857,143 SAR Units shall become vested with an expiration date of June 1, 2027.
b) Upon, the first date that the Fair Market Value of the Common Stock appreciates and exceeds AU$0.285, provided Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date, 6,818,182 SAR Units shall become vested with an expiration date of June 1, 2027.
c) Upon, the first date that the Fair Market Value of the Common Stock appreciates and exceeds AU$0.361, provided Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date, 6,333,333 SAR Units shall become vested with an expiration date of June 1, 2027.
d) Upon, the first date that the Fair Market Value of the Common Stock appreciates and exceeds AU$0.437, provided Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date, 2,421,053 SAR Units shall become vested with an expiration date of June 1, 2027.

Vesting Conditions - Revenue SAR Units

a) **Class A Revenue SAR Units** - Upon the release of WHK's annual report, provided that the Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date:
   (i) 160,000 Class A Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2023 is greater than US$4,822,949;

   - (ii) 160,000 Class A Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2024 is greater than US$4,822,949;
   - (iii) 160,000 Class A Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2025 is greater than US$4,822,949; and
   - (iv) 160,000 Class A Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2026 is greater than US$4,822,949.
   - (v) Each Class A Revenue SAR Unit will expire on June 1, 2027.

b) **Class B Revenue SAR Units** - Upon the release of WHK's annual report, provided that the Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date:
   - (i) 80,000 Class B Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2023 is greater than US$5,626,773;
   - (ii) 80,000 Class B Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2024 is greater than US$5,626,773;
   - (iii) 80,000 Class B Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2025 is greater than US$5,626,773;
   - (iv) 80,000 Class B Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2026 is greater than US$5,626,773;
   - (v) Each Class B Revenue SAR Unit will expire on June 1, 2027.

c) **Class C Revenue SAR Units** - Upon the release of WHK's annual report, provided that the Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date:
   - (i) 80,000 Class C Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2023 is greater than US$6,430,598;
   - (ii) 80,000 Class C Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2024 is greater than US$6,430,598;
   - (iii) 80,000 Class C Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2025 is greater than US$6,430,598;
   - (iv) 80,000 Class C Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2026 is greater than US$6,430,598;
   - (v) Each Class C Revenue SAR Unit will expire on June 1, 2027.

d) **Class D Revenue SAR Units** - Upon the release of WHK's annual report, provided that the Grantee has continued in the employment of the Corporation or any Affiliate of the Corporation from the Grant Date through such date:
   - (i) 80,000 Class D Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2023 is greater than US$7,234,423;
   - (ii) 80,000 Class D Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2024 is greater than US$7,234,423;
   - (iii) 80,000 Class D Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2025 is greater than US$7,234,423;
   - (iv) 80,000 Class D Revenue SAR Units shall vest if Annual Revenue for the year ended December 31, 2026 is greater than US$7,234,423;

(v) Each Class D Revenue SAR Unit will expire on June 1, 2027

Payment for Vested Price SAR Units

a) The Grantee shall be issued an amount of Common Stock in WHK or cash (or combination of shares and cash) equal to the Price SAR Unit Value upon the vesting of any Price SAR Units.
b) The "Price SAR Unit Value" is the difference between the target Fair Market Value of one share of the Corporation's Common Stock and the Base Price of the Price SAR Unit multiplied by the number of vested Price SAR Units, where:
   (i) the "Base Price" is AU$0.076; and
   (ii) the "Fair Market Value" is the five-day VWAP of WHK Common Stock at the vesting date.

Payment for Vested Revenue SAR Units

a) The Grantee shall be issued an amount of Common Stock in WHK or cash (or combination of shares and cash) equal to the Revenue SAR Unit Value upon the vesting of any Revenue SAR Units.
b) The "Revenue SAR Unit Value" is Australian dollar amount equal to the number of vested Revenue SAR Units.

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

	For the Year Ended 31 Dec 2023 US$	For the Year Ended 31 Dec 2022 US$
Vesting expense of performance rights issued to directors	33,164	66,415
Vesting expense of Stock Appreciation Right Units issued to director and key management personnel	124,592	48,081
Issue of 7.5m options to advisors	92,667	-
Total	**250,423**	**114,496**

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

	Advisor Options	Facility Options
Number of options/rights issued	7,500,000	15,000,000
Exercise price	AU$0.10	AU$0.10
Expiry date	12/05/2026	12/05/2026
Share price on issue date	AU$0.04	AU$0.06
Dividend rate	-	-
Risk free rate	3.20%	3.45%
Volatility rate	109%	90%
Value per option/right	AU$0.0184	AU$0.0284

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

	For the Year Ending 31 Dec 2023 US$	For the Year Ending 31 Dec 2022 US$
Loss for the year	**(2,844,279)**	**(1,537,740)**
Depreciation expense	52,621	67,649
Share-based payments expense	250,423	114,496
Interest expense on finance leases	233,520	56,460
Other non-cash expenses	2,754	23,566
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	45,098	714,032
(Decrease)/increase in trade and other payables	(794,024)	223,010
Net cash outflow from operating activities	**(3,053,887)**	**(338,527)**

16. CHANGES IN FINANCIAL LIABILITIES ARISING FROM FINANCING ACTIVITIES

	For the Year Ending 31 Dec 2023 US$	For the Year Ending 31 Dec 2022 US$
Other loans		
Balance at the beginning of the financial year	1,009,324	**-**
Share issuable under share subscription agreement (see Note 10)	-	1,009,324
Converted to ordinary shares	(691,210)	-
Gain/(loss) on revaluation of financial liability	222,953	-
Balance at the end of the financial year	**541,067**	**1,009,324**

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 2023 US$	As at 31 Dec 2022 US$
Cash and cash equivalents	103,030	2,171,183
Trade and other receivables	283,988	334,913

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 2023		
Financial assets	148,093	-
Financial liabilities	701,254	-
31 December 2022		
Financial assets	135,617	-
Financial liabilities	1,009,323	-

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 2023	(68,646)	68,460	(68,646)	68,460
31 December 2022	(47,307)	47,307	(47,307)	47,307

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$
2023					
Financial Assets					
Cash and cash equivalents	3.06%	-	103,030	-	103,030
Trade and other receivables	-	283,988	-	-	283,988
Total financial assets		**283,988**	**103,030**	**-**	**387,018**
Financial Liabilities					
Trade and other payables	-	434,619	-	-	434,619
Other financial liabilities	-	541,067	-	-	541,067
Total financial liabilities	**-**	**975,686**	**-**	**-**	**975,686**
2022					
Financial Assets					
Cash and cash equivalents	0.00%	-	2,171,183	-	2,171,183
Trade and other receivables	-	334,913	-	-	334,913
Total financial assets		**334,913**	**2,171,183**	**-**	**2,506,096**
Financial Liabilities					
Trade and other payables	-	339,171	-	-	339,171
Other financial liabilities	-	1,009,323	-	-	1,009,323
Total financial liabilities	**-**	**1,348,494**	**-**	**-**	**1,348,494**

	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$
2023				
Current Assets				
Trade and other receivables	283,988	269,027	-	-
Total	**283,988**	**269,027**	**-**	**-**
Financial liabilities				
Trade and other payables	434,619	434,619	-	-
Total	**434,619**	**434,619**	**-**	**-**
2022				
Current Assets				
Trade and other receivables	334,913	235,265	-	-
Total	**334,913**	**235,265**	**-**	**-**
Financial liabilities				
Trade and other payables	339,171	339,171	-	-
Total	**339,171**	**339,171**	**-**	**-**

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.

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
2023				
Financial liabilities				
Shares issuable under subscription agreement	-	541,067	-	541,067
Total	**-**	**541,067**	**-**	**541,067**
2022				
Financial liabilities				
Shares issuable under subscription agreement	-	1,009,323	-	1,009,323
Total	**-**	**1,009,323**	**-**	**1,009,323**

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 2023 US$	For the Year Ended 31 Dec 2022 US$
RSM Australia Partners		
- Audit of the financial statements	36,500	34,000

19. EARNINGS PER SHARE

	2023 US Cents	2022 US Cents
From continuing operations		
Basic earnings per share	(1.04)	(0.67)
Diluted earnings per share	(1.04)	(0.67)
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	272,417,958	229,719,258
- Diluted earnings per share	272,417,958	229,719,258
Weighted average number of other securities outstanding not included in diluted EPS calculations as the securities are anti-dilutive in nature	42,580,783	22,265,173
Net loss after tax used in calculation of earnings per share	($2,844,279)	($1,537,740)

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 and Note 7.

21. COMMITTMENTS

Finance Lease

The future minimum lease payments were as follows:

	Minimum Lease Payments Due			
	Within 1 Year	**1-5 Years**	**After 5 Years**	**Total**
	USD	**USD**	**USD**	**USD**
31 December 2023	75,586	111,253	-	**186,839**
31 December 2022	59,577	216,996	-	**276,573**

22. CONTINGENT ASSETS AND LIABILITIES

The Group did not have any contingent assets or liabilities at 31 December 2023 (31 December 2022: nil).

23. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

a) On 29 February 2024, WhiteHawk announced oversubscribed A$2m placement to support growth in cybersecurity for artificial intelligence and machine learning. The full agreed proceeds, net of costs, were received on 7 March 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

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

24. CONTROLLED ENTITIES

Controlled entities consolidated:

<table>
<tr><th rowspan="2"></th><th rowspan="2">Country of Incorporation</th><th colspan="2">Percentage Owned (%)</th></tr>
<tr><th>2023</th><th>2022</th></tr>
<tr><td>Legal Parent Entity</td><td></td><td></td><td></td></tr>
<tr><td>WhiteHawk Limited (accounting subsidiary)</td><td>Australia</td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Subsidiaries of WhiteHawk Limited</td><td></td><td></td><td></td></tr>
<tr><td>WhiteHawk CEC Inc (accounting parent)</td><td>USA</td><td>100%</td><td>100%</td></tr>
</table>

25. PARENT ENTITY DISCLOSURES

	2023 US$	2022 US$
WhiteHawk Limited		
Statement of financial position		
Assets		
Total current assets	158,667	304,270
Total non-current assets	-	11,576,867
Total assets	**158,667**	**11,881,137**
Liabilities		
Total current liabilities	701,254	1,134,603
Total liabilities	**701,254**	**1,134,603**
Net assets	**(542,587)**	**10,746,534**
Equity		
Contributed equity	15,190,058	13,367,532
Reserves	1,121,802	866,296
Accumulated losses	(16,854,447)	(3,487,294)
Total equity	**(542,587)**	**10,746,534**
Statement of profit or loss and other comprehensive income		
Loss for the year	(13,367,153)	(69,585)
Other comprehensive (loss)/income	(18,312)	(126,860)
Total comprehensive loss	**(13,385,465)**	**(196,445)**

During the financial year, the Company fully impaired the intercompany loan receivable from its legal subsidiary, Whitehawk Inc, due to the deficiency in net assets in the subsidiary. An impairment expense of $12,143,226 has been recognised in the current year.

A. GUARANTEES ENTERED INTO BY THE PARENT ENTITY

The parent entity has not entered into any guarantees as at 31 December 2023 (2022: nil).

B. CONTINGENT ASSETS OR LIABILITIES

The parent entity does not have any contingent assets or liabilities as at 31 December 2023 (2022: nil).

C. COMMITMENTS

The parent entity does not have any commitments as at 31 December 2023 (2022: nil).

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.

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
28 March 2024

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 2023, 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 2023 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.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Recognition of revenue
Refer to Note 2 in the financial statements</td></tr>
<tr><td>As at 31 December 2023, the Company had recognised US$1,800,081 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.</td><td>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.</td></tr>
<tr><td colspan="2">Share Based Payments
Refer to Note 14 in the financial statements</td></tr>
<tr><td>Share-based payments resulted in an expense of US$250,423 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 an element of estimation uncertainty. Share based payments are therefore considered to be Key Audit Matter for the year under review.</td><td>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.</td></tr>
</table>

Financial liabilities Refer to Note 8 in the financial statements	
During the prior financial year, the Company entered into an agreement with Lind Global Fund II, LP ("Funding Agreement"), refer to note 8 for further details. The Funding Agreement is a hybrid instrument with the conversion feature being an embedded derivative liability which is required to be recognised at fair value through profit or loss. During the financial year, a number of share subscriptions under the facility occurred. We have identified the accounting for the Funding Agreement and related transactions during the year and at year end as a key audit matter due to the complexity and judgements involved in the subsequent measurement of the identified components.	Our audit procedures in relation to the share-based payments included the following: • Reviewing the Funding Agreement, to evaluate its terms; • Evaluating the accounting treatment proposed to determine whether it is in compliance with Australia Accounting Standards; • Confirming that the instrument is a hybrid instrument, consisting of a host liability, an equity component, and an embedded derivative; • Evaluating the reasonableness of management assumptions in relation to whether the derivative components are closely related, and consequently whether it was appropriate to classify the instrument as one financial liability. • Recalculating the fair value of the instrument at inception, and its subsequent measurement as at balance date; • Evaluating the reasonableness of key inputs to the valuation model; and • Evaluated the appropriateness of the related disclosures in respect of the instrument 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 2023 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 2023.

In our opinion, the Remuneration Report of Whitehawk Limited, for the year ended 31 December 2023, complies with section 300A of the Corporations Act 2001.

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

RSM

RSM Australia Partners

GNS

G N Sherwood
Partner

Sydney, NSW dated 28 March 2024

SHAREHOLDER INFORMATION

SPREAD OF SHAREHOLDERS

As of 19 March 2024, there were 4,629 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	96	15,919	0.00%
1,001 – 5,000	1,065	3,323,609	0.75%
5,001 – 10,000	799	6,267,025	1.42%
10,001 – 100,000	2,022	74,284,486	16.82%
100,001 and over	647	357,868,573	81.01%
Total	**4,629**	**441,759,612**	**100%**

Based on the price per security of 2.4 cents, number of holders with an unmarketable holding as of 19 March 2024: 2,716, with a total 21,314,614, amounting to 4.82% of Issued Capital.

SUBSTANTIAL SHAREHOLDERS

The Company's register of substantial shareholders recorded the information as of 19 March 2024.

Top 20 Holdings as of 19 March 2024		
Holder Name	**Balance**	**%**
TERESA WILLIAMS ROBERTS	22,520,999	5.10%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	12,878,585	2.92%
S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C>	11,926,108	2.70%
LIND GLOBAL FUND II LP	10,893,170	2.47%
COMSEC NOMINEES PTY LIMITED	6,640,047	1.50%
AYMON PACIFIC PTY LTD <JEREZOS DISCRETIONARY A/C>	6,536,331	1.48%
MR AMILCAR ALBINO MORENO	6,500,000	1.47%
NETSHARE NOMINEES PTY LTD	5,400,000	1.22%
GLOBAL CONSORTIUM HOLDINGS PTY LTD <FTW HOLDINGS A/C>	5,186,364	1.17%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	5,001,638	1.13%
CITICORP NOMINEES PTY LIMITED	4,386,170	0.99%
UBS NOMINEES PTY LTD	4,330,000	0.98%
MR VINCE ZANGARI	4,001,424	0.91%
MR DARREN JOHN HALL	3,658,861	0.83%
MS CHUNYAN NIU	3,333,334	0.75%
MR BERTRAND LALANNE	3,300,000	0.75%
MR NICHOLAS DERMOTT MCDONALD	3,111,111	0.70%
BRIAN HIBBELN	3,023,470	0.68%
MR DAVID MURRAY GUILLE <THE YALLINGUP A/C>	3,005,416	0.68%
FLOREANT AMBO PTY LTD <REZOS FAMILY SUPER FUND A/C>	2,770,834	0.63%
TOTAL TOP 20	**128,403,862**	**29.07%**