



SmartTrans

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Quarterly Report

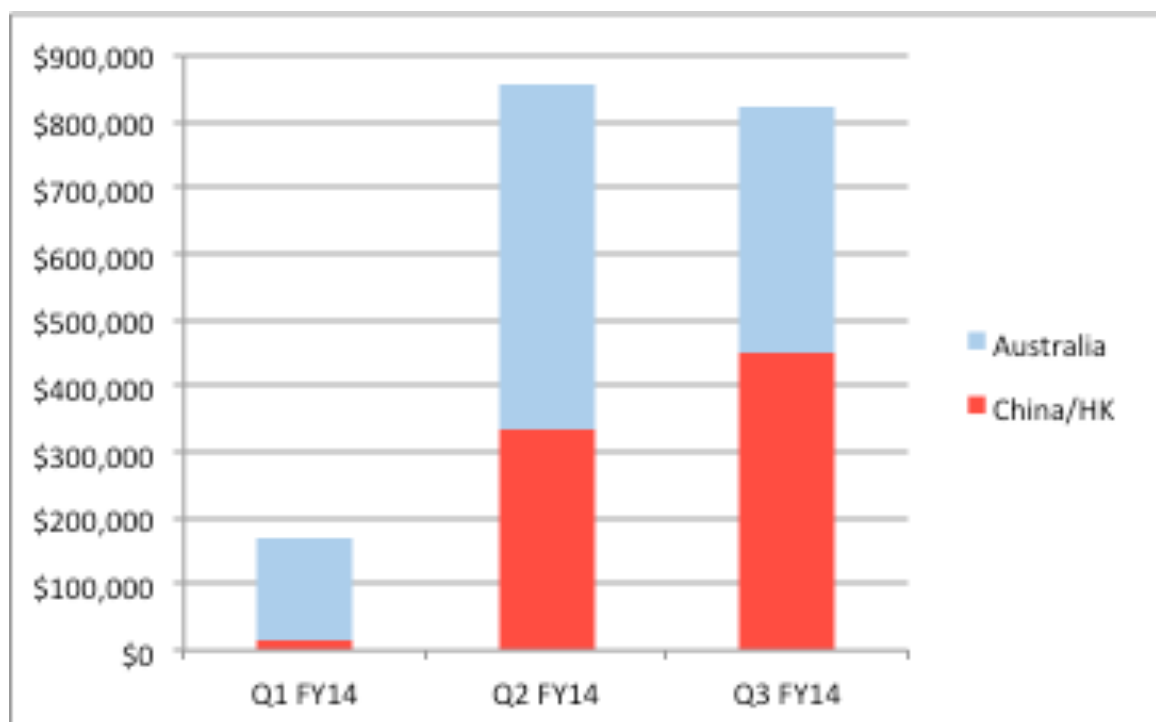
for the three months ended

31st March 2014

Quarter Highlights

- **Worldwide revenue attributable to SmartTrans for the Quarter was \$820,000 - up 530% from the same Quarter in 2013**
- **China/Hong Kong revenue attributable to SmartTrans' for the Quarter increased to \$450,000 – up 34% from the previous Quarter**
- **Strong revenue for Australian mobile and online software business – major contracts with recurring revenue secured**

SmartTrans Mobile and Online Revenue for Financial Year 2014



Includes revenue attributable to SmartTrans only and excludes revenue attributable to SmartTrans' partner in China, Zhenya Tsvetenko.

Overview

SmartTrans enjoyed excellent revenue growth from its activities in China, and enjoyed a strong Quarter in Australia.

The company also focused on the divestment of its exploration assets and reduction in associated costs in order to concentrate on further growing its core business of mobile and online software and services.

During the Quarter SmartTrans launched its new website www.smarttransholdings.com to enhance its visibility to potential global investors and partners, particularly in the Asian market.

MOBILE AND ONLINE SOFTWARE SOLUTIONS

SmartTrans provides its mobile and online software and services in two geographic markets - Australia and China.

In Australia, SmartTrans' online and mobile software is used by businesses to manage and increase productivity and improve efficiencies in mobile workforces as well as logistics, while in China SmartTrans' mobile and online software is delivered to consumers who purchase and pay for products and services via SmartTrans' multi-channel payment gateway.

Australia

SmartTrans' Australian business operations include online web-based and mobile phone-based software for businesses with its customers operating in the following sectors:

- Construction & Building
- Newspapers/Magazines
- Pharmaceuticals
- Food & Beverages
- Field Services
- Computer & Electronics
- Transportation

In Australia, SmartTrans focused on growing its online software and services business with significant new contracts won during the Quarter. These contracts which will generate monthly recurring revenue for the next three years. A significant portion of this revenue will be realised in the first 12 months.

Further to this, SmartTrans is undertaking a strategic review of the marketing of its product range in Australia to achieve better uptake and ensure that this growth in recurring revenue continues.

China

On the basis of well-developed relationships in China, SmartTrans has continued to build a strong China business unit and has continued to widen its product range, servicing the large and rapidly growing mobile telephone App market providing mobile applications and billing systems for smartphone and internet users.

In China, SmartTrans' mobile and online payment gateway allows its customers to purchase its products and make payment through the following billing channels:

- Direct-to-phone billing and In Application billing with telcos such as China Mobile
- Internet and mobile phone billing with China Mobile CMPay
- Internet and mobile phone billing with UnionPay
- Internet and mobile phone billing with Alipay



SmartTrans utilises its mobile and online payment gateway in China to collect payment for its software and services marketed and distributed online.

SmartTrans also provides its payment gateway as a service for any application or software provider operating outside China to distribute and bill for its products in China for which the company receives a royalty based upon transaction value.

Additional mobile apps and content for distribution in China were acquired and further paths to market developed for the distribution of the company’s MyLife mobile Apps portal as part of the company’s strategy to further expand its mobile and online operations.



Additional functionality allowing users to send the MyLife portal to their friends was added, allowing users to earn rewards for referrals.

Strong revenue was received from the Company’s online business activities in China and Hong Kong, with SmartTrans’ share of earnings topping \$450,000 from total revenue of \$860,000 earned by SmartTrans’ 100%-owned China business and its 50%-owned Digi8 business.

The company invested a further \$558,000 in Bitcoin mining activities, which will generate revenue over the next 12 months and form part of the inventory for sale to online users as the company focuses on growing its mobile and online payments platform.

As the company focused on its technology business, the planned divestment of its exploration assets resulted in one-off costs in the Quarter of approximately \$400,000. While this had an adverse effect on the company financially in the Quarter, the company will achieve substantial and immediate cost savings from this initiative.

While some significant expenses were incurred during the Quarter, the company has secured recurring monthly revenue streams for the next three years and reduced its ongoing cost base.

Development of SmartTrans' online training solutions continued with the company working with 123 Education and Rovio's technical team in Helsinki on the collaborative development of the Angry Birds Playground Curriculum and Learning systems for China.

MINERAL EXPLORATION PROJECTS

There has been no change in the status of the SmartTrans' mineral exploration projects in Queensland. We are continuing our efforts to find a suitable buyer for these tenements.

Riversleigh Project (100% Smarttrans, 14080 hectares)

SmartTrans retains 100% equity in the Riversleigh project represented by EPM16900 Wangunda. As part of the termination of the Wangunda Joint Venture, announced in June, 2013, MMG Australia Limited (MMG) has agreed to transfer to SmartTrans six additional EPMs that were applied for by MMG during the course of the joint venture.

After incorporation of the ex-MMG EPMs, the Riversleigh project will then comprise a package of prospective tenements covering over 26,500 ha in the same geological terrane as the Century Zinc Mine, and containing SmartTrans' Grevillea lead-zinc silver prospect.

MMG spent in excess of \$4million dollars on exploring the Riversleigh project. SmartTrans is currently preparing a data package incorporating this new geological information to circulate to potential purchasers willing to explore this part of the Carpentarian Zinc Province.

Connors Arch Joint Venture (60% Smarttrans; 40% AO Energy Ltd)

This project covers three EPMs in Central Queensland (Fig 3). Recent announcements by Evolution Mining Limited (ASX: EVN) highlight the potential of this region to support gold,silver +/- copper operations. In their ASX Quarterly report ended 31/12/2014, Evolution reported profitable production from the Crackow, Mt Rawdon and Silver Hills/Mt Carlton mines. In the past 12 months, combined production is two hundred fifty eight thousand (258,000) ounces gold equivalent. Of particular relevance to SmartTrans' Connors Arch project is the close similarity in mineralisation style and host stratigraphy/ lithology of the Mount Mackenzie and Silver Hills/Mt Carlton high sulphidation epithermal deposits.

Mount Mackenzie Prospect (60% equity, 9600 hectares)

The Mount Mackenzie Prospect is a very large mineralised system. It contains a very large volume of hydrothermal, high sulphidation, alteration that is developed over an area in the order of 1-2km². Mount Mackenzie contains many of the prospective elements of a large scale intrusive related gold mineralised system :

- In the east at Mount Mackenzie, there is an outcropping to near surface, gold bearing siliceous zone enclosed by advanced argillic alteration.
- West of the outcrop, the alteration zone continues under cover for over a kilometre across strike. Further to the west, strong alteration is still evident to the current limit of drilling (1.5 km west of Mount Mackenzie).
- Prospective features within this major zone of alteration include quartz sulphide stockwork veining, high temperature porphyry style alteration, variably altered high level intrusive and volcanic rock units, sulphidic breccias and vein and disseminated copper and base metal mineralization accompanied by sporadic values of gold.

- Potential exists to extend this major mineralised system further to the west where a porphyry style target has been proposed. Historical drilling has intersected several gold zones which returned significant down hole thicknesses (in the order of 20m to 40m or so) of moderate gold grades (in the order of 1g/t Au to 5 g/t Au). This drilling was completed in the 1980s and 1990s prior to the general adoption of the JORC code for drilling and reporting exploration results.

SmartTrans is seeking a suitable purchaser for this project.

COMPETENT PERSON STATEMENT

<p>The information in this report in so far as it relates to exploration results is based on information compiled by Dr. Simon D. Beams, a full time employee of Terra Search Pty Ltd, geological consultants commissioned by SmartTrans Holdings Limited.</p>
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<p>Dr. Beams has BSc Honours and PhD degrees in geology; he is a Member of the Australasian Institute of Mining and Metallurgy (Member #107121) and a Member of the Australian Institute of Geoscientists (Member # 2689). Dr. Beams has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and the activity being undertaken 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 Reserves.” Dr. Beams consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.</p>
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APPENDIX 1 – TECHNICAL DETAILS

EXPLORATION RESULTS

There are no new exploration results to report for the mineral exploration activities in the report quarter ended 31/12/2013.

JORC Code, 2012 Edition – Table 1 Not Applicable this Quarter

APPENDIX 2 – DISCLOSURE REQUIRED UNDER ASX LISTING RULE 5.3.3

- Mining tenements held at the end of the quarter and their location:

State	Tenement Name	Tenement ID	Location	Interest	Holder	Comments
QLD	Mount Mackenzie	EPM10006	West of Marlborough	60%	SMA	40% AO Energy Limited
QLD		EPM 12546	West of Marlborough	60%	SMA	40% AO Energy Limited
QLD	Wangunda	EPM 16900	Riversleigh, SE of Century Mine	100%	SMA	
QLD		EPM 17515	West of Marlborough	60%	SMA	40% AO Energy Limited

- Mining tenements acquired and disposed of and their location:

State	Tenement Name	Tenement ID	Location	Interest	Holder	Comments

- The beneficial percentage interests held in farm in or farm out agreements at the end of the quarter:

State	Project Name	Agreement Type	Parties	Interest held at end of quarter by exploration entity or child entity	Comments
QLD	Marlborough	Joint Venture	SMA and AO Energy Limited	60%	

- The beneficial percentage interests held in farm in or farm out agreements acquired or disposed of during the quarter: Not Applicable this quarter

State	Project Name	Agreement Type	Parties	Interest held at end of quarter by exploration entity or child entity	Comments

EPM - Queensland Exploration Permit for Minerals, SMA - SmartTrans Holdings Limited