

31 July 2012

Transol Corporation Limited
Quarterly Report to 30 June 2012
(ASX:TNC)

The Director's of Transol Corporation Limited ("Transol" or "the Company") present their quarterly report for the period ended 30 June 2012.

Joint Venture Agreement with Sturt Resources

Highlights:

- Drilling completed at Southern Cross Bore confirming high grade gold mineralisation extending for 200m down plunge from surface
- Mineralisation remains open in all directions and interpreted to continue to at least 500m down plunge
- Drill results include:
 - 4m @ 4.19 g/t Au and 0.33% Cu from 79m in 12JRRC001
Including
7m @ 7.28 g/t Au and 0.52% Cu from 87m
 - 34m @ 3.83 g/t Au and 0.44 % Cu from 63m in 12JRRC004
Including
3m @ 21.0 g/t Au and 0.47% Cu from 81m
 - 4m @ 3.53 g/t Au from 70m in 12JRRC005
 - 5m @ 2.73 g/t Au and 0.28% Cu from 108m in 12JRRC008
- Excellent potential for large gold resource within Iron Oxide Copper Gold (IOCG) structure

During the quarter, Transol advised they have been informed by Sturt Resources Limited ("Sturt Resources") that drilling at the Southern Cross Bore Project Bore confirmed high grade gold mineralisation extending for 200m down plunge from surface.

Introduction

Final results were received from an eight (8) hole RC drilling program at the Johnnies Reward Prospect, Southern Cross Bore Project in the Northern Territory.

The Project is located 75km north east of Alice Springs within the Strangways Metamorphic Complex of the Proterozoic Arunta Block and has a 50 year history of small scale copper mining and sporadic periods of exploration. Significant gold mineralization was identified by Alcoa during a six (6) hole diamond drilling program in 1984 which targeted mineralization extending below the Johnnies Reward gossan containing anomalous values of gold and copper.

Best results from Alcoa's drilling program occurred in drill holes:

- DDH002: 51m @ 1.83 g/t Au from 75m including 5m @ 4.84 g/t Au and 9m @ 5.61 g/t Au; and
- DDH005: 32m @ 1.06 g/t Au from 112m

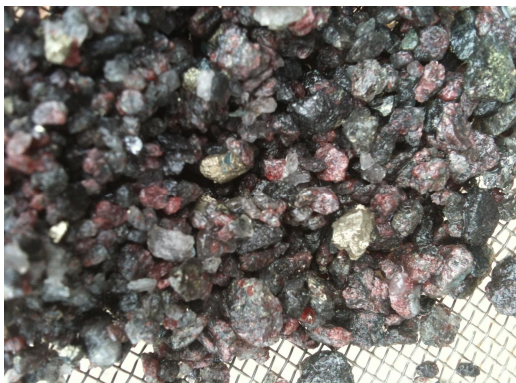
Alcoa drilling has never been followed up although subsequent geophysics indicates the Johnnies Reward mineralized host structure is continuous down plunge for at least 500m.

During May and June 2012 an eight (8) hole Reverse Circulation (RC) drilling program was completed for a total of 1,243 metres. The holes were sampled at 1m intervals and all results have been received from ALS Perth with a number of significant intersections returned.

Significant gold - copper mineralisation occurs in a pyrite-chalcopyrite bearing magnetite pyroxene skarn and is also noted within the footwall quartz biotite garnet magnetite gneiss. The mineralized skarn has now been intersected over significant intervals in holes 12JRRC001-008 over a strike length of 200m north of the Johnnies Reward gossan and is consistent with Alcoa drill holes DDH002 and DDH005.



Photograph above of the high grade magnetite skarn zone in 12JRRC004, 67-68m showing visible pyrite and chalcopyrite



Footwall quartz biotite garnet magnetite gneiss, with visible chalcopyrite in 12JRRC005 113-114m

Results

Results include:

- 24m @ 4.19 g/t Au, and 0.33% Cu from 79m in 12JRRC001
- 2m @ 1.74 g/t Au, and 0.33% Cu from 88m in 12JRRC002
- 22m @ 0.56g/t Au, from 96m in 12JRRC003 **including** 5m @ 1.25 g/t Au, and 0.07% Cu from 106m in 12JRRC003
- 34m @ 3.83g/t Au, and 0.44% Cu from 63m in 12JRRC004
- 24m @ 0.51g/t Au, from 95m in 12JRRC005 **including** 4m @ 3.53g/t Au, and 0.04% Cu from 70m in 12JRRC005
- 13m @ 0.49 g/t Au, from 86m in 12JRRC006
- 13m @ 0.49 g/t Au, from 105m in 12JRRC008 **including** 5m @ 2.73g/t Au, and 0.28% Cu from 108m in 12JRRC008

Drilling has confirmed the main zone of high grade gold mineralisation has a 40 to 45 degree north east plunge. This zone is located within a broad envelope of lower grade gold-copper. The lower grade stratiform zone has a shallow northerly plunge and an easterly dip consistent with the magnetite skarn – gneiss contact. Table 2 uses a lower cut of 0.25 g/t Au and highlights significant widths of mineralisation in the lower grade zone. Based on the limited information available and an estimated plunge of 45 degrees to the higher grade zone it is believed these intersection widths are approximate to true widths.

Preliminary interpretation of the high grade zone indicates drill holes 12JRRC 002, 003, 007 and 008 have intersected the low grade mineralized envelope above the high grade lode (or lodes). The high grade zone remains open at depth in all directions within the low grade envelope which is interpreted to include the entire magnetite skarn unit from below the Johnnies Reward gossan.

Table 1 below contains full details and results of the drilling program and drill hole locations are shown in Figure 1.

Table 1 - Assay Summary (Au > 1.0 g/t)

Hole	Northing	Easting	From	To	Width (m)	Au ppm (>1.0g/t)	Cu (ppm)
12JRRC001	7440589	419835	79	103	24	4.19	3338
12JRRC002	7440609	419801	88	90	2	1.74	3300
12JRRC003	7440604	419825	106	111	5	1.25	746
12JRRC004	7440580	419820	63	97	34	3.83	4407
12JRRC005	7440624	419829	70	74	4	3.53	353
			100	101	1	1.14	3450
12JRRC006	7440565	419817	86	87	1	1.15	3420
			92	93	1	1.81	5400
12JRRC007	7440550	419814				NSR	
12JRRC008	7440639	419832	108	113	5	2.73	2756

Table 2 - Assay Summary (Au > 0.25 g/t)

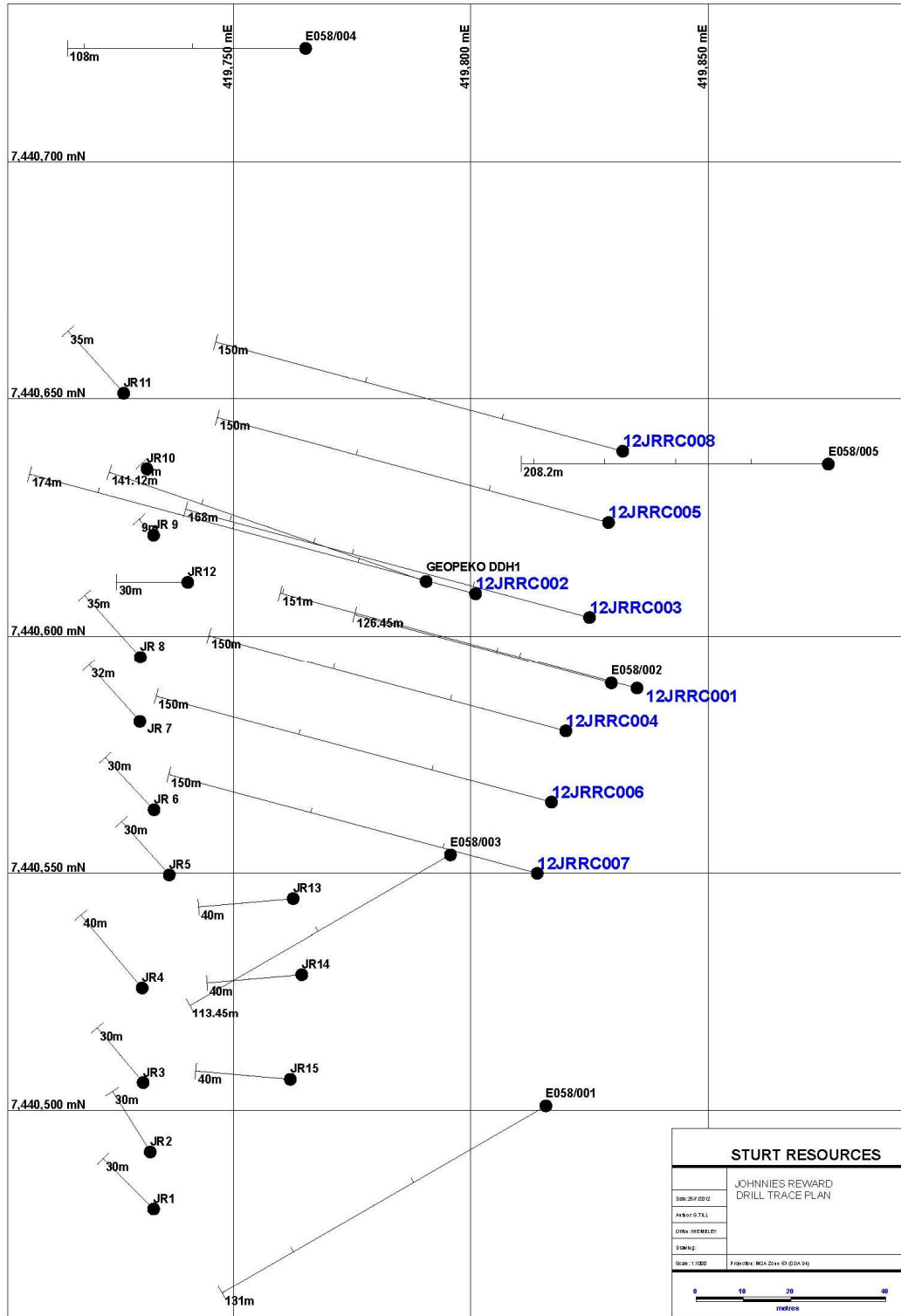
Hole	Northing	Easting	From	To	Width (m)	Au ppm (>0.25g/t)	Cu (ppm)
12JRRC001	7440589	419835	73	110	38	2.76	2778
			113	123	10	0.32	2054
12JRRC002	7440609	419801	84	90	6	0.79	1565
12JRRC003	7440604	419825	96	118	22	0.56	796
12JRRC004	7440580	419820	57	103	46	2.99	4312
			111	114	3	0.28	1129
			133	134	1	0.26	25
			141	142	1	0.77	2380
12JRRC005	7440624	419829	70	78	8	1.89	264
			91	92	1	0.96	1950
			95	119	24	0.51	2621
12JRRC006	7440565	419817	47	56	9	0.39	7961
			67	69	2	0.40	6235
			74	75	1	0.33	1720
			79	80	1	0.26	8070
			86	99	13	0.49	3888
12JRRC007	7440550	419814	93	95	2	0.38	8510
12JRRC008	7440639	419832	94	98	4	0.40	6050
			101	102	1	0.31	3190
			105	118	13	1.33	2680

Background

Transol entered into an agreement with Sturt Resources Limited (“Sturt”) to earn up to a 51% interest in Sturt’s 100% owned SXB Project located 75km north east of Alice Springs in the Northern Territory.

Under the terms of the Agreement Transol is required to spend \$200,000 on initial drilling at SXB, which has now been achieved at completion of this eight hole drilling program. Transol now has the right to spend an additional \$800,000 to earn 51%.

Figure 1 – Drill hole Location Plan



Competent Person Statement - The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr John Young, a Corporate Member of the Australasian Institute of Mining and Metallurgy and a Director of Sturt Resources Ltd, the Manager of the Southern Cross Bore Project. Mr Young has sufficient experience 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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Young consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

Valleyarm Digital Limited (100% owned)

Highlights:

- Licensing Agreement entered with Spotify
- Valleyarm wins Best New Media and Entertainment Award

During the quarter, Valleyarm Digital Pty Ltd ("Valleyarm") entered into a Content License Agreement with leading music streaming company Spotify, to supply content from the Valleyarm catalogue for its music streaming service.

Valleyarm will deliver their full global catalogue available, inclusive of any new monthly updates, to the Spotify platform and will receive a pay per stream every time Valleyarm content is accessed. The service is tied directly to Facebook which increases its social awareness. Spotify has millions of users worldwide. When a user listens to a track on Spotify it is shown in the users Facebook feed. Because of this, music available on Spotify has the potential to be shared over and over again, which could generate potential revenue for Valleyarm.

According to the IFPI (International Federation of the Phonographic Industry) Digital Music Report released in April 2011, Spotify is the second single source of digital music revenue for labels in Europe. With its launch in Australasia on 22 May 2012, Valleyarm expects to see a significant increase in its revenues and earnings.

Spotify is a music streaming service offering streaming of selected music from a range of major and independent record labels. Launched in October 2008 the service is available in Austria, Belgium, Denmark, Faroe Islands, Finland, France, Germany, the Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

During the quarter, Valleyarm won the 2012 Victorian State iAward for New Media and Entertainment.

The iAwards honour innovation in the ICT industry (Information and Communication Technologies) and Valleyarm's digital music distribution, royalty management and reporting platform ("VMA") was considered the best innovation, delivering superior outcomes in the media and entertainment industries.

Valleyarm's web based technology, referred to as the "VMA", leverages the power of cloud based architecture to seamlessly receive, package and ingest thousands of music audio and video releases for music fans to access via mobile or web connected devices. The VMA platform integrates with many online digital retailers, including iTunes, Spotify and Telstra Bigpond, to deliver a constant stream of music audio and video content for stores to sell to their customers.

The VMA enables music artists and labels to have their content available for purchase anywhere in the world and to receive royalty payment from the sale of their music. Valleyarm's partnered digital outlets make regular royalty payments to Valleyarm, with sales and royalty data auto imported into the VMA for customer viewing and access.

The VMA enables Valleyarm's customers to complete all steps of the distribution, encoding, delivery, reporting and payment via an online interface. Its customers create an account, purchase the distribution service, upload their content (audio, video, artwork, bios, barcodes) and select the outlets and territories they wish to distribute to. The VMA automatically encodes and packages their content to the retail outlet's specifications, performs a QA check on the content, digitally places the approved packages into the chosen retail outlets and receives regular sales and royalty data from the outlets for reporting within each customer's account.

The VMA generates extensive internal reporting and accommodates a variety of royalty deals between customers and Valleyarm.

Valleyarm is a finalist for the National iAward to be announced on 9 of August 2012.

Digistore Solutions International Pty Ltd

Transol currently holds a 16.67% equity interest in Digistore International Pty Ltd.

Digistore Solutions International Pty Ltd (DSSI) is a data storage company that currently provides the Centurion DiscHub range of low cost optical backup and archive solutions to small and medium sized businesses to assist them with their regulatory and compliance needs.

DSSI will release its new unique suite of Centurion enterprise solutions that combine Network Attached Storage (NAS) with an Optical library in Q4 2012. This will be a world first and this combination will drive overall data efficiency through the timely archiving of data especially in data centres.

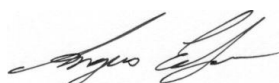
CLTNet Pty Ltd (100% owned subsidiary) – Computerised Theory Testing System

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, the Company continued to focus on its cloud collaboration service in the higher education market.

For any further information, please contact the Company Secretary, Mr Adrien Wing, on 03 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

73 089 224 402

Quarter ended ("current quarter")

30 JUNE 2012

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	493	1,550
1.2 Payments for		
(a) staff costs	(93)	(361)
(b) advertising and marketing		
(c) research and development		
(d) leased assets		
(e) other working capital	(597)	(2,195)
(f) exploration expenditure	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
- Research & development offset	-	86
- Activity statement refunds	-	-
- Proceeds from JV	-	-
Net operating cash flows	(195)	(913)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(195)	(913)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	(275)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) tenement assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	15	15
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	(100)
1.12 Loans repaid by other entities	-	-
1.13 Other (Net Exploration expenditure associated with and following the company's acquisition of Liberty Mining International Pty Ltd)	-	-
Net investing cash flows	15	(360)
1.14 Total operating and investing cash flows	(180)	(1,273)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	1,400
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	-	1,400
Net increase (decrease) in cash held	(180)	127
1.21 Cash at beginning of quarter/year to date	453	145
1.22 Exchange rate adjustments to item 1.21	(2)	(1)
1.23 Cash at end of quarter	271	271

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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	102
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

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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

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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	

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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	271	453
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)	271	453

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

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: 30 July 2012
 (Company secretary)
 Print name: Adrien Wing

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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.