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HOLDINGS LIMITED

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Quarterly Report

for the three months ended

31st March 2007

HIGHLIGHTS

- Zinifex commences field work on the Riversleigh zinc project and generates drill targets.
- Exploration continues on the “Marlborough Fault” project in North Queensland.
- Focus on major gold, copper and molybdenum targets in the Connors Arch province in Queensland.
- SmartTrans Limited signs M.O.U. with China’s largest security firm for Beijing Olympics.

OVERVIEW

The company is rationalising its tenement holdings in the South Connors Arch to provide better focus on the **large gold copper and molybdenum systems** in the Connors Arch Joint Venture and the **recently granted Marlborough Fault Project tenements** that have taken approximately ten years to pass through Native Title processes.

Zinifex has commenced field work on the Riversleigh project and has generated geochemical and geophysical **drill targets** at the "Grevillea" prospect.

The company's subsidiary, SmartTrans Limited, announced the signing of a **Memorandum of Understanding** with China's largest security firm for the Beijing Olympics. The company continues to extend its products and services for companies that operate vehicle fleets. These products cover:-

- Real Road Route Consignment and Delivery Optimisation;
- Vehicle Scheduling;
- Mobile Data;
- Electronic Proof of Delivery;
- GPS Tracking; and
- Vehicle Telemetry.

All of these are being well accepted by the market.

MINERAL EXPLORATION PROJECTS

Connors Arch Joint Venture [SmartTrans (SMA) 60% and Australia Oriental Minerals (AOM) 40%, 420,000 hectares].

Following the rationalisation of tenements in the Connors Arch, there are now seven active exploration licences in this project. Two tenements contained within this group comprise the Connors Range Joint Venture (at Waitara) in which SmartTrans holds 29.4%. In two of the remaining five tenements, SmartTrans' equity is 60% and it is earning 51% in the remaining three tenements (Marlborough Fault Project).

Instinct Prospect

This prospect has the potential to contain porphyry-style mineralisation related to high level, advanced argillic alteration associated with gold mineralisation.

The Company is currently conducting a comprehensive analysis and re-interpretation of the 3D relationship between the geology, geophysical signature, alteration pattern and mineralisation in this project.

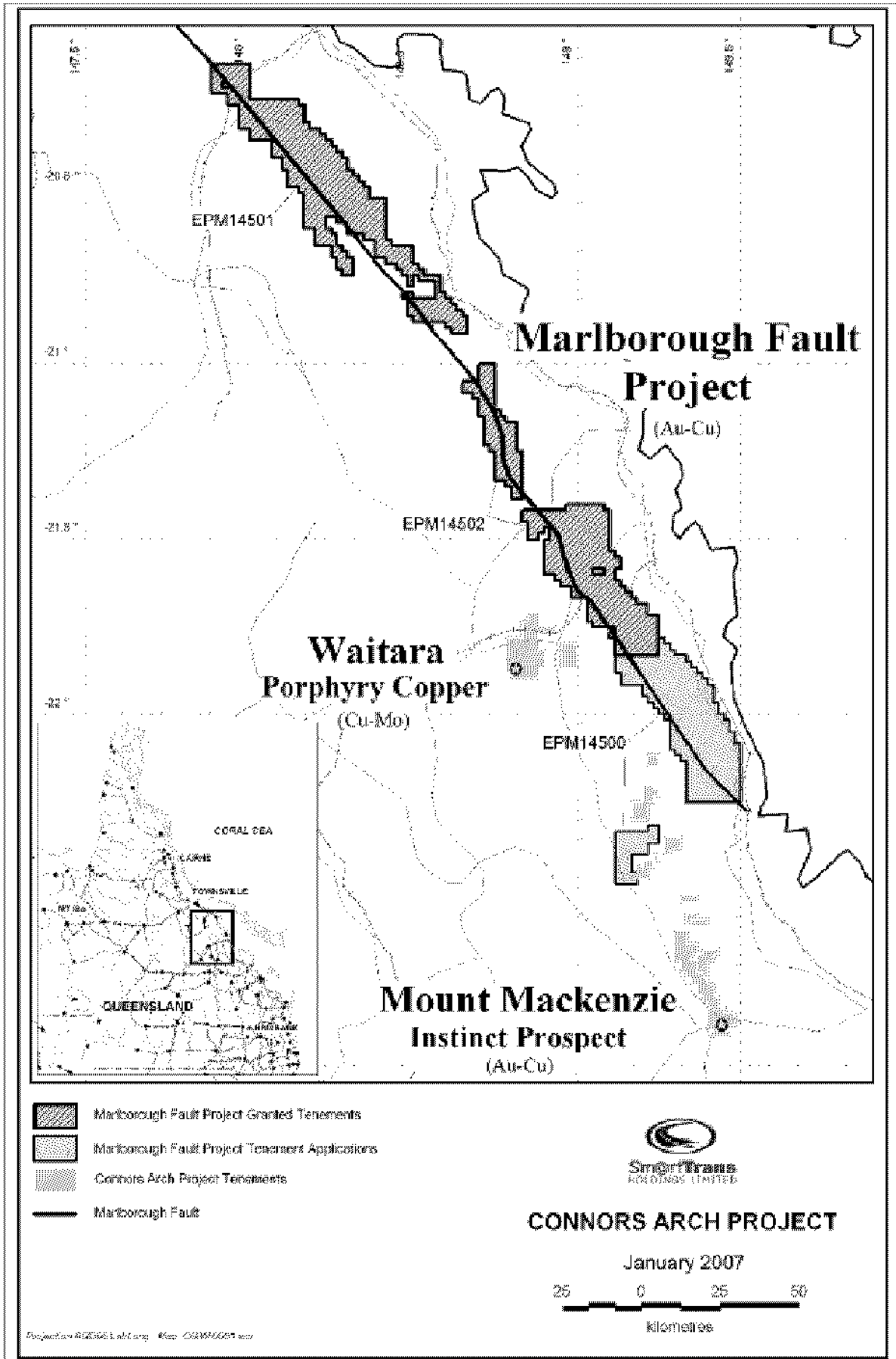
Marlborough Fault Project

This is a new project in the Connors Arch Joint Venture that comprises three tenements:

EPM 14502	127,000 Hectares
EPM (Application) 14500	112,000 Hectares
EPM 14501 (Granted 17 April 2007)	141,000 Hectares

Work by AOM in 1997 identified the presence of a previously unrecognised extensive strike-slip transform fault (the "Marlborough Fault") on the Eastern side of the Connors Arch. This structure runs for approximately 250 kilometres in a NNW direction along the Great Dividing Range between St Lawrence and Bowen in Queensland.

The fault is of such a scale that it almost certainly forms a major boundary in the crust and has periodically acted as a conduit for magmas and fluids. Branches of the fault host the Normanby, Mount Hector and Marengo gold fields.



There is evidence that this fault system, with its associated ENE trending cross faults and granitoid intrusions, has the potential to develop large porphyry-style deposits in dilational fault irregularities and fault intersections.

There has been no modern exploration on the tenements since well before 1997, but AOM's initial analysis identified three such "plumbing systems" on the fault and these will be the primary focus of exploration activity carried out by SmartTrans on the project.

Under the terms of the Connors Arch Joint Venture SmartTrans is committed to spend a total of \$250,000 proportionately over the three tenements in the first twelve months after they are granted. The company can then earn 51% equity by expenditure of a further \$250,000 in the second year.

The third and last tenement, EPM 14500, is expected to be granted during the next quarter.

Connors Range Joint Venture (Midas Resources Limited 51%, 25,000 hectares)

Midas Resources has reported as follows:

The Connors Range Project is a joint venture with Midas Resources Limited and Australia Oriental Minerals NL concerning tenements located in the northern Lachlan-New England Fold Belt. The property is considered highly prospective for epithermal and porphyry type gold and base metals mineralisation.

Waitara Porphyry Copper Prospect EPM11134

EPM11134 includes the Waitara porphyry copper deposit drilled by Pennzoil in the 1970's involving 11 diamond drill holes and 21 Percussion holes. Results included 305 m @ 0.22%Cu and with some high molybdenum (Mo) values up to 550ppm directly correlating with higher Cu values. The Waitara porphyry intrusive complex consists of at least three phases of porphyry intrusion and the higher Mo values occur within discrete fracture zones associated with the intrusion of feldspar rich porphyry. Midas will be targeting the potential for higher-grade zones of Cu-Mo mineralisation associated with discrete phases of porphyry intrusion and fracturing.

The following Figures 1 and 2 show the extensive halo of low-grade copper mineralisation at surface and the down-hole Cu-Mo results for historic drill hole DHW-01:

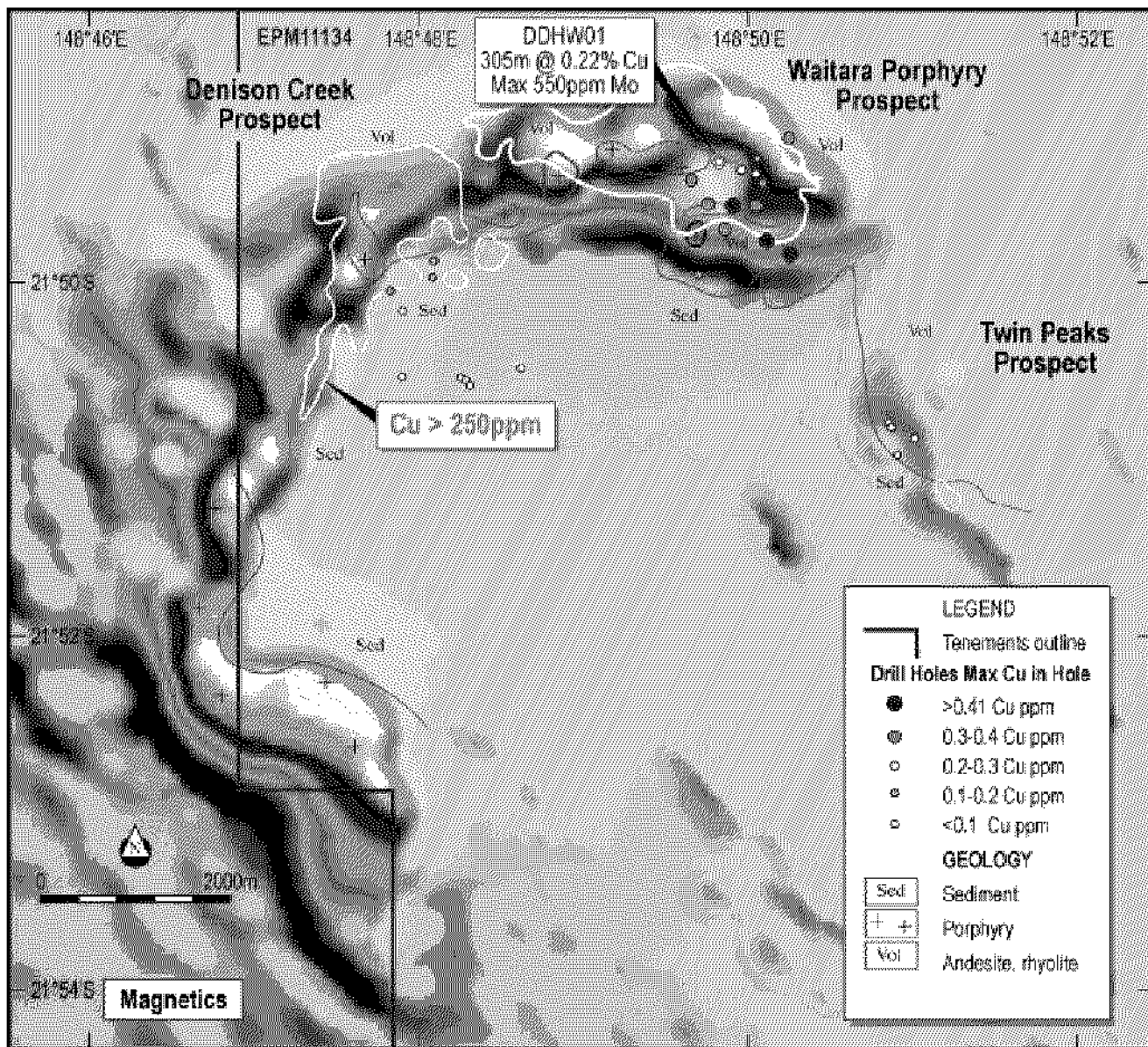


Fig 1

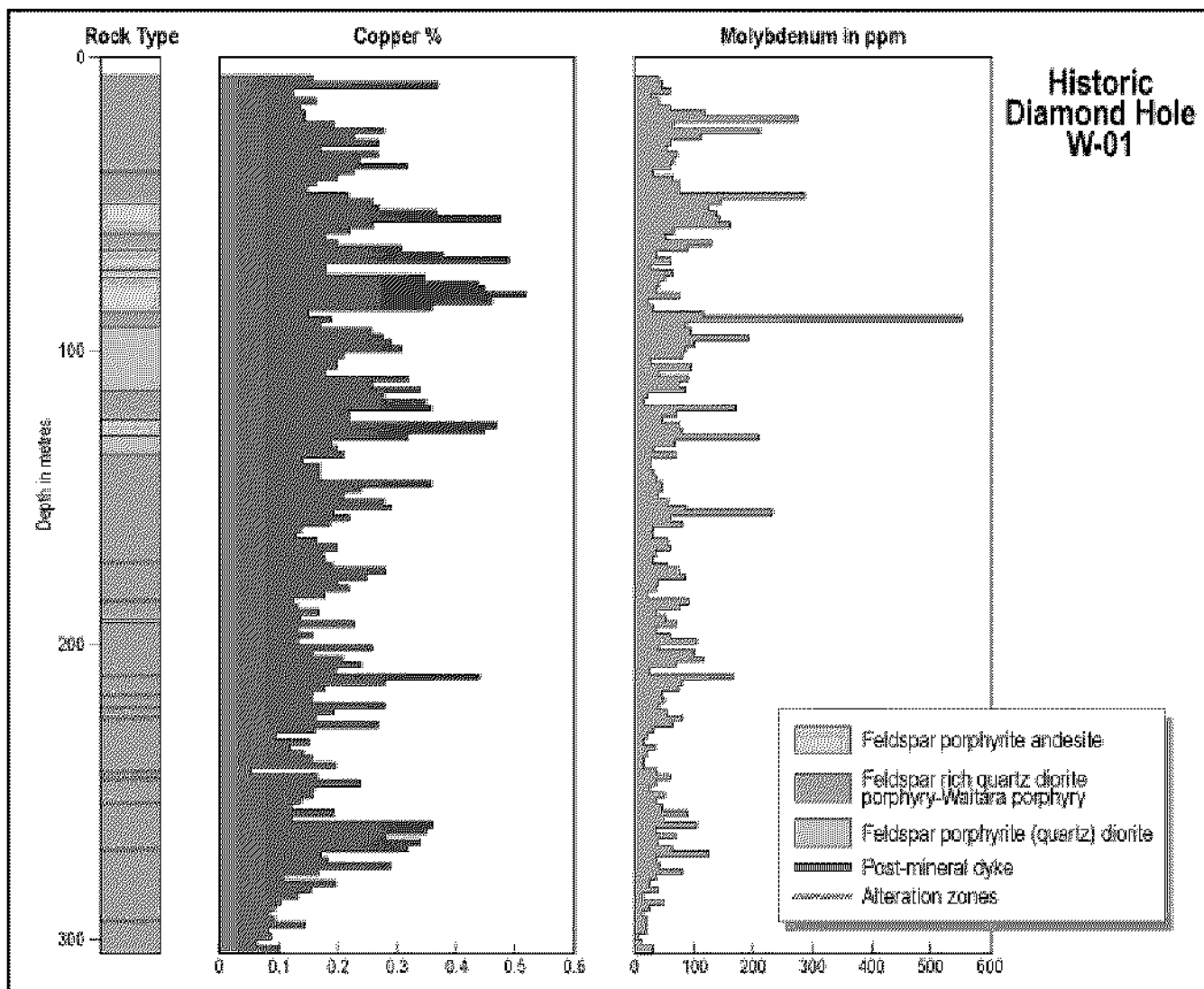
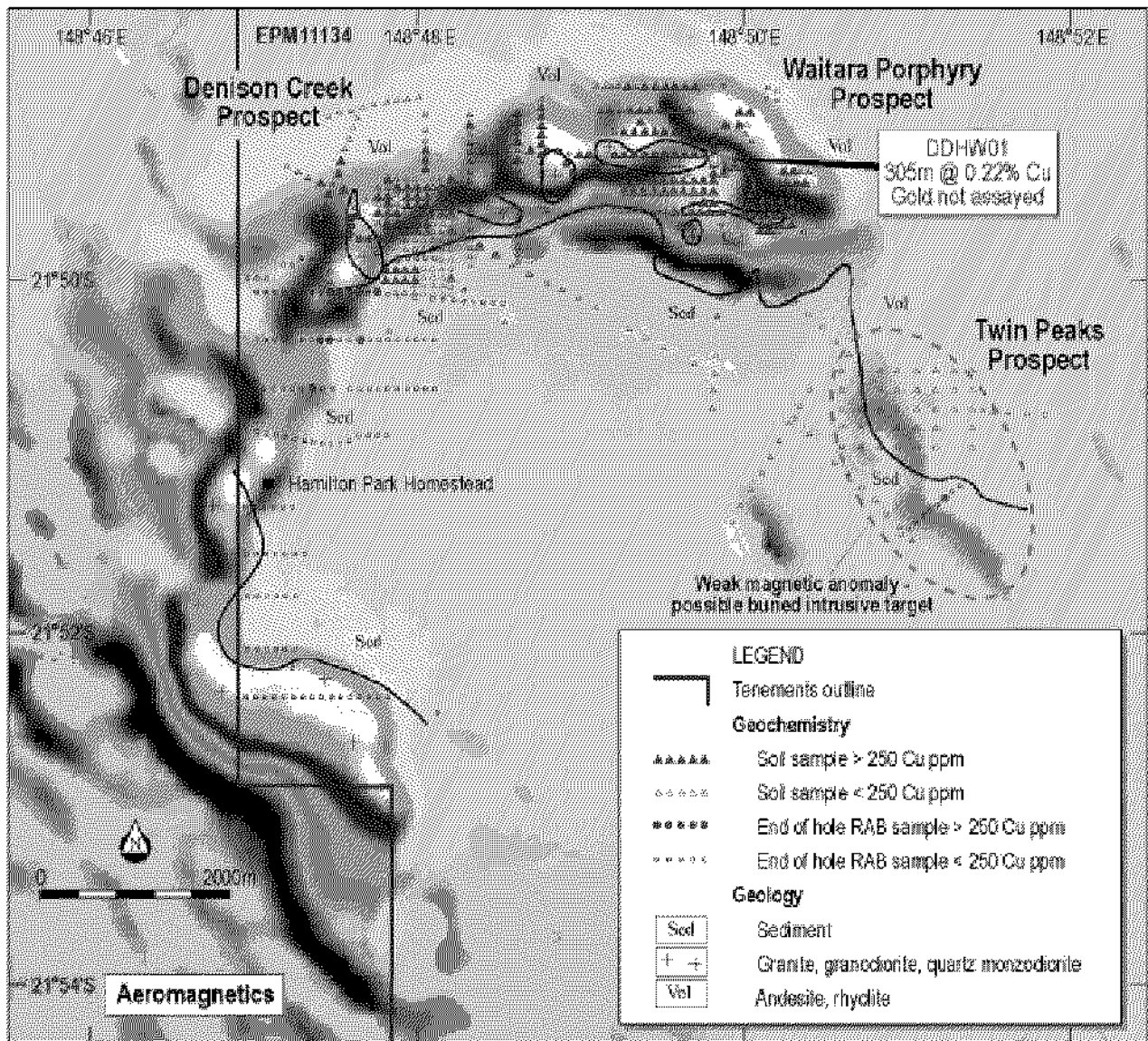


Fig 2

Molybdenum is a high value speciality metal used in steel making and chemicals; current prices for molybdenum-oxide (65%Mo) exceed US\$25/lb and copper equivalent ratios of 12:1 are applicable i.e. 550ppm Mo is equivalent in value to approx 0.6% Cu.

Waitara Plans

Surface mapping and geochemistry are planned. Much of the surface geochemistry data dates from the early 1970's and gold and molybdenum assays were not routinely included. In addition, a significant portion of the magnetic target (Figure 3) is covered by transported black soils where soil sampling is not effective. These areas will be mapped so that an effective geochemical survey can be carried out using power auger to get through the transported soils.



CONNORS RANGE - WAITARA PORPHYRY COPPER PROJECT

Fig 3

Waitara Gold Targets (EPM11134)

Geochemical stream sediment sampling of an area immediately north of the Waitara Porphyry Prospect has returned an encouraging gold anomaly. A total of 32 samples comprising 16 BLEG and the same number of minus 80 mesh stream sediment samples were recently collected. Previous regional programs over the area returned anomalous gold values up to 5.1ppb from within a drainage catchment of 1km x 1km in extent. Current BLEG gold results returned up to 90ppb Au, which is considered highly anomalous, from within the previously defined anomalous drainages. Elevated copper up to 33ppm in the minus 80 mesh fractions is loosely associated with the southern margin of the gold anomalous area. More detailed follow-up surface sampling will be carried out in the June Quarter 2007.

Riversleigh Project – joint ventured with Zinifex (SmartTrans 100%, 78,000 hectares)

The main prospects at Riversleigh are “Grevillea” and “Grevillea West”. SmartTrans believes these prospects have the potential to host a significant zinc-lead-silver deposit.

The Company’s joint venture partner, **Zinifex**, has reported that work has been focussed on defining drilling targets for the coming dry season. This work has shown that the soil geochemical anomaly at the “Grevillea” prospect is

open and untested to the North and that an untested gravity anomaly, associated with lead and zinc anomalism, is present to the SSE of "Grevillea". The gravity anomaly is similar to the one over the "Grevillea" mineralisation.

Under the terms of the agreement, Zinifex Limited can earn 70% equity in the tenements by expenditure of at least \$10 million over 7.5 years to the completion of a Bankable Feasibility Study.

SMARTTRANS LIMITED (95% equity)

SmartTrans Limited offers a comprehensive range of products and services for companies that operate vehicle fleets. These products now cover:-

- Real Road Route Consignment and Delivery Optimisation;
- Vehicle Scheduling;
- Mobile Data;
- Electronic Proof of Delivery;
- GPS Tracking; and
- Vehicle Telemetry.

The company is now providing its Intelligent Transport Management 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.

SmartTrans systems are now being used in all states of Australia to optimally plan, schedule and monitor the deliveries of some of Australia's best-known brands.

SmartTrans Limited announced on 16 March 2007 that it had signed a Memorandum Of Understanding with the largest security firm in China, China Alarm Holdings, to offer its intelligent transport systems and services to the Beijing Organising Committee for the Olympic and Paralympic Games in 2008.

SmartTrans was responsible for the smooth running transport arrangements for officials, VIPs and the Olympic family including members of the IOC attending the Sydney 2000 Olympics.

China Alarm, through its GT Alarm Network, is the largest provider of integrated alarm and security monitoring systems and services in China.

China Alarm is contracted to provide security services for the 2008 Summer Olympic Games in Beijing, with its unique city-wide community network linking various security systems and the 110 emergency alarm network.

SmartTrans and China Alarm will also collaborate to provide a technology platform in a localised form to supply other China Alarm commercial customers.

China Alarm has an infrastructure backbone security network interconnecting major cities across China. It provides security services for government facilities, financial institutions, commercial centres, small communities, public and private transportation and special events.

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 and qualifies as a competent person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". This person, James Laurie, is a full time employee of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

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

86 009 065 650

Quarter ended ("current quarter")

31 March 2007

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	192	611
1.2 Payments for		
(a) exploration and evaluation	64	(115)
(b) development	-	-
(c) cost of goods sold	(30)	(192)
(d) administration	(480)	(1582)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	48	120
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	116	216
Net Operating Cash Flows	(90)	(942)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other assets	-	(16)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Joint Venture contributions)	-	-
Net investing cash flows	-	(16)
1.13 Total operating and investing cash flows (carried forward)	(90)	(958)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(90)	(958)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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		-	-
Net increase (decrease) in cash held		(90)	(958)
1.20	Cash at beginning of quarter/year to date	1722	2590
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1632	1632

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	109
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.2(a) includes reimbursement of exploration costs of \$111,000 by Zinifex

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.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	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	131
4.2 Development	-
Total	131

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	1632	1722
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1632	1722

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	EPM 11726	J.V. Equity	60%	0%
	EPM 10133	J.V. Equity	60%	0%
	EPM 12355	J.V. Equity	60%	0%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	566,644,711	566,644,711		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 ⁺Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>				
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

⁺ See chapter 19 for defined terms.

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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+ See chapter 19 for defined terms.