



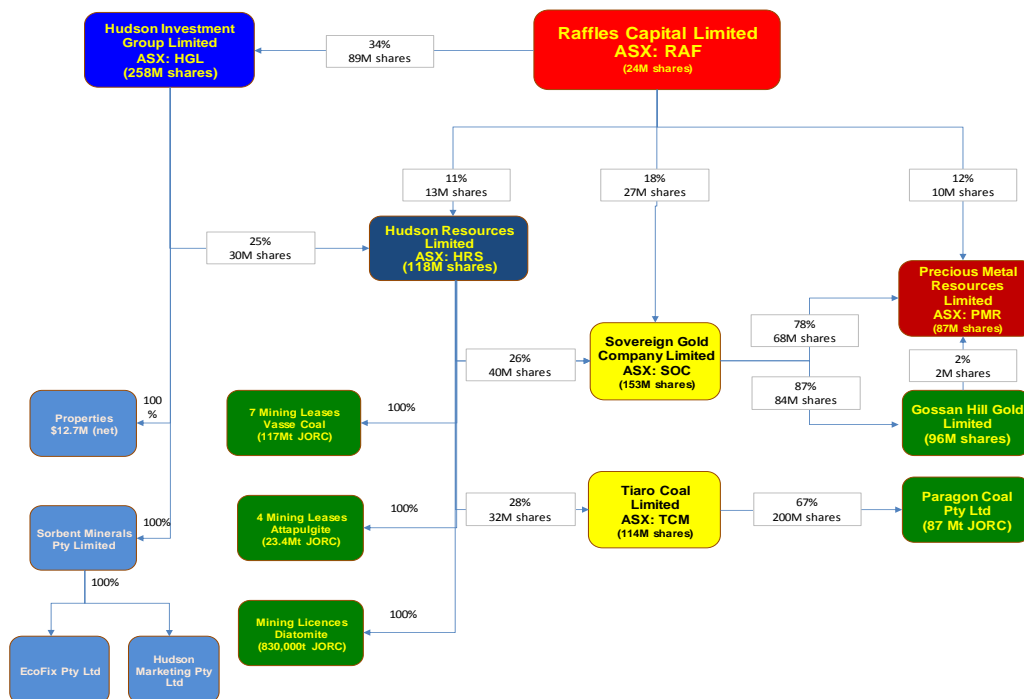
QUARTERLY ACTIVITIES REPORT

This quarterly activities report is dated 31st January 2014 and is for the three months ending 31 December 2013.

Raffles' register snapshot

On 31 December 2013, Raffles Capital had 23,700,359 ordinary shares on issue and nil options.

Raffles' business snapshot (31 December 2013)



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) (17.68%)

Raffles holds 26,934,667 Sovereign Gold Company Limited (Sovereign Gold) shares, representing 17.68%.

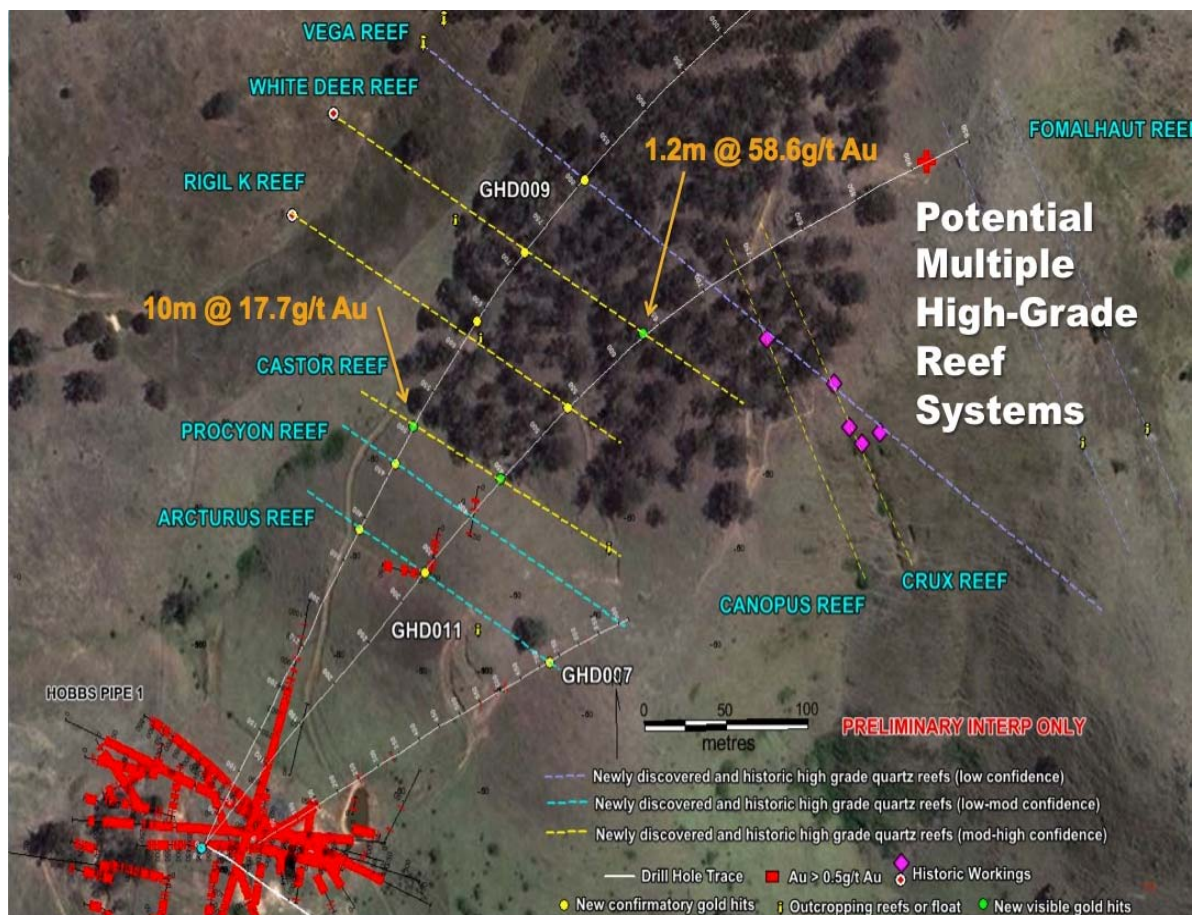
Gossan Hill Gold Limited

Hobbs Pipe – Mineral Resource Update Additional Information (ASX: 27 December 2013)

Sovereign Gold reported an updated Mineral Resource estimate of 770,000 ounces gold, from a total Mineral Resource estimate of 20.5 Mt at 1.1 g/t gold, at various cut-off grades at Hobbs Pipe ¹.

Bonanza hit of 1.2m @ 58.6 g/t Au confirms multiple high-grade structures at Mount Adrah (ASX: 21 November 2013)

- Hole GHD011 intersects a new high-grade gold reef – the White Deer Reef returned 1.2m @ 58.6g/t Au from 624m downhole
- Potential for multiple parallel high-grade gold reefs in the immediate Hobbs Pipe vicinity emerging from interpretation of drilling results and surface mapping
- Hole GHD010 intersects new mineralised system at Hobbs Middle East



Current drill hole plan with preliminary interpretation of reef structures

White Deer Reef

A second high grade reef system proximal to the Hobbs Pipe deposit was discovered. The new system, named the White Deer Reef is represented by a 1.2m wide quartz vein bearing significant visible gold, intersected in drill hole GHD011.

¹ The information is extracted from the report entitled "Hobbs Pipe – Mineral Resource Update Additional Information" created 27th December 2013 and is available to view on www.sovereigngold.com.au/investors.htm. The company 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 estimates 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. The company 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.



Visible gold in the White Deer Reef, GHD011 ~625m

The hole also intersected the interpreted continuation of the Castor Reef approximately 60m along strike to the SE of the 10m @ 17.7g/t Au intercept in hole GHD009 – a 40cm quartz vein with visible gold was encountered within an envelope of strong alteration at ~447m in GHD011. Likewise, the continuation of the White Deer Reef is interpreted as a strong quartz and alteration zone at ~720m in GHD009. In the case of both reefs, quartz float and historic workings indicate that they potentially have vertical extents in excess of 600m from the surface.



Castor Reef, GHD011 ~447m, visible gold highlighted in centre

Procyon Reef

A zone encountered before the Castor Reef in drill hole GHD009, at ~473m, yielded only 2m @ 0.68g/t Au. The intersection is considered a separate reef system, named the Procyon Reef given the intensity of veining, a sulphide-rich wide quartz vein and similar strong alteration. The samples from this zone have been resubmitted for Screen Fire Assay. The presence of this reef in drill hole GHD011 is being assessed.

Encouraging and significant stockwork veining and associated sulphide mineralisation, as well as Hobbs-style monzodiorite bearing sulphide mineralisation, was intersected in hole GHD010 at Hobbs Middle East. Whilst no significant gold assays have yet been received, a 12m zone contained 276ppm Mo (molybdenum) from 340m. The company believes that potential exists for significant mineralisation at Hobbs Middle East. Approval has been obtained for drill pads that are better sited to test the mineralisation.

No further significant results were received from hole GHD009, however, a number of low grade intersections were associated with alteration similar to that observed in the Castor and White Deer Reef zones. Some of these intersections, where they are believed to represent a significant reef, including the Procyon Reef described above, have been sent for Screen Fire Assays where the chances of larger gold particles being recovered from the assay process is increased (if they are present) – a much more accurate assay method for coarse ‘nuggetty’ gold.



Arcturus Reef

A review of drilling the Company has undertaken to date has identified a number of potential additional reef structures, including in hole GHD004 where 2m @ 1.6g/t Au was returned from 80m. Additionally, 4m @ 1.2g/t from 724m in GHD007 was obtained where significant alteration and a major quartz vein system was intersected, now termed the Arcturus Reef which also appears to have been intersected in holes GHD009 and GHD011. Systematic evaluation and interpretation of known and potential high-grade reefs is ongoing. See current drill hole plan for a very preliminary interpretation of the reef structures based on currently available data and observations – this interpretation is likely to change and become more refined over time.

The exploration plan will continue to focus on both 3DIP targets and high-grade narrow vein targets, with an emphasis on prospects that demonstrate both historical high-grade workings and coincident geophysical and geochemical anomalies. The drill rig moved to the Arcadia drill site. ARCO01 is testing a near surface set of workings (historic high grade gold) and a large chargeability anomaly.

Drill hole ARCO01, testing the combined 3DIP anomaly-surface geochemical-historic workings, encountered a broad zone of highly anomalous to low grade gold mineralisation between about 40m to 270m down hole, with peak results of 26m @ 0.14g/t Au from 176m. The presence of gold will require follow up.

Drill hole Highlights

Drill hole GHD009 included an intercept of 10m @ 17.7g/t Au from 506m from a zone of narrow quartz veins, intense sulphide veining and alteration within skarn-altered rocks adjacent to the Hobbs Pipe 1 (true width not known).

This intercept included 2m @ 28.4g/t Au from 506m and 2m @ 59.4g/t Au from 514m.

Drill hole GHD009 was completed at a depth of 1,312.6m. The drill hole exited Hobbs Pipe 1 near surface and entered a substantial alteration zone, progressing through garnet-pyroxene skarn (hosting the newly discovered mineralisation) and then into sericite-chlorite-quartz-sulphide (pyrite-arsenopyrite-pyrrhotite-chalcopryite) altered metasediment until end of hole.

The intensity of alteration and quartz veining in the metasediments is interpreted to exhibit significant potential for proximal mineralised intrusive pipes or stockwork quartz vein gold zones. These will be targeted by follow-up drilling from drill pads closer to the targets.

Drill hole GHD007, also drilled through skarn alteration, yielded broad low-grade zones of gold mineralisation including 62m @ 0.3g/t Au from 214m, 16m @ 0.6g/t Au from 724m. The hole ended in 2.1m @ 0.49g/t Au from 922m. These results highlight strong potential for a proximal gold system outside of the Hobbs Pipe 1 that will be targeted by future drilling. Near the surface, the hole intersected 144m @ 1.3g/t Au related to the Hobbs Pipe and 2m @ 2.7g/t Au from 548m outside the pipe.

An extension to hole GHD007 was undertaken, taking the original 924.1m total depth to 1113.9m. The aim of the hole was to test for the along strike and depth extension to the Castor structure. Pleasingly, at a depth of ~1030m down hole, a structure interpreted to be the strike extension of the Castor reef was intersected, increasing the strike length of the Castor reef structure to at least 240m and vertical extent in excess of 1000m. Although the gold grades were modest in the intersection, the characteristic vein style and alteration selvage confirm the structure has identical nature to the previously discovered reefs. A separate gold zone was encountered between ~1004m and 1009m, with a peak assay of 0.3m @ 0.43g/t Au and 4.75ppm Ag from 1004.3m. The most significant outcome of this work is the understanding of the continuity of structures, and the presence of gold in those structures, to significant depths and increasing strike lengths. Further work will include assessing the complete strike and depth potential, and gold endowment, of these continuous reef systems that form a critical component to the Hobbs mineral system.

Drill hole GHD008, drilled within the pipe, intersected 483m @ 1.2g/t Au from 6m, including higher grade near surface zones of 56m @ 1.7g/t Au from 6m and 128m @ 1.5g/t Au from 6m.

Drill Hole GHD010 has discovered a new mineralised zone at Hobbs Middle East. A broad low grade zone of Au intersected associated with the edge of one of two distinct IP anomalies. Significant stockwork



veining and a number of modest intersections of mineralised monzodiorite were encountered. Two drill holes are planned from proposed pads to more adequately test the targets. Hobbs Middle East Prospect lies to the ESE of Hobbs Pipe 1, approximately half way to the Hobbs SE Prospect.

Rocky River–Uralla SUGEC J/V

Encouraging gold results with high silver values at Rocky River-Uralla Project (ASX: 8 November 2013)

- 13.39m @ 1.45g/t Au, 11.8g/t Ag from 13.79 - 27.69m (ZK0701)
- 10.35 metres @ 71.86g/t Ag from 15.85-26.20m (ZK0901)
- 2 diamond rigs drilling 1.55km long gold-bearing structure
- Mineralisation confirmed to 113m downhole
- Further holes to test mineralisation at 200m and 500m vertically
- Fully funded by Joint venture partner, SUGEC, funding \$2m exploration program on EL 7491 to March 2014
- Pinnacle Drilling engaged to operate 3rd drill rig (as part of a further \$2 million funding)

The results to date at the Rocky River-Uralla Project have identified a gold-bearing structure with a 1.55km strike length with drill intersections including 13.9m of 1.45 g/t Au and 11.8 g/t Ag. EL 7491 is currently under joint venture with SUGEC who are spending \$2 million to March 2014 (earning 30%), as part of a total exploration funding commitment of \$21 million through J/V and MOU on 10 tenements where Sovereign Gold has a majority interest.

A 2,500m multiple hole diamond drilling program is underway on a 1.55km long gold-bearing structure in EL 7491 (ASX: 29 April 2013; 5 August 2013). This newly discovered mineralisation is part of the large Rocky River-Uralla Intrusion-Related Gold System.

Following detailed geological mapping and geochemical and geophysical surveys a series of close-spaced north-east dominant mineralised structures and subsidiary semi-orthogonal structures that cut north-west trending felsic dykes were discovered. One of the mineralised shear zones has been traced for 1.55km and is the current focus of drilling. Martins Shaft-style mineralisation has been intersected in the felsic dykes. Also drilling has revealed brecciation and silica-sulphide flooding accompanied by tongues of mineralised felsic dykes in mineralised metasediments along the 1.55km long structure.

This extensive mineralised shear zone fault system may represent a high-level fracture fluid plumbing system developed above a potential IRGS Hobbs-style pipe. The drilling program is testing the gold grades laterally and vertically along the 1.55km long gold-bearing structure to establish a JORC compliant resource. Results have been received for four holes (ZK0301, ZK0701, ZK0003 and ZK0901).

Summary

Diamond Drill Hole ZK0301, encountered intermittent gold mineralisation over 15.20m downhole from 35.20m-50.4m including:

- 3.43 metres @ 1.68g/t Au from 43.77-47.2m
- 2.25 metres @ 2.72g/t Au from 44.95-47.2m
- 1.35 metres @ 3.36g/t Au from 44.95-46.3m
- 0.74 metres @ 4.26g/t Au from 44.95-45.69m

Diamond Drill Hole ZK0701, encountered mineralisation over 20.4m downhole from 7.65m-27.69m including:

- 13.90 metres @ 1.45g/t Au, 11.88g/t Ag from 13.79m-27.69m
- 9.46 metres @ 1.75g/t Au, 15.44g/t Ag from 13.79m-23.25m
- 3.61 metres @ 2.61g/t Au, 13.79m-14.70m



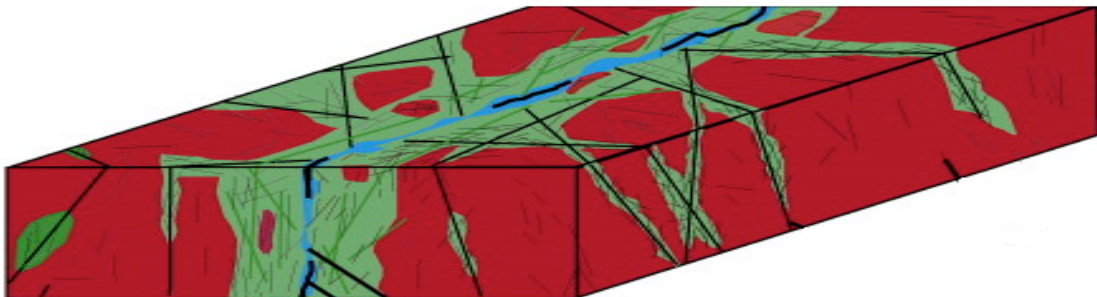
- 2.34 metres @ 3.02g/t Au from 14.56m-16.90m
- 4.10 metres @ 1.30 g/t Au, 31.84g/t Ag from 17.40m-21.50m

Diamond Drill Hole ZK0003, encountered intermittent gold mineralisation over 23.45 metres downhole from 101.85m-125.30m including:

- 11.45 metres @ 0.71g/t Au from 101.85-113.3m
- 8.95 metres @ 0.80g/t Au from 101.85-110.80m
- 2.64 metres @ 1.03g/t Au from 108.16-110.80m
- Gold continued intermittently widespread downhole including 1.13g/t Au over 0.78m from 116.40-117.80m and 0.86g/t Au over 0.50m from 124.8-125.30m, indicating system is widening at depth.

Diamond Drill Hole ZK0901, encountered gold mineralisation over 21.70 metres downhole from 8.50m-30.20m including:

- 10.35 metres @ 71.86g/t Ag from 15.85-26.20m
- 5.48 metres @ 1.24g/t Au 57.39g/t Ag from 14.62-20.10m
- 2.35 metres @ 1.99g/t Au, 78.86g/t Ag from 15.85-18.20m
- 1.75 metres @ 2.35g/t Au, 97.56g/t Ag from 15.85-17.60m
- 0.80 metres @ 3.08g/t Au, 72.10g/t Ag from 15.85-16.65m
- Anomalous gold continued intermittently widespread downhole to 30.20m including 0.35 metres @ 1.22g/t Au from 29.85-30.20m.



Conceptual Target: 1.55km long north-east trending shear structure (main fault zone shown in blue) surrounded by altered fractured zone (green). The main fault structure is associated with and cut by oblique faults. Geochemical and rock chip mapping has located nearby (within 500m) parallel alteration structures with similar mineralisation. The structures are flooded with felsic dykes and sulphides that may be derived from a small pipe-like pluton at depth. The current target being drilled and the parallel and oblique structures occur from surface and have potential for an open-cut gold resource.



Qualifying Statements

Gossan Hill Gold – Mt Adrah

The information in this report that relates to Exploration Information is based on information compiled by Michael Leu a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists together with Dr Andrew White, a Fellow of the Australian Institute of Geoscientists and Jacob Rebek and Dr Kris Butera, Members of the Australian Institute of Geoscientists.

Mr Leu and Jacob Rebek are qualified geologists and are directors of Sovereign Gold Company Limited; Dr White is a director of Gossan Hill Gold Limited; and Dr Kris Butera is CEO and director Gossan Hill Gold Limited.

Mr Leu, Jacob Rebek, Dr White and Dr Butera have sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources. Mr Leu, Jacob Rebek, Dr White, and Dr Butera consent to the inclusion in this report of the Exploration Information in the form and context in which it appears.

All widths are down hole widths, true widths are unknown.

Rocky River–Uralla SUGEC J/V

The information in this report that relates to Exploration Information is based on information compiled by Michael Leu 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 mineralization and type of deposit under consideration and to the activity, which they are undertaking to qualify as Competent Persons 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 report of the Exploration Information in the form and context in which it appears.

All widths are down hole widths, true widths are unknown.



Tenement information required under LR 5.3.3

Tenement No.	Location
New South Wales	
EL 6483	Armidale
EL 7700	Armidale-Uralla
EL 7701	Armidale-Uralla
EL 7766	Armidale
EL 7769	Bundarra-Armidale
EL 7770	Tamworth
EL 8056	Weabonga
EL 6372*	Adelong
EL 7844*	Gundagai
EL 8127*	Adelong
ELA 4868 (Part A)*	Adelong
ELA 4868 (Part B)*	Gundagai
EL 7491**	Armidale
EL 7768**	Armidale
Disposed of in Quarter	
EL 7861	Bauloora

Tenement No.	Location
ELA 4859	Barraba
ELA 4897	Barraba
EL 8211	Bingara
EL 6648	Barraba
EL 7862	Manilla
EL 7863	Bingara
EL 7725	Barraba
EL 7726	Bingara
EL 8161	Bingara

Notes:

There has been no change in beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter.

* Sovereign holds an 87% interest in Gossan Hill Gold Limited, the holder of the licences

** Subject to Farm-in, 70% interest held by SOC at the end of the December Quarter

Precious Metal Resources Limited (ASX: PMR) (11.49%) direct

Exploration

During the quarter PMR commenced a six hole drilling program at Halls Peak to determine the nature, grade and extent of mineralisation shipped directly, without processing, to a local smelter during the 1950s and 60s. Significant results from the program were received in January 2014 and reported on 3 and 15 January 2014.

In summary:

PMR DDH HP 026

- 37.2 metres (downhole) at an average grade of 8.7% zinc, 3.0% lead, 1.4% copper and 85 g/t (2.8 oz/t) silver, over 4 bands
 - Including 10.5 metres at an average grade of 9.81% zinc, 5.63% lead, 2.67% copper and 196 g/t (6.3 oz/t) silver
 - Including 1.48 metres (from 1.62 to 3.1m) at an average grade of 19.2% zinc, 10.7% lead, 5.66% copper and 509 g/t (6.3 oz/t) silver

Four beds of mineralisation totalling 37.2 metres at an average grade of 8.7% zinc, 3.0% lead, 1.4% copper and 85 g/t (2.8 oz/t) silver have been intersected in the first hole drilled by PMR at Gibsons Mine, Halls Peak (DDH HP 026). Only small bands of unmineralised rock separate these beds.

DDH HP 027

- Four base metal zones identified in HP 026, also intersected in HP027, separated by 10-20m
- Underlying silver zone also encountered, but at much higher grade (3.5m @ 949 g/t, including 1.6m @ 1,900 g/t)
- Suggests mineralised beds of SEDEX origin, as modelled



Four base metal mineralised zones and an underlying silver bearing zone were found to be continuous between holes DDH HP 026 (ASX, 3/1/14) and DDH HP 027, separated by 10 to 20 metres. Each zone has similar thickness and comparable metal contents. The zones are dipping steeply at this location, and their dip and outcrop direction will be determined when results of the next hole drilled, DDH HP 028 are received and processed.

JORC Code Compliant Public Reports

The information in this report contains summaries of Exploration Results and Mineral Resources as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (“JORC Code”).

The summaries are made in, or based on, statements made in previous geological reports, which are publicly available (with or without payment of a fee) from a government department, authority or agency of an Australian State or Territory of the Commonwealth; or the ASX.

Copies of the Code-compliant Public Reports or Public Reporting on which the summaries are based will be provided free of charge, to any person who requests it.

In addition, further information that relates to mineral exploration 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 2012 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.

Tenement information required under LR 5.3.3

Tenement No.	Location
New South Wales	
EL 4474	Halls Peak
EL 5339	Halls Peak
EL 8017	Halls Peak
EL 8069	Halls Peak
EL 7679*	Halls Peak
EL 7998	Broken Hill
EL 7999	Broken Hill
EL 8000	Broken Hill
EL 8015	Broken Hill
EL 8023	Broken Hill
EL 8024	Broken Hill
EL 8080	Broken Hill
EL 8145	Broken Hill
EL 8079	Bundarra
EL 8147	Timbarra
EL 8146	Timbarra
EL 6648+	Peel Fault
EL 7863+	Peel Fault
EL 7862+	Peel Fault
EL 7725+	Peel Fault
EL 7726+	Peel Fault
EL 8161+	Peel Fault
EL 8211+	Peel Fault
ELA 4897	Peel Fault
ELA 4859	Peel Fault

Tenement No.	Location
Disposed of in Quarter	
EL 8016	Broken Hill
EL 8018	Broken Hill
EL 7996	Cangai
EL 7997	Moonbi

Notes:

* Subject to Farm-in, 70% interest held by PMR at the end of the December Quarter

+ Acquired during the quarter

There has been no change in beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter.