



Suite 2, 12 Parliament Place, West Perth WA 6005

PO Box 902, West Perth WA 6872

Ph: 08 9482 0515

Fax: 08 9482 0505

Web: www.transitholdings.com.au

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Australian Stock Exchange

Exchange Plaza

2 The Esplanade

Perth WA 6000

Transit "Iron Ore Strategy" to Exploit Full Potential of Haematite Direct Shipping Ore (DSO) and Magnetite Prospects

- **Assessment of magnetite and haematite potential at Johnston Range**
- **Appointment of Jon Lea to drive the Company's iron ore strategy**

The Board of Transit Holding ("Transit" and ASX: TRH) is pleased to advise that the Company has commenced a formal programme to review the commercial opportunity presented by Transit's large and prospective iron ore assets in the Johnstone Range, West Australia.

Transit holds over 200km² of Exploration Licences at Johnston Range containing a 35 kilometre long sequence hosting multiple banded iron formations.

Increasing activity in the Yilgarn Iron Ore Province ("YIOP") has led to the recognition that the region is an emerging iron ore province. This factor, along with recent corporate and exploration successes in the YIOP combined with continuing strong appetite for iron ore feed for the Chinese steel industry, has encouraged the Board to investigate strategies to unlock shareholder value in the Company's expansive and highly prospective iron ore leases.

Appointment of Iron Ore CEO

An integral part of the Company's move to assess the value of its iron ore assets is the appointment of Jonathan Lea to drive forward Transit's iron ore strategy. Jon has qualifications in geology and mineral economics with 25 years experience in the international resource industry.

He held the roles as Technical Director and Managing Director of Polaris Metals Ltd until the takeover by Mineral Resources Ltd. During Jon's tenure Polaris made significant discoveries in the YIOP of haematite/goethite mineralisation, commencing the development process towards mining and also advancing the Mayfield magnetite project.

Comprehensive Exploration programme planned

It is the Company's intention to fund an exploration programme including a major drilling component and metallurgical testwork in order to establish a significant maiden inferred JORC compliant magnetite resource. Following a review of funding requirements and options available to the Company, the Board will shortly advise shareholders of its proposed strategy.

Exploiting the potential of the region

The Yilgarn is a proven haematite direct shipping ore (DSO) region with many exploration and production successes. However the province is also being increasingly recognised as having potential infrastructure benefits that suit larger magnetite plays. The main benefit is access to open access railway lines which connect to the ports of Esperance and Kwinana. This rail line is approximately 130km from the Company's key iron ore exploration area.

A number of emerging magnetite projects are gaining momentum in the area with the following companies enjoying exploration successes:

- Cashmere Iron Ltd (Unlisted)

Deposit: Cashmere Downs

Inferred Resource: 881 million tonnes

Recently appointed Morgan Stanley as corporate advisors

- Mindax (ASX Code: MDX)

Deposit: Mt Forrest Iron

Conceptual Exploration Target: 2.5 to 2.8 billion tonnes

- Jupiter (ASX Code: JMS)
Deposit: Mt Ida
Conceptual Exploration Target: 1.0 to 1.3 billion tonnes
- MacArthur Minerals: (TSX Code: MMN)
Deposit: Lake Giles
Inferred: 1.117 billion tonnes
- Mineral Resources Ltd (ASX Code: MIN)
Deposit: Mayfield
Conceptual Exploration Target: 80 to 100 million tonnes at 48-52%Fe

In addition recent field work aimed at ground truthing targets delineated from assessment of gravity and magnetic geophysical surveys has generated significant exploration potential for haematite. The province is estimated to contain over 250mt of haematite DSO. In 2008 Cliffs completed a takeover of Portman Ltd and currently produces 8mtpa. In 2011 Mineral Resources Ltd (who took over Polaris Minerals NL in 2009) and Cazaly Resources plan to start producing DSO and to export it through Kwinana.

For more information please contact:

Transit Holdings Ltd

Tel: +61 8 9482 0515

Fax: +61 8 9482 0505

RICHARD MONTI

Executive Director

rmonti@transitholdings.com.au

The map below shows the location of these projects within the YIOP.

