

Ragusa Minerals Limited

ABN 39 143 194 165

Interim Financial Report For the half-year ended 31 December 2021

Corporate Directory

Directors of Company

Jerko Zuvela
Olaf Frederickson
Melanie Ross

Company Secretary

Melanie Ross

Registered Office

Level 2
22 Mount Street
Perth, WA 6000

Share Register

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

Auditor

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

Taxation Advisor

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

Solicitors

QR Lawyers
Level 6
400 Collins Street
Melbourne, VIC 3000

Securities Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: RAS

Contents

Directors' Report	2
Auditors Independence Declaration.....	7
Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity.....	10
Consolidated Statement of Cash Flows	11
Notes to the Consolidated Financial Statements	12
Directors' Declaration	24
Independent Auditor's Review Report	25

Directors' Report

The Board of Directors and management of Ragusa Minerals Limited ("RAS" or the "Company") and the entities it controlled (the "Group") present their interim report together with the financial statements of the Group for the half-year ended 31 December 2021 (Balance Date), and the auditor's report thereon.

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

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

Directors

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

Olaf Frederickson

Jerko Zuvela

Melanie Ross (appointed 6 July 2021)

Michael Melamed (resigned 6 July 2021)

Principal activities

The principal activities of the Group consisted of mineral exploration.

Financial results for the period

The consolidated loss attributable to shareholders of the Group was \$1,198,803 (2020: \$374,577). Please refer to the statement of profit or loss and other comprehensive income on page 6 for further information.

Review of Operations

Ragusa Minerals Limited is an Australian based mineral exploration company with a 100% interest in three high value projects – the Burracoppin Halloysite Project in Western Australia, the Monte Cristo Gold Project in Alaska, and the Lonely Mine Gold Project in Zimbabwe.

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

- ✓ Completed the acquisition of the Monte Cristo Gold Project in Alaska and the Burracoppin Halloysite Project in Western Australia;
- ✓ Burracoppin Project tenements E70/5708 and E77/2774 granted;
- ✓ Program of Work approved by WADMIRS for an initial drilling program and associated works at the Burracoppin Project;
- ✓ Obtained anomalous halloysite analysis results up to 20% from rock-chip surface samples at the Burracoppin Project.
- ✓ Completed a review of the Monte Cristo Gold Project for planning of the 2022 field exploration program;
- ✓ Completed the first stage diamond drilling works at the Tiberius prospect – part of the Lonely Mine Gold Project;
- ✓ Environmental Impact Assessment approval received to allow the full commercial development of gold mining and processing operations at the Lonely Mine Gold Project, including the Tiberius prospect for a period of two years (with renewal thereafter);
- ✓ Currently working to identify additional mineral project opportunities in Australia - and specifically targeting hard-rock lithium prospects, to enhance its project portfolio and increase the overall value proposition of RAS.
- ✓ \$400,000 capital raising completed;

- ✓ The Company held its Annual General Meeting.

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

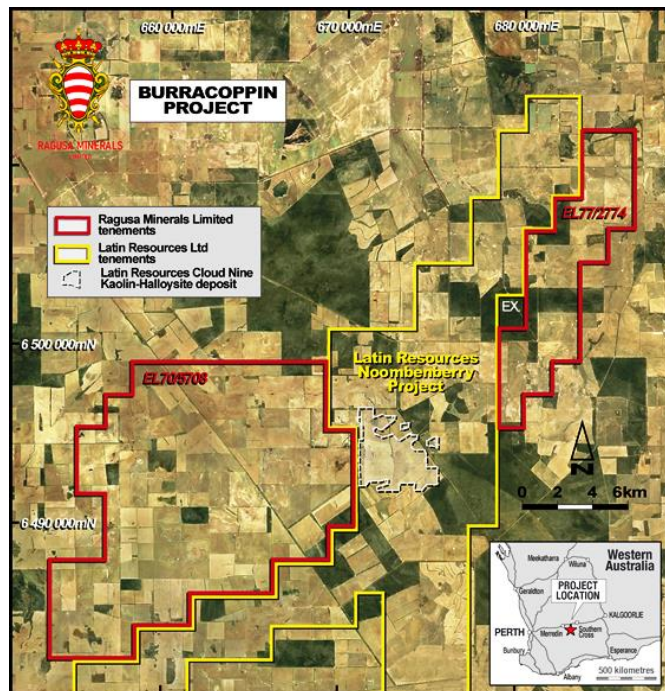
Key objectives for Ragusa during 2022, include;

- Conduct the drilling campaign at the Burracoppin Halloysite Project to delineate a JORC resource;
- Progress the development potential and associated works for a fast-track DSO-type operation at Burracoppin;
- Conduct the proposed exploration program Monte Cristo Gold Project, targeting priority historical prospects and potential new prospects near RPM discovery;
- Progress with a value-add proposition for the Lonely Mine Gold Project;
- Secure new mineral project opportunities – with a specific target of hard-rock lithium prospects, to increase the project portfolio and the overall value proposition of Ragusa.

Burracoppin Halloysite Project (100% interest)

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

Ragusa will define and conduct a works program to ensure the most effective development strategy for the project, including considering a strategy to fast-track works toward a potential DSO-type operation.



Burracoppin Halloysite Project Location

Monte Cristo Gold Project (100% interest)

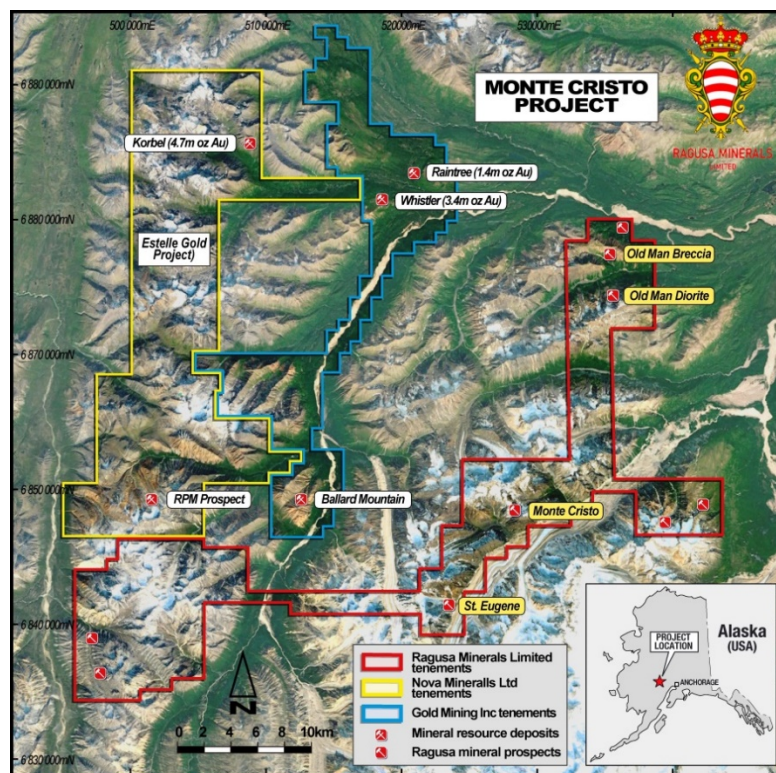
The Monte Cristo Gold Project comprises 500 granted claims (tenements), totalling 323.74km², located in Alaska, USA. The Project is located within the vicinity of multi-million ounce gold projects discovered by Nova Minerals Ltd (Korbel deposit 8.1m oz Au² and RPM deposit 1.5m oz Au³) and GoldMining Inc (Whistler and Raintree deposits with combined 4.8m oz Au⁴).

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 initial exploration work.

The Company conducted a project review/targeting exercise to determine mineral prospectivity relative to the

nearby multi-million ounce gold projects discovered by Nova Minerals Ltd (Korbel deposit 8.1m oz Au¹ and RPM deposit 1.5m oz Au²) and GoldMining Inc (Whistler and Raintree deposits with combined 4.8m oz Au³), and identify potential new prospects in proximity to the recent RPM discovery (which is located in close proximity to Ragusa's project area).

Ragusa is preparing exploration planning works, with its experienced and specialist Alaskan-based geological consultants, for the 2022 summer exploration program and ensure the most effective development strategy for the project.



Monte Cristo Gold Project Location

Lonely Mine Gold Project (100% interest)

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

The Company has conducted several phases of exploration works at the Tiberius prospect area – part of the Lonely Mine Gold Project, culminating in completing the initial diamond drilling campaign and obtaining the EIA development approval to allow the full commercial development of gold mining and processing operations at the Lonely Mine Gold Project, including the Tiberius prospect for a period of two years (with renewal thereafter).

New Project Opportunities

The Company is currently working to identify additional mineral project opportunities in Australia - and specifically targeting hard-rock lithium prospects, to enhance its project portfolio and increase the overall value proposition of RAS. The Company is reviewing potential new prospects that may complement the Company's current activities. This review process and associated works are progressing, and the Company will consider any such opportunities and advance as and how required with such project(s).

The Company is working to ensure it is best placed to deliver value and upside potential for all its shareholders. The Company will provide further updates in due course.

Covid-19

Regarding the Covid-19 pandemic, the Company is taking appropriate safety measures and actions to protect our staff and business operations, including precautions advised and regulated by Government. First and foremost, our priority is the health, safety and wellbeing of our staff, partners and community, and as such, the Company is actively monitoring the Covid - 19 situation.

Significant changes in state of affairs

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

Matters subsequent to the end of the financial period

On 4 February 2022, the Company announced the Tiberius prospect drilling results following completion of the first stage diamond drilling program, comprising eight drill-holes totalling 1236.64m drilled.

On 24 February 2022, the Company announced it had received regulatory approval of its "Program of Work" that was submitted to DMIRS, for drilling works and associated operations within tenement E70/5708, at the Company's 100% owned Burracoppin Halloysite Project.

On 25 February 2022, the Company provided an update relating to new project opportunities works being conducted, review works at the Monte Cristo Gold Project, and a legal proceedings update.

On 1 March 2022, the Company announced the results of a project review conducted for the Monte Cristo Gold Project.

On 14 March 2022, the Company announced the successful application for three tenements prospective for lithium in the Northern Territory, Australia – known as the Litchfield Lithium Project and the Daly River Lithium Project.

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

Legal update

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

The Company also understands that claims have been alleged and/or pursued against former directors of the Company in relation to the alleged misappropriation of funds of approximately \$700,000. No demands have been made against the Company in respect of this matter.

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

The Company denies the claims in the Writ and intends to defend the proceedings. The Company is in the process of reviewing the Writ with its legal advisors, including to determine if the Writ was served within statutory time limits. The Company will provide further updates as necessary.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7 of this financial report. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

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

Signed for and on behalf of the Directors



Jerko Zuvela
Chairperson
Perth, Western Australia

14 March 2022

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 – Burracoppin Halloysite Project: *The information in this announcement that relates to exploration results is based on information compiled by Olaf Frederickson. Mr Frederickson is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking 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 (the "JORC Code"). Mr Frederickson believes that the information in this announcement pertaining exploration results is an accurate representation of the available data and studies for the material mining project. Mr Frederickson is a director of Ragusa Minerals and consents to the inclusion in the report of the Exploration results in the form and context in which they appear.*

Competent Person's Statement: *The information contained in this report relating to Exploration Results has been prepared 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 a Director of Discovery Africa Ltd and consents to the inclusion in this report of this information in the form and context in which it appears. The information in this report is an accurate representation of the available data from the Company Projects.*

Reference to Previous ASX/TSX Releases:

This document refers to the following previous ASX/TSX releases:

¹ 23 December 2021 – Nova Minerals Ltd (ASX: NVA), *Nova Minerals increases total gold resource estimate at Estelle Project by over 50% to 9.6 million ounces*

² 27 October 2021 – Nova Minerals Ltd (ASX: NVA), *Maiden Gold Resource of 1.5 Million Ounces at RPM North*

³ 21 June 2021 – Gold Mining Inc (TSX: GOLD), *GoldMining Announces an Updated Mineral Resource Estimate for the Whistler Project, Alaska (release includes Raintree Project mineral resource estimate)*

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 review of the financial statements of Ragusa Minerals Ltd and its controlled entities for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 14th day of March 2022

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2021

		Half-year ended	
	Notes	31-Dec 2021	31-Dec 2020
		\$	\$
Revenue			
Interest income		6,152	89
Total income		6,152	89
Expenses			
Audit and taxation		(9,277)	(24,955)
Contractors and consultants		(73,621)	(17,342)
Legal costs		(32,496)	(50,077)
Finance costs		(1,331)	(17,265)
Personnel costs		(36,581)	(54,000)
Share based payments	12	(697,403)	(102,150)
Administrative expenses		(354,246)	(108,877)
Total operating expenses		(1,204,955)	(374,666)
Loss before income tax		(1,198,803)	(374,577)
Income tax		-	-
Net loss for the year		(1,198,803)	(374,577)
Other comprehensive income, net of income tax		1,778	(637)
Total comprehensive loss for the year		(1,197,025)	(375,214)
Earnings per share:			
Basic loss per share (cents)	13	(0.97)	(0.58)
Diluted loss per share (cents)	13	(0.97)	(0.58)

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

Financial Statements

Consolidated Statement of Financial Position As at 31 December 2021

	Notes	As At 31 December 2021 \$	As At 30 June 2021 \$
Current Assets			
Cash and cash equivalents		3,437,072	4,199,139
Other current assets	6	90,509	25,270
Total Current Assets		3,527,581	4,224,409
Non Current Assets			
Exploration and evaluation expenditure	7	1,930,078	631,942
Total Non Current Assets		1,930,078	631,942
Total Assets		5,457,659	4,856,351
Current Liabilities			
Trade and other payables	9	177,418	69,992
Total Current Liabilities		177,418	69,992
Total liabilities		177,418	69,992
Net Assets		5,280,241	4,786,359
Equity			
Share capital	10	13,453,542	12,655,624
Reserves	11	1,945,460	1,050,693
Accumulated losses		(10,118,761)	(8,919,958)
Total Equity		5,280,241	4,786,359

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

Financial Statements

Consolidated Statement of Changes In Equity For the half-year ended 31 December 2021

	Share capital	Convertible Notes Reserves	Option Reserves	Currency Reserve	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	7,790,192	3,161	-	-	(8,371,239)	(577,886)
Loss for the period					(374,577)	(374,577)
Other comprehensive income for the year, net of tax	-	-	-	(637)	-	(637)
Total comprehensive income for the year	-	-	-	(637)	(374,577)	(375,214)
Transaction with owners in the capacity as owners						
Issue of convertible note reserves						
Share issue for cash (Note 10)	5,000,000	-	-	-	-	5,000,000
Share issued on conversion of convertible notes	575,344	-	-	-	-	575,344
Share issued to vendors (Note 10)	500,000	-	-	-	-	500,000
Share options granted (Note 11)	-	-	1,048,800	-	-	1,048,800
Share issue expense	(1,209,912)	-	-	-	-	(1,209,912)
Balance at 31 December 2020	12,655,624	3,161	1,048,800	(637)	(8,745,816)	4,961,132
	Share capital	Convertible Notes Reserves	Option Reserves	Currency Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	12,655,624	-	1,048,800	1,893	(8,919,958)	4,786,359
Loss for the period	-	-	-	-	(1,198,803)	(1,198,803)
Other comprehensive income for the year, net of tax	-	-	-	1,778	-	1,778
Total comprehensive income for the year	-	-	-	1,778	(1,198,803)	(1,197,025)
Transaction with owners in the capacity as owners						
Share issue for cash (Note 10)	400,000	-	-	-	-	400,000
Shares issued in lieu of payment (Note 10)	24,000	-	-	-	-	24,000
Share issued to vendors (Note 10)	449,000	-	-	-	-	449,000
Share options granted (Note 11)	-	-	892,989	-	-	892,989
Share issue expense (Note 10)	(112,940)	-	-	-	-	(112,940)
Options exercised (Note 10)	37,858	-	-	-	-	37,858
Balance at 31 December 2021	13,453,542	-	1,941,789	3,671	(10,118,761)	5,280,241

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

Financial Statements

Consolidated Statement of Cash Flows For the half-year ended 31 December 2021

	Half-year ended	
Notes	31 December 2021	31 December 2020
Cash flows from operating activities	\$	\$
Payments to suppliers and employees	(490,415)	(482,020)
Interest received	1,475	89
GST received	4,798	14,557
Interest and other cost of finance paid	-	(55)
Net cash used in operating activities	(484,142)	(467,429)
Cash flows from Investing activities		
Payments for acquisition of exploration assets	(230,836)	-
Payments for exploration expenditure	(481,365)	(36,038)
Net cash used in operating activities	(712,201)	(36,038)
Cash flows from financing activities		
Proceeds from the issue of convertible notes	-	139,000
Proceeds from Issue of Shares	437,857	5,000,000
Capital raising costs	(8,378)	(287,523)
Proceeds from Issue of Options	120	4,500
Net cash inflow from financing activities	429,599	4,855,977
Net (decrease)/increase in cash and cash equivalent	(766,744)	4,352,510
Cash and cash equivalents at the beginning of the period	4,199,139	9,164
FX movement	4,677	-
Cash and cash equivalents at the end of the period	3,437,072	4,361,674

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

Notes to the Financial Statements

For the half-year ended 31 December 2021

1. General information

Ragusa Minerals Limited (“RAS” or the “Company”) and the entities it controls (the “Group”) is a listed public company incorporated in Australia (ASX Code: RAS). The Consolidated Financial Statements for the half year ended 31 December 2021 comprise Ragusa Minerals and the subsidiaries it controls.

The financial statements are presented in Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Group’s financial statements for the financial year ended 30 June 2021. The Company’s 2021 Annual Report is available upon request and may be downloaded from the ASX website (www.asx.com.au).

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

Level 2
22 Mount Street
Perth, WA 6000

2. Basis of preparation

Statement of compliance

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

The interim consolidated financial report does not include all the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report as at and for the year ended 30 June 2021.

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

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

3. Significant accounting policies

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

Adoption of New and Revised Accounting Standards

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

The Group has adopted all applicable new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2021 that are mandatory to the current financial period. There has been no material impact on the financial statements or performance of the Group resulting from these new and amended Australian Accounting Standards.

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

Notes to the Financial Statements

For the half-year ended 31 December 2021

3. Significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted

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

Foreign currency transactions

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

Foreign operations

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

Exploration and evaluation assets

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

Operating Segments

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

Share-Based Payments

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

Notes to the Financial Statements

For the half-year ended 31 December 2021

4. Critical accounting estimates and judgements

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

(a) Coronavirus (COVID-19) pandemic

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

(b) 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.

(c) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 12 for further information.

Notes to the Financial Statements

For the half-year ended 31 December 2021

5. Segment Reporting

	Lonely Mine Gold Gold Project (Zimbabwe) \$	Monte Cristo Gold Project (Alaska) \$	Burracoppin Halloysite Project \$	Australian Head Office \$	Intersegment Eliminations \$	Consolidated \$
Half-year to 31 December 2021						
Other income	-	-	-	1,475	-	1,475
Other expenses	-	-	-	(1,200,278)	-	(1,200,278)
Segment loss	-	-	-	(1,198,803)	-	(1,198,803)
Segment assets	1,065,902	547,700	316,475	4,089,811	(562,231)	5,457,658
Segment liabilities	565,177	-	-	177,416	(565,177)	177,416
Full-year to 30 June 2021						
Other income	-	-	-	6,722	-	6,722
Other expenses	-	-	-	(555,441)	-	(555,441)
Segment loss	-	-	-	(548,719)	-	(548,719)
Segment assets	631,941	-	-	4,323,896	(99,486)	4,856,351
Segment liabilities	130,176	-	-	69,992	(130,176)	69,992

Description of segments

Lonely Mine Gold Project

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

Monte Cristo Gold Project

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

Burracoppin Halloysite Project

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

Head Office in Perth

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

Notes to the Financial Statements

For the half-year ended 31 December 2021

6. Other Current Assets

	31-Dec-21	30-Jun-21
	\$	\$
Prepaid Insurance	36,386	16,442
Other debtors	100	100
Goods and service tax paid	54,023	8,728
Total other Current Assets	90,509	25,270

7. Exploration and Evaluation Expenditure

	31-Dec-21	30-Jun-21
	\$	\$
Balance at beginning of year	631,942	-
Acquisition of Balancing Rocks Zim Pty Ltd (See note 8)	-	530,562
Acquisition of Burracoppin Halloysite Project (See note 8)	250,877	-
Acquisition of Stradun Australia Pty Ltd (See note 8)	547,794	-
Expenditure incurred	499,465	101,380
Total Exploration and Evaluation Expenditure	1,930,078	631,942

8. Asset Acquisition

On 29 September 2020, Ragusa Minerals Limited acquired 100% of the issued shares of Balancing Rocks Zim Pty Ltd through the issue of 8,333.333 shares at \$0.06 totalling \$500,000. Balancing Rocks Zim Pty Ltd is an unlisted private company that was incorporated in Australia. Balancing Rocks Zim Pty Ltd owns 100% of Westwood Industrial (Private) Limited T/A Lonely Mine which owns the Lonely Mine Project In Zimbabwe.

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

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

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

Notes to the Financial Statements

For the half-year ended 31 December 2021

8 Asset Acquisition (Continued)

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 tenements are yet to be transferred to the Company.

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

	31-Dec-21 \$AUD	30-Jun-21
Purchase consideration:		
Cash consideration	230,836	-
6,884,615 Shares issued to vendors	449,000	-
8,333,333 Shares issued in lieu of cash	-	500,000
1,000,000 Unlisted Options in lieu of cash at Fair Value	48,217	-
2,000,000 Unlisted Options in lieu of cash at Fair Value	70,618	-
Total purchase consideration	798,671	500,000
	Fair Value	Fair Value
Deferred exploration expenditure	798,671	530,562
Accounts payable	-	(30,562)
Net assets acquired	798,671	500,000

9. Trade and Other Payables

	31-Dec-21 \$	30-Jun-21 \$
Trade payables	109,918	22,287
Accruals and other payables	67,500	47,705
Total Trade and Other Payables	177,418	69,992

Notes to the Financial Statements

For the half-year ended 31 December 2021

10. Issued Capital

	31-Dec-21	30-Jun-21
	\$	\$
Issued Capital	13,453,542	12,655,624
	13,453,542	12,655,624

Ordinary share - issued and fully paid	31-Dec-21		30-Jun-21	
	No.	\$	No.	\$
At the beginning of the period	114,098,057	12,655,624	12,842,316	7,790,192
Shares issued during the period	6,523,078	424,000	-	-
Contributions of equity	-	-	83,333,333	5,000,000
Shares issued to vendors (Note 8)	6,884,615	449,000	8,333,333	500,000
Shares issued on conversion of convertible notes	-	-	9,589,075	575,344
Share issue costs	-	(112,940)	-	(1,209,912)
Exercise of Options	420,639	37,858	-	-
At the end of the period	127,926,389	13,453,542	114,098,057	12,655,624

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.

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

Exercise period	Exercise price	Beginning balance	Issued	Exercised	Lapsed	Ending balance
Unlisted options:						
On or before 31 Dec 2022	0.12	45,000,000	-	-	-	45,000,000
On or before 31 Dec 2022	0.12	1,000,000	-	-	-	1,000,000
On or before 31 Dec 2022	0.09	9,589,075	-	(420,639)	-	9,168,436
On or before 25 Aug 2024	0.12	-	2,000,000	-	-	2,000,000
On or before 08 Sept 2023	0.12	-	2,000,000	-	-	2,000,000
On or before 08 Sept 2024	0.16	-	2,000,000	-	-	2,000,000
On or before 08 Sept 2026	0.16	-	1,000,000	-	-	1,000,000
On or before 18 Oct 2024	0.16	-	10,000,000	-	-	10,000,000
Total		55,168,436	17,000,000	(420,639)	-	72,168,436

Notes to the Financial Statements

For the half-year ended 31 December 2021

11. Equity Reserves

The reserves are used to record the value of equity instruments issued to brokers, advisors and key management personnel as part of compensation for their services. Details of the share-based payments are in Note 12.

	31-Dec-21	30-Jun-21
	\$	\$
Balance at beginning of the year	1,048,800	-
Broker Options (Recognised in equity) (1)	76,631	942,050
Advisor Options (Note 12)	635,019	79,450
Employee Stock Options (Note 12)	62,384	22,700
Vendor Options (Note 12)	118,835	-
Options Subscription Funds (2)	120	4,600
	1,941,789	1,048,800

1) On 29 September 2020 and 25 August 2021, the Company issued 41,500,000 and 2,000,000 options, respectively, 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 \$942,050 and \$76,631, respectively. The options have been valued using a standard binomial pricing model based on the fair value of the companies share at the grant date, using the following assumptions in Table 1 below in note 12.

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

The Share Based payment does not include \$195,466 (June 2021: \$942,050) of broker and vendor options as it has been recognised in equity (\$76,631) and assets (\$118,835) as they are transaction costs related to the equity placement and asset acquisitions, respectively.

12. Share Based Payments

	31-Dec-21	30-Dec-20
	\$	\$
Advisor Options (2)	635,019	79,450
Incentive Director Options (1)	62,384	22,700
	697,403	102,150

During the period, the Company issued the following options:

- 1) On the 8 September 2021 the company issued 2,000,000 Options 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

Notes to the Financial Statements

For the half-year ended 31 December 2021

12. Share Based Payments (Continued)

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

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

The Options have been valued using a standard binomial pricing model based on the fair value of a Company share at the grant date, using the following assumptions: the options granted during the period, risk-free interest rate, volatility.

Table 1

The options have been valued using an appropriate option pricing model based on the fair value of the Companies share at the grant date, using the following assumptions:

Options	Granted	Subscription Price	Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Dividend Yield	Risk Free Interest Rate	Fair Value at grant date	Value \$
Broker Options	41,500,000	0.001	29-Sep-20	31-Dec-22	0.06	0.12	100%	-	0.28%	0.023	942,050
Incentive Director Options	1,000,000	0.001	29-Sep-20	31-Dec-22	0.06	0.12	100%	-	0.28%	0.023	22,700
Advisor Options	3,500,000	0.001	29-Sep-20	31-Dec-22	0.06	0.12	100%	-	0.28%	0.023	79,450
Lead Manager Options	2,000,000	0.00001	25-Aug-21	25-Aug-24	0.07	0.12	100%	-	0.14%	0.038	76,631
Incentive Option issued to Directors & Officers	2,000,000	-	08-Sep-21	08-Sep-23	0.08	0.12	100%	-	0.01%	0.031	62,384
Consideration for Monte Cristo & Burracoppin Halloysite Projects (MC Vendor)	2,000,000	-	08-Sep-21	08-Sep-24	0.08	0.16	100%	-	0.20%	0.035	70,618
Consideration for Monte Cristo (BH Vendor)	1,000,000	-	08-Sep-21	08-Sep-26	0.08	0.16	100%	-	0.67%	0.048	48,217
Advisor Options	10,000,000	0.00001	18-Oct-21	18-Oct-24	0.12	0.16	100%	-	0.68%	0.064	635,019

Notes to the Financial Statements

For the half-year ended 31 December 2021

13. Earnings per share

	2021 Cents per share	2021 \$	2020 Cents per Share	2020 \$
Basic earnings per share attributable to the ordinary equity holders of the Group:	(0.97)	(1,198,803)	(0.58)	(374,577)
Total diluted earnings per share attributable to the ordinary equity holders of the Group:	(0.97)	(1,198,803)	(0.58)	(374,577)
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share		123,136,498		64,300,152

14. Group entities

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

Subsidiary	Country of incorporation	Ownership interest	
		31-Dec-21 %	30-Jun-21 %
Fortitude Capital Pty Ltd**	Australia	-	-
Balancing Rocks Zim Pty Ltd	Australia	100	100
Westwood Industrial (Private) Limited #	Zimbabwe	100	100
Stradun Australia Pty Ltd	Australia	100	-
Stradun Alaska LLC ##	United States of America	100	-

** Fortitude became dormant in the 2016 financial year and was deregistered on the 7 September 2020.

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

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

Notes to the Financial Statements

For the half-year ended 31 December 2021

15. Related party disclosure

During the 2020/21 financial year, 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. During the half year Consilium Corporate Pty Ltd invoiced the Company \$46,927 for CFO and Corporate Secretarial Fees (2021: \$27,192). As at 31 December 2021, \$4,540 was owing to Consilium Corporate Pty Ltd (2021: nil).

16. Contingent assets and liabilities

Other than the matter disclosed in Note 18, there has been no change to contingent liabilities since the last annual reporting period (30 June 2021: nil).

17. Commitments

Exploration and Evaluation

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

	31-Dec-21	30-Jun-21
	\$	\$
The company has tenement rental and expenditure commitments payable of:		
Not later than 12 months	88,000	-
Between 12 months and 5 years	352,000	-
	<u>440,000</u>	<u>-</u>

18. Legal Update

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

The Company also understands that claims have been alleged and/or pursued against former directors of the Company in relation to the alleged misappropriation of funds of approximately \$700,000. No demands have been made against the Company in respect of this matter.

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

The Company denies the claims in the Writ and intends to defend the proceedings. The Company is in the process of reviewing the Writ with its legal advisors, including to determine if the Writ was served within statutory time limits. The Company will provide further updates as necessary.

Notes to the Financial Statements

For the half-year ended 31 December 2021

19. Events occurring after the reporting period

On 04 February 2022, the Company announced that a new zone of mineralisation was identified from surface mapping that was confirmed at depth from the diamond-drilling program. The diamond drilling program comprised of eight drill-holes, with 1236.64m drilled.

On 24 February 2022, the Company announced it had received regulatory approval of its “Program of Work” that was submitted to DMIRS, for drilling works and associated operations within tenement E70/5708, at the Company’s 100% owned Burracoppin Halloysite Project.

On 25 February 2022, the Company provided an update relating to new project opportunities works being conducted, review works at the Monte Cristo Gold Project, and a legal proceedings update.

On 1 March 2022, the Company announced the results of a project review conducted for the Monte Cristo Gold Project.

On 14 March 2022, the Company announced the successful application for three tenements prospective for lithium in the Northern Territory, Australia – known as the Litchfield Lithium Project and the Daly River Lithium Project.

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

Directors' Declaration

Directors' Declaration **31 December 2021**

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

In the opinion of the Directors:

1. The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - a. Giving a true and fair view of the Group's financial position as at 31 December 2021 and the performance for the half year ended on that date; and
 - b. Complying with Accounting Standards AASB 134 (interim Financial Reporting), *Corporations Regulations 2001* and other mandatory reporting requirements;
2. There are reasonable grounds to believe the Group will be able to pay its debts as and when they become due and payable; and
3. The Directors have been given the declarations required by s295(5) of the *Corporations Act 2001*.

On behalf of the Board



Jerko Zuvela
Chairperson
14 March 2022

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 Review Report

To the Members of Ragusa Minerals Ltd

Conclusion

We have reviewed the half-year financial report of Ragusa Minerals Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the Directors for the Half-Year Financial Report

The Directors are responsible for the preparation of the half-year financial report that gives us a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the

directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view is free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Criterion Audit

CRITERION AUDIT PTY LTD

Watts

CHRIS WATTS CA
Director

DATED at PERTH this 14th day of March 2022