SmartTrans 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

30th June 2011

HIGHLIGHTS

Mobile Phone and Transport Systems

- Negotiations to finalise the terms of the agreement with China Mobile Shanxi Group continuing;
- Preparations continue for the launch of the VODOne Mobile Phone Lottery Project in China;
- Trials of the mylife.cn web portal continue.

Mineral Exploration

- China Minmetals Group resumes exploration at Riversleigh after the Wet Season;
- Gold and copper targets in Queensland's Connors Arch available for joint venture.

OVERVIEW

The Company is strongly focussed on the execution of an agreement with the China Mobile Shanxi Group, the expansion of its agreement with Yamei Electronics, the roll-out of the VODOne lottery application and generally broadening its client base in China and Australia.

Exploration activity resumed at Riversleigh but at a reduced level due to the Wet Season.

The Company increased its equity in SmartTrans Limited from 95% 10 100%. As a result, SmartTrans Limited is now a wholly-owned subsidiary.

On 1 July 2011 the Company announced that Australia's Ambassador to China Dr Geoff Raby will join the Boards of SmartTrans Holdings Limited and SmartTrans Limited on his retirement in August.

Dr Raby has served as Australia's Ambassador to China since February 2007 and completes his tenure in August. Previously Dr Raby twice served as head of the Embassy's Economic Section in Beijing.

Dr Raby is expected to play a key role in SmartTrans' business relationships with important Chinese organisations, in particular China Mobile Group Shanxi, China Minmetals Group, China National Heavy Machinery Corporation (CHMC) and Yamei.

On July 15 2011, the company announced the completion of a placement which raised $550,000 including a strategic investment of $500,000 by Zhenya Tsvetnenko, Chief Executive Officer of the Zhenya Group of Companies. (http://about.me/zhenyatsvetnenko).

Mr Tsvetnenko, who has successfully pioneered mobile telephone technology and premium mobile messaging services across the globe, was the national winner of the prestigious Ernst and Young, Entrepreneur of the Year 2010 young category, and the Western Australian Business News 40 under 40 awards 2010. Mr Tsvetnenko pioneered advertising on the Google content network to build a campaign delivering 22 billion views of advertisements (http://au.linkedin.com/in/zhenyatsvetnenko) and continues to look for opportunities in the on-line field. The Company looks forward to further developing a successful alliance with the Zhenya Group of Companies.

On July 27 2011 the company announced the appointment of Mr Bryan Carr to the Board of SmartTrans Holdings Limited. Mr Carr has served as a Director and Chief Executive Officer of SmartTrans Limited, the Company's wholly-owned subsidiary, since November 2001. He is also a Director of SmartTrans Technology (Beijing) Company Limited, a wholly-owned subsidiary of the Company.

A copy of the full text of the three announcements is attached to the end of this report.

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MOBILE PHONE and TRANSPORT SYSTEMS – SmartTrans Limited (100% equity)

<u>Background</u>

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

China Mobile Shanxi Project

China Mobile Shanxi has sought last-minute amendments to the agreement concerning the mylife365.cn project and SmartTrans is in the process of negotiating the terms of those amendments.

SmartTrans continued preparation for the launch of its SmartTrans MyLife AMP system in China sourcing appropriate content and finalising infrastructure requirements.

SmartTrans has been trialling its mylife365.cn web portal with some of the key content suppliers for the project and is working to finalise content approval processes for the commercial roll-out.

VODOne Mobile Telephone Lottery Project

In an arrangement with VODOne, SmartTrans has been preparing for the launch of its mobile telephone Lottery application in China and has been working with the VODOne team to test the mobile telephone software and back-end reporting systems.

Players will be able to download the lottery software from SmartTrans' mobile telephone based AMP MyLife platform and associated web sites and self-pick or quick-pick their lottery numbers and update their account balance through their handsets. The mobile telephone software offers advantages over traditional lottery purchasing methods allowing players to make their purchasing decision whenever and wherever via their mobile telephone.

Under the agreement SmartTrans will be paid a commission on all amounts wagered and has been granted the exclusive right to provide the V1 Lottery Application to customers of the China Mobile group of companies in China and the non-exclusive right to provide that application to other subscribers in China. The lottery application will enable users to access and participate in lotteries run by the China Welfare Lottery Management Center (www.zhcw.com) and provide access to VODOne's popular "Lottery Lifestyle" portal which broadcasts lottery related news and information exclusively supplied by the Ministry of Civil Affairs of the People's Republic of China.
VODOne (www.vodone.com) advises it is one of the first authorised service providers of mobile lottery betting service for mobile end users in China and that its lottery betting service, Lottery View, covers all nationwide welfare lotteries in China.

SmartTrans will distribute the uniquely keyed software to users in China via the Internet with users able to download it directly to their telephone or via their Internet-connected PC. SmartTrans is able to monitor daily usage and payment to SmartTrans will be settled on a monthly basis for commission on all wagering in the previous month.

Zhenya/Mpire Media Group of Companies

Zhenya Tsvetnenko, Chief Executive Officer and founder of Mpire Media and the Zhenya Group of companies, met with SmartTrans in China in July to review the market and market opportunities for mobile telephone services in China.

Following Mr Tsvetnenko's investment in SmartTrans, SmartTrans is looking forward to further developing a successful relationship in the China market with Mr Tsvetnenko. Mr Tsvetnenko brings a wealth of experience and success in delivering similar business solutions in a range of other countries around the world.

Yamei Project

Yamei, the GPS hardware manufacturer with which SmartTrans is partnering in this project, appointed a new sales team in China to sell logistics software solutions. This team will be trained in the use of SmartTrans' software to focus on the emerging Chinese logistics market. SmartTrans' software is planned to be installed on Yamei's hardware and marketed to Yamei's client base in the coming Quarter. During the Quarter, Trimble (NASDAQ: TRMB) acquired Yamei Electronics Technology, Co. Ltd. SmartTrans met with the new management team and both parties agreed to maintain existing arrangements for the roll-out of the SmartTrans software systems integrated with Yamei's hardware.

Other Business Developments:

SmartTrans entered into a partnering agreement with China National Heavy Machinery Corporation (CHMC) to work together and to jointly pursue projects in Australia and for CHMC to promote, sell and use SmartTrans software and services in projects that it is involved with.

CHMC reports that it has successfully contracted over 800 large complete plant projects in China and approximately twenty other countries in the industries of metallurgy, mining, port terminals, building material, forging and press, urban water supply, environment protection, power generating, bridge construction, grain stores, airport construction, urban construction, chemical industry, water conservancy, and nuclear power. (www.chmc2003.com:8640/gsjj.htm)

As part of the strategy to expand into Australia, CHMC President Lu Wen Jun and Mr Wang Wei Guo met with the SmartTrans executive team in Melbourne to discuss terms of engagement and visited and reviewed a number of potential projects in Western Australia and Queensland.

President Lu (3rd from left) and Mr Wang (2nd from right) from CHMC.

SmartTrans has partnered with Gruden Asia for it to provide creative digital support to SmartTrans in China. Gruden reports that it has delivered its digital services to clients such as Disney, NineMSN and Yahoo and is well credentialed to supply content to, and support the rollout of, SmartTrans' systems in China.

SmartTrans continued to work with suppliers of additional content and applications to support its MyLife platform in China in preparation for the product launch.

In Australia, SmartTrans continues to roll out and expand the user base of its innovative mobile software solutions.

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 signed in 2006, 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 Two of the agreement and has now progressed into Stage Three.

During the quarter, field work was hampered by an extended Wet Season. Other activities have been confined to project generation studies and statutory reporting.

Connors Arch Joint Venture

This group, in which SmartTrans is in joint venture with Australia Oriental Minerals NL, covers five 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; and
- 54.08% equity in two tenements at Waitara.

Three tenements at Marlborough Fault were relinquished during the Quarter.

Mount Mackenzie Prospect (60% equity, 26,240 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.

Marlborough Fault Project

This project was relinquished during the Quarter due to rising expenditure commitments that could no longer be supported by the exploration potential of the tenements.

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 the 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 purchaser or joint venture partner for this project.

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.

01 July 2011

ASX ANNOUNCEMENT

Australia's Ambassador to China to join SmartTrans

His Excellency Dr Geoff Raby will join the SmartTrans board on his retirement as Australia's Ambassador to China.

Chairman John Forsyth AM today announced the appointment of Dr Raby as a non-executive Director of SmartTrans Holdings Limited (ASX:SMA) and its subsidiary SmartTrans Limited.

Dr Raby has served as Australia's Ambassador to China since February 2007 and completes his tenure in August. Previously Dr Raby twice served as head of the Embassy's Economic Section in Beijing.

Mr Forsyth said Dr Raby’s appointment would bring high level expertise to the company given his experience internationally and his understanding of China.

Dr Raby is expected to play a key role in SmartTrans’ business relationships with important Chinese organisations, in particular China Mobile Group Shanxi, China Minmetals Group, China National Heavy Machinery Corporation (CHMC) and Yamei.

“I see great opportunities for SmartTrans and its technology in China. I’m excited by the prospect of adding to its existing relationships and developing new opportunities for SmartTrans in China", Dr Raby said.

Before his appointment as Australia’s Ambassador to China, Dr Raby held a number of senior positions in the Department of Foreign Affairs and Trade (DFAT) including Deputy Secretary, First Assistant Secretary, Ambassador and Permanent Representative to the World Trade Organisation, Geneva. He was Australia's APEC Ambassador from November 2002 to December 2004 and between 1993 and 1995, Dr Raby was head of the Trade Policy Issues Division of the OECD, Paris.

“With Dr Raby’s credentials, his understanding of Chinese government and business processes and his passion for projects, I could not think of a better appointment for SmartTrans”, said Mr Forsyth.

Ends

15 July 2011

ASX ANNOUNCEMENT

Strategic Placement to Zhenya Group of Companies

SmartTrans is in the course of making a placement of 29,411,765 shares at 1.87c to raise $550,000 including a strategic investment of $500,000 by Zhenya Tsvetnenko, Chief Executive Officer of the Zhenya Group of Companies. (http://about.me/zhenyatsvetnenko)

SmartTrans welcomes the involvement of Mr Tsvetnenko who has successfully pioneered mobile telephone technology and premium mobile messaging services across the globe.

The national winner of the prestigious Ernst and Young, Entrepreneur of the Year 2010 young category, and the Western Australian Business News 40 under 40 awards 2011, Mr Tsvetnenko uses his strengths in the on-line field to catapult other businesses to success.

Mr Tsvetnenko, who debuted on the BRW Young Rich List in 2009, pioneered advertising on the Google content network to build a campaign delivering 22 billion views of advertisements (http://au.linkedin.com/in/zhenyatsvetnenko) and continues to look for opportunities in the on-line field.

Having recently visited China, Mr Tsvetnenko said listed Australian technology group SmartTrans Holdings was well placed to handle significant projects in the mobile content space.

SmartTrans plans to launch its easy-to-use mobile telephone software in China with a strong portfolio of applications and content including popular entertainment media provided by a well established media agency and a range of applications.

We are delighted with Mr Tsvetnenko's involvement and we look forward to further developing a successful partnership.

For further information contact:

Bryan Carr
Director
SmartTrans Limited
Australia 0412 111 968 China +86 138 1188 8401

27 July 2011

ASX ANNOUNCEMENT

Appointment of Director

John Forsyth AM, Chairman of SmartTrans Holdings Limited, is pleased to announce the appointment of Mr Bryan Carr as a Director of the Company.

Mr Carr has served as a Director and Chief Executive Officer of SmartTrans Limited, the Company's wholly-owned subsidiary, since November 2001.

He is also a Director of SmartTrans Technology (Beijing) Company Limited, a wholly-owned subsidiary of the Company.

Ends

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

SmartTrans Holdings Limited

ABN	Quarter ended ("current quarter")
86 009 065 650	June 2011

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 product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(6)	(50)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(163)	(803)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	14
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	(143)	(688)
	Net Operating Cash Flows	(309)	(1,527)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(8)
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)	-	(60)
	Net investing cash flows	-	(68)
1.13	Total operating and investing cash flows (carried forward)	(309)	(1,595)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(309)	(1,595)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,170
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	-	1,170
	Net increase (decrease) in cash held	(309)	(425)
1.20	Cash at beginning of quarter/year to date	583	699
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	274	274

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	84
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		(143)
Sales	339	
Less Cost of Goods	(109)	
Less Expenses	(373)	

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

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

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	12
4.2	Development	-
4.3	Production	-
4.4	Administration	172
	Total	**184**

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	274	583
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	274	583

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	EPM14500 EPM14501 EPM14502	Farm-in Joint Venture	Earning 51%	0%
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**	1,077,684,661	1,077,684,661		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	41,990,000	1,119,674,661		
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)*	6,000,000		*Exercise price* $0.005	*Expiry date* 11/08/2011
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				

+ See chapter 19 for defined terms.

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 Act or other standards acceptable to ASX (see note 5).

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 *Accounting Standards ASX will accept, for example, the use of International Financial Reporting 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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