

Ragusa Minerals Limited

ABN 39 143 194 165

Annual Report For the year ended 30 June 2023

Directors' report..... 3

Corporate Governance..... 16

Auditors independence declaration..... 28

Consolidated Statement of Profit or Loss and Other Comprehensive Income 29

Consolidated Statement of Financial Position 30

Consolidated Statement of Changes in Equity 31

Consolidated Statement of Cash Flows 32

Notes to the Financial Statements 33

Directors' declaration..... 50

Independent Auditor's Report 51

ASX Additional Shareholder Information..... 56

Corporate Directory..... 58

Directors Report

The Directors of Ragusa Minerals Limited (ASX: RAS) present their report on Ragusa Minerals Limited (“RAS” or “the Company”), and the entity it controls (the “Group”) for the year ended 30 June 2023.

Directors

The following persons were directors of the Group during the whole or part of the financial year and up to the date of this report unless otherwise indicated:

Jerko Zuvela
Olaf Frederickson
Melanie Ross

Principal activities

The principal activity of the Group during the period was mineral exploration.

There were no significant changes in the nature of the Group’s principal activities during the year ended 30 June 2023.

Financial results for the year

The loss of the Group amounted to \$2,189,665 (2022: \$1,501,546) after providing for income tax.

Review and results 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 & Kaolin/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 progress on key project milestones being:

- ✓ NT Lithium Project exploration works confirmed high grade lithium prospectivity.
- ✓ Maiden inferred (JORC 2012) Mineral Resource Estimate at Burracoppin multi commodity Rare Earth Elements (REE) + kaolin/halloysite project completed.
- ✓ Monte Cristo Gold Project field exploration works identified two gold prospects from geochemical sampling program.

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 the next reporting period include;

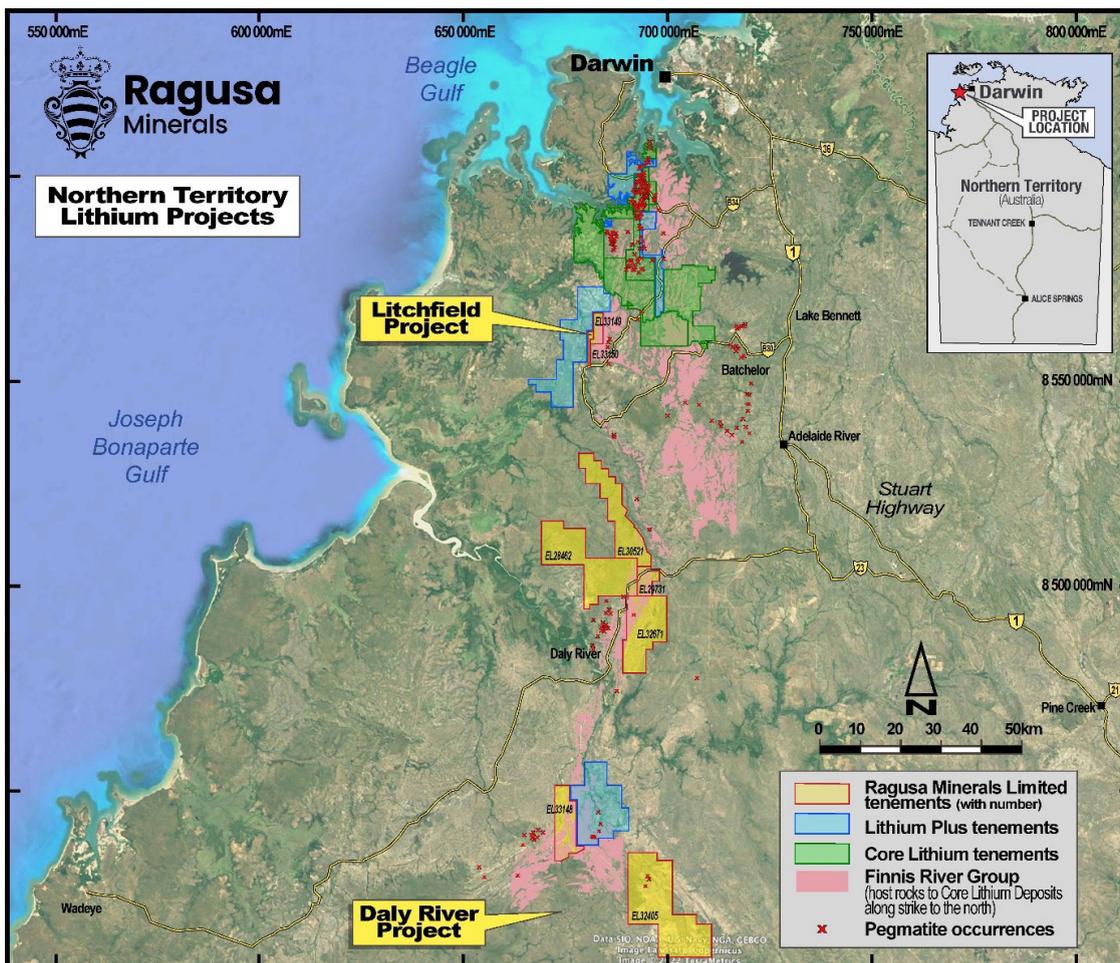
- Continue exploration and drilling works at the NT Lithium Project, with aim to delineate a JORC resource.
- Receive then assess results from metallurgical testwork on REE samples from Burracoppin Project.
- Consider new strategic project opportunities and acquisitions.

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

The Company entered into a Tenement Farm-in Agreement with May Drilling Pty Ltd for the exclusive right to earn an initial 90% interest in tenements EL28642, EL29731, EL30521, EL32671 and EL(A)32405 and the exclusive option to acquire the additional 10% interest in the tenements – located in the highly prospective Litchfield Pegmatite Belt in Northern Territory, approximately 120km south of Darwin.

The Company completed its due diligence period and exercised its exclusive right to earn an initial 90% interest, subject to completing the farm-in arrangements.

The Project covers approximately 570km² within the highly prospective Pine Creek Orogen including the Finnis River Group – host to Core Lithium’s Finnis Project.



NT Lithium Project Location

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

- ✓ NT Lithium Project exploration works confirmed high grade lithium prospectivity, with
 - Phase one RC and diamond drilling operations were completed, targeting lithium bearing pegmatites beneath the weathering profile – as evident at the Core Lithium Project located to the north.
 - All assays received with several positive LCT pegmatite indicators.
- ✓ The Company exercised its exclusive right to earn an initial 90% interest in the NT Lithium Project tenements.
- ✓ NT government grant for co-funded drilling awarded for up to \$68,828 over two diamond drillholes.
- ✓ The Company identified five prospects as drilling targets – Kilfoyle, White Rocks South, Crystals, Tank Hill Trend and Ridges.

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.

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 Finnis Project, Lithium Plus, Charger Metals and others.

Directors Report

The Company has combined these tenements with the NT Lithium Project to conduct exploration activities as a combined group across the whole project area.

Burracoppin REE & Kaolin/Halloysite Project (100% interest)

The Burracoppin REE & Kaolin/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 rare earth elements (REE), halloysite and kaolinite. The project is located near Merredin, with port easily accessible via the Great Eastern Highway. All services required for a low-cost operation are in close proximity.

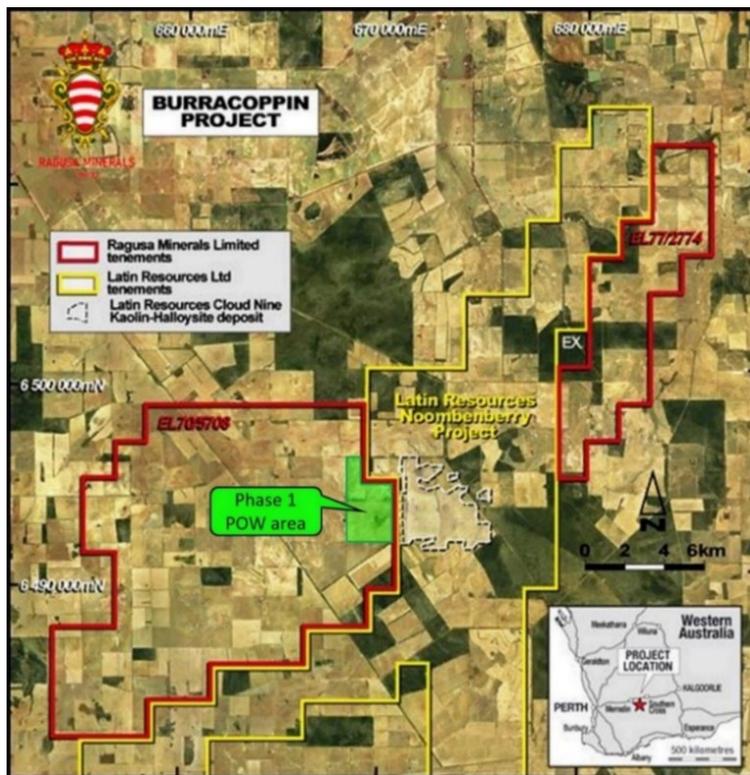
The Company completed its maiden inferred (JORC 2012) Mineral Resource Estimate, resulting in a reported global combined resource of 96Mt @ ISO-B 80 (>ISO-B 70) of kaolin, halloysite and Rare Earth Element (REE) bearing material comprised of:

- 36Mt at 1,356ppm Total Rare Earth Oxides (TREO) of rare earth bearing material (>400ppm TREO) within the -45µm size fraction within the global combined resource of 96Mt of kaolin, halloysite and Rare Earth Element (REE) material (this material overlaps some of the kaolinite/halloysite material but they can both be extracted).
- 51Mt @ ISO-B 83 of ultra bright white kaolinite/halloysite;
- 29Mt @ ISO-B 78 of bright white kaolinite/halloysite; and
- 16Mt @ ISO-B 73 of white kaolinite/halloysite.

Equating to:

- 20,000t of combined TREO contents;
- 36.9Mt of kaolin content; and
- 2.1Mt of halloysite content, from less than 5% of the tenement holding.

A group of eight samples representing high, medium, and low grade TREO were collected from existing drill samples stored on-site and delivered to Curtin University for preliminary metallurgical testing. The objective is to determine whether the rare earth elements can be liberated by ‘washing’ in an alkaline solution (pH ~4) or leaching in an acid solution (pH ~1). Testwork is currently being conducted and results pending.



Burracoppin REE & Kaolin Halloysite Project with Drilling Location Area

Directors Report

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.

Results from the field sampling conducted during 2022 returned anomalous grades at the Old Man Breccia, Old Man Diorite (OMD) and Emerald prospects, with peak grades of 17.1gpt Au (at OMD) and 3.1gpt Au at Emerald. The anomalous results were relatively localized in each prospect providing focal points for future exploration.

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.

Statement of Resources & Reserves – Burracoppin REE & Kaolin/Halloysite Project

An Inferred Mineral Resource for the Burracoppin Deposit of 96Mt of kaolinized granite at an ISO-Brightness (ISO-B) cut-off of 70 in the minus 45µm size fraction has been estimated including 35.7Mt of Total Rare Earth Oxide (TREO) bearing material at a TREO cutoff of 400 ppm (refer Tables 1 and 2).

Table 1 Burracoppin Kaolin / Halloysite Mineral Resource

RESOURCE	Mt	<45µm	Kaolinite %	Halloysite %
Total	96.0	47.2	81.2	4.6

Table 2 Burracoppin TREO Mineral Resource

RESOURCE	Mt	<45µm	TREO ppm	TREO tonnes
Total	35.7	41.3	1356.4	20,000

The Resource yields 45.3Mt of kaolin product at an ISO-B of 80 including 25Mt of Ultra bright kaolin product at ISO-B of 83 in the minus 45µm recovered fraction (refer Table 3).

Table 3 Burracoppin Kaolin / Halloysite Mineral Resource -45µm

Brightness Category	Mt	ISO-B	Kaolinite %	Halloysite %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %
70 - 75	6.6	73	73.2	3.6	31.8	1.2	1.1
75 – 80	13.7	78	79.3	3.9	34.0	0.9	0.6
> 80	25.0	83	84.4	5.3	35.5	0.6	0.5
Total	45.4	80	81.2	4.6	34.5	0.8	0.6

Note that all figures are rounded to reflect appropriate levels of confidence.

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 Lithium Project, and Exploration Results and Mineral Resource Estimation for the Burracoppin REE & Kaolin/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

Directors Report

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 an 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 REE & Kaolin/Halloysite Project and exploration at the NT Lithium 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 Chair 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.

Ragusa Minerals Limited - Interest in Mining Tenements

Below is a listing of tenements held by the Company as at 9 September 2023:

Tenement	Location	Beneficial Percentage held
Lonely Mine A (10632BM) ^A	Zimbabwe	100%
Tiberius 14 (33599) ^A	Zimbabwe	100%
Tiberius 32 (35732) ^A	Zimbabwe	100%
Tiberius 33 (35733) ^A	Zimbabwe	100%
E77/2774	Western Australia	100%
E70/5708	Western Australia	100%
ADL734900 (Cristo 1) - ADL735191 (Cristo 292) ^B	Alaska, USA	100%
ADL735363 (Cristo 293) - ADL735418 (Cristo 348) ^B	Alaska, USA	100%
ADL736052 (Cristo 349) ^B	Alaska, USA	100%
ADL735420 (Cristo 350) - ADL735570 (Cristo 500) ^B	Alaska, USA	100%
EL 33148, ELA33149, EL33150	Northern Territory	100%
EL28462, EL29731, EL30521, EL32671 & ELA32405 ^C	Northern Territory	Earn-in to initial 90% interest and rights to 100% interest

^A Interest in tenements held by Westwood Industrial Pvt Ltd (100% owned by Ragusa Minerals Ltd)

^B Interest in tenements held by Stradun Alaska LLC (100% owned by Ragusa Minerals Ltd)

^C Interest in tenements held by May Drilling Pty Ltd

Legal update

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 damages of \$3,804,937, as well as interest and costs.

The Company denies the claims in the Writ and is defending the proceedings. The matter did not settle at mediation and is proceeding to trial on a date to be fixed. The Company will provide further updates as necessary.

Significant changes in state of affairs

There are no other significant changes in the state of affairs of the Company occurring during the financial year, other than as disclosed in this report.

Matters subsequent to the end of the financial year

Subsequent to the end of the financial year:

- On 11 September 2023, the Company announced the cancellation of 2,000,000 options that expired on 8 September 2023.

Besides the details provided above, there are no matters or circumstance that have arisen since 30 June 2023 that have

Directors Report

significantly affected, or may significantly affect:

- (i) the operations of the Group in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Group in future financial years.

Likely developments and expected results

As the Company is listed on the Australian Stock Exchange, it is subject to the continuous disclosure requirements of the ASX Listing Rules which require immediate disclosure to the market of information that is likely to have a material effect on the price or value of the Company's securities.

In the opinion of the Directors, it would prejudice the interests of the Company to provide additional information, beyond that which is reported in this Annual Report, relating to likely developments in the operations of the Company and the expected results of those operations in financial years subsequent to 30 June 2023.

Material Business Risks

The Group's exploration and evaluation operations will be subject to the normal risks of mineral exploration. The material business risks that may affect the Company are summarised below.

Future capital raisings

The Group's ongoing activities may require substantial further financing in the future. The Company will require additional funding to continue its exploration and evaluation operations on its projects with the aim to identify economically mineable reserves and resources. Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the current market price and debt financing, if available, may involve restrictive covenants which limit the Group's operations and business strategy. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Group's activities and could affect the Group's ability to continue as a going concern.

Exploration risk

The success of the Group depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Group's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on the Group's existing tenements may be unsuccessful, resulting in a reduction in the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the tenements. The exploration costs of the Group are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Group's viability. If the level of operating expenditure required is higher than expected, the financial position of the Group may be adversely affected.

Feasibility and development risks

It may not always be possible for the Group to exploit successful discoveries which may be made in areas in which the Group has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Group's.

Regulatory risk

The Group's operations are subject to various Commonwealth, State and Territory and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials.

No assurance can be given that the Group will be successful in maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely

Directors Report

manner or at all, the Group may be limited or prohibited from continuing or proceeding with exploration. The Group's business and results of operations could be adversely affected if applications lodged for exploration licences are not granted. Mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Group's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Group.

Mineral resource estimate risk

Mineral resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates. Mineral resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Group's future plans and ultimately its financial performance and value. Lithium, halloysite, kaolinite and gold metal price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render resources containing relatively lower grades uneconomic and may materially affect resource estimations.

Environmental risk

The operations and activities of the Group are subject to the environmental laws and regulations of Australia. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Group attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Group to incur significant expenses and undertake significant investments which could have a material adverse effect on the Group's business, financial condition and performance.

Availability of equipment and contractors

Prior to the COVID-19 pandemic, appropriate equipment, including drill rigs, was in short supply. There was also high demand for contractors providing other services to the mining industry. The COVID-19 pandemic only served to exacerbate these issues. Consequently, there is a risk that the Group may not be able to source all the equipment and contractors required to fulfil its proposed activities. There is also a risk that hired contractors may underperform or that equipment may malfunction, either of which may affect the progress of the Group's activities.

Environmental regulation

The Group carries out operations that are subject to environmental regulations under Federal and State legislation in the USA. The Group is not aware of any breaches in relation to environmental matters nor are its operations subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law in Australia.

Dividends

No dividend was declared and payable to shareholders for the year to 30 June 2023 (2022: nil).

Indemnity and insurance of officers

The Group has indemnified the Directors and executives of the Group for the costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Group paid a premium in respect of a contract to insure the Directors and executives of the Group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the *Corporations Act 2001* 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.

Directors Report

Information on directors

The qualifications, experience and responsibilities of each person who has been a director of Ragusa Minerals Ltd at any time during or since the end of the financial year are provided below:

Jerko Peter Zuvela

Non-Executive Chair

Expertise

Jerko is a Chartered Professional Geologist having spent over 25 years in the mining and resources industry. Jerko has held executive management roles for private and public resources companies, with operational and corporate experience in various commodities covering exploration, project development, business development, finance, commercial and corporate activities involved with projects in Australia, Asia, Africa and South America.

Jerko has considerable experience in building junior resources companies and understands the requirements working within this sector, including fundamental parameters, strategic drivers and market requirements within the junior resources industry.

He is a Chartered Professional (Geology) Member of the Australasian Institute of Mining and Metallurgy and holds a Bachelor of Science in Applied Geology from Curtin University in Western Australia.

Other current directorships in publicly listed companies

Argosy Minerals Limited and Ragusa Minerals Limited

Former directorships in last three years in publicly listed companies

N/A

Special responsibilities

Chair

Interests in shares and options

2,083,332 ordinary shares, 1,666,667 performance rights (milestone shares) and 900,000 unlisted options

Olaf Fredrickson

Executive Director

Expertise

Olaf Frederickson has in excess of 20 years' experience in the mining sector ranging from grass roots exploration and project generation through to operational mine site requirements, resource estimation, project assessment, business development and corporate responsibilities with companies such as Cape Lambert Resources, Fortescue Metals Group, Rio Tinto, Iluka Resources, Newcrest Mining. More recently, Olaf has been working as an independent consultant in areas of minerals investment advice, brokerage, negotiation and technical services including business development, project due diligence and financial evaluation.

Olaf has spent time reviewing and being involved in projects both locally throughout Western Australia and Queensland, and internationally in locations including North America, Central and West Africa, Timor and Turkey.

Olaf acts as a Competent Person under the JORC 2012 code in several commodities including lithium, iron ore, mineral sands, base, precious and energy metals and is a Director of Blackfynn Pty Ltd.

Other current directorships in publicly listed companies

N/A

Former directorships in last three years in publicly listed companies

Directors Report

Special responsibilities

N/A

Interests in shares and options

1,000,000 ordinary shares and 1,000,000 unlisted options

Melanie Ross

Non-Executive Director and Company Secretary

Expertise

Melanie is an accounting and corporate governance professional with over 20 years' experience in financial accounting and analysis, audit, business and corporate advisory services in public practice, commerce and state government. She has a Bachelor of Commerce and is a member of the Institute of Chartered Accountants in Australia and New Zealand and an associate member of the Governance Institute of Australia.

Other current directorships in publicly listed companies

Tempus Resources Limited (ASX: TMR)

Former directorships in last three years in publicly listed companies

N/A

Special responsibilities

Company Secretary

Interests in shares and options:

166,668 ordinary shares and 400,000 unlisted options

Directors' Meetings

The following table sets out the number of directors' meetings and the number of meetings attended by each director during the time the director held office in the year:

Director	Number of Board Meetings Held		Number of Board Meetings Attended	
	2023	2022	2023	2022
Michael Melamed (<i>resigned 6 July 2021</i>)	-	1	-	1
Olaf Fredrickson	3	4	3	4
Jerko Zuvela	3	4	3	4
Melanie Ross (<i>appointed 6 July 2021</i>)	3	3	3	3

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

This remuneration report outlines the remuneration arrangements of the Group for the year ended 30 June 2023. It details the remuneration arrangements for Key Management Personnel (KMP) of the Group who are identified as those persons and corporate entities having authority and responsibility for planning, directing and controlling activities of the Group, directly or indirectly.

1. Remuneration Policy

The Group aims to provide remuneration that is competitive in the market and linked to the Group's long term growth and value. The Board of directors seeks to ensure that the Group attracts and retains talented and motivated employees who

Directors Report

can enhance business performance through their contributions and leadership.

The nature and extent of remuneration is reviewed and agreed upon annually by the Board. Remuneration of employees is made up of the following components:

Fixed remuneration: includes base salary and employer superannuation contributions. All employees, including directors, have salary reviews on an annual basis. When making changes to an individual's base remuneration the Board as a whole considers the employee's responsibilities, historic performance and length of employment with the Group, as well as the applicable industry rate.

Performance bonuses: the Board is currently reviewing the remuneration policy. The structure of performance bonuses is still to be determined.

Short-term incentives: refers to performance based bonuses. All employees will in the future have the opportunity to earn an annual short-term incentive (STI) if predefined targets are achieved. These targets will be set by the Board and align to the Group's strategic and business objectives in the future. Bonus allocations will be subject to Board approval, and must include the approval of the independent chairman. In the event the independent director votes against or abstains, the Board must obtain independent advice on the fairness and reasonableness for shareholders before distributing bonuses.

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward.

The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation

2. Group Performance

The following table shows profit/(loss) and basic earnings/(loss) per share of the Company at the end of the respective financial period:

	2023	2022	2021	2020	2019
Profit/(loss) after tax	(2,189,665)	(1,501,546)	(548,719)	(294,711)	(260,202)
Basic earnings/(loss) per share	(1.60)	(1.20)	(0.62)	(2.29)	(2.03)

3. Remuneration Summary of KMP

A summary of the remuneration for the directors for the financial year ended 30 June 2023 is as follows:

30 June 2023	Short-term benefits	Post- employment benefits	Share based payments	Total	Performance Related %	Remuneration Consisting of Options %
Name	Cash salary and fees*	Superannuation	Options			
<i>Directors:</i>						
Jerko Zuvela	170,000	-	45,630	215,630	-	21%
Olaf Fredrickson	352,873	-	50,700	403,573	-	13%
Melanie Ross	125,423	-	20,280	145,703	-	14%
Total	648,295	-	116,610	764,905		

*Refer to section 6 and Note 15 Related Party.

Directors Report

Remuneration report (audited) (continued)

A summary of the remuneration for the directors for the financial year ended 30 June 2022 is as follows:

30 June 2022	Short-term benefits	Post- employment benefits	Share based payments	Total	Performance Related %	Remuneration Consisting of Options %
Name	Cash salary and fees*	Superannuation	Options			
<i>Directors:</i>						
Jerko Zuvela	68,000	-	30,412	98,412	-	31%
Olaf Fredrickson	98,300	-	24,174	122,474	-	20%
Melanie Ross ¹	88,679	-	7,798	96,477	-	8%
Michael Melamed ²	581	-	-	581	-	-
Total	255,560	-	62,384	317,944		

¹ Appointed 6 July 2021

² Resigned 6 July 2021

*Refer to section 6 and Note 15 Related Party.

4. Share based compensation

Options

The terms and conditions of the unlisted options affecting the remuneration of key management personnel in this financial year or future reporting years are as follows:

Series	Grant date	Grant date fair value per right	Expiry date	Vesting date note
Incentive Options	24 November 2022	\$0.0507	25 November 2025	24 November 2022

Details of options granted as compensation to key management personnel during the financial year:

Name	Number granted	Number vested and exercisable
Jerko Zuvela	900,000	900,000
Olaf Fredrickson	1,000,000	1,000,000
Melanie Ross	400,000	400,000
	<u>2,300,000</u>	<u>2,300,000</u>

Shares

There were no shares issued to key management personnel as part of their compensation during the year ended 30 June 2023 (2022: nil).

Directors Report

Remuneration report (audited) (continued)

5. Shareholdings

Number of shares held by key management personnel and their associates:

Directors	Balance 1 July 2022	Acquired/ (Disposed)	Held at date of Appointment	Balance 30 June 2023
Jerko Zuvela	2,083,332	-	-	2,083,332
Olaf Fredrickson	1,000,000	-	-	1,000,000
Melanie Ross	166,668	-	-	166,668

6. Other transactions with key management personnel

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 CFO and Corporate Secretarial Services. It was later on amended during the 2021/22 financial year to include Directorship services. Consilium Corporate Pty Ltd invoiced the Company \$126,369 for CFO, Corporate Secretarial Fees and Directorship services (2022: \$94,235), excluding GST. As at 30 June 2023, amounts owing to Consilium Corporate Pty Ltd was \$74 (2022: \$4,383), excluding GST.

During the financial 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. Blackfynn Pty Ltd invoiced the Company \$323,653 (2022: \$114,084), excluding GST, for Director and project consultancy services. As at 30 June 2023, amounts owing to Blackfynn Pty Ltd was \$31,050 (2022: nil), excluding GST.

During the financial 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 \$170,000 (2022: \$71,000), excluding GST, for Director services. As at 30 June 2023, nil amounts was owing to JAKKAZ Pty Ltd.

All transactions were made on normal commercial terms and conditions and at market rates.

7. Loans with key management personnel

During the financial year, there were no loans to or from key management personnel, including their related parties.

End of Remuneration Report (audited)

Options and Rights over shares

Ordinary shares under option of Ragusa Limited at the date of this report are as follows:

Issue date	Expiry date	Exercise price	Number under option
25 August 2021	25 August 2024	\$0.12	2,000,000
08 September 2021	08 September 2024	\$0.16	2,000,000
08 September 2021	08 September 2026	\$0.16	1,000,000
18 October 2021	18 October 2024	\$0.16	10,000,000
24 November 2022	25 November 2025	\$0.451	2,300,000

Directors Report

Performance rights on issue at the date of this report are as follows:

Issue date	Expiry date	Exercise price	Number of performance rights	Vesting condition
29 September 2020	29 September 2023	Nil	6,666,666	1

Vesting conditions:

- 1 Announcement by the Company of an Inferred Mineral Resource of at least 100,000 ounces of gold at a cutoff grade of not less than 0.5 grams per tonne by not later than 36 months after completion of the purchase of Balancing Rocks Zim Pty Ltd.

Shares issued on the exercise of options

14,594,071 shares were issued during the financial year as a result of the exercise of options.

Auditor

Criterion Audit Pty Ltd were appointed on 8 December 2020 as per section 327A of the *Corporations Act 2001*.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 15 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 28 for the year ended 30 June 2023.

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

On behalf of the directors.



Jerko Zuvela
Non-Executive Chair
19 September 2023

Corporate Governance Statement

The Board is responsible for the overall corporate governance of the company, and it recognises the need for the highest standards of ethical behaviour and accountability. It is committed to administering its corporate governance structures to promote integrity and responsible decision making.

This Corporate Governance Statement discloses the extent to which the Company has followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (4th edition) (Recommendations). The Recommendations are not mandatory, however the Recommendations that have not been followed for any part of the reporting period have been identified and reasons provided for not following them along with what (if any) alternative governance practices were adopted in lieu of the recommendation during that period.

The Company has adopted a Corporate Governance Pack which provides the written terms of reference for the Company's corporate governance duties.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

The Company's corporate governance policies and procedures are available on the Company's website at <https://www.ragusaminerals.com.au/corporate-governance/>.

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>			
Recommendation 1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	The Company has adopted a Board Charter (which forms part of the Corporate Governance Pack that is available on the website of the Company) that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the conduct of Board meetings, the roles and responsibilities of the Chairman, the CEO/Managing Director (if any) and the Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.

Corporate Governance Statement

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Recommendation 1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	Yes	<p>(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Pack. The Company's Board Charter and the Remuneration and Nomination Committee Charter (both contained in the Company's Corporate Governance Pack) requires appropriate checks are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director. The Board Charter further provides that prospective Directors will be requested to provide the Company with a consent to undertaking background and other checks.</p> <p>(b) Under the Board Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.</p>
Recommendation 1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has entered into written agreements with each of its Directors that set out the terms of their appointment. The Company does not have any senior executive(s).
Recommendation 1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards</p>	Partially	<p>(a) The Company has adopted a diversity policy (which forms part of the Corporate Governance Pack that is available on the website of the Company) which provides the framework for the Company to establish and achieve diversity objectives, including in respect of gender diversity. The diversity policy includes the Board setting measurable diversity objectives, if considered appropriate, and to assess annually both the objectives (if any have been set) and the Company's progress towards achieving its diversity objectives. The diversity policy is contained within the Company's corporate governance pack.</p> <p>(b) The Board did not set measurable diversity objectives for the current reporting period because, in the view of the Board, the size and scale of the operations of the Company are such that it is not anticipated that the Company will engage additional staff, or replace its existing staff (comprised of the Board) in the short term, in such a manner that will allow it to achieve any measurable objectives set. If, in future, it became necessary for the</p>

Corporate Governance Statement

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
	<p>achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>		<p>Company to appoint additional staff (including Directors and senior executives), the Board considers the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles will, given the small size of the Company and its operations, unduly limit the Company from applying the diversity policy as a whole and the Company’s policy of appointing personnel on the basis of skills and merit.</p> <p>(c) As noted above, the Company has not set any measurable objectives for achieving gender diversity in the current reporting period. The Company has 33% female Board representation and the Company does not have any current senior executives. The Company Secretary is female, Melanie Ross.</p>
<p>Recommendation 1.6</p>	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>Yes</p>	<p>The Company has a process for evaluating the Board, its Committees and individual Directors as detailed in the Board Performance Evaluation Policy/Process, however a review has not taken place in the reporting period.</p>

Corporate Governance Statement

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Recommendation 1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>Yes</p>	<p>The Company does not have any senior executives. Notwithstanding this position, the performance of senior executives shall be monitored and evaluation by the Board having regard to the strategies and budgets of the Company as set out by the Board. If the Company appoints a senior executive prior to the end of the reporting period, it would be proposed that that performance evaluations of the senior executive will be conducted in this reporting period in accordance with the Board Performance Evaluation Policy/Process.</p>
<p>Principle 2: Structure the Board to add value</p>			
Recommendation 2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>No</p>	<p>The Company does not have a Nomination Committee as the Board does not consider the Company would benefit from its establishment. In accordance with the Company's Remuneration and Nomination Committee Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration and Nomination Committee under the Remuneration and Nomination Committee Charter, which contains processes to address succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>

Corporate Governance Statement

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Recommendation 2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	No	The Company does not comply with this recommendation. Although the Company seeks to employ directors with a broad range of skills and experience, a formal skills matrix for directors (both existing and future proposed) has not been adopted. No specific skills matrix is currently prepared and disclosed as the Company does not believe its current size and scale warrants that level of detail.
Recommendation 2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes	The Chairman Jerko Peter Zuvela, Executive Director Olaf Sven Frederickson and Non-Executive Director Melanie Ross are not considered to be independent by the Board. The length of service of Directors is set out in each annual report of the Company.
Recommendation 2.4	A majority of the board of a listed entity should be independent directors.	No	The Company does not comply with this recommendation as none of the Board is considered to be independent.
Recommendation 2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Partially	The Company's Chairperson is Jerko Zuvela and Olaf Frederickson has been appointed as Executive Director effective 1 June 2022. The Company has not appointed a CEO for the Company at this time. In the short to medium term, given the size of the Company, the Board does not consider it necessary to appoint an independent chair. The Company will periodically review this position and may, in the future, seek to appoint an independent chair where it deems such appointment appropriate given the size and stage of development of the Company.
Recommendation 2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	The Board Charter sets out an extensive induction process for new Directors which are to be facilitated by the Company Secretary. The Board Charter sets out a commitment to the professional development of the Directors including a review of whether there is a need for professional development for Directors to perform their role effectively, including a process for approval of any courses sought to be completed by Directors for this purpose.

Corporate Governance Statement

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Principle 3: Act ethically and responsibly			
Recommendation 3.1	A listed entity should articulate and disclose its values.	Yes	The Company has adopted a statement of values which is available on its website.
Recommendation 3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Yes	(a) The Company's Code of Conduct applies to the Company's Directors, senior executives and employees that is available on its website. (b) The Code of Conduct provides for breaches being reported to the Company Secretary who shall report such breaches directly to the Board.
Recommendation 3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	(a) The Company has adopted a whistleblower policy that is available on its website. (b) Breaches of the whistleblower policy are to be reported to the Company secretary who shall be responsible, subject to compliance with the terms of the whistleblower policy, for reporting the breach directly to the Board.
Recommendation 3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	Yes	(a) The Company has adopted an anti-bribery and corruption policy that forms part of the Corporate Governance Pack that is available on the website of the Company. (b) Breaches of the anti-bribery and corruption policy are to be reported to the Company secretary who shall be responsible for reporting the breach directly to the Board.

Corporate Governance Statement

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Principle 4: Safeguard the integrity of Corporate Reports			
Recommendation 4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	No	<p>The Company does not have an Audit and Risk Committee as the Board does not consider that the Company would benefit from its establishment, and does not currently have one. The Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <ol style="list-style-type: none"> (a) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the arrangements with external auditors; and (b) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting. All corporate reports are required to be signed off on by the entire Board.

Corporate Governance Statement

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Recommendation 4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.
Recommendation 4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	Periodic financial or other reports released in or for a particular financial period which are not audited or reviewed by the external auditor are to be peer-reviewed internally and signed off on by the CFO (or the person(s) fulfilling that role, if any) and the Board prior to release (including release as an announcement to ASX).
<i>Principle 5: Make Timely and Balanced Disclosure</i>			
Recommendation 5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes	The Company has adopted a Communication and Disclosure Policy that contains its policy for complying with its continuous disclosure obligations under listing rule 3.1. The Communication and Disclosure Policy forms part of the Corporate Governance Pack that is available on the website of the Company.
Recommendation 5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	The Company Secretary circulates all market announcements to the Board immediately prior to, or shortly after, release to ASX in accordance with the Board Charter and the Communication and Disclosure Policy.
Recommendation 5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	The Company Secretary is responsible for releasing presentation materials to ASX ahead of the presentation occurring.

Corporate Governance Statement

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Principle 6: Respect the Rights of Security Holders			
Recommendation 6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The corporate governance policies and procedures, including the periodic corporate governance statements, are available on the website of the Company.
Recommendation 6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	The Communication and Disclosure Policy sets out the investor relations program of the Company that is proposed to facilitate effective two-way communication with investors.
Recommendation 6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Board Charter sets out how shareholders are encouraged to participate in meetings. The Communication and Disclosure Policy also provides for shareholder meetings being structured to provide effective communication to shareholders and allow the reasonable opportunity for shareholder participation, including to ask questions (including of the external auditor at the AGM).
Recommendation 6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	As set out in the Board Charter, all substantive resolutions are to be determined by way of a poll rather than by a show of hands.
Recommendation 6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	As set out in the Communication and Disclosure Policy, shareholders are given the option to send and receive communications from the Company and its registry by electronic means.

Corporate Governance Statement

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Principle 7: Recognise and Manage Risk			
Recommendation 7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	No	The Company does not have an Audit and Risk Committee as the Board did not consider the Company would benefit from its establishment, and does not currently have one. The Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the Board devoting time at all Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.
Recommendation 7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Partially	<p>(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</p> <p>(b) As at this stage of the reporting period, the Board has not reviewed the Company's risk management framework, however such a review is planned to be undertaken during this reporting period.</p>
Recommendation 7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it</p>	Yes	The Company does not have an internal audit function. The Company employed the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:

Corporate Governance Statement

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
	<p>performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>		<p>(a) the Board monitors the need for an internal audit function having regard to the size, location and complexity of the Company's operations;</p> <p>(b) the Board periodically undertakes an internal review of financial systems and processes where systems are considered to require improvement these systems are developed; and</p> <p>(c) The Board reviews risk management and internal compliance procedures at each Board meeting and monitors the quality of the accounting function.</p>
Recommendation 7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	Yes	<p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management determine whether the Company has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company's Corporate Governance Charter requires the Company to disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks. The Company will disclose this information in its Annual Report for this reporting period as part of its continuous disclosure obligations.</p>
Principle 8: Remunerate Fairly and Responsibly			
Recommendation 8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration</p>	No	<p>The Company does not have a Remuneration and Nomination Committee as the Board did not consider the Company would benefit from its establishment, and does not currently have one. In accordance with the Company's Corporate Governance Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration and Nomination Committee under the Remuneration and Nomination Committee Charter. The Board devotes time at least annually at a Board meeting to assess the level and composition of remuneration for Directors and senior executives to ensure remuneration is appropriate and not excessive.</p>

Corporate Governance Statement

RECOMMENDATION	RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
	committee, disclose that fact and the processes it employs for setting the level		
	and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		
Recommendation 8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	The Company's Corporate Governance Pack requires the Board to separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and senior executives. This information is contained within the Remuneration Report of the Annual Report.
Recommendation 8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (c) disclose that policy or a summary of it.	Yes	The Company has adopted an Incentive Plan (Plan). In accordance with the Company's Securities Trading Policy, the Plan does not allow participants to enter transactions that would limit their economic risk under the Plan. The policy provides that where a Designated Person is entitled to equity-based remuneration arrangements, that Designated Person must not at any time enter into a transaction that operates or is intended to operate to limit the economic risk of holdings of unvested securities or vested securities in the Company which are subject to a holding lock. A copy of the Company's Security Trading Policy is available on the Company's website.

Corporate Governance Statement dated 30 June 2023
Approved by the Board 19 September 2023

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

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 audit of the financial statements of Ragusa Minerals Ltd and its controlled entities for the year ended 30 June 2023, 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 19th day of September 2023

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Other income from continuing operations			
Interest income		20,372	3,196
Net foreign exchange gains		24,576	11,555
Total income		44,948	14,751
Expenses			
Audit and taxation		(31,556)	(26,477)
Contractors and consultants		(85,267)	(134,940)
Legal expenses		(253,207)	(83,552)
Finance expenses		(3,358)	(3,059)
Personnel expenses		(256,602)	(148,581)
Administrative expenses		(210,911)	(422,285)
Share based payments	13	(116,611)	(697,403)
Non-capital exploration expenditure		(420)	-
Impairment of exploration	9	(1,276,681)	-
Total operating expenses		(2,234,613)	(1,516,297)
Loss before income tax		(2,189,665)	(1,501,546)
Income tax	6	-	-
Loss for the year		(2,189,665)	(1,501,546)
Other comprehensive income/(loss) for the year, net of income tax		10,383	(73,818)
Total comprehensive loss		(2,179,282)	(1,575,364)
Loss for the year is attributable to			
Owners of Ragusa Minerals Ltd		(2,179,282)	(1,575,364)
Total comprehensive loss for the year is attributable to			
Owners of Ragusa Minerals Ltd		(2,179,282)	(1,575,364)
Earnings per share:			
Basic loss per share (cents)	19	(1.60)	(1.20)
Diluted loss per share (cents)	19	(1.60)	(1.20)

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 30 June 2023

	Notes	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	7	1,891,137	2,519,306
Other current assets	8	77,891	58,228
Total current assets		1,969,028	2,577,534
Non current assets			
Exploration and evaluation expenditure	9	2,786,048	2,417,834
Total non current assets		2,786,048	2,417,834
Total Assets		4,755,076	4,995,368
Current liabilities			
Trade and other payables	11	368,194	87,668
Total current liabilities		368,194	87,668
Total liabilities		368,194	87,668
Net assets		4,386,882	4,907,700
Equity			
Share capital	12	15,001,194	13,459,341
Reserves	13	1,996,857	1,869,863
Accumulated losses		(12,611,169)	(10,421,504)
Total equity		4,386,882	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 year ended 30 June 2023

	Share Capital \$	Share Based Payments Reserve \$	Foreign Currency Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2021	12,655,624	1,048,800	1,893	(8,919,958)	4,786,359
Loss for the year	-	-	-	(1,501,546)	(1,501,546)
Other comprehensive loss for the year	-	-	(73,818)	-	(73,818)
Total comprehensive loss for the year	-	-	(73,818)	(1,501,546)	(1,575,364)
Transaction with owners in their capacity as owners					
Shares issued for cash	400,000	-	-	-	400,000
Shares issued to vendors	449,000	-	-	-	449,000
Share options granted	-	892,988	-	-	892,988
Share issue expense	(114,190)	-	-	-	(114,190)
Shares issued in lieu of payment	24,000	-	-	-	24,000
Option exercised	44,907	-	-	-	44,907
Balance at 30 June 2022	13,459,341	1,941,788	(71,925)	(10,421,504)	4,907,700

	Share Capital \$	Share Based Payments Reserve \$	Foreign Currency Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2022	13,459,341	1,941,788	(71,925)	(10,421,504)	4,907,700
Loss for the year	-	-	-	(2,189,665)	(2,189,665)
Other comprehensive loss for the year	-	-	10,383	-	10,383
Total comprehensive loss for the year	-	-	10,383	(2,189,665)	(2,179,282)
Transaction with owners in their capacity as owners					
Share options granted	-	116,611	-	-	116,611
Share issue expense	(17,613)	-	-	-	(17,613)
Option exercised	1,559,466	-	-	-	1,559,466
Balance at 30 June 2023	15,001,194	2,058,399	(61,542)	(12,611,169)	4,386,882

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 year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(948,145)	(964,084)
Interest received		20,372	3,196
GST Received		161,285	66,215
Interest and other finance costs		-	-
Net cash used in operating activities	18	(766,488)	(894,673)
Cash flows from investing activities			
Payments for exploration expenditure		(1,407,483)	(1,002,912)
Payments for acquisition of exploration assets		-	(230,836)
Net cash used in investing activities		(1,407,483)	(1,233,748)
Cash flows from financing activities			
Proceeds from issue of shares		1,559,466	400,000
Proceeds from the issue of options		100	45,027
Capital raising costs		(17,613)	(13,559)
Net cash generated by financing activities		1,541,953	431,468
Net increase/(decrease) in cash and cash equivalents		(632,018)	(1,696,954)
Cash and cash equivalents at the beginning of the year		2,519,306	4,199,139
Effect of exchange rate changes on cash and cash equivalents		3,849	17,121
Cash and cash equivalents at the end of the financial year	7	1,891,137	2,519,306

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

1. General information

Ragusa Minerals Ltd (the “Company” or “RAS”) and the entity it controlled (the “Group”) is a listed public company incorporated in Australia (ASX Code: RAS). The address of its registered office and principal place of business are as follows:

Level 2, 22 Mount Street,
Perth WA 6000
Australia

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the financial statements of the Group. For the purposes of preparing the financial statements, the Group is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (“IFRS”).

The 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 reissue the financial statements.

(b) Basis of preparation

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates and judgements in applying the Group’s accounting policies. Those estimates and judgements significant to the financial statements, are disclosed in Note 3.

(c) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entity it controlled for the year and at balance date. Details of companies controlled by the Group at year-end are included in Note 21. Controlled entities are entities over which the Group has power over, and has exposure, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Application of new and revised Accounting Standard

The Group has adopted all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.

Notes to the Financial Statements

2. Summary of significant accounting policies (Continued)

(e) Accounting standards and interpretations issued but not yet effective at 30 June 2023

New standards, amendments to standards and interpretations have been issued at the reporting date but are not yet effective. The Group is assessing the impact of these standards. The Group does not intend to early adopt any of the standards prior to the effective date.

(f) Revenue recognition

Interest income is recognised using the effective interest method.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects, neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and loss. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Assets carried at amortised cost

Loans and receivables are measured at amortised cost using the effective interest method to discount to present value. The effective interest rate is the rate that exactly discounts estimated future cash through the expected life of the loans and receivables, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Gains and losses on inception is recognised in the consolidated statement of profit or loss and other comprehensive income. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

2. Summary of significant accounting policies (Continued)

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method to discount to present value. Gains and losses on inception is recognised in the consolidated statement of profit or loss and other comprehensive income.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the notional value through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(m) Comparatives

Where required, comparative information has been reclassified for consistency with current year disclosures.

(n) Segment reporting

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.

(o) Contributed equity

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.

(p) Fair value

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis.

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

(q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares, and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the 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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(r) Parent entity financial information

The financial information for the parent entity, Ragusa Minerals Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity. Refer to Note 21 for details of the subsidiaries of the Group.

There were no dividends paid to the parent entity from its subsidiaries during the period ending 30 June 2022 (2021: nil).

(ii) Tax consolidation legislation

Ragusa Minerals Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Ragusa Minerals Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the controlled entities in the tax consolidated group.

The Group has also entered into a tax funding agreement under which the wholly-owned entity fully compensate the head entity for any current tax payable assumed and are compensated by the head entity for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the head entity under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entity's financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. There were no amounts receivable/payable to the Group under the tax funding agreement at 30 June 2022 (2021: nil).

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities

(s) 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

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(t) 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.

(u) 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.

(v) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(w) Share-based payments

During the year the Company issued share options to the directors, brokers and advisors as compensation for their services, and shares and share options to vendors as part of the consideration for the asset acquisitions. 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.

(x) Going concern

These financial statements are prepared on a going concern basis. The Group has incurred a net loss after tax of \$2,179,282 and had cash outflows from operating activities of \$766,488 for the year ended 30 June 2023. As at that date, the Group had net current assets of \$1,600,834 and net assets of \$4,386,882.

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

- a) as disclosed in the financial statements, current cash balance as at 30 June 2023 is \$1,891,137;
- b) in accordance with the *Corporations Act 2001*, the Group has plans to raise further working capital through the issue of equity during the financial year ending 30 June 2024 based on previous successful capital raisings;
- c) if required, costs can be reduced and project spend cut back to remain on good standing while the Group seeks alternative funding options; and
- d) the Directors of the Group are confident in defending legal claims in relation to those disclosed in Note 24.

On this basis, the Directors are of the opinion that the financial statements should be prepared on a going concern basis and that the Group will be able to pay its debts as and when they fall due and payable.

2. Summary of significant accounting policies (continued)

Should the Company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

3. 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 13 for further information.

4. Financial risk management

The Group's principal financial assets comprise cash and receivables. The Group's principal financial liabilities comprise trade and other payables. The Group's activities expose it to a variety of direct and indirect financial risks comprising market risk, interest rate risk, credit risk, liquidity risk and fair values.

(a) Market risk

There were no significant market risks that impacted the Group during the current and previous financial year.

(b) Interest rate risk

The Group's interest rate risk arises from cash held at call. There were no significant market risks that impacted the Group during the current and previous financial year.

(c) Credit risk

Credit risk for financial instruments arises from the potential failure by counterparties to the contract in meeting their obligations.

(i) Cash deposits

Credit risk for cash deposits is managed by holding all cash with major Australian banks.

(ii) Loans and receivables

The Group manages credit risk by regularly monitoring loans and receivable balances throughout the year. At 30 June 2023, the Group had no credit exposure as the loan balances had been reduced to \$nil (2022: nil).

Notes to the Financial Statements

4. Financial risk management (continued)

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held cash on hand of \$1,891,137 (2022: \$2,519,306) that are expected to readily generate cash inflows for managing liquidity risk.

Management monitors rolling forecasts of the Group's liquidity reserve of cash and cash equivalents (Note 7) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 6 months	6-12 months	Over 1 year to 5 years	Total contractual cash flows	Carrying Amount
	\$	\$	\$	\$	\$
As at 30 June 2023					
Trade and other payables	368,194	-	-	368,194	368,194
Total non-derivatives	368,194	-	-	368,194	368,194

Contractual maturities of financial liabilities	Less than 6 months	6-12 months	Over 1 year to 5 years	Total contractual cash flows	Carrying Amount
	\$	\$	\$	\$	\$
As at 30 June 2022					
Trade and other payables	87,668	-	-	87,668	87,668
Total non-derivatives	87,668	-	-	87,668	87,668

(d) Fair value measurement

No other financial assets and liabilities are measured at fair value, therefore no further disclosures have been made.

The carrying amounts of trade and other receivables and trade and other payables and borrowings are reasonable approximations of their respective fair values.

Notes to the Financial Statements

5. Segment information

	Lonely Mine Gold Project (Zimbabwe) \$	Monte Cristo Gold Project (Alaska) \$	Burracoppin Halloysite & Lithium Projects (Australia) \$	Australian Head Office \$	Intersegment Eliminations \$	Consolidated \$
Full-year to 30 June 2023						
Other income	-	-	-	44,948	-	44,948
Other expenses	(1,276,681)	-	-	(957,932)	-	(2,234,614)
Segment loss	(1,276,681)	-	-	(912,984)	-	(2,189,665)
Segment assets	-	1,162,937	1,623,111	3,422,488	(1,453,461)	4,755,076
Segment liabilities	790,503	615,237	-	368,194	(1,405,741)	368,194

	Lonely Mine Gold Project (Zimbabwe) \$	Monte Cristo Gold Project (Alaska) \$	Burracoppin Halloysite & Lithium Projects (Australia) \$	Australian Head Office \$	Intersegment Eliminations \$	Consolidated \$
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, fully impaired and written off as at 30 June 2023 (refer to Note 9(a))

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 (see Note 22).

Head Office in Perth

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

Notes to the Financial Statements

6. Income tax

(a) Reconciliation of income tax expense/(benefit)

	2023 \$	2022 \$
Loss before income tax	(2,189,665)	(1,501,546)
Prima facie income tax at 30.0% (2022: 30.0%)	(656,900)	(450,463)
Effect of amounts which are non-deductible/(assessable) in calculating taxable income:		
Non-deductible expenses	418,045	210,283
Tax effect of movement in unrecognised temporary differences	(508,963)	(375,719)
Current year income tax benefit not recognised	747,816	615,900
Income tax expense/(benefit)	-	-

(b) Tax Losses

The Group had unused revenue tax losses at 30 June 2023 of \$6,590,592 (2022: \$5,842,776) and capital tax losses \$4,729,959 (2022: \$4,729,959). The benefit of these losses has not been brought to account at 30 June 2023 because the Directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at this point in time or that there are sufficient deferred tax liabilities to offset these losses.

These tax losses are also subject to final determination by the taxation authorities when the Company derives taxable income. The benefits will only be realised if:

- a) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised;
- b) The Company continues to comply with the conditions for the deductibility imposed by law; and
- c) No changes in the tax legislation adversely affect the Company in realising the benefit of the losses.

7. Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank and on hand	1,891,137	2,519,306
Total cash and cash equivalents	1,891,137	2,519,306

8. Other current assets

	2023 \$	2022 \$
Prepayments	35,871	18,193
Other Debtors	-	100
Goods and service tax paid	42,020	39,935
Total other current assets	77,891	58,228

Notes to the Financial Statements

9. Exploration and evaluation expenditure

	2023 \$	2022 \$
Balance at beginning of the year	2,417,834	631,942
Acquisition of Burracoppin Halloysite Project (refer to Note 10)	-	250,877
Acquisition of Stradun Australia Pty Ltd (refer to Note 10)	-	547,794
Expenditure incurred during the period	1,656,624	987,221
Impaired during the period (a)	(1,288,410)	-
Total current liabilities	2,786,048	2,417,834

(a) During the year, management of the Group tested the Lonely Mine Project (asset of Westwood Industrial (Private) Limited) for impairment mainly under *AASB 6 Exploration for and Evaluation of Mineral Resources* and concluded that it was unlikely future work would continue on the project given there was no future expenditure planned beyond 2023 and indications of minimal interest from the market to consider a possible sale of the project, ultimately resulted in a provision for impairment to reduce the carrying amount of the project to nil value.

10. 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 are not deemed a business acquisition, the transactions 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. The fair value of the assets acquired at the date of acquisition and share based payments are outlined as follows:

	2023 \$	2022 \$
Purchase consideration:		
Cash consideration	-	230,836
6,884,615 shares to vendors	-	449,000
1,000,000 unlisted options in lieu of cash at fair value (Note 13(a)(iii))	-	48,217
2,000,000 unlisted options in lieu of cash at fair value (Note 13(a)(iii))	-	70,618
Total purchase consideration	-	798,671

	Fair Value	Fair Value
Deferred exploration expenditure (refer to Note 9)	-	798,671
Accounts payable	-	-
Net assets acquired	-	798,671

Notes to the Financial Statements

11. Trade and other payables

	2023 \$	2022 \$
Current liabilities		
Trade payables	42,652	79,522
Accruals and other payables	238,042	8,146
Provision – legal settlement (a)	87,500	-
Total current liabilities	368,194	87,668

(a) On 21 June 2023, a deed of settlement was drafted and proposed in relation to the Aurora Fund Management Ltd v Ragusa Minerals Ltd legal proceeding. The deed was accepted and fully executed on 19 July 2023 and the proceeding was subsequently dismissed by the Court on 26 July 2023.

The settlement is payable in 3 instalments as below:

- 1) \$37,500 on 28 July 2023;
- 2) \$37,500 on 27 August 2023; and
- 3) \$12,500 on 26 September 2023.

12. Contributed equity

(a) Issued capital

	2023 \$	2022 \$
Ordinary shares	15,001,194	13,459,341
Total contributed equity	15,001,194	13,459,341

(b) Movement in ordinary share capital

	Note	2023 Shares	2023 \$	2022 Shares	2022 \$
Ordinary shares					
Opening balance		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	10	-	-	6,884,615	449,000
Share issue costs		-	(17,613)	-	(114,190)
Exercise of options		14,594,071	1,559,466	498,965	44,907
Total ordinary shares		142,598,786	15,001,194	128,004,715	13,459,341

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

Terms and conditions

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. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share 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, otherwise each shareholder has one vote on a show of hands.

Notes to the Financial Statements

12. Contributed equity (continued)

Capital risk management

The Group's capital structure consists of equity, reserves and retained earnings. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects.

There were no changes in the Group's approach to capital management during the year.

13. Reserves

	2023	2022
	\$	\$
Share based payments reserve (a)	2,058,399	1,941,789
Foreign currency reserve	(61,542)	(71,926)
Convertible note reserve	-	-
Total reserves	1,996,857	1,869,863

(a) Share based payments reserve

	2023	2022
	\$	\$
Opening balance	1,941,789	1,048,800
- Broker options (ii)	-	76,631
- Employee stock options (ii)	116,610	62,384
- Advisor options (ii)	-	635,019
- Options subscription funds (i)	-	120
- Vendor Options (iii)	-	118,835
Balance at end of year	2,058,399	1,941,789

(i) 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.

(ii) The Company granted the following options:

- 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 \$76,631. The options have been valued using a standard binomial pricing model based on the fair value of the companies share at the grant date
- On 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.
- On 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.

(iii) On 8 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.

Notes to the Financial Statements

13. Reserves (continued)

Set out below is a summary of the movements in options on issue during the year:

Series	Grant date	Expiry date	Exercise price \$	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
Broker	29/09/2020	31/12/2022	0.12	41,500,000	-	(5,000,000)	(36,500,000)	-
Director	29/09/2020	31/12/2022	0.12	1,000,000	-	(200,000)	(800,000)	-
Advisor	29/09/2020	31/12/2022	0.12	3,500,000	-	(3,000,000)	(500,000)	-
Noteholder	29/09/2020	31/12/2022	0.09	9,090,110	-	(6,394,071)	(2,696,039)	-
Broker	25/08/2021	25/08/2024	0.12	2,000,000	-	-	-	2,000,000
Vendor	08/09/2021	08/09/2024	0.16	2,000,000	-	-	-	2,000,000
Vendor	08/09/2021	08/09/2026	0.16	1,000,000	-	-	-	1,000,000
Director	08/09/2021	08/09/2023	0.12	2,000,000	-	-	-	2,000,000
Advisor	18/10/2021	18/10/2024	0.16	10,000,000	-	-	-	10,000,000
Director	24/11/2022	25/11/2025	0.451	-	2,300,000	-	-	2,300,000
				<u>72,090,110</u>	<u>2,300,000</u>	<u>(14,594,071)</u>	<u>(40,496,039)</u>	<u>19,300,000</u>

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

Grant date	Expiry date	Share price at grant date \$	Exercise price \$	Expected Volatility	Risk free rate	Dividend Yield	Number of options	Value per option \$	Total Value \$
24/11/2022	25/11/2025	0.132	0.451	100%	3.24%	-	2,300,000	0.051	116,611

14. Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity, its network firm and non-related audit firms:

	2023 \$	2022 \$
Auditors Remuneration		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	25,605	22,891
<i>Taxation Services</i>		
Taxation compliance services	-	-
Total remuneration of audit firms	25,605	22,891

Notes to the Financial Statements

15. Related party disclosure

Key management personnel compensation

Information regarding individual directors' remuneration and shares held in the Group as required under the *Corporations Act 2001* is provided in the Remuneration report of this annual report.

Other than as disclosed in this note, no Director has entered a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

	2023 \$	2022 \$
Short-term employee benefits	648,295	255,560
Share based benefits	116,610	62,384
	764,905	317,944

Other transactions with key management personnel and their related parties

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 CFO and Corporate Secretarial Services. It was later on amended during the 2021/22 financial year to include Directorship services. Consilium Corporate Pty Ltd invoiced the Company \$126,369 for CFO, Corporate Secretarial Fees and Directorship services (2022: \$94,235), excluding GST. As at 30 June 2023, amounts owing to Consilium Corporate Pty Ltd was \$74 (2022: \$4,383), excluding GST.

During the financial 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. Blackfynn Pty Ltd invoiced the Company \$323,653 (2022: \$114,084), excluding GST, for Director and project consultancy services. As at 30 June 2023, amounts owing to Blackfynn Pty Ltd was \$31,050 (2022: nil), excluding GST.

During the financial 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 \$170,000 (2022: \$71,000), excluding GST, for Director services. As at 30 June 2023, nil amounts was owing to JAKKAZ Pty Ltd.

All transactions were made on normal commercial terms and conditions and at market rates.

16. Contingent assets and liabilities

Contingent Assets

There were no contingent assets at 30 June 2023 (2022: nil)

Contingent Liabilities

In addition to the matter disclosed in Note 22, the following contingent liability exists as part of the farm-in and Joint Venture Agreement with May Drilling Pty Ltd on the exploration tenements ('project'):

- A minimum project expenditure of \$2,500,00 during the 36 month period for exclusive right to earn 90% participant interest on the project;
- \$500,000 in cash and a combination of cash or Ragusa Minerals Limited shares equal to \$1,000,000 on completion and within 21 days of announcing to the ASX the delineation of a JORC-Code compliant Measured Minerals Resource, Probable Ore Reserve or Proved Ore Reserve in respect of the exploration activities carried out on the project;
- \$500,000 in cash, a combination of cash or Ragusa Minerals Limited' shares equal to \$500,000 and 2% net smelter royalty to May Drilling Pty Ltd to purchase the remaining 10% interest (optional). If the Company elects not to purchase the remaining interest, the parties will be associated in an unincorporated joint venture where the Company will be responsible for sole funding the project until a decision to mine.
- Furthermore, Tenement EL 32405 is currently under application status as at the date of the agreement. If at any time during the term of the agreement the EL 32405 is granted, RAS shall pay to May Drilling:
 - cash payment of \$50,000; and
 - \$150,000 payment in cash or shares at the discretion of the Company.

Notes to the Financial Statements

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.

	2023 \$	2022 \$
<i>The Company has tenement expenditure commitments payable of:</i>		
Not later than 12 months	246,085	116,050
Between 12 months and 5 years	985,568	582,000
Net cash flows used in operating activities	1,231,653	698,050

18. Reconciliation of loss after income tax to net cash flow from operating activities

	2023 \$	2022 \$
Loss from ordinary activities after income tax	(2,189,665)	(1,501,546)
<i>Add:</i>		
Foreign exchange differences	(24,367)	(12,206)
Exploration expensed	1,277,102	1,009
Share based payments	116,610	697,403
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(18,694)	(33,384)
Increase/(decrease) in trade and other payables	72,526	(45,949)
Net cash flows used in operating activities	(766,488)	(894,673)

19. Earnings per share

	2023 Cents per share	2023 \$	2022 Cents per share	2022 \$
Basic loss per share attributable to the ordinary equity holders of the Group:	(1.60)	(2,189,665)	(1.20)	(1,501,546)
Total diluted loss per share attributable to the ordinary equity holders of the Group:	(1.60)	(2,189,665)	(1.20)	(1,501,546)
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share		136,767,028		125,516,265

Notes to the Financial Statements

20. Parent entity financial information

(a) Summary financial information

The individual financial information statements for the parent entity show the following aggregate amounts:

	2023 \$	2022 \$
Financial Position		
Current assets	1,969,027	2,577,534
Non-current assets	4,124,272	2,489,760
Total assets	6,093,299	5,067,294
Current liabilities	368,194	87,668
Total liabilities	368,194	87,668
Shareholders' equity		
Share capital	15,001,194	13,459,341
Reserves	2,058,399	1,941,789
Accumulated losses	(11,334,488)	(10,421,504)
Total equity	5,725,105	4,979,626
Profit or loss and other comprehensive income		
Loss for the year	(912,984)	(1,501,546)
Total comprehensive income for the year	(912,984)	(1,501,546)

21. Group entities

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

Subsidiary	Country of incorporation	Consolidated entity company holding the investment	Ownership interest	
			2023 %	2022 %
Balancing Rocks Zim Pty Ltd	Australia	Ragusa Minerals Limited	100	100
Stradun Alaska Pty Ltd	Australia	Ragusa Minerals Limited	100	100
Westwood Industrial (Private) Limited	Zimbabwe	Balancing Rocks Zim Pty Ltd	100	100
Stradun Alaska LLC	America	Stradun Australia Pty Ltd	100	100

22. Joint Ventures

Joint Operation	Joint Operation Parties	Principal activities	30 June 2023 Interest %	30 June 2022 Interest %
NT Tenements Farmin Agreement	Ragusa Mineral Limited May Drilling Pty Ltd	Exploration	0%	0%

The joint venture operations are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not in themselves generate revenue and profit. The joint operations are the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint operation assets.

23. Matters subsequent to the end of the financial year

Subsequent to the end of the financial year:

- On 11 September 2023, the Company announced the cancellation of 2,000,000 options that expired on 8 September 2023.

Besides the details provided above, there are no matters or circumstance that have arisen since 30 June 2023 that have significantly affected, or may significantly affect:

- (iv) the operations of the Group in future financial years, or
- (v) the results of those operations in future financial years, or
- (vi) the state of affairs of the Group in future financial years.

24. Legal update

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 damages of \$3,804,937, as well as interest and costs.

The Company denies the claims in the Writ and is defending the proceedings. The matter did not settle at mediation and is proceeding to trial on a date to be fixed. The Company will provide further updates as necessary.

Directors' Declaration

The directors of the Group declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- (b) In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards as stated in Note 2(a) to the financial statements; and
- (c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group as at 30 June 2023.

This declaration is made in accordance with a resolution of the directors of Ragusa Mineral Limited.



Jerko Zuvela
Non-Executive Chair
19 September 2023

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

Independent Auditor's Report

To the Members of Ragusa Minerals Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ragusa Minerals Ltd ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of Ragusa Minerals Ltd is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 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 Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Exploration and Evaluation Expenditure – \$2,786,048 (Refer to Note 9)</p> <p>Exploration and evaluation is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the balance to the Consolidated Entity’s financial position. • The level of judgement required in evaluating management’s application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. • The assessment of impairment of exploration and evaluation expenditure being inherently difficult. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Assessing management’s determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programmes planned for those tenements. • For each area of interest, we assessed the Consolidated Entity’s rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable; • We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity’s accounting policy and the requirements of AASB 6; • We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest. • We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: <ul style="list-style-type: none"> • the licenses for the right to explore expiring in the near future or are not expected to be renewed; • substantive expenditure for further exploration in the specific area is neither budgeted or planned

Share-based payments (Refer to Note 13)

Share-based payments is a key audit matter due to:

- The significance of the balance to the Consolidated Entity's financial performance and position.
- The level of judgement required in evaluating management's application of the requirements of AASB 2 *Share-based Payment* which requires the application of significant judgements and estimates.

- decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and
 - data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.
- We assessed the completeness and adequacy of the related disclosures in the financial report.

Our procedures included, amongst others:

- Verifying the key terms and conditions of the equity settled share based payments including number of equity instruments granted, exercise price and vesting conditions to the relevant agreements and award letters.
- Assessing the fair value calculation of options granted by checking the accuracy of the inputs to the option pricing model adopted for that purpose.
- Testing the accuracy of the amortisation of share-based payments over the vesting period and the recording of an expense in the statement of profit or loss and an increment to the share based payment reserve.
- We assessed the appropriateness of the related disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2023, but does not include the financial report and our 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 Consolidated Entity 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 Consolidated Entity or to cease operations, or has 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 30 June 2023.

In our opinion, the Remuneration Report of Ragusa Minerals Ltd, for the year ended 30 June 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 s 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.



CRITERION AUDIT PTY LTD



CHRIS WATTS CA
Director

DATED at PERTH this 19th day of September 2023

ASX Additional Shareholder Information

The shareholder information set out below was applicable as at 11th September 2023.

Distribution of Holdings

Range	Shares	% of issued shares	Total holders
100,001 and Over	100,486,698	70.47%	248
10,001 to 100,000	37,573,497	26.35%	994
5,001 to 10,000	3,092,553	2.17%	391
1,001 to 5,000	1,420,002	1.00%	520
1 to 1,000	26,036	0.02%	75
Total	142,598,786	100.00	2,228

A marketable parcel is defined by the Market Rule Procedures of the ASX as a parcel of securities with a value of not less than \$500.

1,075 holders hold an unmarketable parcel, holding a total of 5,540,402 shares, amounting to 3.89% of Issued Capital.

Largest Shareholders

The names of the 20 largest holders of ordinary units as at 11th September 2023 are listed below:

Unitholder	Number held	% of Issued shares
WHITE CAP NOMINEES PTY LTD	4,126,799	2.89%
MR WILLI RUDIN	3,800,000	2.66%
CASSA TRADING PTY LTD <CASSA TRADING A/C>	3,450,373	2.42%
WHITE CAP HOLDINGS PTY LTD	2,726,779	1.91%
MRS JESSICA LEE PUCA	2,596,923	1.82%
JERKO PETER ZUVELA <JAKKZ DISCRETIONARY A/C>	2,083,332	1.46%
MR ARYE LEON SHAPIRO	2,000,000	1.40%
MR PAUL SANTEUFEMIA	1,850,000	1.30%
WESTERN OAK NOMINEES PTY LTD	1,653,866	1.16%
MR MAHMOUD EL HERR	1,600,000	1.12%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,593,108	1.12%
CITICORP NOMINEES PTY LIMITED	1,503,994	1.05%
MR TERENCE WAYNE ENGLAND	1,300,000	0.91%
MR PETER ROBERT EISZELE	1,200,000	0.84%
MR BENJAMIN WECHSLER	1,100,000	0.77%
DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	1,088,132	0.76%
BCI HOLDINGS PTY LTD <BCI SUPERANNUATION FUND A/C>	1,050,000	0.74%
MR AVDO TABAKOVIC	1,030,000	0.72%
MR SAVVAS IOANNOU & MRS MARIA IOANNOU	1,025,584	0.72%
MR JOHN MICHAEL MUNRO & MRS JANE KATHLEEN NORMA MUNRO <JANE&MICHAEL MUNRO S/F A/C>	1,000,000	0.70%
OSF NOMINEES PTY LTD <FREDERICKSON SUPER FUND A/C>	1,000,000	0.70%
Total	38,778,890	27.19%

ASX Additional Shareholder Information

Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Unquoted Securities

The unlisted securities on issue at 11 September 2023:

Details of Holders	Number of Holders	Exercise Price	Expiry Date	Number Held
VENDORS AND DIRECTORS- PERFORMANCE MILESTONE RIGHTS	7	\$0.00	29 September 2023	6,666,666
LEAD MANAGER OPTIONS	5	\$0.12	25 August 2024	2,000,000
VENDOR OPTIONS – CONSIDERATION FOR MONTE CRISTO AND BURRACOPPIN PROJECTS	2	\$0.16	8 September 2024	2,000,000
VENDOR OPTIONS – CONSIDERATION FOR MONTE CRISTO PROJECTS	1	\$0.16	8 September 2026	1,000,000
ADVISOR OPTIONS	5	\$0.16	18 October 2024	10,000,000
DIRECTORS INCENTIVE OPTIONS	3	\$0.451	25 November 2025	2,300,000

Restricted Equity Securities

There were no restricted securities on issue at 11 September 2023.

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 Registry	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 3008
Solicitors	QR Lawyers Level 6 400 Collins Street Melbourne, VIC 3000 Mills Oakley Level 6 530 Collins Street Melbourne, VIC 3000
Securities Exchange Listing	Australian Securities Exchange (ASX) ASX Code: RAS