



# SmartTrans

## HOLDINGS LIMITED

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# *Quarterly Report*

## *for the three months ended*

### *31<sup>st</sup> March 2012*

## **HIGHLIGHTS**

### **Mobile Phone and Transport Systems**

- SmartTrans MyLife mobile portal and websites launched;
- SmartTrans Mobile Lottery and website launched;
- SmartTrans MyLife software to be installed on smartphones sold by China's largest independent phone retailer;
- EventTrack proposed for Brazil.

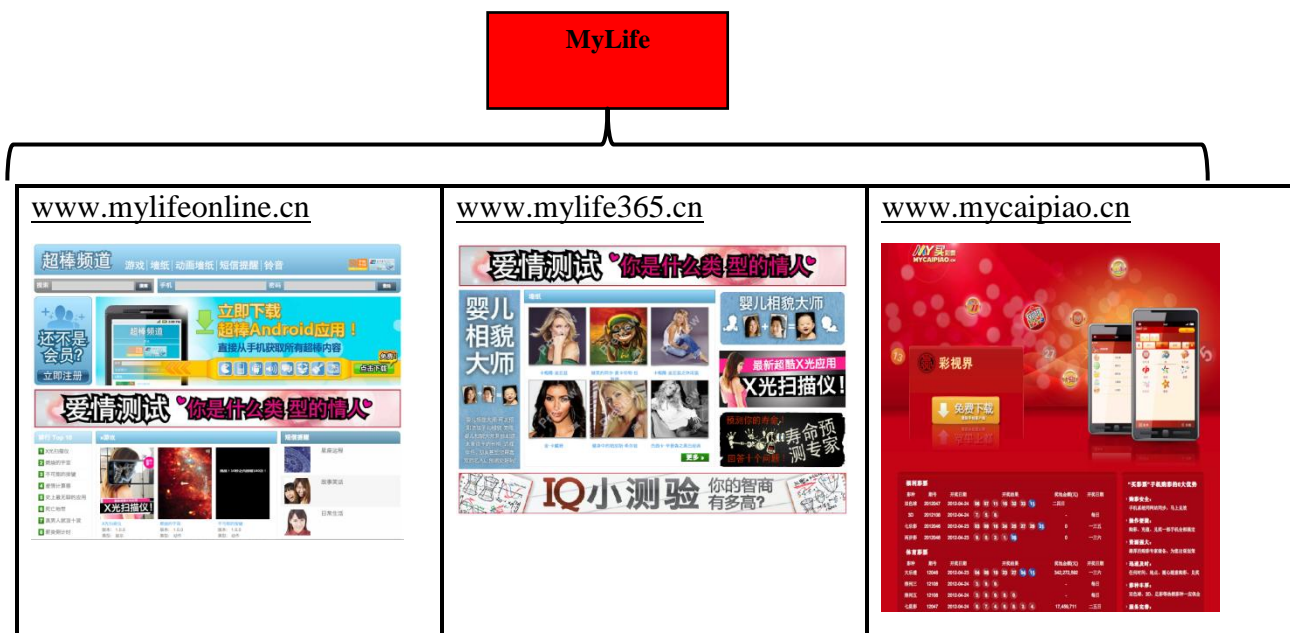
### **Mineral Exploration**

- Gold and copper targets in Queensland's Connors Arch available for joint venture.

## MOBILE PHONE and TRANSPORT SYSTEMS

### SmartTrans MyLife Web Sites and Mobile Portals

SmartTrans has launched three web sites in China operating under the MyLife banner:



Each web site is supported by a mobile telephone application allowing users to transact directly from their mobile telephone to purchase lottery tickets, games, applications and ringtones.

SmartTrans' products can also be purchased directly from China Mobile via its Mobile Market and will shortly be available pre-installed on mobile telephones purchased from China's largest phone retailer, D.Phone. (Source:[http://www.dixintong.com/index/gong\\_si\\_dong\\_tai\\_news\\_9.html](http://www.dixintong.com/index/gong_si_dong_tai_news_9.html))

### SmartTrans MyLife and Mobile Lottery Billings

Mobile telephone users in China can choose to purchase and pay for SmartTrans' products using a range of payment methods for which SmartTrans has settled agreements including:

1. China Mobile CMPay;
2. China UnionPay;
3. AliPay; and
4. China Mobile's Mobile Market.

SmartTrans is registering a growing number of downloads and lottery ticket purchases via VODOne mobile lottery and SmartTrans receives a royalty on all amounts wagered with those lottery tickets.

VODOne is working with SmartTrans to develop joint marketing campaigns and programmes to expand the user base for the mobile lottery product to take advantage of the rapidly growing customer base for lotteries in China.

SmartTrans has launched a dedicated lottery web site ([www.mycaipiao.cn](http://www.mycaipiao.cn)) [*caipiao* is the Chinese word for lottery] and will pre-install the mobile lottery application on mobile phones to be sold by mobile phone retailer, D.Phone, commencing in May 2012.

## MyLife Marketing & Advertising Revenue

Revenue is also anticipated from advertising and referrals and SmartTrans plans to extend this market segment over the coming months.

## MyLife Market Expansion

SmartTrans continues to work closely with China Mobile in further developing and forging a strong relationship. The Company received recognition at the recent China Mobile Partner Event as shown in the website below:



SmartTrans is commencing its rollout of products to D.Phone's customers in May 2012 commencing with 30,000 installations and then increasing to at least 100,000 installations each month from June 2012. D.Phone advises that it has the capacity to install SmartTrans' software on up to approximately 320,000 smartphones per month.

SmartTrans is continuing negotiations with additional billing and content partners to broaden its reach to more consumers in China and expects to settle these arrangements over the coming months. It is also looking for opportunities for its partners in Australia.

SmartTrans has also launched an Anti-Virus and Android Phone Management Tool that will be distributed pre-installed on mobile telephones sold by D.Phone and available for download from the MyLife websites and China Mobile's Mobile Market.

## D.Phone

SmartTrans has signed an agreement with Beijing Digitone Telecom Co. Ltd, "D.Phone" ([www.dixintong.com](http://www.dixintong.com)), for it to install the MyLife software on mobile phones it sells with an initial target of 1,000,000 units. The number of phones on which the software is to be installed may be extended with SmartTrans' authorization, which is highly anticipated given that, according to D.Phone, up to 55% of the seven million phones that it sells each year are smartphones. D.Phone distributes from approximately 2,000 stores and is China's largest mobile phone retailer and value-added service provider. It is the country's largest mobile communications and digital products retail chain. (Source:[http://www.dixintong.com/index/gong\\_si\\_dong\\_tai\\_news\\_9.html](http://www.dixintong.com/index/gong_si_dong_tai_news_9.html))

D.Phone's Vice President Wu Huan said, "As China's largest cell phone retailer, we sell close to eight million handsets a year and we are very proud of the business we have built. We are always

looking for ways to increase the value we provide to our customers and look forward to building a strong and ongoing relationship with SmartTrans.”

The MyLife software portal to be installed on the phones will allow users access to a suite of software to purchase and receive lottery tickets using the V1 mobile telephone lottery application as well as purchase games, applications, mobile phone themes and ringtones using an integrated online payment system built by SmartTrans. The SmartTrans billing platform allows telephone users to buy products and services on their mobile telephones and over the Internet. In addition, SmartTrans software will be distributed on software CDs in D.Phone’s stores.

“We are delighted to be teaming up with a company of the calibre of D.Phone and look forward to expanding the reach of our partnership,” said SmartTrans’ Chairman John Forsyth AM adding, “The partnership will enhance the service and value provided by D.Phone to its customers and exposes SmartTrans’ software and brand to a large customer base. This will provide a reliable path to market for SmartTrans through a highly respected brand.”

SmartTrans worked with China National Heavy Machinery Corporation (CHMC) progressing arrangements for it to enter the Australian market and assisted with project assessment.

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](http://www.chmc2003.com:8640/gsjj.htm))

SmartTrans presented its project credentials to relevant members of the FIFA World Cup Organizing Committee and to the Rio de Janeiro Olympic Organizing Committee for the Olympic Games and the Ministry of Sport in Brazil and SmartTrans has selected a partner with which to deliver its products in Brazil.

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

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## **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 spent \$4 million thereby completing Stage Two of the agreement and has now progressed into the \$6 million Stage Three.

There was no exploration field work reported by MMG during the quarter.

### **Connors Arch Joint Venture**

This group, in which SmartTrans is in joint venture with Australia Oriental Minerals NL, covers three tenements in the South Connors Arch Province which is prospective for porphyry-style copper-gold deposits and epithermal gold deposits.

**Mount Mackenzie Prospect (60% equity, 20,800 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.

J P LAURIE  
GENERAL MANAGER

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 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

86 009 065 650

Quarter ended ("current quarter")

March 2012

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(3)	5
(b) development	-	-
(c) production	-	-
(d) administration	(238)	(787)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(406)	(868)
	(644)	(1,640)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(5)	(12)
1.9 Proceeds from sale of: (a) prospects	-	59
(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)	(33)	(70)
	(38)	(23)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(682)	(1,663)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(682)	(1,663)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	700	1,946
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)	-	-
	<b>Net financing cash flows</b>	<b>700</b>	<b>1,946</b>
	<b>Net increase (decrease) in cash held</b>	<b>18</b>	<b>283</b>
1.20	Cash at beginning of quarter/year to date	539	274
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>557</b>	<b>557</b>

**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	158
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		(406)
Sales	184	
Government Grants	-	
Less Cost of Goods	(52)	
Less Expenses	(538)	
Refund of Security Deposit	-	
1.12 Other: Capital Raising Costs		(33)

**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	8
4.2 Development	-
4.3 Production	-
4.4 Administration	201
<b>Total</b>	<b>209</b>

### 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	557	539
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>557</b>	<b>539</b>

### 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			

+ 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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	1,236,494,998	1,236,494,998		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	44,176,471	44,176,471		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	6,666,666 6,666,667 6,666,667		<i>Exercise price</i> \$0.0186 \$0.0186 \$0.0186	<i>Expiry date</i> 7/10/2012 7/10/2013 7/10/2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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 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: 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 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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+ See chapter 19 for defined terms.