SMARTTRANS HOLDINGS LTD
A.B.N. 86 009 065 650

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

C O N T E N T S

SMARTTRANS HOLDINGS LTD
DIRECTORS' REPORT

Your Directors present their report together with the interim report of the economic entity for the half year ended 31 December 2004.

Directors

The names of Directors in office at the date of this report are:

John P C Forsyth - Chairman
James P Laurie
Andrew D Forsyth

The above named Directors held office during and since the end of the half-year.

Review of Operations

Riversleigh Project *(100% equity)*

The Company is currently seeking a joint venture partner for this project

Marlborough Joint Venture *(60% Equity)*

The Company has elected to remain at 60% equity in several key tenements covering the Connors Magmatic Arc. In addition to the joint venture executed with Midas Resources (Midas) on five tenements covering the Waitara porphyry copper and epithermal gold prospects last year the company has executed a joint venture with Jeteld Pty Ltd at Mount Mackenzie. Jeteld can earn 47% equity in two tenements for expenditure of $2.5 million. The first exploration program, comprising $500,000 has been completed with encouraging results and Jeteld is currently executing the second phase of this farm-in and has spent a total of $861,000 on the project to 31 December 2004.

Sm@rtTrans Project *(100% Equity)*

The company continues to develop "E-route", the company's state of the art Internet version of the Sm@rtTrans system and has added other functions that enable customers to keep track of, and send messages to and from, their vehicles. Several prominent companies have now acquired or are currently trialing the system and a number of others are considering its adoption.

Auditor's Independence Declaration

We have obtained an Auditor's Independence Declaration from our auditors, RSM Bird Cameron Partners. For a copy of this declaration please refer to "Auditor's Independence Declaration to the Directors of SmartTrans Holdings Limited" included within the financial statements.

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

James Laurie

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J P Laurie
Director

Signed at Perth this 14 day of March 2005

RSM Bird Cameron Partners
Chartered Accountants

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF SMARTTRANS HOLDINGS LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for SmartTrans Holdings Limited (the Consolidated Entity) for the half-year ended 31 December 2004. The Consolidated Entity comprises SmartTrans Holdings Limited (the Company) and the entities it controlled during that half-year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes the responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order for the Company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures in order to state whether on the basis of the procedures described anything has come to our attention that would indicate the financial report does not present fairly, in accordance with the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Consolidated Entity's financial position and of its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which were limited primarily to:

- Enquiries of company personnel; and
- Analytical procedures applied to the financial data.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

A review cannot guarantee that all material misstatements have been detected.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the Company, a written Auditor's Independence Declaration (a copy of which is included in the Directors' Report).

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company is not in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

Perth, WA
Dated: 14 March 2005

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Partner

SMARTTRANS HOLDINGS LTD

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes set out on pages 5 to 9

   (a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations; and

   (b) give a true and fair view of the economic entity's financial position as at 31 December 2004 and its performance for the half-year ended 31 December 2004; and

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

James Laurie.

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J P Laurie
Director

Signed at Perth this 14 day of March 2005

SMARTTRANS HOLDINGS LTD

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

For the half-year ended 31 December 2004

	Consolidated 31 Dec 04 $	Consolidated 31 Dec 03 $
Loss from ordinary activities before income tax	(624,063)	(581,832)
Income tax expense relating to ordinary activities	-	-
Net Loss from ordinary activities after income tax expense attributable to members of the parent entity	(624,063)	(581,832)
Net Loss attributable to outside equity interest	-	-
Total changes in equity other than those resulting from transactions with owners as owners	(624,063)	(581,832)
Basic earnings per share (cents per share)	(0.33)	(0.30)
Diluted earnings per share (cents per share)	(0.33)	(0.30)

The accompanying notes form part of these financial statements

SMARTTRANS HOLDINGS LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2004

	Consolidated 31 Dec 04 $	Consolidated 30 June 04 $
CURRENT ASSETS		
Cash assets	692,814	1,096,405
Receivables	88,597	128,208
Others	14,011	1,714
TOTAL CURRENT ASSETS	795,422	1,226,327
NON CURRENT ASSETS		
Receivables	70,886	48,526
Other financial assets	36,379	36,379
Property, plant and equipment	635,280	679,323
Exploration, evaluation and development costs	4,548,730	4,508,970
TOTAL NON CURRENT ASSETS	5,291,275	5,273,198
TOTAL ASSETS	6,086,697	6,499,525
CURRENT LIABILITIES		
Payables	484,597	292,765
Interest bearing liabilities	600	2,052
Provisions	171,422	150,579
TOTAL LIABILITIES	656,619	445,396
NET ASSETS	5,430,078	6,054,129
EQUITY		
Contributed equity	49,130,498	49,130,498
Accumulated loss	(43,700,420)	(43,076,369)
Parent entity interest	5,430,078	6,054,129
Outside equity interest	-	-
TOTAL EQUITY	**5,430,078**	**6,054,129**

The accompanying notes form part of these financial statements

SMARTTRANS HOLDINGS LTD

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2004

	Consolidated 31 Dec 04 $	Consolidated 31 Dec 03 $
Cash flows from operating activities		
Receipts from customers	355,124	306,115
Receipts from Joint Venture Partner	55,000	20,000
Payments to suppliers and employees	(709,468)	(940,163)
Interest received	17,947	42,054
Borrowing costs	(417)	(193)
Net cash used in operating activities	(281,814)	(572,187)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	10,808
Payments for property, plant and equipment	(7,733)	(68,235)
Payments for software development	(9,089)	(6,611)
Payments for mineral exploration and evaluation expenditure	(103,503)	(115,398)
Net cash used in investing activities	(120,325)	(179,436)
Cash flows from finance activities		
Proceeds from issue of shares	-	12
Repayments of interest bearing liabilities	(1,452)	(2,732)
Net cash used in financing activities	(1,452)	(2,720)
Net decrease in cash held	(403,591)	(754,343)
Cash held at beginning of financial half-year	1,096,405	2,286,956
Cash held at end of financial half-year	692,814	1,532,613

The accompanying notes form part of these financial statements

SMARTTRANS HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2004

1. BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standard Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2004 and any public announcements made by SmartTrans Holdings Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2004 annual report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

	Consolidated 31 Dec 04 $	**Consolidated 31 Dec 03 $**
2. LOSS FROM ORDINARY ACTIVITIES		
The following expense item is relevant in explaining the financial performance for the interim period:		
Write-off of mineral exploration and evaluation expenditure	2,352	-

3. EVENTS SUBSEQUENT TO BALANCE DATE

The company has raised approximately $2.1 million in a fully underwritten Rights Issue, that closed on 11 March 2005 and that was the subject of shareholder approval at a General meeting held on 17 February 2005. The proposed date for issue of new shares and despatch of holding statements is 21 March 2005.

4. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

5. SEGMENT INFORMATION

The economic entity operates from one geographical location, namely Australia.

Business Segment Summary

	Mineral Exploration December 2004 $	Transport Logistics December 2004 $	Consolidated December 2004 $
Total Segment Revenue	65,117	334,597	399,714
Segment Loss	(327,497)	(296,566)	(624,063)

	Mineral Exploration December 2003 $	Transport Logistics December 2003 $	Consolidated December 2003 $
Total Segment Revenue	95,377	291,313	386,690
Segment Loss	(283,838)	(297,994)	(581,832)

6. INTERNATIONAL FINANCIAL REPORTING STANDARDS

Australia is currently preparing for the introduction of Australian equivalents to International Financial Reporting Standards (IFRS) effective for financial years commencing on or after 1 January 2005.

For the Company this will be effective for the financial year commencing 1 July 2005, and will require the production of accounting data that is compliant with IFRS including comparatives from 1 July 2004.

The Company's management is adopting a three phase approach to IFRS:

- Phase 1 Identification of IFRS differences
- Phase 2 Quantification of IFRS differences
- Phase 3 Adjustment to accounting data and disclosures for IFRS differences

At the present time the Company's management is completing Phase 1 and expects to be fully compliant with IFRS for the financial year commencing 1 July 2005.

RSM Bird Cameron Partners
Chartered Accountants

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 **F** +61 8 9261 9111
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF
SMARTTRANS HOLDINGS LIMITED

In relation to our review of the financial statements of SmartTrans Holdings Limited for the half year ended 31 December 2004, to the best of our knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

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Perth, WA
Dated: 14 March 2005

S C CUBITT
Partner