29 July 2011

Transol Corporation Limited
Quarterly Report to 30 June 2011

The Director's of Transol Corporation Limited ("Transol" or "the Company") present their quarterly report for the period ended 30 June 2011.

Valleyarm Digital Pty Ltd ("Valleyarm") - 100% owned subsidiary

During the quarter, Valleyarm signed key strategic agreements with The Electric Sheep Company and Ithos Digital Pte Ltd.

The Electric Sheep Company

Valleyarm entered into an exclusive strategic partnership with The Electric Sheep Company for distribution of its StreamJam application in the Asia Pacific region.

StreamJam is a first of its kind 3D virtual venue, whereby consumers can view live, ticketed concerts and free sponsored shows over the web and smart phones via a Facebook application. Through this partnership, Valleyarm is expecting to increase its sales and distribution within the Valleyarm Digital music network from ticketed virtual shows and corporate sponsorships across profile artists performing in the Asia Pacific region.

StreamJam is a free application that turns an artist's live broadcast into a social game experience. It is interactive in that fans can access the online StreamJam venue over a PC or mobile phone and appear in the show as a cartoon avatar, can chat with other attendees, dance and interact with the artist while enjoying the live performance.

The social experience leads to longer viewing times and more revenue for artists as they engage their fans online. StreamJam aims to bring live music to a more global, connected and social audience while helping artists grow their careers.

The Electric Sheep Company ("ESC") is an Emmy award-winning creator of virtual worlds and social games for major brands and media companies. ESC has created games and social experiences for "CSI:NY", "The L Word", MTV, NBC, AOL, Lifetime, and dozens of consumer brands, toys and educational products, and live events. ESC has produced virtual events for artists such as 50 Cent, Justin Timberlake, Ben Folds, Korn, Lady Gaga, OK Go, and many others, and has now launched StreamJam, an app to allow all artists to engage their fans in a virtual venue.

Ithos Digital Pte Ltd

Valleyarm entered into an agreement with Ithos Digital Pte Ltd for content distribution across Singapore.

The Agreement provides for distribution of Valleyarm's catalogue of over 1.8 million songs through Singapore's digital and mobile platforms including music stores operated by SingTel, M1 and Starhub, which have a combined subscriber base of over 6 million users.

About Valleyarm

Valleyarm specialises in the digital distribution, publishing and online marketing of music and video content focused primarily on content and services within the Asia Pacific Region, along with representation in eastern and southern Africa, the Pacific and Europe. Valleyarm incorporates a unique solution emphasising an “Asia-In” “Asia-Out” model providing digital music content distribution and sub-publishing services which enable Asian content owners to monetise content external from their homeland, and to provide an Asian gateway for western acts and labels to monetise their content in non-traditional markets.

The Valleyarm catalogue of over 1,800,000 tracks includes single, album and video titles from high profile artists such as Birds of Tokyo, Powderfinger, Pseudo Echo, The Veronicas, Diesel, Jimmy Barnes, Nidji, Peterpan, T-Rex, Delta Goodrem, Small Faces, Underworld and Ian Dury and The Blockheads.

CLTNet Pty Ltd (100% owned subsidiary) – Computerised Theory Testing System

During the quarter, CLTNet CLTNet NZ Limited (“CLTNet NZ”) extended its Agreement with the New Zealand Automobile Association (“NZ AA”) for a period of three years. Under the terms of the agreement, NZ AA continues to promote and refer customers to the CLTNet NZ website (roadcodepractice.co.nz) through advertisements on its website (aa.co.nz), and sell prepaid practice test vouchers from NZ AA’s physical locations throughout New Zealand.

During the quarter, the practice testing and education system continued to grow in the number of users and sales in line with expectations.

Quick-Links (Aust) Pty Ltd (70% owned subsidiary)

During the quarter, Quick-Links (Aust) formalised a global marketing agreement with MATH Marketing for the continued rollout of CORUS to small and medium sized businesses.

Digistore Solutions International Pty Ltd

During the quarter, Transol acquired an equity interest in Digistore Solutions International Pty Ltd (“DSSI”), a company that has the exclusive worldwide distribution rights for the Centurion range of data storage optical backup and archive solutions for small and medium-sized businesses.

DSSI is also an 80% equity interest owner of Digistore Solutions Holdings PTE LTD (“DSSH”), a Singapore incorporated entity that owns the intellectual property associated with its Centurion DiscHub and Centurion iHub and has new optical data storage products under development.

DSSI has achieved some significant milestones including major partnerships with Ingram Micro (the largest distributor of IT products in the world) and a number of Original Equipment Manufacturer (OEM) deals with EMC, IBM and CA Technologies. OEM and partnership discussions are also well advanced with other international OEM distributors.

About Digistore

DSSI provides a range of data storage products for businesses, enabling them to meet their compliance obligations more affordably and effectively. DSSI currently achieves this through the sales and marketing of its **Centurion DiscHub** range of products. The Centurion DiscHub is a platform for digital data storage that uses multiple optical discs contained within carousel-style housing. The platform also ensures that software layers can be added to the product set to extend functionality of the devices for different market applications. DSSI is planning to release the **Centurion DiscHub Blu-Ray** in Q4 2011 which will have a data capacity of 5 to 10 Terabytes, depending upon functionality and product features. DSSI also has a new product due for release in Q1 2012, the **Centurion iHub,** which is based on a combination of Network Attached Storage (NAS) and optical technology targeted at the enterprise market. The **Centurion iHub** product is rack mountable and has a data storage capacity in excess of 220 Terabytes. This product will compete on an equivalent or superior feature set, and be substantially lower in price as compared to its competitors. Current OEM partners have indicated strong interest in the Centurion iHub product because of its unique features created by the fast accessibility of NAS and the durability and unalterability of optical media.

With the imminent release of both the Centurion DiscHub Blu-Ray and the Centurion iHub, DSSI will vastly expand its ability to offer high level data storage solutions that will compete directly with existing Tape and Hard Drive solutions.

Acquisition

Transol Corporation has acquired a 13.05% equity interest in DSSI by the subscription of 2,290,752 new shares and the payment of $825,000. The Company has the right (but not the obligation) to acquire an additional 4.17% equity interest (fully diluted) in Digistore Solutions International Pty Ltd ("DSSI") for $275,000 via the subscription of a further 763,584 new shares. In the event that the Company acquires this additional 4.17%, the Company will hold a 16.67% interest in DSSI.

Angus Edgar and his related entities (excluding Transol's interest) currently hold a 56.84% equity interest in DSSI.

Liberty Mining International Pty Ltd ("Liberty Group")

During the quarter, Transol announced that due diligence had been completed by a Canadian private entity on the proposed sale of the Liberty Group, and following its General Meeting of shareholders on 7 June be proceeding, Transol disposed of this asset.

The key terms of the sale were:

1. Payment of US$600,000 in cash

2. Issue of shares 600,000 Class "A" common shares in an entity intending to list onto TSX*

3. A net smelter royalty of 2.5% on the Banlung, Banlung North, Oyadao and Oyadao South licenses to a maximum aggregate payment of US$800,000

*The value of the 600,000 Class "A" shares is still under negotiation as part of the listing process onto the TSX. When the terms are finalized this will determine the actual value of the shares. Transol will inform the ASX as to the value of the shares in due course.

Summer Gold acquisition – not proceeding

During the quarter, the Company announced it would not be proceeding with the acquisition of the two projects held by Summer Gold in Cambodia. As a consequence, Summer Gold has fully repaid Transol for the initial cost of acquisition, being USD$350,000.

Corporate

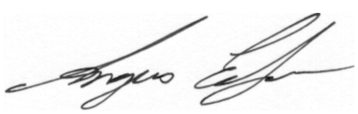
During the quarter, the Company has received the resignation of Executive Director Richard Stanger, following the sale of the Liberty Group. The Board wishes to thank Mr Stanger for his contribution to the Company, and wishes him all the best in his future endeavours.

Mr Adrien Wing, Company Secretary, replaced Mr Stanger as a Non-executive Director. Mr Wing is a Certified Practising Accountant and specialises in the public company environment. He practised in the audit and corporate divisions of a chartered accounting firm before providing corporate/accounting consulting and company secretary services to public companies. His experience includes accounting, administration, compliance, company secretarial, re-structuring and recapitalising companies on ASX. Mr Wing currently provides these services to several public companies on the ASX. He has served on a number of public company boards and related committees.

During the quarter, the Company announced that it intended undertaking a non renounceable rights issue whereby shareholders would be offered two new shares for every three shares held at the Record date at $0.001 per new share. Each new share comes with a free attaching option exercisable at $0.002 on or before 20 December 2014. The Company initially announced that the offer would be underwritten; however the underwriting agreement was subsequently terminated by mutual consent. If the offer is fully subscribed, it will raise approximately $764,000 before associated costs.

The Company is currently in the process of preparing a replacement prospectus, whereby further details of the offer will be sent to shareholders in due course.

For any further information, please contact Mr Adrien Wing on +61 3 8610 8633.



ANGUS EDGAR
DIRECTOR

Rule 4.7B

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Transol Corporation Limited

ABN	Quarter ended ("current quarter")
73 089 224 402	30 JUNE 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from customers	329	1,035
1.2	Payments for (a) staff costs	(42)	(319)
	(b) advertising and marketing		
	(c) research and development		
	(d) leased assets		
	(e) other working capital	(520)	(2,127)
	(f) exploration expenditure	(101)	(281)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	9
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	- Research & development offset	-	-
	- Activity statement refunds	-	-
	- Proceeds from JV	-	599
	Net operating cash flows	**(331)**	**(1,084)**

		Current quarter $A'000	Year to date (12 months) $A'000
1.8	Net operating cash flows (carried forward)	**(331)**	**(1,084)**
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)		
	(b) equity investments	(825)	(825)
	(c) intellectual property		
	(d) tenement assets	-	-
	(e) other non-current assets		
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	569	569
	(b) equity investments	259	259
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.11	Loans to other entities	-	(50)
1.12	Loans repaid by other entities	-	200
1.13	Other (Net Exploration expenditure associated with and following the company's acquisition of Liberty Mining International Pty Ltd		
	Net investing cash flows	**(7)**	**143**
1.14	**Total operating and investing cash flows**	**(338)**	**(941)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	75	414
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings	50	50
1.18	Repayment of borrowings		
1.19	Dividends paid		
1.20	Other (provide details if material)		
	Net financing cash flows	**125**	**464**
	Net increase (decrease) in cash held	**(213)**	**(477)**
1.21	Cash at beginning of quarter/year to date	364	651
1.22	Exchange rate adjustments to item 1.21	(6)	(29)
1.23	**Cash at end of quarter**	**145**	**145**

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
1.24	Aggregate amount of payments to the parties included in item 1.2	87
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Payments for directors fees / advisory fees / consulting fees

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

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

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		
3.2	Credit standby arrangements	5	

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
4.1	Cash on hand and at bank	145	362
4.2	Deposits at call	0	0
4.3	Bank overdraft		
4.4	Other (provide details)		
	Total: cash at end of quarter (item 1.23)	145	362

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1	Name of entity		Liberty International Pty Ltd and its subsidiaries Liberty Mining International (Cambodia) Ltd, Maxum Metals Pty Ltd and Transol Mining and Exploration Pty Ltd
5.2	Place of incorporation or registration		Australia
5.3	Consideration for acquisition or disposal		A$591,000 (USD$600,000)
5.4	Total net assets		A$612,900
5.5	Nature of business		Exploration

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 29 July 2011

(Company secretary) Print name: Adrien Wing

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 definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a)- policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. Accounting Standards. ASX will accept, for example, the use of International Accounting 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.