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Ragusa Minerals Limited

Formerly SIV Asset Management Limited

ABN 39 143 194 165

Interim Financial Report

For the half-year ended 31 December 2020

Corporate Directory

Directors of Company

Jerko Zuvela
Michael Melamed
Olaf Frederickson

Company Secretary

Melanie Ross

Registered Office

Level 2
22 Mount Street
Perth, WA 6000

Share Register

Link Market Services
Level 12
250 Georges Terrace
Perth, WA 6000

Auditor

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

Taxation Advisor

BDO East Coast Partnership
Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne, VIC 3008

Solicitors

Patrick & Associates
Level 9
224-236 Queen 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 (formerly SIV Asset Management Limited) ("RAS" or the "Company") and the entity it controlled (the "Group") present their interim report together with the financial statements of the Group for the half-year ended 31 December 2019 (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:

Michael Melamed

Olaf Frederickson

Peter Chai (resigned 1 December 2020)

Jerko Zuvela (appointed 29 September 2020)

Principal activities

Since completion of the transaction to acquire Balancing Rocks Zim Pty Ltd on 29 September 2020, 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 \$374,577 (2019: \$117,004). 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 the Lonely Mine Gold Project in Zimbabwe.

Lonely Mine Gold Project

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 Project area has not had any modern-day systematic exploration with the opportunity to benefit from utilising modern exploration techniques.

The Company commenced preliminary exploration works at the project, including completing an initial analysis of the structural and mineralisation trends, and potential gold targets at the Tiberius and Lonely prospect areas.

The Company also completed and lodged an Environmental Impact Assessment ("EIA") report to the regulatory authority, and subsequently soon thereafter received EIA approval receipt to conduct exploration activities at the Tiberius prospect area, including geological, geophysical and drilling works.

These works comprised an exploration targeting program across the Tiberius prospect area, with the aim to outline priority sites for the initial drilling campaign. The exploration targeting program works comprised geological field mapping and ground geophysical surveying across the Tiberius priority prospect areas.

The geological mapping works identified the country rock as mainly limburgitic basalt with a banded ironstone unit to the west of the prospect area. The historical Tiberius main shaft lies on a sheared contact of the basalt and the banded ironstone.

The ground magnetic surveying works involved data interpretation, which realised an interpreted shear hosted quartz-silica forming a potential linear relationship to the regional trends of the Lonely, Durban and Motapa group of mines. In addition, the total magnetic intensity interpretation indicates the gold mineralisation at the Tiberius prospect is structurally controlled.

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The Company will also conduct Induced Polarisation surveying to identify target areas and as follow up with the magnetic survey works.

These additional works and commencement of the drilling program were delayed in mid-December due to seasonal rain suspending operations. Additional delays in early-2021 are due to government actions and associated measures related to the Covid-19 pandemic in Zimbabwe.

Other

Noting the Covid-19 impact in Zimbabwe, the Company has conducted works to review additional mineral project opportunities worldwide, to enhance its project portfolio and increase the overall value proposition of Ragusa.

In addition, a report published in early March by risk consultancy Verisk Maplecroft indicated a “significant increase” in resource nationalism, with the pandemic exacerbating an existing trend toward government intervention, and Zimbabwe being included within the top 10 of Verisk Maplecroft’s Resource Nationalism Index.

As such, any new mineral project opportunities considered by Ragusa will be focused on higher quality jurisdictions.

The Company is working to ensure it is best placed to deliver value and upside potential for all its shareholders.

Covid-19

The Company continues to take appropriate safety measures and actions to protect our staff and business operations, including precautions advised and regulated by the Australian 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.

In early January 2021, the Zimbabwe government introduced strict national lockdown measures after a surge in cases. This included a daytime curfew and limitations on essential services.

With current government actions for Covid-19 being in place, the Company has been restricted to be able to carry out project works and exploration activities as planned due to the restrictions on local personnel and contractors, and international consultants entering the country. The Company is hopeful to resume planned on-going works as quickly as possible.

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 16 February 2021, the Company announced that the Zimbabwe Government had extended Covid-19 lockdown measures in Zimbabwe.

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Legal Update

During the period the company has been in discussions with Aurora Funds Management Limited (AFML) in relation to the claims raised by AFML concerning alleged unauthorised transfer of funds from AFML (or funds managed by them) through to SIV Asset Management Limited and other parties. To date no formal legal claim has been brought against the company in respect of these historical matters.

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 5 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

11 March 2021

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.

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Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

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

As lead audit director for the audit of the financial statements of Ragusa Minerals Ltd for the half year ended 31 December 2020, 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 11th day of March 2021

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2020

	Notes	Half-year ended	
		31-Dec 2020	31-Dec 2019
Revenue		\$	\$
Interest income		89	44
Total income		89	44
Expenses			
Audit and taxation		(24,955)	(8,138)
Contractors and consultants		(17,342)	(32,352)
Legal costs		(50,077)	(16,287)
Finance costs		(17,265)	(14,985)
Personnel costs		(54,000)	(18,000)
Share based payments	13	(102,150)	-
Administrative expenses		(108,877)	(27,286)
Total operating expenses		(374,666)	(117,048)
Loss before income tax		(374,577)	(117,004)
Income tax		-	-
Net loss for the year		(374,577)	(117,004)
Other comprehensive income, net of income tax		(637)	-
Total comprehensive loss for the year		(375,214)	(117,004)
Loss before income tax is attributable to:			
Owners of Ragusa Minerals Limited		(375,214)	(117,004)
Total comprehensive loss for the year is attributable to:		(375,214)	(117,004)
Owners of Ragusa Minerals		(375,214)	(117,004)
Earnings per share:			
Basic loss per share (cents)	14	(0.58)	(0.91)
Diluted loss per share (cents)	14	(0.58)	(0.91)

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

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Financial Statements

Consolidated Statement of Financial Position As at 31 December 2020

	Notes	As At 31 December 2020 \$	As At 30 June 2020 \$
Current Assets			
Cash and cash equivalents		4,361,674	9,164
Other current assets	6	88,962	15,780
Total Current Assets		4,450,636	24,944
Non Current Assets			
Exploration and evaluation expenditure	7	566,889	-
Total Non Current Assets		566,889	-
Total Assets		5,017,525	24,944
Current Liabilities			
Trade and other payables	9	56,393	183,695
Convertible Notes	10	-	419,135
Total Current Liabilities		56,393	602,830
Total liabilities		56,393	602,830
Net Assets/ (Liabilities)		4,961,132	(577,886)
Equity			
Share capital	11	12,655,624	7,790,192
Reserves	12	1,051,324	3,161
Accumulated losses		(8,745,816)	(8,371,239)
Total Equity/(Deficiency)		4,961,132	(577,886)

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

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Financial Statements

Consolidated Statement of Cash Flows For the half-year ended 31 December 2020

	Half-year ended	
	31 December 2020	31 December 2019
Cash flows from operating activities	\$	\$
Payments to suppliers and employees	(482,020)	(96,582)
Interest received	89	45
GST received	14,557	6,229
Interest and other cost of finance paid	(55)	(33)
Net cash used in operating activities	(467,429)	(90,341)
Cash flows from Investing activities		
Payments for exploration expenditure	(36,038)	-
Net cash used in operating activities	(36,038)	-
Cash flows from financing activities		
Proceeds from the issue of convertible notes	139,000	73,000
Proceeds from Issue of Shares	5,000,000	-
Capital raising costs	(287,523)	-
Proceeds from Issue of Options	4,500	-
Net cash inflow from financing activities	4,855,977	73,000
Net (decrease)/increase in cash and cash equivalent	4,352,510	(17,341)
Cash and cash equivalents at the beginning of the period	9,164	57,815
Cash and cash equivalents at the end of the period	4,361,674	40,474

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

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Notes to the Financial Statements

For the half-year ended 31 December 2020

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 2020 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 2020. The Company’s 2020 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 2020.

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 2020 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 2020

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 2020

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 Company 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 Company 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 consolidated entity 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 consolidated entity 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 16 for further information.

Notes to the Financial Statements

For the half-year ended 31 December 2020

5. Segment reporting

The Group operated predominantly as an explorer with the view to identify and advance attractive mineral deposits of sufficient grade and size to provide sustainable returns to shareholders.

The directors do not believe that there are any reportable segments that meet the requirements of AASB 8 Segment Reporting. The chief operating decision maker, being the Board of Directors, review geological results and other qualitative measures as a basis for decision making.

6. Other Current Assets

	31-Dec-20		30-Jun-20
	\$		\$
Prepaid Insurance	40,088	-	
Other debtors	100	-	
Goods and service tax paid	48,774		15,780
Total other Current Assets	88,962		15,780

7. Exploration and Evaluation Expenditure

	31-Dec-20		30-Jun-20
	\$		\$
Balance at beginning of year	-		-
Acquisition of Balancing Rocks Zim Pty Ltd (See Note 8)	530,562		-
Expenditure incurred	36,327		-
Total Exploration and Evaluation Expenditure	566,889		-

Notes to the Financial Statements

For the half-year ended 31 December 2020

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. As the transaction was not deemed a business acquisition, 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.

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

	\$AUD
Purchase consideration:	
8,333,333 Shares issued in lieu of cash	500,000
Total purchase consideration	500,000
	Fair Value
Deferred exploration expenditure	530,562
Accounts payable	(30,562)
Net assets acquired	500,000

9. Trade and Other Payables

	31-Dec-20	30-Jun-20
	\$	\$
Trade payables	31,993	118,098
Audit fees payable	6,500	41,397
Directors Fees payable	17,900	24,200
Total Trade and Other Payables	56,393	183,695

Notes to the Financial Statements

For the half-year ended 31 December 2020

10. Convertible Notes

	31-Dec-20
	\$
Convertible Notes	
Opening Balance 30 June 2020	419,135
Issue of convertible notes	139,000
Interest accrued up to 30 September 2020	17,209
	575,344
Converted to Equity (Note 11)	
Convertible notes converted to equity	(511,999)
Interest portion of convertible notes converted to equity	(63,345)
	(575,344)
Total	-

Key terms of the convertible notes

The Convertible Notes issued under the Capital Raising will be convertible at \$0.06 (6 cents), expire 12 months from issue, accrue interest at 12% per annum and are only convertible if the Company:

- (a) obtaining shareholder approval for the issue of shares on conversion of the Notes and issue of Note Options (defined below); and
- (b) issuing a prospectus enabling shares upon conversion of the Notes and Note Options to be issued without restrictions on secondary trading under the Corporations Act 2001 (Cth), being the Conversion Conditions.

Each share issued upon conversion of Notes will be accompanied by one free-attaching option (Note Option) with an exercise price of \$0.09 (9 cents) and expiring 31 December 2022. Issue of shares on conversion of Notes and issue of Note Options are subject to shareholder approval.

The Convertible notes were converted to equity on the 29 September 2020.

Accounting treatment

Convertible notes are accounted for as the aggregate of a liability component and an equity component. At initial recognition, the fair value of the liability component of the convertible notes is determined using a market interest rate for an equivalent non-convertible note. The remainder of the proceeds is allocated to the conversion option as an equity component, recognised in the Statement of Changes in Equity. Transaction costs associated with the convertible notes are allocated to the liability and equity components in proportion to the allocation of proceeds. The liability component is subsequently carried at amortised cost, calculated using effective interest rate method, until extinguished in conversion or maturity.

Notes to the Financial Statements

For the half-year ended 31 December 2020

11. Issued Capital

	31-Dec-20	30-Jun-20
	\$	\$
Issued Capital	12,655,624	7,790,192
	12,655,624	7,790,192

Ordinary share - issued and fully paid	31-Dec-20		30-Jun-20	
	No.	\$	No.	\$
At the beginning of the period	12,842,316	7,790,192	12,842,316	7,790,192
Shares issued during the period				
Contributions of equity	83,333,333	5,000,000	-	-
Shares issued to vendors (Note 8)	8,333,333	500,000		
Shares issued on conversion of convertible notes (Note 10)	9,589,075	575,344	-	-
Share issue costs	-	(1,209,912)	-	-
At the end of the period	114,098,057	12,655,624	12,842,316	7,790,192

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	-	-	9,589,075
Total			55,589,075			55,589,075

Notes to the Financial Statements

For the half-year ended 31 December 2020

12. 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 13.

	31-Dec-20	30-Jun-20
	\$	\$
Broker Options (Recognised in equity) (1)	942,050	-
Advisor Options (Note 13)	22,700	-
Employee Stock Options (Note 13)	79,450	-
Options Subscription Funds (2)	4,600	-
	1,048,800	-

1) On 29 Sept 2020 the Company issued 41,500,000 options to Brokers as part of capital raising costs the movement arising from the issue of the options is recorded as share issue costs (equity) in the Statement of Financial Position. The fair value of the Options has been assessed as \$942,050. 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 13.

2) This amount relates to the funds paid to subscribe for 46,000,000 options issued on the 29 Sept 2020.

The Share Based payment does not include \$942,050 broker options reserve as it has been recognised in equity as they are transaction costs related to the equity placement.

13. Share Based Payments

	31-Dec-20	30-Jun-20
	\$	\$
Advisor Options (1)	22,700	-
Incentive Director Options (2)	79,450	-
	102,150	-

On 29 Sept 2020 the company issued the following options:

1) 1,000,000 to directors in connection with the offer, the fair value arising from the issue of options have been recorded as share based payments. The fair value of the options has been assessed as \$22,700.

(2) 3,5000,000 to third-party advisors in connection with the offer, the fair value arising from the issue of options has been recorded as share based payments. The fair value of the options has been assessed as \$79,450.

The options have been valued using a standard binomial pricing model based on the fair value of the Companies shares at the grant date, using the following assumptions in Table 1 below.

Notes to the Financial Statements

For the half-year ended 31 December 2020

13. Share Based Payments (Continued)

Table 1

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:

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

14. Earnings per share

	2020 Cents per share	2020 \$	2019 Cents per Share	2019 \$
Basic earnings per share attributable to the ordinary equity holders of the Group:	(0.58)	(374,577)	(0.91)	(117,004)
Total diluted earnings per share attributable to the ordinary equity holders of the Group:	(0.58)	(374,577)	(0.91)	(117,004)
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share		64,300,152		12,842,316

There are 55,589,075 outstanding unlisted options that would be included in the diluted calculation

Notes to the Financial Statements

For the half-year ended 31 December 2020

15. Group entities

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

Subsidiary	Country of incorporation	Ownership interest	
		31-Dec-20 %	30-Jun-20 %
Fortitude Capital Pty Ltd**	Australia	-	100
Balancing Rocks Zim Pty Ltd	Australia	100	-
Westwood Industrial (Private) Limited ##	Zimbabwe	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

16. Related party disclosure

Aside from remuneration paid to Directors, there were no related party transactions in the half year ended 31 December 2020.

The financial report for the year ended 30 June 2020 provides further details on the nature of previous related party transactions.

17. Contingent assets and liabilities

There has been no change to contingent liabilities since the last annual reporting period (30 June 2020: nil).

18. Commitments

There were no commitments as at 31 December 2020 (30 June 2020: nil).

19. Legal Update

During the period the company has been in discussions with Aurora Funds Management Limited (AFML) in relation to the claims raised by AFML concerning alleged unauthorised transfer of funds from AFML (or funds managed by them) through to SIV Asset Management Limited and other parties. To date no formal legal claim has been brought against the company in respect of these historical matters.

20. Events occurring after the reporting period

On 16 February 2021, the Company announced that the Zimbabwe Government had extended Covid-19 lockdown measures in Zimbabwe.

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Directors' Declaration

Directors' Declaration 31 December 2020

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 2020 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
11 March 2021

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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"), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 11th day of March 2021

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