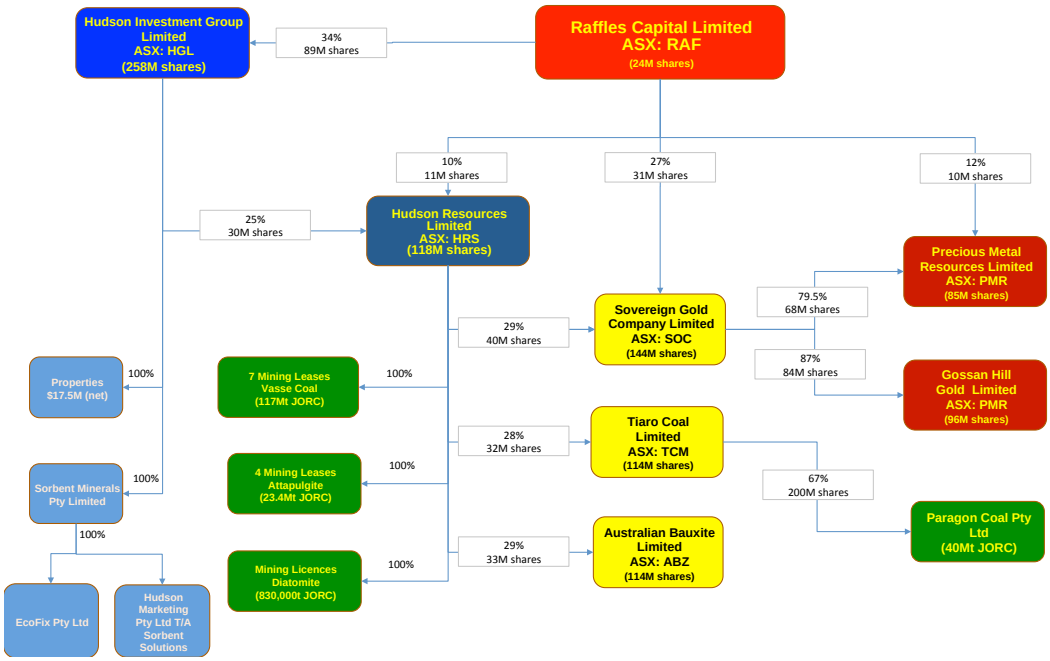
QUARTERLY ACTIVITIES REPORT

This quarterly activities report is dated 31st July 2013 and is for the three months ending 30th June 2013.

Raffles' register snapshot

On 30th June 2013, Raffles Capital had 23,700,359 ordinary shares on issue and nil options.

Raffles' business snapshot (30 June 2013)



Raffles currently operates 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.

Raffles Capital Limited
ACN 009 106 049

Hudson House
L2, 131 Macquarie Street
Sydney NSW 2000
Australia

Tel +61 2 9251 7177
Fax +61 2 9251 7500
Email info@rafflescapital.com.au

Sovereign Gold Company Limited (ASX: SOC) (26.68%)

Raffles holds 37,125,000 Sovereign Gold Company Limited (**Sovereign Gold**) shares, representing 26.68%.

Exploration Highlights

- Deep diamond drilling at Mt Adrah Hobbs Pipe 1 commenced on 24 June. At the date of this report a continuous homogenous 886m gold intercept has been assayed @ 1.2 g/t Au.
- Mt Adrah conceptual exploration targets for Hobbs Pipe 1 increased to **65 - 90M tonnes at 1.1 g/t – 1.4 g/t for 2.25M to 4M ounces contained gold.**
- Drilling commenced at EL7491 using a large track mounted deep drilling diamond drill rig provided by cooperation partner Jiangsu Geology and Engineering's (SUGEC) and has so far confirmed mineralisation widening with depth along a 1.55 km gold-bearing structure, originally thought to be only 730 metres long.

Exploration Targets:

The potential quantity and grade of exploration targets is conceptual in nature. There has been insufficient exploration to define a Mineral Resource (and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Gossan Hill Gold Limited (SOC: 87.1%)

Gossan Hill Gold Limited (**Gossan Hill**) has numerous Intrusion Related Gold System (**IRGS**) prospects in New South Wales.

The acquisition of Gossan Hill by Sovereign Gold provides multiple benefits for Sovereign Gold, including an expanded exploration footprint in New South Wales with an additional 3 quality project areas within 8 Exploration Licences.

Previous exploration has indicated significant resource upside at the Gossan Hill properties and in particular, the Hobbs Deposit which should enable Sovereign Gold to rapidly deliver resource growth and leverage off its experience and expertise in exploring for Intrusion Related Gold Systems in New South Wales.

The principal project is the Mt Adrah Hobbs Gold Deposit on EL 6372, believed to belong to the IRGS deposit category. It lies on the Gilmore Suture, north west of the old gold mining centre of Adelong. Mineralisation in the deposit has been confirmed to 1,030m depth. There are a number of near-by prospects yet to be tested by drilling for additional mineralisation of this type.

Deep diamond drilling at Mt Adrah Hobbs Pipe 1 commenced on 24 June. At the date of this report a continuous homogenous 886m gold intercept has been assayed @ 1.2 g/t Au.

The Mt Adrah Hobbs Gold Deposit also sits on the same geo-structural system as Newcrest Mining's Cadia Ridgeway gold mine (which hosts 60 million ounces gold equivalent) and Rio Tinto's Endeavour gold mine (8Moz gold equivalent).

Drilling confirms mineralisation widening with depth in EL7491 (ASX: 5 June 2013)

- **First deep diamond drill hole (ZK001) establishes mineralised zone is widening with depth**
- **Ongoing Deep drilling to assess full potential of 1.55km identified gold-bearing structure**
- **Joint venture partner, SUGEC, funding $2m exploration program on EL 7491 to March 2014**

Diamond drilling continues on the 1.55km long gold-bearing structure, discovered with Sovereign Gold's co-operation partner, SUGEC, in EL 7491 (ASX: 29 April 2013). This newly discovered mineralisation is part of the large Rocky River-Uralla IRGS and has confirmed the repetition of Martins Shaft style mineralisation.

Geochemical sampling (soil and rock chips) and mapping programs have now located additional parallel-mineralised structures several hundred metres long.

Diamond drill hole ZK001 (Dip: 75°, Azimuth 121°; 345906mE, 6611563mN, WGS84, 56J) was drilled under diamond drill hole SGRDD036 that intersected 2.72g/t Au over 5m from 7-12 metres downhole including 7.8g/t Au over 1m and 12.35g/t Au over 0.5m (ASX: 30 January 2013).

ZK0001 has so far intersected two mineralised horizons over a total downhole width of 15.5 metres at 76.24-84.75 metres and 89.9-96.9 metres downhole. This hole demonstrates the width of mineralisation is increasing with depth from 4 metres true width in SGRDD036 to 11 metres true width over 76.24 to 96.9m downhole in ZK001.

The discovery is in EL 7491 currently under joint venture with SUGEC who are spending $2 million on EL 7491 to March 2014 (earning 30%), as part of a total exploration funding commitment of $21 million on 10 tenements where Sovereign Gold has a majority interest.

SUGEC'S large tracked diamond rig is capable of drilling to depths of 800 metres. Sovereign Gold and SUGEC have designed a deep drilling program to test the gold grades laterally and vertically along the 1.55km long gold-bearing structure and to establish a JORC resource through 2013.

The original discovery was made by locating within the dyke swarm, hosting Martins Shaft, several diagnostic characteristics (magnetic and radiometric geophysical characteristics, alteration and structure) that coincide with the closest analogue – the 32 million ounce Donlin Creek IRGS gold deposit in Alaska.

This predictive success further supports proof of concept of the large IRGS potential in this area.

The deep drilling program will now include additional holes to test the full length of this 1.55km long mineralised structure that is exposed at surface and has potential for a large, low cost open cut operation.

Qualifying Statements

The information in this Report that relates to Sovereign Gold 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 2004 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 geographical names, and no inference should be made that Sovereign Gold is operating any mines at this stage of its development.

True Widths

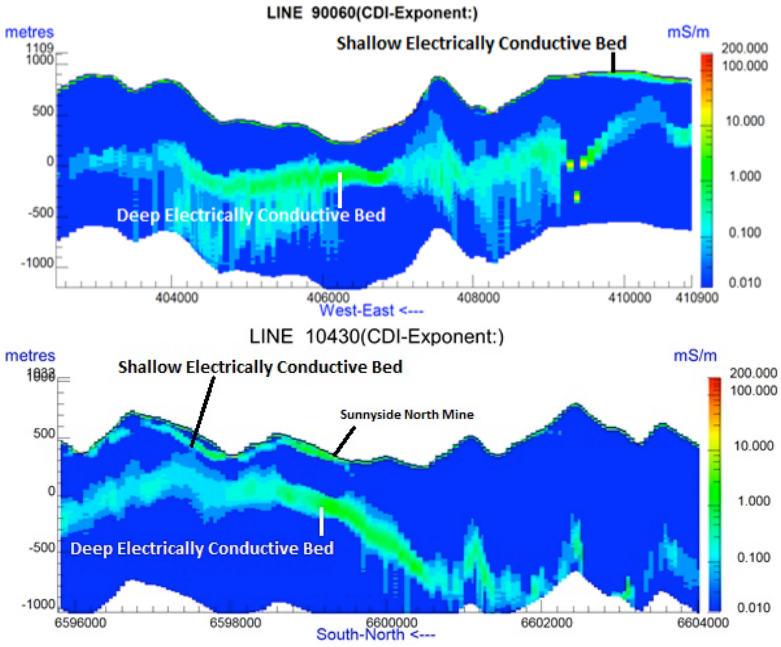
Downhole length, true width not known. All drill intersections are stated as downhole lengths, true width not yet determined.

Precious Metal Resources Limited (ASX PMR) (11.76% direct)

Reinterpreted Data Show Deep Conductor Extending To 1,500 Metres (ASX: 20 June 2013)

Reprocessing of the VTEM data from Halls Peak Base Metal Province by CD3D has clearly demonstrated two electrically conductive beds, with the deep bed interpreted as extending up to 1,500 metres depth.

Two examples of these beds are shown below:



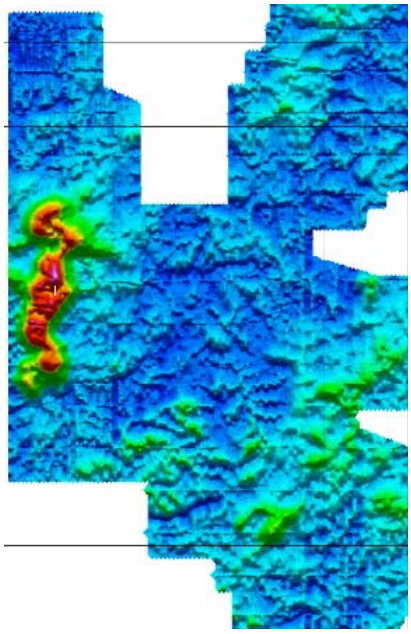
The deep electrically conductive bed, which had previously been mapped by electromagnetic surveys to depths of 400 metres, is now shown to extend beneath much larger areas of the province.

This deep bed is not represented in outcrop and its nature is uncertain, as such conductive beds can be produced by several factors. These include sulphide mineralisation, which may include lead copper-silver sulphides, graphitic shales, magnetite bearing rocks. The shallow electrically conductive bed outcrops in several places, where beds and pods of high-grade base metal mineralisation were mined within black shales.

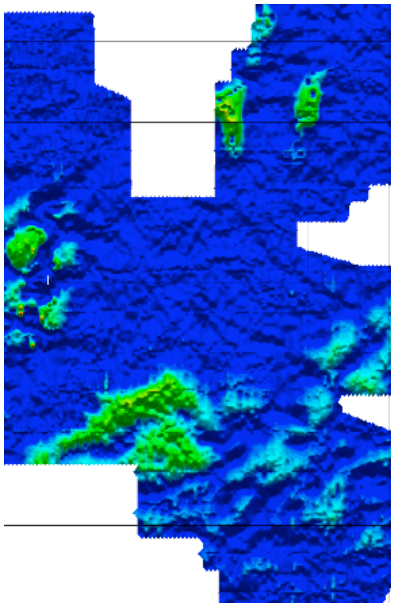
CD3D's report states:

> *"Two extensive, sub-horizontal conductive bands were detected, one near surface and one mostly below 500 m. Map images of interval conductances are provided separately ("Stop50"), for the top 50 m and the 50 to 100m depth range, ("S50to100"), as well as for the 50 m to 500 m depth range, then for the 500 m to 1000 m range, and finally the 1000 m to 1500 m depth range. All the conductance maps have the same colour scale, with blue resistive and red conductive."*

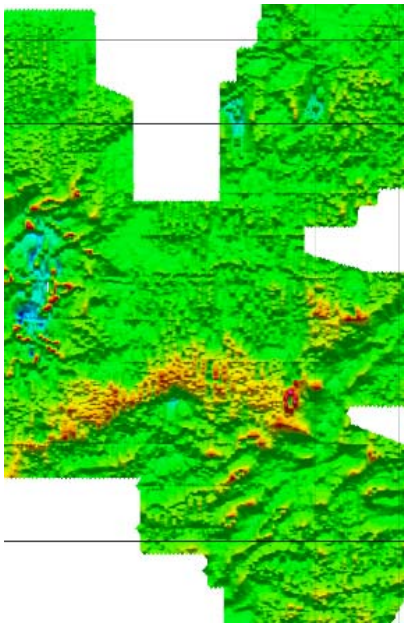
A few conductive zones are fairly well imaged as seen in the following screen dumps.



Screen dump of conductance in top 50 m.



Screen dump of conductance between 50 and 500 m.



Screen dump of deep (500 m to 1000 m) conductance.

CD3D concludes that:

> *"The previous processing is I believe not invalid, although the colour scale of the SGI sections provides a slightly exaggerated impression of what may be subtle conductivity variations. I believe the VTEM data and the CDIs I tested on the lines requested contain valid geological information to depths of up to 1,500m."* [1]

Mapping to these depths strongly suggests continuity of the deep electrically conductive horizon between previously isolated districts, including the Long Point area, the Halls Peak area, and the Raspberry Road area. Should this deep electrically conductive bed be produced by base metal mineralisation, the reinterpretation opens up the potential for very extensive deep mineralisation throughout this province.

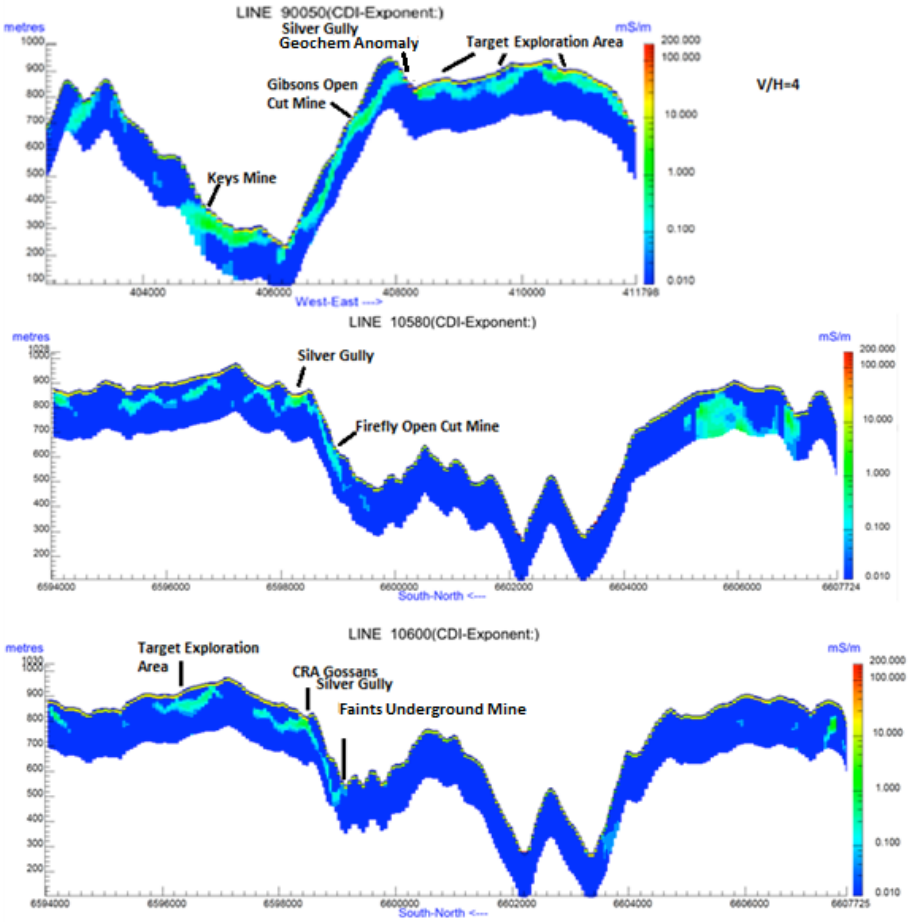
[1] CD3D (James Macnae) consents to the inclusion in this presentation of the matters based on their information in the form and context in which they appear.

Exposures of VTEM Conductors Host Former Silver-Lead-Zinc-Copper Mines, Halls Peak Base Metal Field (ASX 11 June 2013)

Shallow VTEM anomalies are exposed at the surface at the former silver-lead-zinc-copper mines in the Halls Peak Province. This clearly demonstrates that the 10,000 tonnes of high-grade base metal mineralisation mined from the Halls Peak Province during last century was produced from electrically conductive beds recorded by the VTEM survey as shallow anomalies.

The survey has mapped these beds at shallow depth beneath extensive areas of the company's exploration licences at Halls Peak. This demonstrates the potential of significant areas within the licences to host base metal deposits at relatively shallow depth.

The anomalies are shown in light blue/green below:

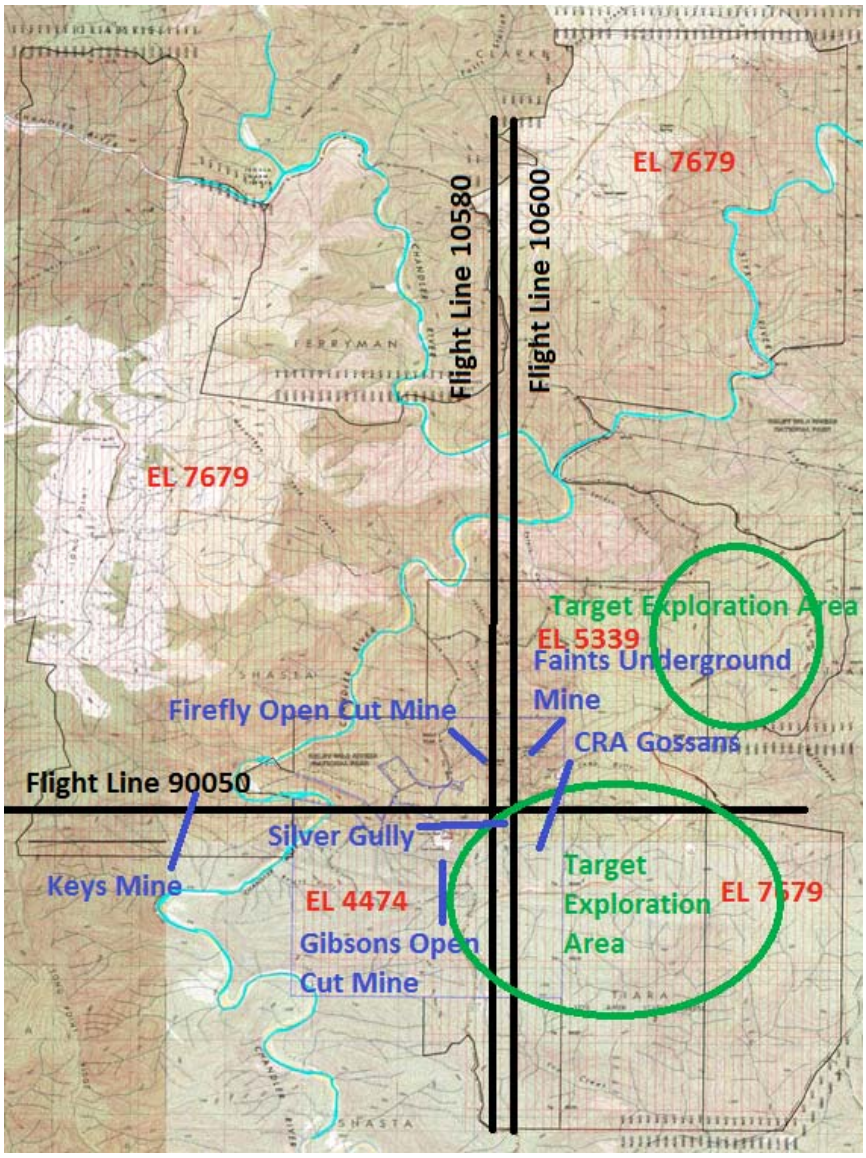


Reprocessing of the data to provide a more detailed outline of these conductive zones was carried out by James Macnae, who reports:

> *"To interpret the shallower conductors, vertically exaggerated CDIs were produced with 10 m resolution ("Shallow_NSlines" and Shallow_EWtielines"). The better conductors appear to have been well imaged by the VTEM system and EMFlow."*[2]

[2] James Macnae and Greenfields Geophysics consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

A map showing locations of the flight lines illustrated is below:



A review of the processing and interpretation of the VTEM survey by Greenfields Geophysics concludes *"The analysis included above tends to confirm the existence of a number of sub horizontal weak to moderately conductive horizons, sometimes at considerable depth, which may be related to a number of historical workings in the area."*[1]

A drilling program to further evaluate the anomalies within the Styx River State Forest is being planned.

JORC STATEMENT

The information that relates to mineral exploration with respect to Precious Metal Resources Limited is based on information compiled by Peter John Kennewell, who is a member of the Australasian Institute of Mining and Metallurgy. Peter John Kennewell is a director of Precious Metal Resources Limited, and 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Identified Mineral Resources, and Ore Reserves". Peter John Kennewell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.