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Quarterly Report
for the three months ended
30th September 2010

HIGHLIGHTS

Mobile Phone and Transport Systems

- Negotiations with China Mobile Shanxi Group have progressed to the final approval stage;
- Expansion into New Zealand.

Exploration

- Exploration for lead and zinc continues at Riversleigh;
- Gold and copper targets in Queensland's Connors Arch available for joint venture.

OVERVIEW

The Company is strongly focussed on the finalisation of an agreement with the China Mobile Shanxi Group and the expansion of its agreement with Yamei Electronics.

Exploration activity continues at Riversleigh.

MOBILE PHONE and TRANSPORT SYSTEMS – SmartTrans Limited (95% equity)

Background: The SmartTrans Mobile Telephone Platform is a sophisticated software management system which provides a management tool for the distribution of applications and other digital content including games, animation, music and other multimedia.

China Mobile Shanxi Project: As announced on 29th January 2010, SmartTrans executed a Memorandum of Understanding (MOU) with China Mobile Shanxi for the provision of SmartTrans Mobile Telephone Application Management Platform to its mobile telephone user base. The MOU remains in effect until 31 December 2010.

In preparation for the launch of SmartTrans' mobile telephone based software and media distribution application in China, SmartTrans recently completed an agreement with a high profile media distribution group in China and, subject to an agreement with China Mobile Shanxi Group being signed, that media distribution group will provide entertainment content for distribution to customers of China Mobile by SmartTrans via mobile telephones.

SmartTrans has been working with China Mobile Shanxi Group, a wholly owned subsidiary of China Mobile, for the provision of SmartTrans' software to its customer base on a revenue share basis and that agreement is presently with China Mobile Shanxi Group for final approval.

Following the successful establishment of its systems with China Mobile Shanxi Group it is SmartTrans' intention to work with the China Mobile Shanxi system experts to extend the roll out of its software to a broader user base in China.

China Mobile is said to be the world's largest mobile phone operator with over 508 million customers. China Mobile provides mobile voice and multimedia services through its nationwide mobile telecommunications network, the largest of its kind in the world. In addition to being the world's largest mobile network, China Mobile has also the world's greatest number of mobile subscribers. *Source: http://en.wikipedia.org/wiki/China_Mobile.*

Yamei Project: SmartTrans is also working closely with its partner, Yamei Electronics, to vary the terms of its agreement to expand the use of SmartTrans' software with its client base further increasing the footprint of SmartTrans mobile telephone-based software solutions in China. SmartTrans is working through arrangements to potentially work more closely with Yamei in the provision of Yamei's hardware products in China.

Australian Projects: SmartTrans is currently rolling out its innovative mobile internet technology around Australia with a major industrial products company. The solution incorporates SmartTrans' web-based route optimisation system and SmartTrans' smartphone Location Based Services and electronic job management and proof of delivery system.

SmartTrans is also now providing its solution in New Zealand and has signed up its first customer in that country.

MINERAL EXPLORATION PROJECTS

Wangunda Joint Venture – China Minmetals Group (“MMG”) earning 70% equity (SmartTrans currently 100% equity, 56,320 hectares)

Under the terms of the joint venture agreement, MMG Australia Limited, formerly OZ Minerals Australia 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. MMG has completed Stage 1 of the agreement after spending \$1 million and is now in Stage 2 where it has committed to spend a further \$3 million in the three year period to 6th June 2011.

MMG has advised that two diamond drill holes, RVD 113 and RVD114, were completed at the Grevillea prospect. These holes, designed to test the down-dip extension of the surface mineralisation, intersected low grade mineralisation and the values intersected up-dip in SmartTrans' earlier drilling were not present at depth. RVD113 was drilled to a depth of 407.6 meters and RVD 114 to 524.5 metres.

Target generation work included soil sampling, rock chip sampling and reviews of historical geophysical data has indicated geochemically interesting areas in the vicinity of the Termite Range Fault and a number of untested IP chargeability anomalies which have been noted for further work.

Two drill holes and a Ground EM/IP survey are planned to test the “Steve’s Gossan” prospect

Connors Arch Joint Venture

This group, in which SmartTrans is in joint venture with Australia Oriental Minerals NL, covers eight tenements in the South Connors Arch Province which is prospective for porphyry-style copper-gold deposits and epithermal gold deposits. The Company has the following interests in these projects:

- 60% equity in three tenements at Mount Mackenzie;
- 54.08% equity in two tenements at Waitara; and
- the right to earn 51-80% equity in three tenements at Marlborough Fault.

Mount Mackenzie Prospect (60% equity, 34,560 hectares)

Located at Coppermine Creek in Central Queensland, Mount Mackenzie is an advanced exploration project. Diamond drilling by SmartTrans, together with the development of a comprehensive geological and geophysical model, has demonstrated that Mt Mackenzie is one of the largest hydrothermal (high-sulphidation) systems in eastern Australia.

Drilling encountered significant gold and copper values in lead-zinc-silver mineralized breccias and extensive, intensely sulphidic, alteration under cover rocks at the “Instinct” Prospect located 500m to 1000m west of Mt Mackenzie.

Mineralisation is evident in:

- sulphide matrix polymict breccias of hydrothermal and probable intrusive origin;
- well developed multidirectional quartz- sulphide stockworks;
- vughy silica alteration, and;
- haematized and probable supergene zones related to palaeo weathering, immediately below the unconformity with the cover sequence.

The potential for extensions to this system lies under the volcanic cover outside the limits of all previous drilling.

SmartTrans believes there is also significant potential for high grade deposits at Mount Mackenzie. SmartTrans is seeking a suitable joint venture partner for this project and is in discussions with a number of active Australian gold producers and explorers.

Marlborough Fault Project (earning 51% equity, 94,720 hectares)

This project comprises three tenements that have the potential to develop large porphyry-style deposits and high grade structurally-controlled gold deposits in dilational fault irregularities and fault intersections.

There was no field work during the period.

SmartTrans is seeking a suitable joint venture partner for this project and is in discussions with a number of active Australian gold producers and explorers.

Connors Range Joint Venture (approximately 54.08% equity, 6,080 hectares)

This project comprises two tenements in the northern Lachlan - New England fold belt that include the Waitara porphyry (Cu/Mo) and the Waitara Epithermal (Au) prospects.

The area can be compared with the Cadia-Parkes region of NSW in terms of its metallogenic character and is highly prospective for bulk-tonnage porphyry-style copper-gold and epithermal deposits.

The extent of the Waitara Porphyry prospect has not been fully defined and remains open at depth. Previous exploration has been limited to the north-east margin of a 10km annular magnetic anomaly and there has been no attempt to explore beneath the cover sequences that obscure the remainder of the target zone. The best drill intersection was in drill hole W-01 which averaged 0.22% Cu (chalcocite and chalcopyrite) for its entire length of 305 metres. There is ample opportunity to outline a deposit within the area of the existing drilling or beneath the untested Mo anomalies.

The Waitara Epithermal prospect contains float boulders, interpreted to be transported from a nearby source, that have returned rock chip assays up to 152g/t Au and 375g/t Ag in the vicinity of a classic epithermal quartz vein. Drilling has not intersected similar mineralisation however further work involving ground magnetics, multi-element geochemistry and textural studies has the potential to generate specific drill targets.

SmartTrans is seeking a suitable joint venture partner for this project and is in discussions with a number of active Australian gold producers and explorers. There was no field work on this project during the Quarter.

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, 30/9/2001, 01/06/10.

Name of entity

SMARTTRANS HOLDINGS LIMITED

ABN

86 009 065 650

Quarter ended ("current quarter")

30 September 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(21)	(21)
(b) development	-	-
(c) production	-	-
(d) administration	(188)	(188)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(223)	(223)
Net Operating Cash Flows	(429)	(429)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(5)	(5)
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 (provide details if material)	(3)	(3)
Net investing cash flows	(8)	(8)
1.13 Total operating and investing cash flows (carried forward)	(437)	(437)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(437)	(437)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	170	170
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	170	170
	Net increase (decrease) in cash held	(267)	(267)
1.20	Cash at beginning of quarter/year to date	699	699
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	432	432

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	106
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1.7 Other: Non-mining subsidiary		(223)
Sales	311	
Government Grants	2	
Less Cost of Goods	(82)	
Less Expenses	(454)	

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 projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

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	30
4.2 Development	
4.3 Production	
4.4 Administration	267
Total	297

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	432	699
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	432	699

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				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased			
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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	1,014,230,847	1,014,230,847		
+Ordinary securities				
7.4				
Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
	9,999,997	9,999,997		
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			<i>Exercise price</i>	<i>Expiry date</i>
Options <i>(description and conversion factor)</i>				
7.8	6,000,000	-	\$0.005	11/08/2011
7.9				
Issued during quarter				
Exercised during quarter				

+ See chapter 19 for defined terms.

7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: Date:
(Director/Company secretary)

Print name:

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.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly 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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