

Ragusa Minerals Limited

ABN 39 143 194 165

Interim Financial Report For the half-year ended 31 December 2022

Corporate Directory

Directors of Company

Jerko Zuvela
Olaf Frederickson
Melanie Ross

Company Secretary

Melanie Ross

Registered Office

Level 2
22 Mount Street
Perth, WA 6000

Share Register

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

Auditor

Criterion Audit Pty Ltd
Suite 2, 642 Newcastle Street
Leederville, WA 6902

Taxation Advisor

BDO East Coast Partnership
Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne, VIC 3000

Solicitors

QR Lawyers
Level 6
400 Collins Street
Melbourne, VIC 3000

Securities Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: RAS

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Directors' Report

The Board of Directors and management of Ragusa Minerals Limited ("RAS" or the "Company") and the entities it controlled (the "Group") present their interim report together with the financial statements of the Group for the half-year ended 31 December 2022 (Balance Date), and the auditor's report thereon.

Ragusa Minerals Limited is a company limited by shares and is listed on the Australian Securities Exchange (ASX). (ASX Code: RAS).

The Group has prepared a consolidated financial report incorporating the entity it controlled during the half year, being a wholly owned subsidiary.

Directors

The following persons held office as directors of Ragusa Minerals Limited during the half-year and up to the date of this report unless otherwise indicated:

Olaf Frederickson

Jerko Zuvela

Melanie Ross

Principal activities

The principal activities of the Group consisted of mineral exploration.

Financial results for the period

The consolidated loss attributable to shareholders of the Group was \$493,809 (2021: \$1,198,803). Please refer to the statement of profit or loss and other comprehensive income on page 9 for further information.

Review of Operations

Ragusa Minerals Limited is an Australian based mineral exploration company with an interest in the following projects – NT Lithium Project (comprising the Litchfield Lithium Project and Daly River Lithium Project) in Northern Territory, Burracoppin REE & Halloysite Project in Western Australia, Monte Cristo Gold Project in Alaska, USA, and Lonely Mine Gold Project in Zimbabwe.

During the reporting period and to date, the Company has made strong progress at the projects, with the key project milestones accomplished being:

- ✓ NT "Supergroup" Lithium Project exploration works confirmed high grade lithium prospectivity, with
 - Phase one RC drilling completed; and
 - All assays received with several positive LCT pegmatite indicators.
- ✓ Majority of Burracoppin REE & Halloysite Project drilling results from laboratory analysis received, aiming to delineate JORC resource;
- ✓ Monte Cristo Gold Project field exploration works conducted at priority prospects;
- ✓ Strong financial position with cash reserves of ~\$2.6 million at 31 December 2022;
- ✓ The Company held its Annual General Meeting.

Ragusa remains confident that key upcoming milestones and achievements will prove successful to demonstrate the high-value nature of the Company's projects and mineral prospectivity to ensure it is best placed to deliver value and upside potential for all its shareholders.

Key objectives for Ragusa during 2023, include;

- Continue exploration and drilling works at the NT "Supergroup" Lithium Project, with aim to delineate a JORC resource;
- Complete works to delineate a JORC resource at the Burracoppin REE & Halloysite Project;
- Review/assess exploration works conducted at the Monte Cristo Gold Project, targeting priority historical prospects and potential new prospects near nearby RPM discovery, and prepare plans for next stage works;

- Progress with a value-add proposition for the Lonely Mine Gold Project.

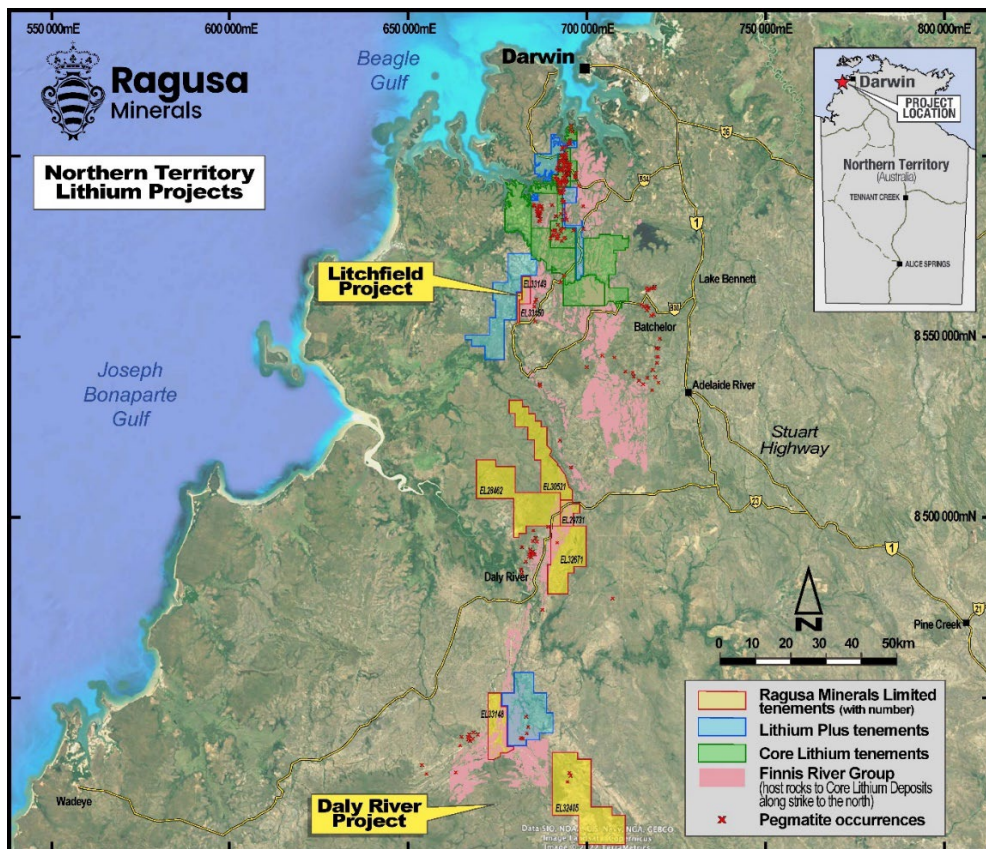
NT Lithium Project (Earn-in to initial 90% interest and rights to 100% interest)

The NT “Supergroup” Lithium Project is located in the highly prospective Litchfield Pegmatite Belt in Northern Territory, approximately 120km south of Darwin. RC drilling operations were conducted during the quarter with the drilling program targeting lithium bearing pegmatites beneath the weathering profile – evident at the Core Lithium Project located to the north.

During the reporting period and to date, the Company made substantial progress at the Project, with the major project milestones accomplished being:

- ✓ Received MMP approval for up to 38 drill sites, plus additional drilling in approved designated areas, enabling an increased drilling program, with planning for up to ~4000m from the approved sites;
- ✓ 18 drillholes comprising 1,505m of reverse circulation drilling were completed with pegmatite intercepted in 12 of the drillholes from 149 samples, and 232 x 1m interval samples (including duplicate buffer zone samples) were selected for laboratory analysis testing;
- ✓ Assay results confirmed several zones of elevated lithium values up to 0.35% Li₂O within shallow pegmatite intersections within the known lithium depleted zone. These results are a strong indication that the pegmatite is enriched at depth which the Company aims to test during 2023, as well as areas that were not accessible during the last drilling campaign;

Ragusa remains confident that key upcoming milestones and achievements will prove successful to demonstrate the long-term sustainability and progress toward commercial scale development at the NT Lithium Project.



NT “Supergroup” Lithium Project Location

Litchfield & Daly River Lithium Projects (100% interest)

The Company secured three tenements prospective for lithium in the Northern Territory, Australia – known as the Litchfield Lithium Project (Exploration Licence 33150 & Exploration Licence application 33149) and the Daly River Lithium Project (Exploration Licence 33148).

The project areas identified are highly prospective with proven hard rock lithium deposits and located within the Litchfield Pegmatite Belt – host to discoveries including the neighbouring Core Lithium Finniss Project, Lithium Plus,

Charger Metals and others.

The Company has combined these tenements with the NT Lithium Project to form the NT “Supergroup” Lithium Project, and will conduct exploration activities as a combined group across the whole project area.

Burracoppin REE & Halloysite Project (100% interest)

The Burracoppin Halloysite Project comprises granted exploration licences E70/5708 and E77/2774 (total of 68 blocks) located ~300 kilometres east of Perth in WA, and is prospective for REE, halloysite and kaolinite. The project is located near Merredin, with port access easily accessible via the Great Eastern Highway. All services required for a low-cost operation are in close proximity.

The Company conducted drilling operations at the project, and planned the maiden wide-spaced air-core drilling program targeting the open strike extensions of the adjacent halloysite-kaolin deposit, with the aim to delineate a JORC mineral resource.

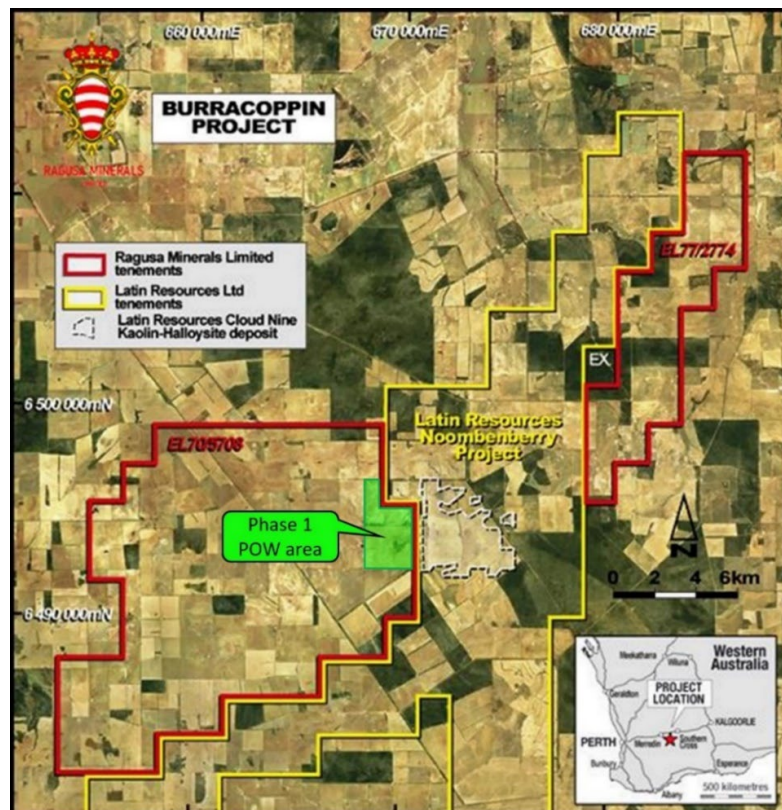
The first phase drilling program comprised 63 drill-site locations in a grid pattern based on 400 metre centres across the approved Program of Work area in tenement E70/5708, for a total of 1143 metres.

The drilling area covered approximately 5% of tenement E70/5708, with drill-chip logging data showing numerous significant intersections of white kaolinized granite from as shallow as 2m depth. These results also demonstrate continuity between drill-holes, with the wide-spaced drilling and the logged information indicating the mineralisation remains open in all directions.

Of the total metres drilled, 811m were considered to be comprised of kaolinitic material and have been sampled into composites based on colour variations for analysis. The majority of the laboratory analysis results were received during the quarter with the remaining x-ray diffraction (XRD) results from the last 97 samples (expected during current quarter).

Results received to date show the Burracoppin Project to be significantly endowed in bright white kaolinite, high grade halloysite and high grade rare earth elements, all within a near surface formation making the project a truly multi commodity proposition.

Upon receipt of the final XRD results, the Company will interpret, conduct volumetric modelling and resource estimation, to then delineate its maiden JORC 2012 resource.



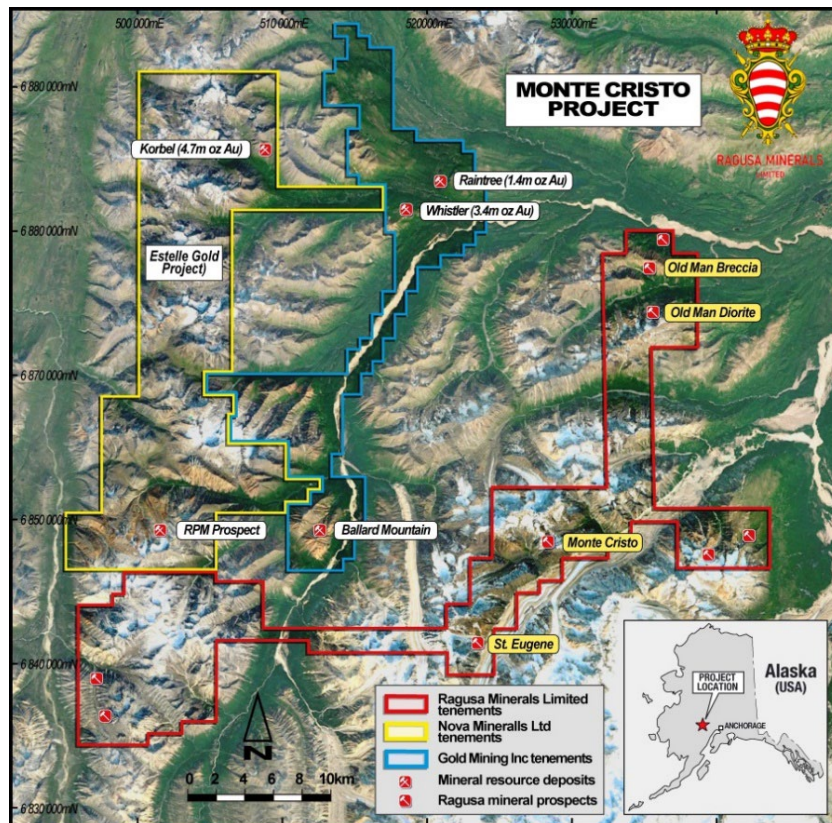
Burracoppin REE & Halloysite Project Location with Drilling Location Area

Monte Cristo Gold Project (100% interest)

The Monte Cristo Gold Project comprises 500 granted claims (tenements), totalling 323.74km², located in Alaska, USA. The Project is located within the vicinity of multi-million ounce gold projects discovered by Nova Minerals Ltd (Korbel deposit and RPM deposit) and GoldMining Inc (Whistler and Raintree deposits).

The Project area contains four historical prospects – Monte Cristo, St Eugene, Old Man Breccia and Old Man Diorite – and these will be priority exploration targets to conduct future exploration work. The Company will also conduct works to determine any geological similarities from the adjacent RPM and Korbel gold deposits within the neighbouring Estelle Gold Project.

The Company conducted field sampling works on the Old Man Breccia and Old Man Diorite prospects, and the RPM South prospect with data administration works currently being conducted prior to arranging samples for laboratory analysis works.



Monte Cristo Gold Project Location

Lonely Mine Gold Project (100% interest)

The Lonely Mine Gold Project is located ~88km north of Bulawayo, within the Bubi Greenstone Belt, in Zimbabwe. The Project covers greenstone belt lithology with multiple sub-parallel shear zones that host the historical Lonely and Tiberius gold mines and several other former mines, with similar geology as globally accepted Archean successions from Canada, Australia and South Africa.

Significant changes in state of affairs

There are no other significant changes in the state of affairs of the Group that occurred during the reporting period, other than as disclosed in this report.

Matters subsequent to the end of the financial period

On 6 January 2023, the Company announced the exercise of 851,963 options with an exercise price of \$0.09 per option. 851,963 shares were issued as a result of the options being exercised.

On 6 February 2023, the Company announced receiving historic drillhole data in the Tank Hill prospect area containing a significant pegmatite intercept with logged spodumene and corresponding elevated lithium from laboratory assay results from the Company's NT Lithium Project.

There are no other significant changes in the state of affairs of the Group that occurred during the reporting period,

other than as disclosed in this report.

Legal update

As noted in the Company's prospectus dated 3 August 2020 ("Re-Compliance Prospectus"), the Company has historically received a demand from a third-party claiming entitlements to alleged profits from past business operations (refer ASX releases 17 May 2017, 1 June 2017 and 19 December 2017). As disclosed in the Re-Compliance Prospectus, the approximate quantum of the demand (excluding costs and any interest) was \$400,000. This Company has recently received a writ issued in the Supreme Court of Victoria issued by Aurora Funds Management Limited relating to the subject matter disclosed in the Re-Compliance Prospectus ("Claim"). The Claim also identifies a past director as a co-defendant. The Company is seeking advice in relation to the Claim however its position, as stated in its Re-Compliance Prospectus, is unchanged. The Company denies any liability in respect of the Claim and intends to lodge a fulsome defence, updates will be provided in due course.

On 25 February 2022, the Company advised that it had become aware of a Writ and Statement of Claim issued in the Supreme Court of Victoria ("Writ") by Keybridge Capital Limited ("Keybridge") naming the Company as a co-defendant. The claims made by Keybridge in the Writ relate to matters connected with the sale by the Company of Aurora Funds Management Limited to Keybridge that took place in 2015 for a sale price of \$5,453,278.43. The auditors of the Company at the time of that sale are named as a co-defendant. Keybridge has claimed an unspecified quantum of damages, as well as interest and costs.

The Company denies the claims in the Writ and intends to defend the proceedings. The Company is in the process of progressing the Writ with its legal advisors. The Company will provide further updates as necessary.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8 of this financial report. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed for and on behalf of the Directors



Jerko Zuvela
Chair
Perth, Western Australia

28 February 2023

Ragusa confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Ragusa confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statements: Statements regarding plans with respect to the Company's mineral properties are forward looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as expected. There can be no assurance that the Company will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

Competent Person's Statement: *The information contained in this ASX release relating to Exploration Results for the NT "Supergroup" Lithium Project and Burracoppin REE & Halloysite Project has been reviewed by Mr Olaf Frederickson. Mr Frederickson is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Frederickson is a Non-Executive Director of Ragusa Minerals Ltd and consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from exploration at the Burracoppin Halloysite Project and historical exploration at the Litchfield Lithium Project, Daly River Lithium Project, and Monte Cristo Gold Project.*

Competent Person's Statement: *The information contained in this ASX release relating to Exploration Results for the Monte Cristo Project has been reviewed by Mr Jerko Zuvela. Mr Zuvela is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Zuvela is the Chairperson of Ragusa Minerals Ltd and consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from exploration at the Monte Cristo Gold Project.*

Criterion Audit Pty Ltd

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Phone: 9466 9009

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Ragusa Minerals Ltd and its controlled entities for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 28th day of February 2023

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2022

	Notes	Half-year ended	
		31-Dec 2022 \$	31-Dec 2021 \$
Revenue			
Interest income		7,135	1,475
Net foreign exchange gains		24,267	4,677
Total income		31,402	6,152
Expenses			
Audit and taxation		(12,356)	(9,277)
Contractors and consultants		(45,623)	(73,621)
Legal costs		(43,893)	(32,496)
Finance costs		(2,493)	(1,331)
Personnel costs		(187,000)	(36,581)
Share based payments	12	(116,611)	(697,403)
Administrative expenses		(105,720)	(354,246)
Exploration expenses		(420)	-
Total operating expenses		(514,116)	(1,204,955)
Loss before income tax		(482,714)	(1,198,803)
Income tax		-	-
Net loss for the year		(482,714)	(1,198,803)
Other comprehensive (loss)/income, net of income tax		(11,095)	1,778
Total comprehensive loss for the year		(493,809)	(1,197,025)
Earnings per share:			
Basic and diluted loss per share (cents)	13	(0.37)	(0.97)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated Statement of Financial Position As at 31 December 2022

	Notes	As At 31 December 2022 \$	As At 30 June 2022 \$
Current Assets			
Cash and cash equivalents		2,618,505	2,519,306
Other current assets	6	167,205	58,228
Total Current Assets		2,785,710	2,577,534
Non Current Assets			
Exploration and evaluation expenditure	7	3,411,589	2,417,834
Total Non Current Assets		3,411,589	2,417,834
Total Assets		6,197,299	4,995,368
Current Liabilities			
Trade and other payables	9	200,371	87,668
Total Current Liabilities		200,371	87,668
Total liabilities		200,371	87,668
Net Assets		5,996,928	4,907,700
Equity			
Share capital	10	14,925,767	13,459,341
Reserves	11	1,975,379	1,869,863
Accumulated losses		(10,904,218)	(10,421,504)
Total Equity		5,996,928	4,907,700

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated Statement of Changes in Equity For the half-year ended 31 December 2022

	Share Capital	Share Based Payments Reserve	Foreign Currency Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2021	12,655,624	1,048,800	1,893	(8,919,958)	4,786,359
Loss for the period	-	-	-	(1,198,803)	(1,198,803)
Other comprehensive income for the year, net of tax	-	-	1,778	-	1,778
Total comprehensive income for the year	-	-	1,778	(1,198,803)	(1,197,025)
Transaction with owners in the capacity as owners					
Share issue for cash	400,000	-	-	-	400,000
Shares issued in lieu of payment	24,000	-	-	-	24,000
Share issued to vendors	449,000	-	-	-	449,000
Share options granted	-	892,989	-	-	892,989
Share issue expense	(112,940)	-	-	-	(112,940)
Options exercised	37,858	-	-	-	37,858
Balance at 31 December 2021	13,453,542	1,941,789	3,671	(10,118,761)	5,280,241

	Share Capital	Share Based Payments Reserve	Foreign Currency Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2022	13,459,341	1,941,788	(71,925)	(10,421,504)	4,907,700
Loss for the period	-	-	-	(482,714)	(482,714)
Other comprehensive income for the year, net of tax	-	-	(11,095)	-	(11,095)
Total comprehensive income for the year	-	-	(11,095)	(482,714)	(493,809)
Transaction with owners in the capacity as owners					
Share options granted (Note 11)	-	116,611	-	-	116,611
Share issue expense (Note 10)	(16,364)	-	-	-	(16,364)
Options exercised (Note 10)	1,482,790	-	-	-	1,482,790
Balance at 31 December 2022	14,925,767	2,058,399	(83,020)	(10,904,218)	5,996,928

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated Statement of Cash Flows For the half-year ended 31 December 2022

	Half-year ended	
	31 December 2022	31 December 2021
Notes	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(539,661)	(490,415)
Interest received	7,135	1,475
GST received	65,452	4,798
Interest and other cost of finance paid	-	-
Net cash used in operating activities	(467,074)	(484,142)
Cash flows from Investing activities		
Payments for acquisition of exploration assets	-	(230,836)
Payments for exploration expenditure	(980,659)	(481,365)
Net cash used in operating activities	(980,659)	(712,201)
Cash flows from financing activities		
Proceeds from issue of shares	1,482,790	437,857
Capital raising costs	(16,364)	(8,378)
Proceeds received for shares not yet issued	76,677	-
Proceeds from issue of options	-	120
Net cash inflow from financing activities	1,543,103	429,599
Net (decrease)/increase in cash and cash equivalent	95,370	(766,744)
Cash and cash equivalents at the beginning of the period	2,519,306	4,199,139
FX movement	3,829	4,677
Cash and cash equivalents at the end of the period	2,618,505	3,437,072

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the half-year ended 31 December 2022

1. General information

Ragusa Minerals Limited (“RAS” or the “Company”) and the entities it controls (the “Group”) is a listed public company incorporated in Australia (ASX Code: RAS). The Consolidated Financial Statements for the half year ended 31 December 2022 comprise Ragusa Minerals and the subsidiaries it controls.

The financial statements are presented in Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Group’s financial statements for the financial year ended 30 June 2022. The Company’s 2022 Annual Report is available upon request and may be downloaded from the ASX website (www.asx.com.au).

The address of its registered office and principal place of business are as follows:

Level 2
22 Mount Street
Perth, WA 6000

2. Basis of preparation

Statement of compliance

The interim consolidated financial statements are a General Purpose Financial Report prepared in accordance with the *Corporations Act 2001* and AASB 134 ‘*Interim Financial Reporting*’.

The interim consolidated financial report does not include all the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report as at and for the year ended 30 June 2022.

The interim consolidated financial statements comply with IAS 34 Interim Financial Reporting.

The interim financial statements were authorised for issue by the directors as at the date of the directors’ report. The directors have the power to amend and re-issue the financial statements.

3. Significant accounting policies

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Adoption of New and Revised Accounting Standards

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The Group has adopted all applicable new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2022 that are mandatory to the current financial period. There has been no material impact on the financial statements or performance of the Group resulting from these new and amended Australian Accounting Standards.

The Group has not elected to early adopt any other new standards or amendments that are issued but not yet effective.

Notes to the Financial Statements

For the half-year ended 31 December 2022

3. Significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted

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

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

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.

Share-Based Payments

During the year the Company issued shares and share options to advisors as compensation for their services. The shares and share options constitute equity-settled transactions in accordance with AASB 2 Share Based Payments. The fair value of the equity-settled transactions (shares and share options) is determined by their fair value at the date when the grant was approved using an appropriate valuation model for the options issued respectively in accordance with AASB 2. The cost is recognised together with a corresponding increase in equity over the period in which the services were received.

Notes to the Financial Statements

For the half-year ended 31 December 2022

4. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. The estimates and assumption that have a significant inherent risk in respect of estimates based on future events, which could have a material impact on the assets and liabilities in the next financial year, are discussed below:

(a) Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

(b) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were 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. Refer to note 12 for further information.

Notes to the Financial Statements

For the half-year ended 31 December 2022

5. Segment Reporting

	Lonely Mine Gold Gold Project (Zimbabwe) \$	Monte Cristo Gold Project (Alaska) \$	Burracoppin Halloysite Project \$	Australian Head Office \$	Intersegment Eliminations \$	Consolidated \$
Half-year to 31 December 2022						
Other income	-	-	-	31,402	-	31,402
Other expenses	-	-	-	(514,116)	-	(514,116)
Segment loss	-	-	-	(482,714)	-	(482,714)
Segment assets	1,179,280	1,147,481	1,084,828	4,147,791	(1,362,081)	6,197,299
Segment liabilities	680,673	599,781	-	200,371	(1,280,454)	200,371
Full-year to 30 June 2022						
Other income	-	-	-	14,751	-	14,751
Other expenses	-	-	-	(1,516,297)	-	(1,516,297)
Segment loss	-	-	-	(1,501,546)	-	(1,501,546)
Segment assets	1,130,717	782,338	504,778	3,514,815	(937,280)	4,995,368
Segment liabilities	631,582	234,638	-	87,668	(866,220)	87,668

Description of segments

Lonely Mine Gold Project

A gold project based in Zimbabwe and made up of four granted tenements.

Monte Cristo Gold Project

A gold project based in Alaska and made up of five hundred granted tenements.

Burracoppin REE & Halloysite Project

A REE and halloysite/ kaolinite project based in Australia and made up of two granted tenements.

NT Lithium Project

A lithium project based in the Northern Territory and made up of six granted tenements, four of which are under the joint venture arrangement with May Drilling Pty Ltd.

Head Office in Perth

These are the overhead and administrative costs for the parent entity.

Notes to the Financial Statements

For the half-year ended 31 December 2022

6. Other Current Assets

	31-Dec-22	30-Jun-22
	\$	\$
Prepaid Insurance	94,500	18,193
Other debtors	494	100
Goods and service tax paid	72,211	39,935
Total other Current Assets	167,205	58,228

7. Exploration and Evaluation Expenditure

	31-Dec-22	30-Jun-22
	\$	\$
Balance at beginning of year	2,417,834	631,942
Acquisition of Burracoppin Halloysite Project (See note 8)	-	250,877
Acquisition of Stradun Australia Pty Ltd (See note 8)	-	547,794
Expenditure incurred	993,755	987,221
Total Exploration and Evaluation Expenditure	3,411,589	2,417,834

8. Asset Acquisition

On 16 September 2021, Ragusa Minerals Limited acquired 100% of the issued shares of Stradun Australia Pty Ltd for a cash consideration of \$230,836 and through the issue of 3,807,692 shares and 2,000,000 unlisted options (1,000,000 options with an exercise price of \$0.16 expiring on 8 September 2024 and 1,000,000 options with an exercise price of \$0.16 expiring on 8 September 2026). Stradun Australia Pty Ltd is an unlisted private company that was incorporated in Australia and owns 100% of Stradun Alaska LLC which owns the Monte Cristo Project in Alaska.

As the transactions was not deemed a business combination, the transaction must be accounted for as an asset acquisition.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

On 8 September 2021, Ragusa Minerals acquired two tenements, the Burracoppin Halloysite Project, through the issue of 3,076,923 shares and 1,000,000 unlisted options. The options expire on 8 September 2024 and have an exercise price of \$0.16.

Notes to the Financial Statements

For the half-year ended 31 December 2022

8 Asset Acquisition (Continued)

The fair value of the assets acquired at the date of acquisition and share based payments are outlined as follows:

	31-Dec-22 \$AUD	30-Jun-22
Purchase consideration:		
Cash consideration	-	230,836
6,884,615 Shares issued to vendors	-	449,000
1,000,000 Unlisted Options in lieu of cash at Fair Value	-	48,217
2,000,000 Unlisted Options in lieu of cash at Fair Value	-	70,618
Total purchase consideration	-	798,671
	Fair Value	Fair Value
Deferred exploration expenditure	-	798,671
Accounts payable	-	-
Net assets acquired	-	798,671

9. Trade and Other Payables

	31-Dec-22 \$	30-Jun-22 \$
Trade payables	89,154	79,522
Funds received in advance	76,677	-
Accruals and other payables	34,540	8,146
Total Trade and Other Payables	200,371	87,668

Notes to the Financial Statements

For the half-year ended 31 December 2022

10. Issued Capital

	31-Dec-22	30-Jun-22
	\$	\$
Issued Capital	14,925,767	13,459,341
	14,925,767	13,459,341

Ordinary share - issued and fully paid	31-Dec-22		30-Jun-22	
	No.	\$	No.	\$
At the beginning of the period	128,004,715	13,459,341	114,098,057	12,655,624
Contributions of equity	-	-	6,153,847	400,000
Shares issued in lieu of payment ¹	-	-	369,231	24,000
Shares issued to vendors (Note 8)	-	-	6,884,615	449,000
Share issue costs	-	(16,364)	-	(114,190)
Exercise of Options	13,742,108	1,482,790	498,965	44,907
At the end of the period	141,746,823	14,925,767	128,004,715	13,459,341

¹On 25 August 2021, 369,231 ordinary shares were issued in lieu of placement fees for the capital raising completed in August 2021.

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. Upon a poll every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital. At shareholder meetings each ordinary share is entitled to one vote in proportion to the paid up amount of share when a poll is called.

Set out below are movements in options on issue over ordinary shares of Ragusa Minerals Limited:

Exercise period	Exercise price	Beginning balance	Issued	Exercised	Lapsed	Ending balance
Unlisted options:						
On or before 31 Dec 2022	0.12	45,000,000	-	(8,000,000)	(37,000,000)	-
On or before 31 Dec 2022	0.12	1,000,000	-	(200,000)	(800,000)	-
On or before 31 Dec 2022	0.09	9,090,110	-	(5,542,108)	(2,696,039)	851,963
On or before 25 Aug 2024	0.12	2,000,000	-	-	-	2,000,000
On or before 08 Sept 2023	0.12	2,000,000	-	-	-	2,000,000
On or before 08 Sept 2024	0.16	2,000,000	-	-	-	2,000,000
On or before 08 Sept 2026	0.16	1,000,000	-	-	-	1,000,000
On or before 18 Oct 2024	0.16	10,000,000	-	-	-	10,000,000
On or before 24 Nov 2025	0.451	-	2,300,000	-	-	2,300,000
Total		72,090,110	2,300,000	(13,742,108)	(40,496,039)	20,151,963

Notes to the Financial Statements

For the half-year ended 31 December 2022

11. Equity Reserves

	31-Dec-22	30-Jun-22
	\$	\$
Share based payments reserve (a)	2,058,399	1,941,789
Foreign currency reserve	(83,020)	(71,926)
Total reserves	1,975,379	1,869,863

(a) Share based payments reserve.

Details of the share-based payments are in Note 12.

	31-Dec-22	30-Jun-22
	\$	\$
Balance at beginning of the year	1,941,788	1,048,800
- Broker Options (Recognised in equity) (1)	-	76,630
- Advisor Options (2)	-	635,019
- Employee Stock Options (3)	116,611	62,384
- Vendor Options (4)	-	118,835
- Options Subscription Funds (5)	-	120
	2,058,399	1,941,788

1) On 25 August 2021, the Company issued 2,000,000 options to Brokers as part of capital raising costs. The movement arising from the issue of the options is recorded as share issue costs (equity) in the Statement of Financial Position. The fair value of the Options has been assessed as \$76,630. The options have been valued using a standard binomial pricing model based on the fair value of the companies share at the grant date, using the following assumptions in Table 1 below in note 12.

2) On the 18 October 2021, the Company issued 10,000,000 options to third-party advisors. The fair value arising from the issue of options is recorded as share based payments in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and has been assessed as \$635,019.

3) On the 8 September 2021 and 24 November 2022, the Company issued 2,000,000 options and 2,300,000 options, respectively, to directors. The fair value arising from the issue of options is recorded as share based payments in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The fair value of the Options has been assessed as \$62,384 and \$116,611, respectively.

4) On 08 September 2021, the Company issued 1,000,000 options to acquire the Burracoppin Halloysite Project. At 30 June 2022, the fair value of the options was \$35,309.

On 16 September 2021, Ragusa Minerals Limited acquired 100% of the issued shares of Stradun Australia Pty Ltd for a cash consideration of \$230,836 and through the issue of 3,807,692 shares and 2,000,000 unlisted options (1,000,000 options with an exercise price of \$0.16 expiring on 8 September 2024 and 1,000,000 options with an exercise price of \$0.16 expiring on 8 September 2026). At 30 June 2022, the fair value of these options was \$83,526.

5) This amount relates to the funds paid to subscribe for 2,000,000 options issued on 25 August 2021 and 10,000,000 options issued on 18 October 2021 (2021: subscription fees for 46,000,000 options issued on the 29 September 2020).

Notes to the Financial Statements

For the half-year ended 31 December 2022

12. Share Based Payments

	31-Dec-22	30-Dec-21
	\$	\$
Advisor Options (1)	-	635,019
Incentive Director Options (2)	116,611	62,384
	116,611	697,403

During the period, the Company issued the following options:

- 1) On the 18 October 2021 the Company issued 10,000,000 Options to advisors. The fair value arising from the issue of options is recorded as share based payments in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and has been assessed as \$635,019.
- 2) On the 8 September 2021 and 24 November 2022, the Company issued 2,000,000 options and 2,300,000 options, respectively, to directors. The fair value arising from the issue of options is recorded as share based payments in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The fair value of the Options has been assessed as \$62,384 and \$116,611, respectively.

The Options will each be convertible into one ordinary share in the Company.

For the options issued during the financial period a standard binomial pricing model was used with the valuation model inputs used to determining the fair value at the grant date as follows:

Options	Granted	Subscripti on Price	Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Dividend Yield	Risk Free Interest Rate	Fair Value at grant date	Value \$
Lead Manager Options	2,000,000	0.00001	25-Aug-21	25-Aug-24	0.07	0.12	100%	-	0.14%	0.038	76,630
Incentive Option issued to Directors & Officers	2,000,000	-	08-Sep-21	08-Sep-23	0.08	0.12	100%	-	0.01%	0.031	62,384
Consideration for Monte Cristo & Burracoppin Halloysite Projects (MC Vendor)	2,000,000	-	08-Sep-21	08-Sep-24	0.08	0.16	100%	-	0.20%	0.035	70,618
Consideration for Monte Cristo (BH Vendor)	1,000,000	-	08-Sep-21	08-Sep-26	0.08	0.16	100%	-	0.67%	0.048	48,217
Advisor Options	10,000,000	0.00001	18-Oct-21	18-Oct-24	0.12	0.16	100%	-	0.68%	0.064	635,019
Incentive Option issued to Directors & Officers	2,300,000	-	24-Nov-22	24-Nov-25	0.132	0.451	100%	-	3.24%	0.051	116,611

Notes to the Financial Statements

For the half-year ended 31 December 2022

13. Earnings per share

	2022 Cents per share	2022 \$	2021 Cents per Share	2021 \$
Basic earnings per share attributable to the ordinary equity holders of the Group:	(0.37)	(482,714)	(0.97)	(1,198,803)
Total diluted earnings per share attributable to the ordinary equity holders of the Group:	(0.37)	(482,714)	(0.97)	(1,198,803)
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share:		131,053,504		123,136,498

14. Group entities

The ultimate controlling party of the Group is Ragusa Minerals Limited, incorporated in Australia.

Subsidiary	Country of incorporation	Ownership interest	
		31-Dec-22 %	30-Jun-22 %
Balancing Rocks Zim Pty Ltd	Australia	100	100
Westwood Industrial (Private) Limited #	Zimbabwe	100	100
Stradun Australia Pty Ltd	Australia	100	100
Stradun Alaska LLC ##	America	100	100

Westwood Industrial (Private) Limited is owned 100% by Balancing Rocks Zim Pty Ltd

Stradun Alaska LLC is owned 100% by Stradun Australia Pty Ltd

15. Related party disclosure

On 2 October 2020, the Company entered into an agreement with Consilium Corporate Pty Ltd, of which Melanie Ross is a director, for the provision of Director, CFO, Corporate Secretarial services. It was later amended during the 2021/22 financial year to include Directorship services. During the half year Consilium Corporate Pty Ltd invoiced the Company \$70,130 for Director, CFO and Corporate Secretarial Fees (30 June 2022: \$94,235). As at 31 December 2022, nil amounts was owing to Consilium Corporate Pty Ltd (30 June 2022: \$4,383).

During the half year, Olaf Frederickson, a director of the Company, is also an officer of BlackFynn Pty Ltd, a company who provided Director and project consultancy services following his appointment as Executive Director on 23 May 2022. During the half year BlackFynn Pty Ltd invoiced the Company \$169,753 (30 June 2022: \$114,084) for Director and project consultancy services. As at 31 December 2022, nil amounts was owing to BlackFynn Pty Ltd.

During the half year, Jerko Zuvela, a director of the Company, is also an officer of JAKKAZ Pty Ltd, a company who also provided Director services and invoiced the Company \$104,000 (30 June 2022: \$71,000) for Director services. As at 31 December 2022, nil amounts was owing to JAKKAZ Pty Ltd.

Notes to the Financial Statements

For the half-year ended 31 December 2022

16. Contingent assets and liabilities

There were no material changes to contingent liabilities or assets since 30 June 2022.

17. Commitments

Exploration and Evaluation

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial periods. Under certain circumstances, these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however they are expected to be fulfilled in the normal course of operations.

	31-Dec-22	30-Jun-22
	\$	\$
The company has tenement rental and expenditure commitments payable of:		
Not later than 12 months	173,475	116,050
Between 12 months and 5 years	931,700	582,000
	1,105,175	698,050

18. Legal Update

As noted in the Company's prospectus dated 3 August 2020 ("Re-Compliance Prospectus"), the Company has historically received a demand from a third-party claiming entitlements to alleged profits from past business operations (refer ASX releases 17 May 2017, 1 June 2017 and 19 December 2017). As disclosed in the Re-Compliance Prospectus, the approximate quantum of the demand (excluding costs and any interest) was \$400,000. This Company has recently received a writ issued in the Supreme Court of Victoria issued by Aurora Funds Management Limited relating to the subject matter disclosed in the Re-Compliance Prospectus ("Claim"). The Claim also identifies a past director as a co-defendant. The Company is seeking advice in relation to the Claim however its position, as stated in its Re-Compliance Prospectus, is unchanged. The Company denies any liability in respect of the Claim and intends to lodge a fulsome defence, updates will be provided in due course.

On 25 February 2022, the Company advised that it had become aware of a Writ and Statement of Claim issued in the Supreme Court of Victoria ("Writ") by Keybridge Capital Limited ("Keybridge") naming the Company as a co-defendant. The claims made by Keybridge in the Writ relate to matters connected with the sale by the Company of Aurora Funds Management Limited to Keybridge that took place in 2015 for a sale price of \$5,453,278.43. The auditors of the Company at the time of that sale are named as a co-defendant. Keybridge has claimed an unspecified quantum of damages, as well as interest and costs.

The Company denies the claims in the Writ and intends to defend the proceedings. The Company is in the process of progressing the Writ with its legal advisors. The Company will provide further updates as necessary.

Notes to the Financial Statements

For the half-year ended 31 December 2022

19. Events occurring after the reporting period

On 6 January 2023, the Company announced the exercise of 851,963 options with an exercise price of \$0.09 per option. 851,963 shares were issued as a result of the options being exercised.

On 6 February 2023, the Company announced receiving historic drillhole data in the Tank Hill prospect area containing a significant pegmatite intercept with logged spodumene and corresponding elevated lithium from laboratory assay results from the Company's NT Lithium Project.

There are no other significant changes in the state of affairs of the Group that occurred during the reporting period, other than as disclosed in this report.

Directors' Declaration

Directors' Declaration

31 December 2022

In accordance with a resolution of the Directors of Ragusa Minerals Limited made pursuant to sub-section 303(5) of the *Corporation Act 2001*, the Directors declare that:

In the opinion of the Directors:

1. The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - a. Giving a true and fair view of the Group's financial position as at 31 December 2022 and the performance for the half year ended on that date; and
 - b. Complying with Accounting Standards AASB 134 (interim Financial Reporting), *Corporations Regulations 2001* and other mandatory reporting requirements;
2. There are reasonable grounds to believe the Group will be able to pay its debts as and when they become due and payable; and
3. The Directors have been given the declarations required by s295(5) of the *Corporations Act 2001*.

On behalf of the Board



Jerko Zuvela
Chair
28 February 2023

Criterion Audit Pty Ltd

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Independent Auditor's Review Report

To the Members of Ragusa Minerals Ltd

Conclusion

We have reviewed the half-year financial report of Ragusa Minerals Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Ragusa Minerals Ltd does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 review report.

Responsibility of the Directors for the Half-Year Financial Report

The Directors are responsible for the preparation of the half-year financial report that gives us 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 half-year financial report that gives a true and fair view is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Criterion Audit

CRITERION AUDIT PTY LTD

Watts

CHRIS WATTS CA
Director

DATED at PERTH this 28th day of February 2023