



QUARTERLY ACTIVITIES REPORT

This quarterly activities report is dated 30 January 2015 and is for the three months ending 31 December 2014.

Raffles' register snapshot

On 31 December 2014, Raffles Capital had 24,700,359 ordinary shares on issue and nil options.

Corporate

Shareholders are asked to consider a number of resolutions to be put at a shareholders meeting to be held on 27 February 2015. The meeting will consider amongst other matters the following, which have been released on the ASX. Further details are included in the Notice of Meeting dispatched to shareholders and available on the Company's website.

Raffles to acquire Sequoia Capital (Hong Kong) Limited (ASX, 2 December 2014)

Raffles Capital Limited has agreed to acquire Sequoia Capital (Hong Kong) Limited from Mr Huang Chuan. Funding for the purchase will come from the issue of a convertible note with a face value of \$A 1 million convertible to 10 million shares at 10 cents each. Raffles will also issue a performance bond to Mr Chuan representing nine times audited net profit after tax of Sequoia subject to due diligence and approvals.

\$A 1.5 million convertible note issued (ASX, 28 November 2014, 19 January 2015)

Raffles Capital Limited has secured \$A 1.5 million in funding through the issue of 3 convertible notes with a Note face value of \$A 500,000 each, convertible to 5 million shares and 5 million options conditional on shareholder approval. The notes have been issued to Swift China Limited, New Inspiration Development Ltd and SinoWealth Financial Ltd. The convertible notes will be issued upon receipt of payment. Raffles will use the funds for working capital and business development.

Executive movements

Mr Charlie In and Mr Richard Holstein have been appointed non-executive directors of the Company. Mr Vincent Tan And Mr Richard Yap retired as directors of the Company.

Raffles summary

Raffles Capital Limited primarily focuses on the following areas.

- Corporate advisory and acquisitions – identifying commercial and corporate opportunities, synergic partnerships and project funding. Partnerships and acquisitions are examined for strategic returns to reflect Raffles contribution.
- Legal funding - currently evaluating business models to look at operating in the Litigation Funding area within Australia and in other jurisdictions.
- Origination - identifying prospective businesses and mineral exploration projects. Using multi discipline due diligence, and we are involved in creating project design with project staff including recommending relevant corporate structures, identifying corporate, technical and management talent to drive growth.

Other material interests

Sovereign Gold Company Limited (ASX: SOC) (15.92%)

Raffles holds 34,026,325 Sovereign Gold Company Limited (**Sovereign Gold**) shares, representing 15.92%.

SUGEC Joint Venture, Rocky River-Uralla IRGS

Diamond drilling program is ongoing at Frasers Find and will be completed and reported in the first Quarter 2015.

4.4 square kilometres of a 1:10000 geochemical soil survey (planned total of 8.2 square kilometres) was completed. Samples were collected every 20 metres along 100 metre line spacings. The average depth of soil samples was 40-50cm. All samples were sieved through 20 mesh screen. A total of 3,832 soil samples (including 121 duplicates) were delivered in January 2015 to Australian Laboratory Services for gold and multi-elements assays including silver, lead, zinc, antimony, bismuth and copper.

1:10000 geological mapping and rock sampling programs are also ongoing.

The geochemical soil survey and geological mapping were undertaken in EL 6483 and encompassed most historical gold workings including Wilson Creek, Martins Shaft, Frasers Find, Sueys Clam, Hudson McCrossins,



Diggers Shaft, Vickers, the Old Bonanza Dyke (NE trending magnetic linear hosting several historic gold mines) and the Goldsworth Mine. The principal objective is to discover potential large scale gold mineralisation deeply concealed in this area. A further key objective is to delineate structures that have acted as conduits (plumbing) for gold-bearing fluids to define with higher precision the drill targets planned for the Cooperative Drilling Program.

Sovereign Gold has been granted funding through the NSW Government New Frontiers Cooperative Drilling Program. Funding in the amount of \$65,000 has been granted to Sovereign Gold's wholly owned subsidiary Biacil Holdings Pty Ltd, the holder of EL 6483.

The funding grant is to test the potential for a Mt Adrah Hobbs-like pluton associated with the Frasers Find - Diggers Shaft mineralisation. Previous drilling has confirmed the Frasers Finds mine was developed on a narrow, high grade gold vein that, more significantly, is part of large gold-bearing fracture zone that widens to the south-west towards a potential small circular, 'blind' (concealed) pluton indicated by Sovereign's airborne geophysical survey.

Mount Adrah, IRGS

A scoping study is ongoing on the project economics of developing an open cut gold mine to depth of 150 metres within Hobbs Pipe 1. This includes conceptual pit shell optimisation and capex/opex over a range of annualised mining rates. The aim is to determine the feasibility of transitioning to a cash generating producer that can organically fund exploration for further Hobbs Pipes. Drill programs have been designed to test the grade, width, lateral and vertical extent of known narrow vein high grade gold structures (e.g Castor Reef and White Deer Reef). Ongoing exploration has identified further potential targets for Hobbs-like Pipes and high grade reefs.

Halls Peak, Base and Precious Metals

Ongoing research, principally using airborne VTEM data to develop a 3D stratigraphic model of the geology, to enable the Company to identify where to concentrate its subsequent geological investigations.

Detailed sampling and mapping of some of the high grade silver, lead, zinc and copper massive sulphide lodes included XRF (chemical content, especially Silicon) and XRD (mineralogical) analyses to support metallurgical studies.

Planning for the New Frontiers Collaborative Drilling program progressed and it is anticipated that the drilling program will commence in the September quarter. Funding in the amount of \$90,500 has been granted towards drilling in EL 4474.

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.