

Ragusa Minerals Limited

ABN 39 143 194 165

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

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

Auditor

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

Taxation Advisor

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

Solicitors

QR Lawyers
Level 6
400 Collins Street
Melbourne, VIC 3000

Mills Oakley
Level 6
530 Collins Street
Melbourne, VIC 3000

Securities Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: RAS

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Directors' Report

The Board of Directors and management of Ragusa Minerals Limited ("RAS" or the "Company") and the entities it controlled (the "Group") present their interim report together with the financial statements of the Group for the half-year ended 31 December 2023 (Balance Date), and the auditor's report thereon.

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

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

Directors

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

Olaf Frederickson
Jerko Zuvela
Melanie Ross

Principal activities

The principal activities of the Group consisted of mineral exploration.

Financial results for the period

The consolidated loss attributable to shareholders of the Group was \$1,520,615 (2022: \$493,809). Please refer to the statement of profit or loss and other comprehensive income on page 7 for further information.

Review of Operations

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

During the reporting period and to date, key project milestones accomplished were:

- ✓ NT Lithium Project – lithium mineralisation identified within strategic target area;
 - RC drilling works intercepted six separate pegmatite bodies;
 - New pegmatite strategic target areas identified, covering ~50km²;
 - 2024 field work program plan to follow up recent lithium discovery, targeting fresh pegmatite zones
- ✓ Burracoppin Project REE metallurgical test-work results;
- ✓ The Company held its Annual General Meeting.

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

Key objectives for Ragusa during 2024, include;

- Conduct planning works and regulatory approvals for next phase of exploration and drilling works at NT Lithium Project;
- Review new project opportunities.

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

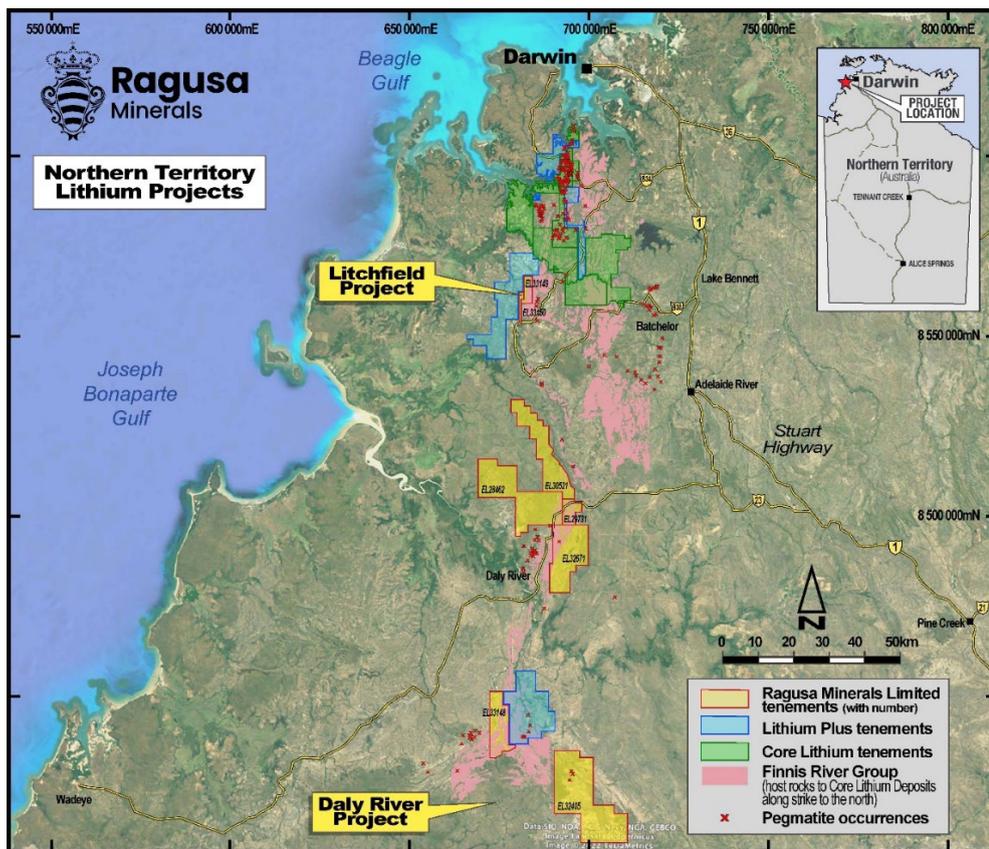
The NT Lithium Project is located in the highly prospective Litchfield Pegmatite Belt in Northern Territory, approximately 120km south of Darwin. Exploration works were carried out during the reporting period targeting lithium bearing pegmatites, including RC drilling operations, confirming new priority/strategic lithium target areas,

and receipt of drilling sample results.

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

- ✓ Confirmed lithium mineralisation from reconnaissance RC drilling works (and associated results) within the Kilfoyle prospect strategic lithium target area;
- ✓ Completed the reconnaissance drilling program comprising six RC drillholes, for a total of 738 metres drilled, intersecting several zones of pegmatite within the basalt/dolerite country rock, suggesting a swarm of several pegmatite lenses around a larger central pegmatite dyke;
- ✓ Exploration works are being planned to cover the ~50km² strategic lithium target area that lies west of the Giants Reef Fault and east of the presumed granite source rocks within tenement EL28462.

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



NT Lithium Project Location

Litchfield & Daly River Lithium Projects (100% interest)

The Company has 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 prospective for hard rock lithium deposits and located within the Litchfield Pegmatite Belt – host to discoveries including the neighbouring Core Lithium Finniss Project, Lithium Plus, Charger Metals and others.

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

Burracoppin REE & Halloysite Project (100% interest)

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

a low-cost operation are in close proximity.

The Company conducted metallurgical test-work on a select group of samples to determine potential Rare Earth Element (REE) recoveries using both alkaline and acidic test conditions. Laboratory analysis results were received (refer to announcement dated 6 October 2023), with results proving the sample grades accurately reflect the initial sample results confirming high-grade rare earth content in the Burracoppin Project samples.

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.

Monte Cristo Gold Project

The Monte Cristo Gold Project, located in Alaska, USA, was relinquished.

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

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial period, which significantly affected or may significantly affect the operations of the Group the results of those operations, or the state of affairs of the Group in future financial years.

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

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.

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 6 of this financial report. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

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

Signed for and on behalf of the Directors



Jerko Zuvela

Chair

Perth, Western Australia

23 February 2024

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 has been reviewed by Mr Olaf Frederickson. Mr Frederickson is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Frederickson is 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.*

Criterion Audit Pty Ltd

ABN 85 165 181 822

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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 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 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 23rd day of February 2024

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2023

	Notes	Half-year ended	
		31-Dec 2023 \$	31-Dec 2022 \$
Revenue			
Interest income		8,840	7,135
Government grant		46,320	-
Net foreign exchange gains		1,005	24,267
Gain from deconsolidation of subsidiary	15	695,193	-
Total income		751,358	31,402
Expenses			
Audit and taxation		(12,000)	(12,356)
Contractors and consultants		(66,791)	(45,623)
Legal costs		(38,333)	(43,893)
Finance costs		(1,239)	(2,493)
Personnel costs		(99,075)	(187,000)
Share based payments	11	-	(116,611)
Administrative expenses		(114,531)	(105,720)
Exploration expenses		-	(420)
Impairment of exploration	7	(1,276,064)	-
Impairment of related party loan	14	(766,403)	-
Total operating expenses		(2,374,436)	(514,116)
Loss before income tax		(1,623,078)	(482,714)
Income tax		-	-
Net loss for the year		(1,623,078)	(482,714)
Other comprehensive income/(loss), net of income tax		102,463	(11,095)
Total comprehensive loss for the year		(1,520,615)	(493,809)
Earnings per share:			
Basic and diluted loss per share (cents)	12	(1.14)	(0.37)

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 2023

	Notes	As At 31 December 2023 \$	As At 30 June 2023 \$
Current Assets			
Cash and cash equivalents		817,835	1,891,137
Other current assets	6	121,581	77,891
Total Current Assets		939,416	1,969,028
Non Current Assets			
Exploration and evaluation expenditure	7	1,989,189	2,786,048
Total Non Current Assets		1,989,189	2,786,048
Total Assets		2,928,605	4,755,076
Current Liabilities			
Trade and other payables	8	62,338	368,194
Total Current Liabilities		62,338	368,194
Total liabilities		62,338	368,194
Net Assets		2,866,267	4,386,882
Equity			
Share capital	9	15,001,194	15,001,194
Reserves	10	2,099,320	1,996,857
Accumulated losses		(14,234,247)	(12,611,169)
Total Equity		2,866,267	4,386,882

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 2023

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

	Share Capital	Share Based Payments Reserve	Foreign Currency Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2023	15,001,194	2,058,399	(61,542)	(12,611,169)	4,386,882
Loss for the period	-	-	-	(1,623,078)	(1,623,078)
Other comprehensive income for the year, net of tax	-	-	102,463	-	102,463
Total comprehensive income for the year	-	-	102,463	(1,623,078)	(1,520,615)
Balance at 31 December 2023	15,001,194	2,058,399	40,921	(14,234,247)	2,866,267

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 2023

	Half-year ended	
	31 December 2023	31 December 2022
Notes	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(514,004)	(539,661)
Interest received	8,840	7,135
Government grant received	20,844	-
GST received	84,615	65,452
Net cash used in operating activities	(399,705)	(467,074)
Cash flows from Investing activities		
Payments for exploration expenditure	(672,820)	(980,659)
Net cash used in operating activities	(672,820)	(980,659)
Cash flows from financing activities		
Proceeds from issue of shares	-	1,482,790
Capital raising costs	-	(16,364)
Proceeds received for shares not yet issued	-	76,677
Net cash inflow from financing activities	-	1,543,103
Net (decrease)/increase in cash and cash equivalent	(1,072,525)	95,370
Cash and cash equivalents at the beginning of the period	1,891,137	2,519,306
FX movement	(777)	3,829
Cash and cash equivalents at the end of the period	817,835	2,618,505

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 2023

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 2023 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 2023. The Company’s 2023 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 2023.

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.

Going Concern

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

As disclosed in the financial statements, the Group incurred a loss of \$1,623,078 and had net cash outflows from operating and investing activities of \$399,705 and \$672,820, respectively, for the period ended 31 December 2023. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

These factors indicate a material uncertainty, which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, as it plans to issue additional equity securities or other funding options to raise further working capital. The directors are confident the Group will be successful in sourcing further capital to fund the ongoing operations of the Group. If the event this does not occur or is delayed, the Group has sufficient operating cash reserves to cover its operating costs for a period of at least 12 months from the date of this report.

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Notes to the Financial Statements

For the half-year ended 31 December 2023

2. Basis of preparation (continued)

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

3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries) (referred to as 'the Group' in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. When control ceases with entities, they are deconsolidated from the date control ceases. The fair value of the investment remaining in the entity is recognised. Any gain or loss on deconsolidation is recognised in accordance with standards in the profit or loss or equity as required. Please refer to Note 15 in relation to the Deconsolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. In preparing the consolidated financial statements, all inter-company balances and transactions between entities in the Group have been eliminated in full on consolidation.

4. 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 2023 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.

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

Notes to the Financial Statements

For the half-year ended 31 December 2023

4. Significant accounting policies (continued)

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.

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.

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.

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 11 for further information.

Notes to the Financial Statements

For the half-year ended 31 December 2023

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 2023						
Other income	-	-	-	751,358	-	751,358
Other expenses	(45,639)	(1,243,030)	-	(1,085,767)	-	(2,374,436)
Segment loss	(45,639)	(1,243,030)	-	(334,409)	-	(1,623,078)
Segment assets	-	-	1,989,189	1,720,814	(781,398)	2,928,605
Segment liabilities	810,008	-	-	62,338	(810,008)	62,338
Full-year to 30 June 2023						
Other income	-	-	-	44,948	-	44,948
Other expenses	(1,276,681)	-	-	(957,933)	-	(2,234,614)
Segment loss	(1,276,681)	-	-	(912,984)	-	(2,189,665)
Segment assets	-	1,162,937	1,623,111	3,422,489	(1,453,461)	4,755,076
Segment liabilities	790,503	615,237	-	368,195	(1,405,741)	368,194

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 31 December 2023 (refer to Note 7(a)).

Monte Cristo Gold Project

A gold project based in Alaska and made up of five hundred granted tenements, which have been relinquished as at 31 December 2023. As a result, expenditure to date on the project was fully impaired as at 31 December 2023 (refer to Note 7(a)).

Burracoppin REE & Halloysite Project

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

NT Lithium Project

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

Head Office in Perth

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

Notes to the Financial Statements

For the half-year ended 31 December 2023

6. Other Current Assets

	31-Dec-23	30-Jun-23
	\$	\$
Prepayments	64,990	35,871
Other debtors	25,476	-
Goods and service tax paid	31,115	42,020
Total other Current Assets	121,581	77,891

7. Exploration and Evaluation Expenditure

	31-Dec-23	30-Jun-23
	\$	\$
Balance at beginning of year	2,786,048	2,417,834
Expenditure incurred	479,205	1,656,624
Impaired during the period (a)	(1,276,064)	(1,288,410)
Total Exploration and Evaluation Expenditure	1,989,189	2,786,048

- (a) During the year ended 30 June 2023, 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.

During the current year, management of the Group also tested the Monte Cristo Gold Project (asset of Stradun Alaska LLC) for impairment mainly under AASB 6 Exploration for and Evaluation of Mineral Resources. It was concluded that it was also unlikely future work would continue on the project and thus the annual rent of the tenements would remain unpaid which ultimately resulted in a forfeiture of the tenements and thus, a provision for impairment to reduce the carrying amount of the project to nil value.

Notes to the Financial Statements

For the half-year ended 31 December 2023

8. Trade and Other Payables

	31-Dec-23	30-Jun-23
	\$	\$
Trade payables	20,735	42,652
Accruals and other payables	41,603	238,042
Provision - legal settlement (a)	-	87,500
Total Trade and Other Payables	62,338	368,194

(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 was 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.

9. Issued Capital

	31-Dec-23	30-Jun-23
	\$	\$
Issued Capital	15,001,194	15,001,194
	15,001,194	15,001,194

Ordinary share - issued and fully paid	31-Dec-23		30-Jun-23	
	No.	\$	No.	\$
At the beginning of the period	142,598,786	15,001,194	128,004,715	13,459,341
Share issue costs	-	-	-	(17,613)
Exercise of Options	-	-	14,594,071	1,559,466
At the end of the period	142,598,786	15,001,194	142,598,786	15,001,194

Notes to the Financial Statements

For the half-year ended 31 December 2023

9. Issued Capital (continued)

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

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

Exercise period	Exercise price	Beginning balance	Issued	Exercised	Lapsed	Ending balance
Unlisted options:						
On or before 08 Sept 2023	0.12	2,000,000	-	-	(2,000,000)	-
On or before 25 Aug 2024	0.12	2,000,000	-	-	-	2,000,000
On or before 08 Sept 2024	0.16	2,000,000	-	-	-	2,000,000
On or before 08 Sept 2026	0.16	1,000,000	-	-	-	1,000,000
On or before 18 Oct 2024	0.16	10,000,000	-	-	-	10,000,000
On or before 24 Nov 2025	0.451	2,300,000	-	-	-	2,300,000
Total		19,300,000	-	-	(2,000,000)	17,300,000

10. Equity Reserves

	31-Dec-23	30-Jun-23
	\$	\$
Share based payments reserve (a)	2,058,399	2,058,399
Foreign currency reserve	40,921	(61,542)
Total reserves	2,099,320	1,996,857

(a) Share based payments reserve.

Details of the share-based payments are in Note 11.

	31-Dec-23	30-Jun-23
	\$	\$
Balance at beginning of the year	2,058,399	1,941,789
- Employee Stock Options (1)	-	116,610
	2,058,399	2,058,399

1) On the 24 November 2022, the Company issued 2,300,000 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 \$116,610.

Notes to the Financial Statements

For the half-year ended 31 December 2023

11. Share Based Payments

	31-Dec-23	31-Dec-22
	\$	\$
Incentive Director Options (1)	-	116,611
	-	116,611

During the period, the Company issued the following options:

- 1) On the 24 November 2022, the Company issued 2,300,000 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 \$116,610.

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

No options were issued during the financial period.

12. Earnings per share

	2023	2023	2022	2022
	Cents per	\$	Cents per	\$
	share		Share	
Basic earnings per share attributable to the ordinary equity holders of the Group:	(1.14)	(1,623,078)	(0.37)	(482,714)
Total diluted earnings per share attributable to the ordinary equity holders of the Group:	(1.14)	(1,623,078)	(0.37)	(482,714)
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share:		142,598,786		131,053,504

Notes to the Financial Statements

For the half-year ended 31 December 2023

13. Group entities

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

Subsidiary	Country of incorporation	Ownership interest	
		31-Dec-23 %	30-Jun-23 %
Balancing Rocks Zim Pty Ltd	Australia	100	100
Westwood Industrial (Private) Limited #	Zimbabwe	100	100
Stradun Australia Pty Ltd	Australia	100	100
Stradun Alaska LLC ## (1)	America	-	100

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

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

- (1) In December 2023, the Company commenced voluntary deregistration of Stradun Alaska LLC. On 5 February 2024, voluntary registration of the subsidiary was completed effective 22 December 2023. As a result, the Group has deconsolidated the entity from the Group's financial statements at 31 December 2023. The net impact of the deconsolidation was a gain of \$695,193 representing the post-acquisition profits or losses of the entity and the effect of foreign exchange and an impairment expense of the loan between the Company and the entity of \$766,403 (refer to notes 14 and 15).

14. Related party disclosure

Related Party Loans

The Company has provided a loan to Stradun Alaska LLC over prior years which was eliminated on consolidation. The elimination is not reflected on deconsolidation and as a result was fully impaired in the current period.

	31-Dec-23 \$	31-Dec-22 \$
Loan receivable – Stradun Alaska	766,403	702,792
Less: provision for impairment	(766,403)	-
	-	702,792

Notes to the Financial Statements

For the half-year ended 31 December 2023

15. Deconsolidation

In December 2023, the Company commenced voluntary deregistration of Stradun Alaska LLC. On 5 February 2024, voluntary registration of the subsidiary was completed effective 22 December 2023. As a result, the Group has deconsolidated the entity from the Group's financial statements at 31 December 2023. The net impact of the deconsolidation was a gain of \$695,193 representing the post-acquisition profits or losses of the entity and the effect of foreign exchange as shown below:

	31-Dec-23
	\$
Loss for the year from deconsolidated subsidiary	1,243,029
Less: impairment of investment in subsidiary in parent entity	(547,836)
Gain on deconsolidation of subsidiary	<u>695,193</u>

16. Contingent assets and liabilities

There were no material changes to contingent liabilities or assets since 30 June 2023.

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-23	30-Jun-23
	\$	\$
The company has tenement rental and expenditure commitments payable of:		
Not later than 12 months	249,736	246,085
Between 12 months and 5 years	998,944	985,568
	<u>1,248,680</u>	<u>1,231,653</u>

Notes to the Financial Statements

For the half-year ended 31 December 2023

18. 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.

19. Events occurring after the reporting period

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial period, which significantly affected or may significantly affect the operations of the Group the results of those operations, or the state of affairs of the Group in future financial years.

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 2023

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 2023 and the performance for the half year ended on that date; and
 - b. Complying with Accounting Standards AASB 134 (interim Financial Reporting), *Corporations Regulations 2001* and other mandatory reporting requirements;
2. There are reasonable grounds to believe the Group will be able to pay its debts as and when they become due and payable; and
3. The Directors have been given the declarations required by s295(5) of the *Corporations Act 2001*.

On behalf of the Board



Jerko Zuvela
Chair
23 February 2024

Criterion Audit Pty Ltd

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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 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 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 2023 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 2023 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 23rd day of February 2024