



HOLDINGS LTD

## ASX Release

Friday 22 October 2010

**TRANSIT HOLDINGS LTD**  
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**Directors:**  
Ananda Kathiravelu (Chairman)  
Richard Monti (Executive)  
Brian Thomas (Non – Executive)

**Issued Capital:**  
45,381,224 Ordinary Shares  
1,000 Class A Converting Shares  
2,000 Class B Converting Shares  
3,000 Class C Converting Shares  
5,500,000 Unlisted Options

**ASX Code:**  
TRH (Fully Paid Ordinary Shares)

**MEDIA & INVESTOR ENQUIRIES:**  
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## IRON ORE ASSET SPIN OUT

### Highlights

- *Transit to spin out Central Yilgarn iron ore assets into new company*
- *Radar Iron Ltd planned for listing in December 2010*
- *A priority offer to be made to existing shareholders of Transit*
- *Radar Board Appointed*

Transit Holdings (ASX: TRH) is pleased to advise that the Company intends to spin out its iron ore assets into a new company. The spin out is viewed as providing Transit shareholders with the opportunity to better exploit the significant regional interest in bulk commodities through a stand-alone iron ore focused entity whilst Transit progresses its North American potash interests.

The new company, to be named Radar Iron Ltd (Radar) will have its own dedicated iron ore management and exploration team.

Transit Iron Ore CEO Jonathan Lea said the Company had received strong investor interest in this strategy to spin out a stand-alone iron ore vehicle, including interest from strategic investors in the wider Asian region.

### Radar Iron Limited

Radar Iron Limited will acquire all of Transit's iron ore assets in the Koolyanobbing belt north of Southern Cross in the central Yilgarn region. Radar will raise a minimum of \$5M through an IPO and apply for listing on the ASX. Radar will continue a strategy of rapid exploration and evaluation of the iron ore assets, and plans to have initial resource estimates by mid 2011.

Transit's newly appointed current CEO-Iron Ore, Mr Jonathan Lea, will be Managing Director of the new company. Mr Alan Tough has accepted the role of non-executive Chairman and Mr Ananda Kathiravelu (Chairman of Transit) will join the Board as a non-executive director.

Full details of the spin out will be in the prospectus to be released in November 2010. The offer is subject to the shareholder approval at Transit's AGM later this year.

A priority offer will also be made to existing shareholders of Transit Holdings Ltd. The record date and further information on this offer will be advised in the coming weeks.

## Offer Summary

The expected capital structure of Radar Iron Limited following completion of the Offer is summarised below:

<b>Shares</b>	<b>Number</b>
Shares on issue at date of Prospectus	27,640,612
Shares now offered at 20 cents	30,000,000
<b>Total Shares on issue at completion of the Offer</b>	<b>57,640,612</b>

Transit will hold 22,690,612 Ordinary Shares and 12,000,000 Options in Radar Iron representing an undiluted 43% interest in the Company (assuming full subscription under the Offer).

## Appointment of Chairman

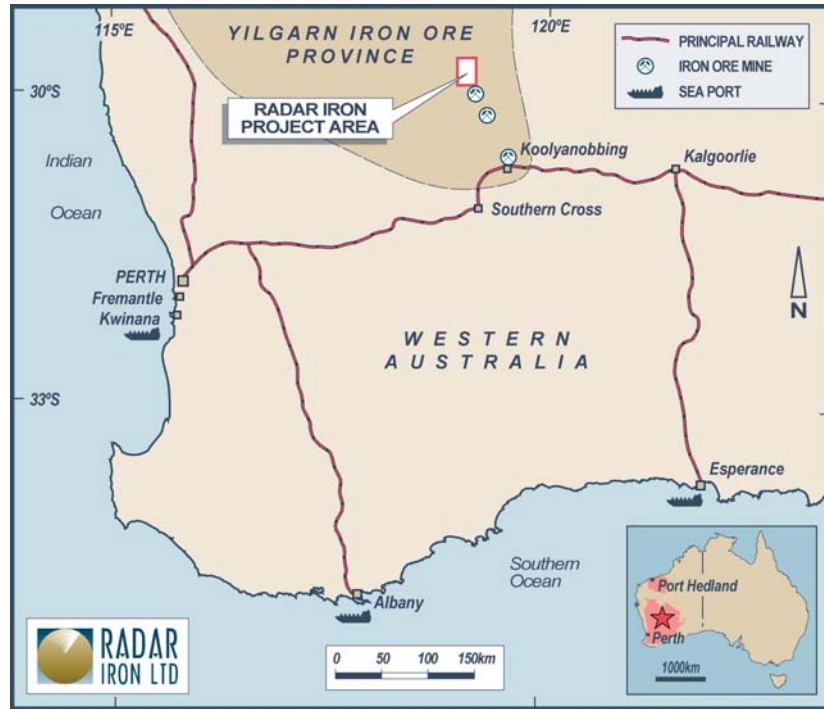
Mr Alan Tough has accepted the role as Chairman of Radar Iron Ltd. Alan has a distinguished career in business spanning over 40 years and with over 25 years' managing publicly listed companies. He has worked both domestically and internationally in the manufacturing, mining, finance, management and government sectors. Alan holds a mechanical engineering honours degree and an MBA from the University of WA. Recently held positions include his current role as Project Manager Development for Giralia Resources NL, responsible for DSO iron ore projects in the Pilbara and Yerecoin magnetite projects and Executive Director Operations of Polaris Metals NL prior to the Mineral Resources takeover earlier in 2010.

## Background

Transit holds two key assets – the central Yilgarn iron ore projects and the Paradox Basin potash project in Utah. Regulatory delays will prevent drill access to the potash project prior to 2011 but this remains the key company making project and focus for future development.

Transit's iron ore holdings lie in the central Yilgarn region of WA and cover 290km<sup>2</sup> of tenements in three project areas. The largest project, Johnston Range, contains a 35 km long sequence of multiple BIF units with hematite outcrops (validated by mapping) and significant magnetite mineralisation. The Die Hardy and Evanston prospects also have potential for significant discoveries of both hematite and magnetite.

At Johnston Range, extensive outcrops of haematite mineralisation have been located at a number of prospects while banded iron formation (BIF) up to 200-300m in width has also been mapped. Recently, 37 rock chip samples have been taken over the tenements with a peak result of 64.9%Fe returned for haematite mineralisation and with magnetite mineralisation averaging 36-39%Fe. Limited previous exploration for iron ore has been completed on the tenements.



For more information please contact:

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*The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Jonathan Lea who is an employee of the company and is a member of the Australasian Institute of Mining and Metallurgy. Mr Lea has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lea consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*