Sm@rtTrans 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 December 2005

HIGHLIGHTS

- The commencement of the next, fully funded, drilling program at Mount Mackenzie will start in February.
- Six large scale targets to be drilled.
- Copper and Gold anomalies require follow-up at Waitara.

OVERVIEW

Exploration for gold and copper is continuing near Marlborough in Central Queensland. Six targets have been identified for testing by Reverse Circulation and Diamond drilling at Mount Mackenzie in the next quarter and Midas Resources is continuing with exploration at the Connors Range.

SmartTrans Limited continues to extend its products and services for the transport industry. These now cover complete end-to-end transport and field service requirements and are being well accepted by the market. The company is now providing these services to a widening range of businesses.

MINERAL EXPLORATION PROJECTS

Marlborough Joint Venture. There are 13 tenements covering 109,000 hectares in this project. Five tenements comprise the Connors Range Joint Venture (at Waitara) in which SmartTrans holds 29.4%. In the remaining eight tenements, SmartTrans' equity ranges from 51% to 60%. Jeteld Pty Ltd can earn 47% in two of these eight tenements in the Mount Mackenzie Joint Venture.

Mount Mackenzie Joint Venture (Jeteld Pty Ltd, 19,000 hectares)

Jeteld Pty Ltd is continuing to fund exploration at Mount Mackenzie according to an amended Farm-in Agreement in which the deadline for expenditure by Jeteld of $2,500,000 has been waived. Jeteld is committed to contribute $625,000 to the next drilling program and may elect to contribute a further $625,000 and earn 47% equity in the project.

Recent interpretation and 3D modelling of ground magnetics data has identified six large-scale targets in the "Instinct" prospect at Mount Mackenzie and these targets are the focus of the next drilling phase.

A program of up to ten holes is planned to test four magnetic "lows", two magnetic "highs", the continuation of outcropping mineralisation at South Knoll and outcropping copper-bearing structures.

The magnetic "lows" are interpreted to be possible breccia pipes, similar in nature to Kidston and Mount Leyshon where intense alteration associated with mineralisation has destroyed the magnetic character of the host rocks.

The magnetic "Highs" are interpreted to be possible sites for gold bearing copper mineralisation in a porphyry copper system where alteration associated with mineralisation has produced magnetite.

The copper-bearing structures may represent fault zones that have tapped into underlying copper rich mineralisation.

Drilling is expected to commence in early February 2006 and field preparations for the program are currently under way.

Connors Range Joint Venture (Midas Resources Limited 51%, 62,000 hectares)

Midas Resources Limited reported that two phases of geochemical sampling at Waitara have identified two targets:

A strong cohesive 8-10 km^2 copper anomaly with coincident Molybdenum with weak Bismuth and Gold values;

A moderately anomalous gold BLEG anomaly to the north of Waitara.

Follow up sampling is planned.

Riversleigh Project (SmartTrans 100%, 78,000 hectares).

There was no field work on this Project during the quarter.

The main prospects at Riversleigh are "Grevillea" and "Grevillea West". SmartTrans believes these have the potential to host a significant zinc-lead-silver deposit and the Company is actively conducting negotiations with three like-minded potential joint venture partners to participate in further exploration of "Grevillea West" and the various other base metal prospects on its extensive tenement holdings in the Lawn Hill region.

VEHICLE ROUTE OPTIMISATION SUBSIDIARY
SMARTTRANS LIMITED (95% equity)

SmartTrans Limited continues to extend its products and services for the transport industry. These now cover complete end-to-end transport and field service requirements and are being well accepted by the market. The company is now providing its Intelligent Transport Solutions to a widening range of businesses. It has recently consolidated its position in the market by completing work for major companies in New South Wales, Victoria and South Australia.

The appointment of Tim Herring as Chief Executive Officer marked a significant boost to the Company's technology operations. SmartTrans Limited is a leader in mobile data and route optimisation for vehicle fleets. Its major customers include Fairfax, Streets Ice Cream (Unilever), ISS Hygiene Services (one of the world's largest facilities service groups), Boral and Palm Springs Water.

Mr Herring said SmartTrans' sophisticated technology would revolutionise fleet and delivery service systems. "With rising fuel costs, it is imperative that fleets operate more efficiently. The SmartTrans system can deliver up to a 30% saving of the direct operating costs for the average fleet manager". Regarding this topic, the Company has made a separate release of a White Paper – ***Fuel for Thought – The Cost of Doing Nothing***. This document can also be seen on the Company's website, www.smarttrans.com.au.

The transport industry is most concerned about the rising cost of fuel and SmartTrans Limited has been issuing a series of white papers on living with the rising cost of fuel. Companies that implement SmartTrans e-Solution will have a major competitive cost advantage versus companies that do nothing. The high cost of fuel is a useful catalyst for SmartTrans' products.

"With our new integrated product, **SmartTrans e-Solution,** we can fast-track efficiencies and drive productivity gains for fleet operators. The key is to harness mobile data, proof-of-delivery and routing intelligent optimisation. **SmartTrans e-Solution** does this and the market will move very quickly to lock in the bottom-line and customer service benefits of this new system," Mr Herring said. "Mobile data is a technology whose time has come. SmartTrans intends to push into new markets and establish an enviable place in the Asia Pacific transport and services market," he said.

J P LAURIE
DIRECTOR

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. This person is James Laurie.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

SMARTTRANS HOLDINGS LIMITED

ACN or ARBN	Quarter ended ("current quarter")
86 009 065 650	31 December 2005

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (12 months) $A'000
Cash flows related to operating activities				
1.1	Receipts from product sales and related debtors		231	361
1.2	Payments for	(a) exploration and evaluation	(66)	(99)
		(b) development	-	-
		(c) cost of goods sold	(106)	(153)
		(d) administration	(551)	(1125)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		26	83
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net Operating Cash Flows		**(466)**	**(933)**
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other assets	(6)	(21)
1.9	Proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	256
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other (Joint Venture contributions)		50	50
	Net investing cash flows		**44**	**285**
1.13	Total operating and investing cash flows (carried forward)		(422)	(648)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(422)	(648)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	5	5
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	5	5
	Net increase (decrease) in cash held	(417)	(643)
1.20	Cash at beginning of quarter/year to date	1861	2087
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**1444**	**1144**

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	123
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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

Nil

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

Nil

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	63
4.2	Development	10
	Total	**73**

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	1444	1861
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	1444	1861

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				
6.2	Interests in mining tenements acquired or increased				

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** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	382,927,461	382,927,461		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	500,000	500,000	1.1 cents	1.1 cents
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	189,944,445 UNLISTED		*Exercise price* 1.1	*Expiry date* 21 March 2006
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

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

Sign here: .... Date: ....
(Director)

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **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.

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