



RAFFLES CAPITAL LIMITED

Formerly known as Freight Links Express Holdings (Australia) Limited

QUARTERLY ACTIVITIES REPORT

22 July 2011

This quarterly activities report is dated 22 July 2011 and is for the three months ending 30 June 2011.

Highlights

- Reinstatement to trading on ASX
- Peter Kennewell appointed CEO of Precious Metal Resources Limited
- Luisa Tan appointed Head of Corporate Finance
- Program to confirm historical data underway
- 390 meters core assaying commenced (168 meters completed)

Register snapshot

On 30 June 2011, Raffles Capital had 23,700,359 ordinary shares on issue and nil options.

Trading summary

Trading in Raffles shares recommenced on 31 May 2011. This summary represents only 22 trading days.

Shares closed at \$0.56 on 30 June 2011; the previous close was \$0.34 cents in April 2007.

During the June quarter (22 days) the total market trade value was \$673,000, with 111 trades (average value per trade was \$6,063). 1.381 million shares were traded.

Corporate

On 19 April 2011, Raffles issued a supplementary prospectus to the replacement prospectus issued on 24 February 2011 seeking to raise \$1.5 million through the issue of 3 million fully paid shares priced at \$0.50 per share.

On 19 May 2011 the public offer closed, oversubscribed. Raffles raised \$1.5 million.

Raffles acquired 25 million shares in Precious Metal Resources Limited (**PMR**) at \$0.05 per share from the proceeds of the offer, increasing Raffle's percentage shareholding in PMR from 80% to 86.7% of PMR's total issued capital.

PMR is exploring for base and precious metals on the PMR Project Tenements located at Halls Peak, 80 km southeast of Armidale, New South Wales, Australia.

On 27 May 2011, Raffles held its Annual General Meeting. All resolutions put to the meeting were passed on a show of hands.

On 31 May 2011 Raffles Capital Limited (**Raffles**) was reinstated to the Official List of the Australian Securities Exchange (**ASX**) after a hiatus of some four years.

Raffles web site went live at www.rafflescapital.com.au.

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RAFFLES CAPITAL LIMITED

Raffles development

Raffles is a “Diversified Financials¹” business. Its current asset portfolio² includes:

- a) investment in property and resources company, Hudson Investment Group Limited (ASX: HGL) (\$7.27 million);
- b) direct investment in listed junior exploration stocks (\$1 million); and
- c) 65 million shares in (86.7%) in exploration company, Precious Metal Resources Limited (**PMR**) (\$1.25 million).

Total net assets of \$9.52 million.

Appointments

CEO, Precious Metal Resources Limited

During the June quarter Peter Kennewell was appointed as Chief Executive Officer of PMR.

Peter has a distinguished career, having worked for the last 26 years for Cluff Resources Pacific NL as Exploration Manager, and the last 8 years as Managing Director.

Peter has successfully overseen the development of mines, from resource evaluation, prefeasibility study, environmental impact approvals, grant of mining tenements and funding arrangements, through to plant and accommodation construction and staffing.

Head, Corporate Finance

Luisa Tan has been appointed Head, Corporate Finance (to commence 6 September 2011).

Luisa has worked in Investment Banking at Macquarie Capital, Sydney. She brings considerable M & A, operational and transactional experience to Raffles as it develops its new corporate advisory and litigation funding businesses.

Previously, Luisa worked with Calburn Partnership, JPMorgan and Deacons. She has a Master of Laws with Distinction from University of NSW and a Bachelor of Commerce/Law degree from University of NSW.

Raffles' business snapshot

Raffles focus during the June quarter was on three business areas. An operational and structural diagram is appended to this report.

1. Corporate advisory

Raffles corporate advisory business identifies commercial and corporate opportunities, synergic partnerships, commercial and project funding.

Through its extensive network of investors, advisors, brokers and financiers Raffles is able to identify and facilitate corporate actions acting as Corporate Advisor.

2. 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.

¹ GICS industry group assigned by ASX

² Cost value, does not reflect market price increase



The business either continues 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.

3. RafflesLaw

Raffles has incorporated RafflesLaw Pty Ltd to operate as a Litigation Funding business providing funding of legal claims, in Australia and in other jurisdictions.

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.

Litigation funding usually involves the funder paying the cost of the litigation while indemnifying the litigant against the risk of paying the costs incurred by the respondent if the case fails. In the instance that the case is successful, the funder is reimbursed for the costs of the litigation and also receives a contractually agreed percentage of the any court awarded lump sum or settlement.

Professional advisors consisting of retired judges and senior counsel reviewing the merits of proposed funded litigation will support RafflesLaw.

Exploration

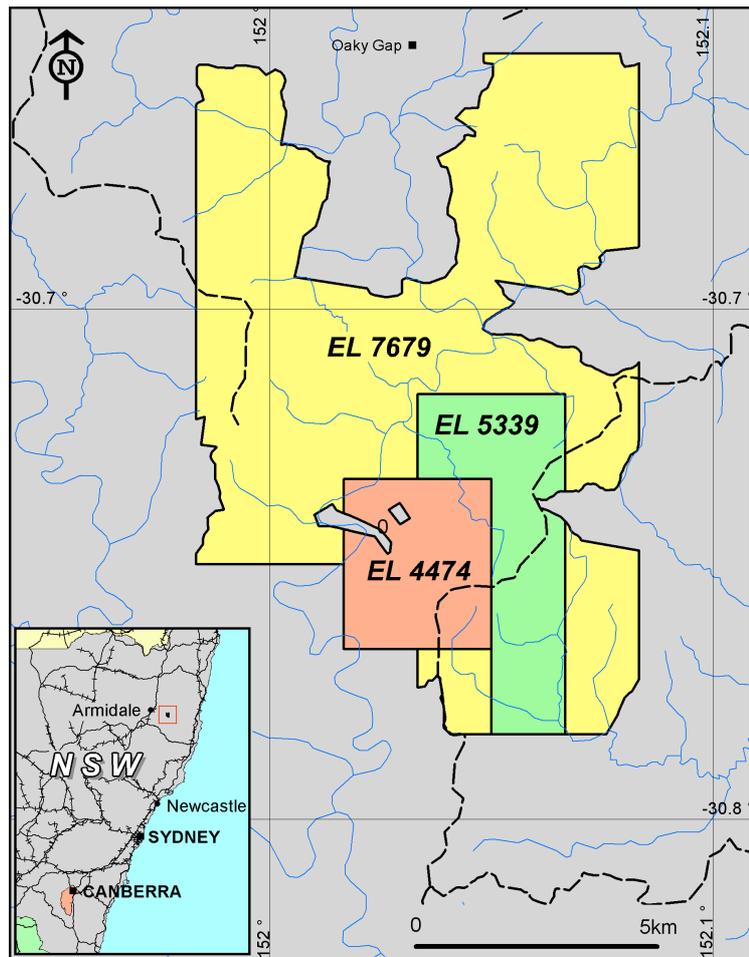
Precious Metal Resources Limited

Halls Peak Base Metal Project (87%)

Halls Peak is the inferred volcanic centre for extensive small but high grade Volcanic Massive Sulphide deposits rich in copper, lead, zinc and silver, with variable but largely untested gold values. Further exploration aims to locate the right depositional environment to host an economic resource.

Several geochemical and geophysical anomalies are also present that should identify further high grade, near-surface sulphides.

The large amount of exploration in the areas around the former Halls Peak mines by major companies including BHP Exploration, CRA and Carpentaria Exploration has now been reviewed. This concluded that the high-grade mineralisation mined during the 20th century is enclosed within far larger bodies of lower grade mineralisation up to 15 metres thick. The black shale host rock enclosing the mineralisation extends over 20 sq km, supporting opinions previously expressed by the majors that the district has potential for world-class base metal deposits.



The PMR Tenements are located 80 km southeast of Armidale, New South Wales Australia.



The project's substantial exploration target of mixed high and low-grade mineralisation has been outlined in the release to the ASX on 22 June 2011.

A work program has been determined, initially involving logging and assaying of pre JORC drill core from more than 23 holes that have been preserved by the NSW Government. A drill program will then be conducted to confirm, infill and extend high-grade mineralization, if recognized, in these holes. A JORC compliant inferred resource will be prepared if supported by the drilling results.

In the medium term, this previous drilling will be compiled onto computer and large mixed high and low grade targets determined. The focus will be on the two highest potential target areas, with subsequent drilling to locate a large tonnage of mixed high and low grade mineralisation.

The long-term plan is to prove that base metals extend under the mountain for hundreds of metres (or more) enclosed within black shales. This search for silver/copper/zinc/lead in the black shale basins will use drilling and geophysics and will also aim to locate volcanic vents which may host large copper deposits. Ultimately it aims to locate and drill a world-class base metal deposit.

Assaying of core from holes Allstate DDH 6 (Gibson's Mine area) and DDH CEC Faints 1 and 2 (Firefly/Faints Mine area) at the Londonderry Core Library has commenced, with all cores logged and photographed (390 metres), and slabbing and submission to ALS Laboratories in Brisbane in progress, with 168 metres completed.

Detailed field examination of the Gibson's Mine area to reinterpret the geology of the mineralisation and determine drill sites has identified four pads suitable for drilling the mineralisation at depths between 50 and 150 metres using a small, tracked coring drilling rig. Discussions have been held with suitable drilling companies, and a contract will be finalised after detailed field inspection to confirm drill site preparation requirements, and approval by the NSW Department of Primary Industries.

These holes aim to demonstrate continuity and confirm the thickness of mixed high and low grade mineralisation within a layer extending over an outcrop length of 250 metres, and to a vertical depth of 150 metres. If demonstrated, this may result in an initial JORC inferred resource with potential to be open in several directions.

For further information please contact:

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Qualifying statement

The information in this release that relates to Exploration Information is based on information compiled by Peter Kennewell who is a member of the Australasian Institute of Mining and Metallurgy. Mr Kennewell is a qualified geologist and is a director of Precious Metal Resources Limited, a subsidiary of Raffles Capital Limited.

Mr Kennewell 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 Kennewell has consented to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

