



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
31st March 2013

OVERVIEW

The Company continued to address delays experienced with its billing process in China during the quarter. Meanwhile, marketing of the Company's products continues as the outstanding billing issues are worked through.

The company's cash reserves were boosted by a placement which raised a total of \$1,057,501 during the Quarter.

Beijing-based businessman, Mr Ian Tang, and Mr Ian Hawkins, SmartTrans' Chief Technical Officer, were appointed to the SmartTrans Board on 13 March 2013. These appointments will further position the company to develop into a significant provider of IT services both in the Australian and Chinese markets.

MOBILE PHONE and TRANSPORT SYSTEMS

During the period SmartTrans implemented a new billing process linked to China Mobile's billing services.

The new billing method, which has been integrated into SmartTrans' payment systems, allows telephone users to purchase SmartTrans products with one click – the simplest and easiest way to make purchases, with the amount billed directly to their China Mobile telephone account.

Market testing campaigns using the newly developed China Mobile billing module were prepared and launched in March. The company is running trial campaigns and refining the billing process in an effort to manage connectivity issues being experienced on some phones. This includes phone and operating system targeting coupled with user profiling and focused marketing of products to specific consumers designed to maximise successful billing and return on marketing expenditure.

SmartTrans has also worked with software vendors to select new products for promotion to China Mobile customers.

The SmartTrans payment system has been made available to Double Eagle China for integration with its online loyalty and payment systems for its China Merchants Bank project. The project, to be launched over the coming months, will integrate Double Eagle China's unique marketing and online loyalty systems with SmartTrans' mobile payment and web payment platforms. SmartTrans will receive a royalty based upon total transaction revenue received by Double Eagle.

SmartTrans has also made available its Internet and mobile phone-based payment systems for integration into online training platforms for distribution in China to further broaden its online reach for payment collection.

During March, SmartTrans also received its first round of payments from products sold to China Mobile customers.

Lottery betting continued at low levels without any marketing expenditure as the company focused on its MyLife product distribution.

SmartTrans plans to increase the number of products available in the Chinese market using SmartTrans billing systems and has been in discussion with a China-based mobile software provider for SmartTrans to distribute and bill for its products in China.

SmartTrans worked closely with its new China-based investment group seeking opportunities for business growth in China as part of endeavours to broaden the user base for SmartTrans products in China.

In Brazil, following advice received from the Government of Brazil that SmartTrans has been selected to participate in the “Official Program of the Federal Government” for the FIFA 2014 World Cup, SmartTrans presented its EventTrack solution to the World Cup Organising Committees in various Brazilian states as the next step in gaining final approval for the implementation of EventTrack.

MINERAL EXPLORATION PROJECTS

Wangunda Joint Venture – China Minmetals Group (“MMG”)

MMG advised that, during the quarter, it had completed a 3D model of the Grevillea deposit and had designed a drilling program for Grevillea and a regional conceptual drilling program in conjunction with airborne ZTEM and Falcon surveys.

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, 15,680 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")

March 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(15) - - (176)	(29) - - (600)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(440)	(974)
Net Operating Cash Flows	(629)	(1,601)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (1)	- - (8)
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)	(48)	(112)
Net investing cash flows	(49)	(120)
1.13 Total operating and investing cash flows (carried forward)	(678)	(1,721)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(678)	(1,721)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,053	2,234
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	1,053	2,234
	Net increase (decrease) in cash held	375	513
1.20	Cash at beginning of quarter/year to date	323	185
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	698	698

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	242
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		(440)
Sales	212	
Government Grants	-	
Less Cost of Goods	(76)	
Less Expenses	(575)	
1.12 Other: Capital Raising Costs		(48)
1.23 Payments to directors - includes the following:		
a) Salary of a new executive director (\$32,700);		
b) Placement fee paid to a director (\$47,633); and		
c) Catchup of unpaid director's remuneration from Q1 and Q2 (\$108,000)		

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

+ See chapter 19 for defined terms.

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Financing facilities available

Add notes as necessary for an understanding of the position.

		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	14
4.2	Development	-
4.3	Production	-
4.4	Administration	171
Total		185

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	698	323
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		698	323

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			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining
tenements acquired or
increased

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+ See chapter 19 for defined terms.

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	211,502,169	211,502,169		
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.

Appendix 5B
Mining exploration entity quarterly report

- 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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