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12 November 2010

[Shareholder Name]  
[Shareholder Name]  
[Address]  
[Address]  
[Suburb State Postcard]

**ELIGIBILITY CODE**  
00000

Dear Shareholder,

### **PRIORITY OFFER TO PARTICIPATE IN IPO OF RADAR IRON LIMITED**

On 22 October 2010, Transit Holdings Limited ("Transit" or the "Company") announced that it was intending 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 project.

Transit shareholders will receive a priority offer to participate in the forthcoming \$6 million IPO of Radar Iron Limited (Radar Iron), which has acquired Transit's former Iron Ore Projects.

Radar Iron has lodged a Prospectus with ASIC for an Initial Public Offering ('IPO') which will see it issue 30 million shares at 20 cents each to raise \$6 million to progress exploration activities on the Iron Ore Projects. 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. Jonathan Lea will be Managing Director of Radar Iron from Listing. The Board of Transit is confident that the experience of the Board and Management team in the resource sector will deliver value to shareholders.

To participate in the offer, eligible shareholders who were recorded on the Transit share register as at the Record Date of 5 November 2010, are required to download the Prospectus and Share Application Form from the Radar Iron website, ***radariron.com.au***.

**To ensure your priority is recognised by the Radar Iron Share Registry, please record your Eligibility Code, as set out above in the top right hand corner of this letter, on the Application Form.**

Applications may only be made on the form contained in the Prospectus. Completed Application Forms must be sent to the Share Registry of Radar Iron in accordance with the instructions contained in the Prospectus. Applicants outside of Australia are required to obtain all necessary approvals to participate in the offer. Please refer to the Prospectus for further details.

The Priority Offer will be limited to 2.5 million shares (\$500,000). Transit shareholders who wish to participate are advised to send in their applications early as Radar Iron may close the offer early and applications received over the priority offer limit will fall into the General Offer pool.

The following indicative dates have been provided by Radar Iron in relation to the IPO:

Lodgement of the Prospectus with ASIC	5 November 2010
Priority Offer Record Date	5 November 2010
Opening Date	13 November 2010
Closing Date	5pm WST 26 November 2010
Dispatch of Holding Statements	3 December 2010
Expected Date for Listing on ASX	8 December 2010

The above dates are indicative only and may change without notice. Radar Iron reserves the right to extend the Closing Date or close the Offer early without notice.

Transit shareholders have no obligation to participate in the Radar Iron Offer.

Transit is not providing any advice in respect to the Radar Iron Offer and, as such, each Transit shareholder considering participation in the Offer should, in addition to reading the Radar Iron Prospectus in its entirety, consult with their accountant or professional adviser before taking any action.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact the Company Secretary for Radar Iron, Mr Phillip Wingate, on (08) 9482 0515.

Yours faithfully,

**TRANSIT HOLDINGS LIMITED**

**ANANDA KATHIRAVELU**

Chairman