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Sydney NSW 2000

### **Drilling commences on Potash Project**

The Board of Transit Holdings Limited ("Transit" or the "Company") is pleased to announce that the drill rig has arrived at the Company's Paradox Basin Utah site and drilling has started. The rig is a 27-1/2" rotary table, 131 ft. mast rig with a 1,000 hp drawworks and the first hole was spudded at 10:01 PM USA Mountain time on 15 September 2011.

Transit expects to complete first hole to a depth of 6,500 feet in approximately one month. Following completion of this hole the company plans to drill another 3 holes over coming months. The drilling will collect core samples of the potash horizons and is likely to confirm the presence of potash which has previously been detected by gamma logging of petroleum wells. All drilling information will then be used for the estimation of the project's maiden JORC compliant resource.

**For and on behalf of Transit Holdings Ltd**

A handwritten signature in black ink, consisting of several overlapping loops and a long, sweeping tail that ends in a sharp upward-pointing hook.

**Ananda Kathiravelu**  
Chairman



## **About the Project**

Transit has earned 90% of the Paradox Basin Potash Project ("the Project") which covers applications for 386 km<sup>2</sup> of highly prospective potash permits in the Paradox Basin in south eastern Utah. The company's focus is on sylvinitic, a high grade form of potash ore that is cheaper and more effective to process to a saleable form than any other form of potash ore.

The Paradox Basin Potash Project is located close to key agricultural regions of the United States and as such is well situated to supply fertiliser manufacturers and agricultural cooperatives in the western United States. The Project also has substantial export potential given its excellent proximity to key US rail infrastructure leading to West Coast ports.

The Paradox Basin Potash Project comprises potash (KCI) mineralization in two beds of interest, Potash 13 and Potash 18, which occurs in two sub-beds. Potash 18 Upper is ubiquitous across the property, while Potash 18 Lower occurs locally to the southwest. An Exploration Target estimated by independent consultants Agapito Associates, Inc. for Potash Beds 13 and 18 of 3.4 to 5.2 billion tonnes of sylvinitic at an average grade of 23% to 34% KCI has been delineated within the Project. Potash 18, which is the principal bed of interest, was estimated to be 3.0 to 4.6 billion tonnes sylvinitic at an average grade of 24 to 35% KCI. The Exploration Target estimate was updated on July 8, 2011 to reflect changes in the Project boundary and newly acquired geologic information.

The Exploration Target assumes a grade cutoff of 16% KCI and a thickness cutoff of 2.0 m, below which mineralization is excluded from the estimate. The Exploration Target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code (2004). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

Transit and its joint venture partner have completed a Scoping Study on the Project based on 2 million tonnes per annum production of KCI from solution mining of the potash deposit. The Scoping Study was based on mining only Potash Bed 18. An estimate of tonnage and grade of 2.3 billion tonnes at 32.8% KCI for the two Potash 18 sub-beds was used in the Scoping Study.

The Scoping Study demonstrated that the Project has robust financials and the Company is proceeding immediately to a Pre-Feasibility Study which will include drilling of fresh exploratory wells to augment a database of historical drilling. All drilling information will then be used for the estimation of the project's maiden JORC compliant resource. The identification of substantial subterranean aquifers and opportunities to capture seasonal snowmelt provides confidence in the availability of water for the project, to add to an impressive suite of infrastructure in the region.



*The information set out above that relates to exploration results is based on information prepared by Dr Michael P. Hardy, who is a Senior Consultant with Agapito Associates, Inc. Mr. Hardy is a Registered Member of The Society of Mining, Metallurgy, and Exploration (SME), a Recognised Overseas Professional Organisation and is employed by Agapito Associates Inc who is a consultant to the Company. Mr Hardy 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."*

*\* The potential quantity and grade of potash reported as exploration potential is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

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