



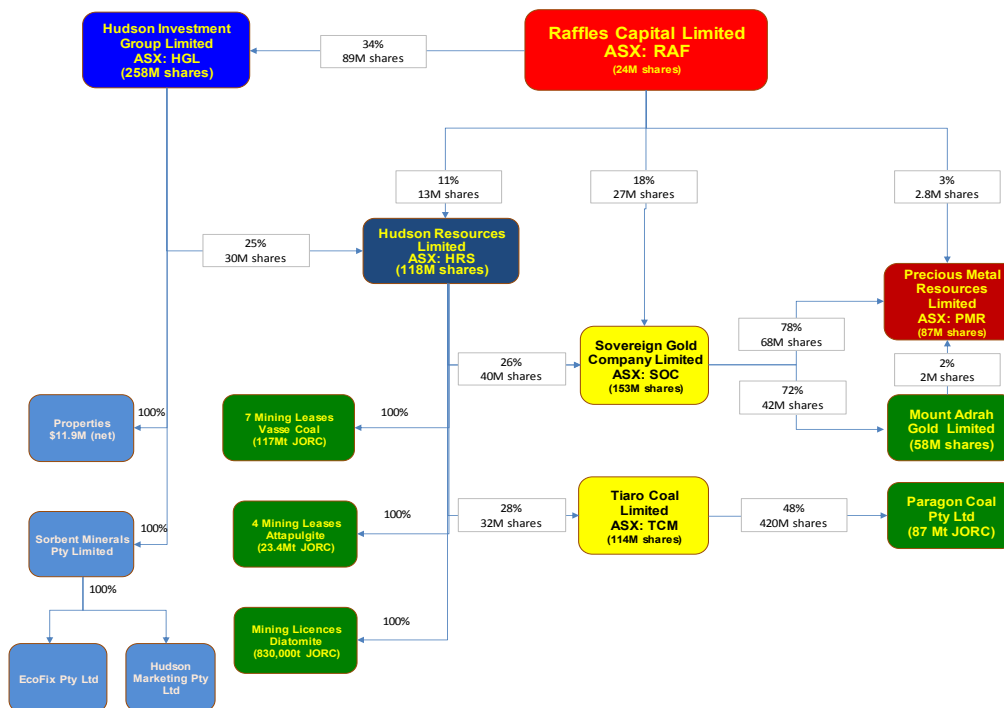
QUARTERLY ACTIVITIES REPORT

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

Raffles' register snapshot

On 31 March 2014, Raffles Capital had 23,700,359 ordinary shares on issue and nil options.

Raffles' business snapshot (17 April 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.

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Having secured tenure or project control, Raffles funds initial exploration and development through seed capital and proceeds to build the business.



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

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

Spin out Mount Adrah through ASX IPO (ASX: 31 March 2014)

Sovereign Gold announced the spin out of Mount Adrah to be listed on the ASX in the second quarter 2014. Sovereign Gold's existing shareholders are eligible to apply for shares in a priority offer. Funds raised by the listing will be used to locate a major gold deposit with the principal focus on the Mount Adrah gold project where the JORC compliant resource is 770,000 oz. of gold (440,000 oz. Indicated, 330,000 oz. Inferred) within a total Mineral Resource estimate of 20.5 Mt at 1.1 g/t gold at various cut-off grades.¹

Mount Adrah prospectus lodged (ASX: 4 April 2014)

Sovereign Gold announced the lodgement of a prospectus with ASIC for the initial public offering of Mount Adrah to raise between \$2 million and up to \$3 million. Sovereign Gold shareholders as at 10 April 2014 can participate in a priority offer with guaranteed allocation. Listing on the Australian Securities Exchange anticipated for June 2014.

A Supplementary Prospectus was lodged by Mount Adrah on 15 April 2014.

The prospectus can be viewed and downloaded at www.adrah.com.au.

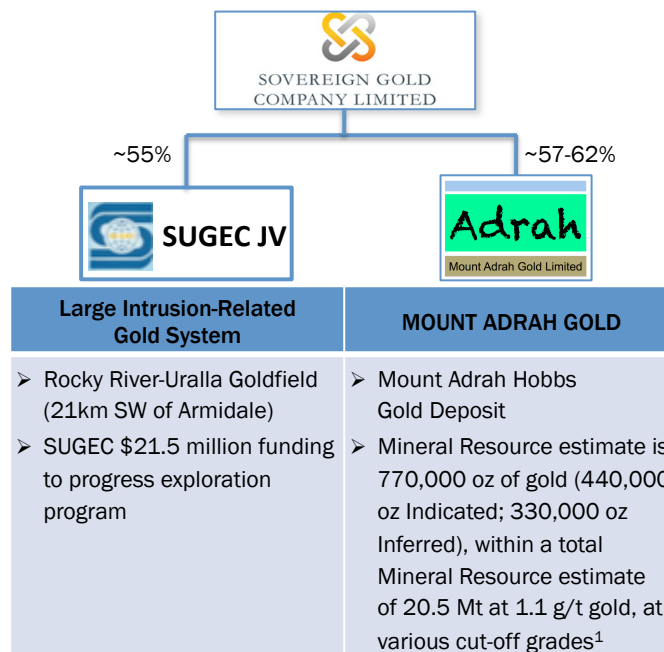
Corporate Restructure (ASX 9 April 2014)

Sovereign Gold and Precious Metal Resources Limited (PMR) reached agreement on a proposed corporate restructuring to rationalise and simplify the structure and assets of each company (**Corporate Restructure**).

Sovereign Gold Post Restructure

Following completion of the transaction (and assuming completion of the recently announced spin-out of Mount Adrah via the IPO), Sovereign Gold's key focus would be the development of the **SUGEC Project Tenements** (EL4474, EL5339, EL7491, EL7679, EL7700, EL7701, EL7766, EL7768, EL7769, EL7770 and recently vended in EL6483).

Sovereign Gold Asset Portfolio Post Restructure



Sovereign Gold will continue to hold ~3.6 million shares in PMR.

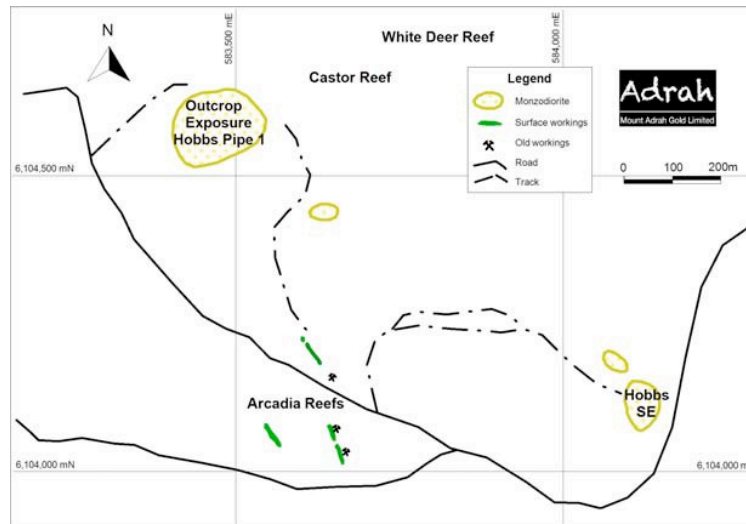
¹ The information is extracted from the report entitled "Hobbs Pipe – Mineral Resource Update Additional Information" created 27th December 2013 and is available to view on www.sovereigngold.com.au/investors.htm. The company confirms that it is not aware of any new information or data that materially 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.



Exploration

Mount Adrah drilling to target high-grade mineralisation (ASX: 27 February 2014)

Mount Adrah recommenced drilling to target shallow high-grade narrow vein mineralisation identified in old workings and previous shallow drilling. Initial drilling is targeting shallow high-grade narrow vein mineralisation identified in old workings and previous shallow drilling at Arcadia Reefs.



The current program includes:

- Infill drilling of Hobbs Pipe 1 to advance conceptual open pit studies
- Testing for additional Hobbs Pipe 1 type mineralisation, including the Hobbs SE target, exposed at surface and located 800m from Hobbs Pipe 1

Samples have not been submitted for testing, pending completion of the Mount Adrah IPO.