



QUARTERLY ACTIVITIES REPORT

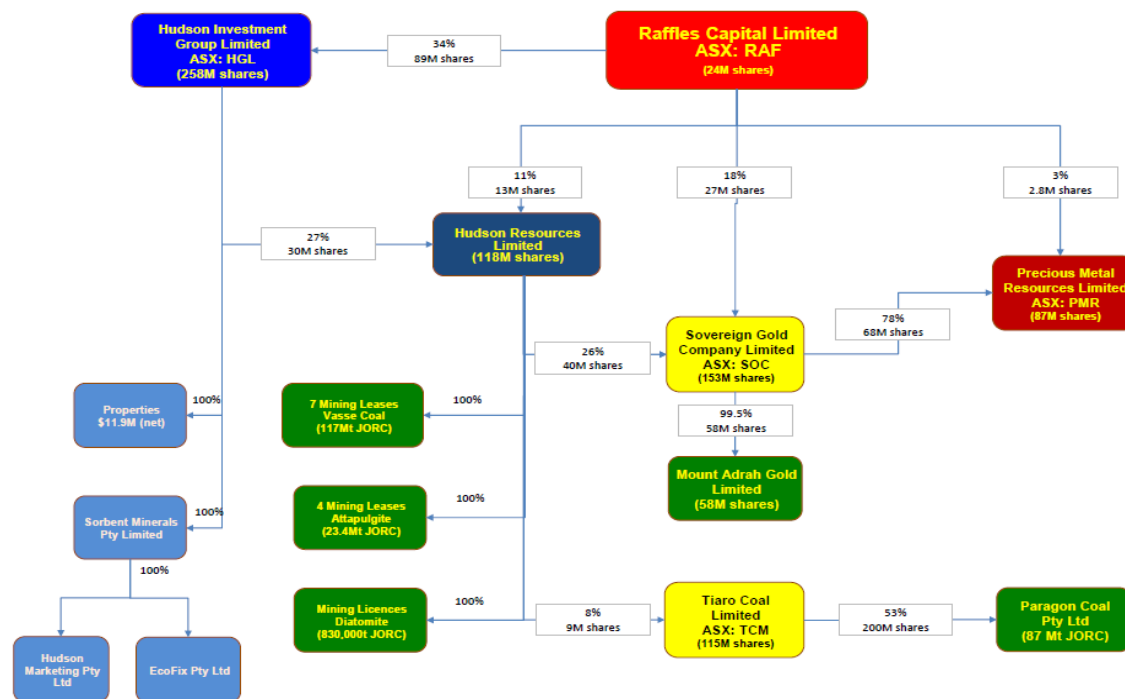
This quarterly activities report is dated 31 July 2014 and is for the three months ending 30 June 2014.

Raffles' register snapshot

On 30 June 2014, Raffles Capital had 23,700,359 ordinary shares on issue and nil options.

Raffles' business snapshot

Company structure as at 21 July 2014



Raffles continues to operate over three business areas:

- Corporate advisory** - Raffles corporate advisory business identifies commercial and corporate opportunities, synergic partnerships, commercial and project funding. New businesses either continue to operate under Raffles or the business is able to seek independent funding. Raffles gains through the sale of the business for cash, equity or a combination. Joint venture participation is also possible.
- RafflesLaw** - Through its subsidiary, RafflesLaw Pty Ltd, Raffles proposes to operate a Litigation Funding business providing funding of legal claims, in Australia and in other jurisdictions. Business models are currently being evaluated. Litigation funding promotes access to justice, spreads the risk of complex litigation and improves the efficiency of litigation by introducing commercial considerations that will aim to reduce costs.
- Origination** - Raffles origination business identifies prospective businesses and mineral exploration projects. After conducting multi discipline due diligence and developing suitable business models it identifies and engages suitable project staff with an independent management team. Having secured tenure or project control, Raffles funds initial exploration and development through seed capital and proceeds to build the business.

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Sovereign Gold Company Limited (ASX: SOC) (17.88%)

Raffles holds 27,375,000 Sovereign Gold Company Limited (Sovereign Gold) shares, representing 17.88%.

Exploration Summary

Peripheral Quartz Reefs at Mount Adrah Continue to Impress (ASX: 27 June 2014)

- **Three scout holes and two wedge holes completed at the Mount Adrah Gold Project**
- **Scout holes confirm additional gold-bearing quartz reefs peripheral to Hobbs Pipe, Arcadia & Crown Reef and add to project potential**
- **Wedge holes from GHD009 intersect three Castor reef structures and confirm orientation of structure**

Recent drilling at the Mount Adrah Gold Project (**MAGP**), in southern NSW, tested peripheral high-grade gold reefs, both proximal and distal, to the main Hobbs Pipe resource. The initial program, using the Company's own Mac200 scout rig, comprised three short holes drilled at the Hobbs SE, Arcadia and Crown Reef prospects.

Wedge Drilling - Castor and Procyon Reefs

Previous drilling by Mount Adrah intersected three reefs in two zones of high-grade gold mineralisation peripheral to (and north of) the main Hobbs Pipe Resource. The Company recently completed two wedge holes from the parent hole GHD009 wedged from 450m downhole, to determine the orientation and continuity of these reefs.

- Wedge holes successfully intersected three reefs within a downhole distance of 56m; one Procyon Reef and two Castor Reefs
- Strong nugget effect observed, with visible gold in GHD009B at Procyon Reef
- Orientation of the three reefs now determined from drill hole correlation and structural analysis
- New orientation allows for plausible correlation of gold mineralisation in adjacent drill holes

Qualifying Statements

The information in this Report that relates to Exploration Information is based on information compiled by Michael Leu who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

Mr Leu is a qualified geologist and is a director of Sovereign Gold Company Limited.

Mr Leu has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is 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 Resources. Mr Leu consents to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

References to Mines refer to historical mines and geographical names, no inference should be made that Sovereign Gold is operating any mines at this stage of its development.

Downhole length – True width not known. All drill intersections are stated as downhole lengths, true width not yet determined.