



SmartTrans
HOLDINGS LIMITED

A.C.N. 009 065 650

Level 1, 614 Newcastle Street
LEEDERVILLE WA 6007
Telephone: (08) 9228 1199
email:smarttrans@smarttrans.com.au

PO Box 334
LEEDERVILLE WA 6903
Facsimile: (08) 9228 2299
Home Page: www.smarttrans.com.au

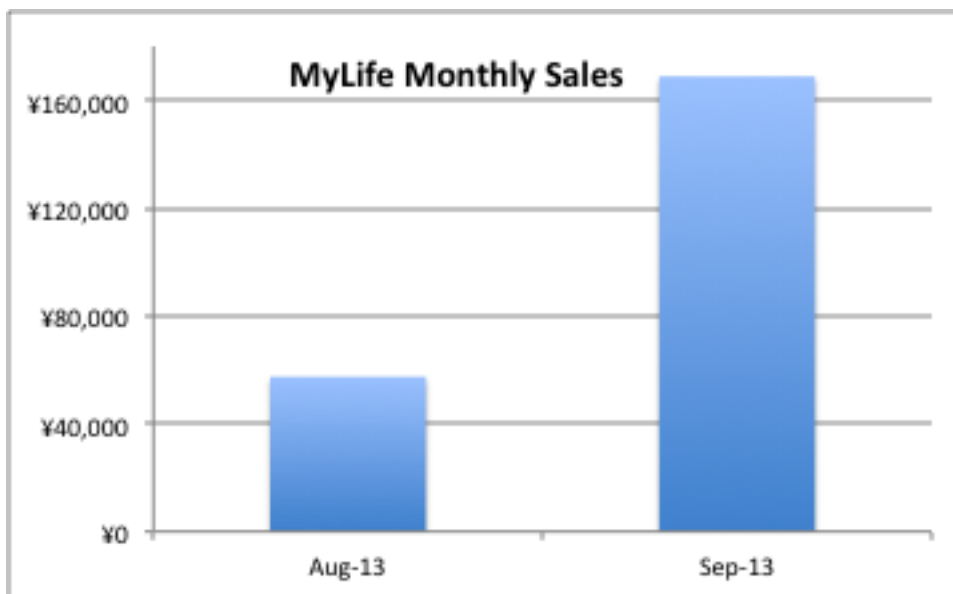
Quarterly Report
for the three months ended
30th September 2013

OVERVIEW

During the Quarter SmartTrans focused on growing its online business in China by implementing marketing campaigns for its MyLife products and moving into the active billing phase of its operations in China.

Focussed marketing expenditure drove growth in the paying customer base and this supports SmartTrans' understanding that there is a direct relationship between marketing expenditure and revenue earned.

SmartTrans achieved sound revenue growth during the quarter.



Encouraged by these sales, SmartTrans signed an agreement on 21 October to provide its online and mobile billing services, application development and online marketing expertise and services to 123 Education Development in support of an agreement between 123 Education Development and Angry Birds' Rovio under which Angry Birds' Rovio is due to introduce the "Angry Birds Playground Curriculum and Learning Space" to China.

MOBILE PHONE and TRANSPORT SYSTEMS

Following the receipt of \$2 million cash in the previous quarter from its former joint venture partner, MMG Australia Limited, for the termination of the Wangunda Joint Venture at Riversleigh, SmartTrans focused on growing its online business in China by implementing marketing campaigns for its MyLife products.

The SmartTrans' MyLife portal utilises the concept of a "push app store" in which the company directly markets its products to customers rather than passively waiting for customers to purchase its products from established app stores.

In July, SmartTrans tested and implemented new marketing campaigns and methods and integrated its expanding range of billing methods for its MyLife mobile application portal.

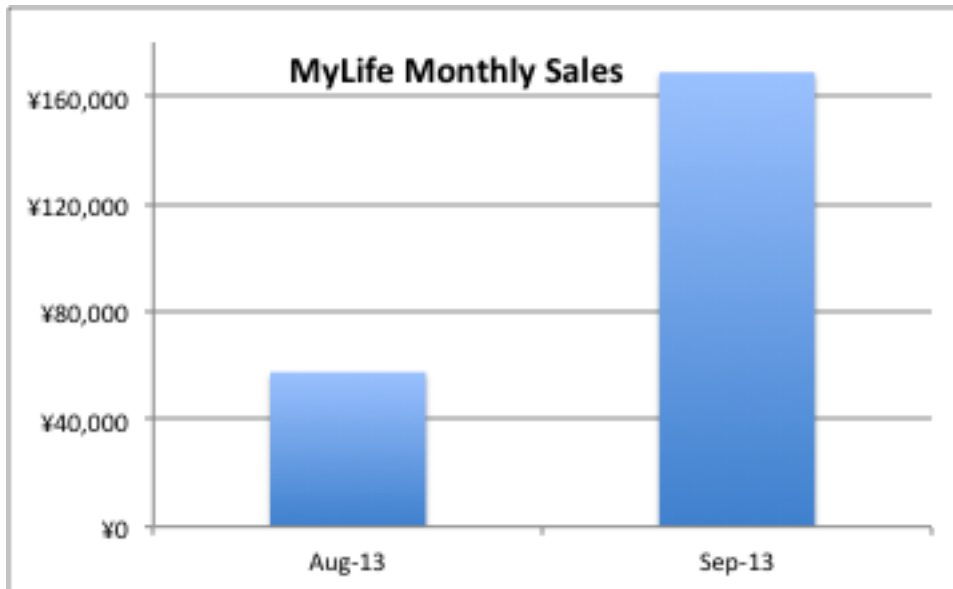
The initial focus was to test various avenues to market, ensure reliable interfacing between SmartTrans and the billing systems of China Mobile and to implement appropriate support structures.

This was successfully achieved in August, and SmartTrans moved into the active billing phase of its operations in China. Accelerated marketing expenditure drove growth in the paying customer base which supported SmartTrans' understanding that there is a direct relationship between marketing expenditure and revenue earned.

August saw between 900 to 1,100 new paying customers being added per day as SmartTrans focused on both growing the number of users and increasing the value of the average spend of each customer.

In September, SmartTrans' MyLife product line continued to achieve strong revenue growth adding up to 1,500 new paying customers per day and also increasing the average revenue per user, while reducing the acquisition cost of new users.

Between August and September, revenue increased by nearly 300%, average revenue per user increased by approximately 192% and the cost of acquisition per user fell by approximately 9%.



SmartTrans expects revenue to be received in the third month following billing.

October saw continued growth in revenue as SmartTrans continued to refine its market strategies, add new content and increase the value of billing transactions to a growing customer base.

During October, SmartTrans' billing provider performed unscheduled minor maintenance of its systems which resulted in a slight impact on billing availability. Despite this, SmartTrans was able to continue to grow the revenue over the previous month.

Also of note in October, SmartTrans commenced integration of China Unicom billing functions into its application further broadening the reach of its products and billing systems. This yet to be launched functionality will give SmartTrans access to China Unicom's customer base. China Unicom is reportedly China's second biggest mobile carrier with a 22 percent share of China's mobile network market by users as of August. (Source <http://www.reuters.com/article/2013/10/24/chinaunicom-earnings-idUSL3N0IE2I920131024>)

As announced on 17 February 2012, SmartTrans works in partnership with Zhenya Tsvetnenko (via his company Magna Fortis) to promote and provide billing services in China. SmartTrans and Magna Fortis are equal shareholders in the Hong Kong company, Digi8 and, accordingly, the two companies equally share in expenses for, and profit from, the sale of these services.

SmartTrans appreciates the involvement of Mr Tsvetnenko in the sale of these services because he not only provides valuable marketing expertise but his contribution to expenses doubles the marketing spend and therefore doubles the anticipated return.

Digi8 chose to participate in the sale of the MyLife products from which the reported revenue has been derived and, as a result, all expenses for and profit generated by providing those MyLife products is ultimately shared equally between SmartTrans and Magna Fortis.

Digi8 has not chosen to participate in the sale of other products or the provision of other services by SmartTrans and does not therefore receive any share of the profit arising from those activities.

Also in October, 123 Education Development, provider of early childhood education in China, Hong Kong and Macau, appointed SmartTrans to exclusively service and provide all of its online and mobile requirements in these three locations.

SmartTrans and 123 Education Development signed a Services Engagement agreement which was witnessed by Victoria's Minister for Manufacturing, David Hodgett in Beijing.



SmartTrans directors Bryan Carr (front left), Dr Geoff Raby (rear centre) and Ian Tang (rear right) with Victoria's Minister for Manufacturing David Hodgett at the recent agreement signing ceremony.

Significantly for SmartTrans, 123 Education Development has recently entered into a preliminary agreement with Angry Birds' Rovio under which Rovio is due to introduce the "Angry Birds

Playground Curriculum and Learning Space” to China. (www.rovio.com/en/news/press-releases/364/rovio-exports-a-finnish-learning-concept-to-the-world/)

It is envisaged that SmartTrans will provide its online and mobile billing services, application development and online marketing expertise and services to 123 Education Development in support of this project. The scope of work and associated fees will be agreed as this project progresses.

SmartTrans Director, Ian Tang, is also a director of the 123 Education Development group of companies that entered into the agreement with SmartTrans.

This forms part of a broader strategy for SmartTrans to provide and utilise its billing services for online and e-learning services in China.

In Brazil SmartTrans participated in a number of meetings in relation to providing its products for the upcoming World Cup and Olympic Games.

MINERAL EXPLORATION PROJECTS

Riversleigh Project (100% SmartTrans, 14,080 hectares)

Following the termination of the Wangunda Joint Venture with MMG Australia Limited at Riversleigh in Queensland last quarter, SmartTrans has retained 100% equity in its “Wangunda” tenement, EPM 16900, and MMG has agreed to transfer to SmartTrans six additional EPMs that were pegged by MMG during the course of the joint venture.

The project will then comprise a package of prospective tenements covering over 26,500 ha in the geological vicinity of the Century Zinc Mine centered on the company’s “Grevillea” lead-zinc-silver prospect.

The tenements are prospective for Mount Isa style lead-zinc copper mineralisation and the Grevillea prospect is structurally analogous to the Macarthur River sub-basin.

SmartTrans is interested to talk to companies that would be willing to explore the tenements in joint venture with SmartTrans.

Connors Arch Joint Venture

This group, in which SmartTrans is in joint venture with AO Energy Ltd, covers three tenements in the South Connors Arch Province which is prospective for porphyry-style copper-gold deposits and epithermal gold deposits.

Mount Mackenzie Prospect (60% equity, 9600 hectares)

Located at Coppermine Creek in Central Queensland, Mount Mackenzie is an advanced exploration project. Earlier diamond drilling by SmartTrans, together with the development of a comprehensive geological and geophysical model, has demonstrated that Mt Mackenzie is one of the largest hydrothermal (high-sulphidation) systems in eastern Australia.

This drilling encountered significant gold and copper values in lead-zinc-silver mineralized breccias and extensive, intensely sulphidic, alteration under cover rocks at the “Instinct” Prospect located 500m to 1000m west of Mt Mackenzie.

Mineralisation is evident in:

- sulphide matrix polymict breccias of hydrothermal and probable intrusive origin;
- well developed multidirectional quartz- sulphide stockworks;
- vughy silica alteration, and;
- haematized and probable supergene zones related to palaeo weathering, immediately below the unconformity with the cover sequence.

The potential for extensions to this system lies under the volcanic cover outside the limits of all previous drilling.

SmartTrans believes there is also significant potential for high grade deposits at Mount Mackenzie.

SmartTrans is seeking a suitable joint venture partner for this project.

J P LAURIE
GENERAL MANAGER

The section of this report that relates to mineral exploration is based on information compiled by a person who is a corporate member of the Australasian Institute of Mining and Metallurgy and who has a minimum of 5 years experience in the field of activity in which he is reporting and qualifies as a competent person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. This person, James Laurie, is a full time employee of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

SmartTrans Holdings Limited

ABN

86 009 065 650

Quarter ended ("current quarter")

September 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	11 - - (410)	11 - - (410)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(437)	(437)
	(827)	(827)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	-	-
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(827)	(827)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(827)	(827)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(827)	(827)
1.20	Cash at beginning of quarter/year to date	2,420	2,420
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,593	1,593

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	69
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.7 Other: Non-mining Subsidiary		(437)
Sales	195	
Government Grants	-	
Less Cost of Goods	(112)	
Less Expenses	(520)	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	9
4.2 Development	-
4.3 Production	-
4.4 Administration	205
Total	214

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,593	2,420
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,593	2,420

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EPM16900	STATUTORY REDUCTION	28,160 ha	14,080ha
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	1,621,516,632	1,621,516,632		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	6,666,667 6,666,667		<i>Exercise price</i> \$0.0186 \$0.0186	<i>Expiry date</i> 7/10/2013 7/10/2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

+ See chapter 19 for defined terms.

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date:
(~~Director~~/Company secretary)

Print name: James Laurie

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 *Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.*

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+ See chapter 19 for defined terms.