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Centralised Company Announcements Platform
Australian Stock Exchange
Exchange Centre, 20 Bridge Street
Sydney NSW 2000

QUARTERLY ACTIVITIES AND CASHFLOW REPORT 30 JUNE 2011

Please find attached the Quarterly Activities and Appendix 5B Quarterly Cashflow reports for the quarter ended June 30, 2011.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Richard Monti", is positioned below the "Yours faithfully," text.

Richard Monti
Non-Executive Director

**QUARTERLY ACTIVITIES REPORT
FOR THREE MONTHS ENDED
30 JUNE 2011**

Highlights

- ❖ **Federal right of way granted**
- ❖ **Approval for state drilling**
- ❖ **Earned 90% interest in JV**
- ❖ **Exploration target increased**
- ❖ **Capital raise of \$9.5 million.**
- ❖ **Cash position of \$5.8m**

Overview

The board of Transit Holdings Ltd ("Transit") is pleased to present its quarterly activities report for the quarter ended 30 June 2011.

At Transit's 90% owned Paradox Basin Potash Project in South East Utah USA right of ways over federal land and state of Utah permits were granted to allow the drilling of 4 holes on state lands.

Work began on drill pads and roads and a drilling contractor was selected.

Management changes at the board and JV project level were made to strengthen focus and execution. A capital raise of \$9.5m was completed in July and the exploration target was increased by approximately 1 billion tonnes.



FIGURE 1 – SITE PREPARATION

POTASH - K2O UTAH LLC JOINT VENTURE

Several milestones were achieved this quarter beginning with US Bureau of Land Management (BLM) approval for a right of way which allows access to drill wells on Utah State lease blocks. Within two months of submission the State of Utah granted permits to drill on 4 State lease holdings. International drilling expert Sabine was chosen to manage the drilling. Construction for drill pads and roads began and the first drill pad is now ready for drilling and a drilling contractor has been selected.

Transit has undertaken sufficient expenditure for the K2O Utah potash projects to increase its ownership from 75% to 90%. Management changes and additional capabilities at the board and project level in the USA occurred to strengthen the potash focus and execution effectiveness.

A capital raise of \$9.5m was completed to fund the drilling, further permitting and development activities. Shareholders approved an increase in shareholding to 63,132,474 Ordinary shares to complete the raise. Favorable analyst reports were received by Taylor Collison and Fosters Stockbrokers.

Agapito, our independent geologist reexamined the exploration target resource to incorporate changes in land position and new geological data. This resulted in a revised Exploration Target which increased by approximately 1 billion tonnes with a new range of 3.4-5.2 billion tonnes at a 23-34% grade.

Discussions with the US Bureau of Land Management are progressing to secure an exploration permit to drill 4 holes on federal land over which the company has potash rights. The K2O Utah

project continues to enjoy strong support from the San Juan County supervisors where the project is located.

ABOUT THE PROJECT

Transit has earned 90% of the Paradox Basin Potash Project ("the Project") which covers applications for 365 km² of highly prospective potash permits in the Paradox Basin in south eastern Utah. The company's focus is on sylvinite, 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 (KCl) 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 sylvinite at an average grade of 23% to 34% KCl 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 sylvinite at an average grade of 24 to 35% KCl. The Exploration Target estimate was updated on July 8, 2011 to reflect changes in the Project boundary and newly acquired geologic information. The current land position is 365 km².

The Exploration Target assumes a grade cutoff of 16% KCl 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 KCl 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% KCl 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. 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.

RADAR IRON INVESTMENT (TRANSIT STAKE ~37%)

For further information regarding Transits 37% investment in Radar Iron Limited (RAD), visit Radar Iron's website www.radariron.com.au

Corporate

Transit announced two key appointments as part of its renewed focus on its potash investment in the USA.

Mr G.A “Ben” Binninger has been appointed as Chief Executive Officer of Transit Holdings Limited’s potash investments subsidiary, Citadel Capital Holdings Inc, with effect from 9th May 2011. Mr Binninger, who is resident in California, has a long and distinguished career that includes several senior executive leadership roles. His experience in resource companies include Rio Tinto, ARCO, Hercules and EXXON. These roles include businesses in 24 countries ranging in size from a few million dollars to a billion dollar and provide a relevant base of experience to guide Transit’s potash assets through their development trajectory.

Mr Binninger brings an unusual combination of global management, strategic positioning and financial expertise with hands on operating experience in chemicals, energy, materials, environmental, mining and consulting. He has commercialized novel technologies and developed new products and businesses. His broad functional background includes sales, marketing, distribution, operations, technology, planning, financial and business development.

In addition to the appointment of Mr Binninger as CEO, the Board has appointed Mr Sean Murray as a Non Executive Director of Transit Holdings Limited. Mr Murray brings extensive industry experience in general management, corporate strategy, minerals marketing and sustainable development. During the past 40 years, Mr Murray has worked worldwide including Australia, South America and the United States in the chemicals and mining industries.

His executive management career includes senior roles with Rio Tinto plc, Australian Mining and Smelting and Pasminco Inc, where he also served as Chairman, and Rio Tinto Borax where he was Deputy Chief Executive. He has also served as an industry adviser on non-ferrous metals to the UK government and as Vice-president of the Industrial Minerals Association, President of the European Borates Association and Vice-president of the European Zinc Institute

Since 2004, Mr Murray has provided specialist consulting services to the industrial minerals sector in Europe and the Americas. Mr Murray is fluent in a number of European languages and brings considerable experience of industrial minerals to bear on the Company's activities and developments as to looks to develop its potash business

As part of these changes, Mr Hugh Callaghan’s role as CEO ceases and he left the company to focus on other activities. The Board would like to thank Mr Callaghan for his valued contribution and the guidance he provided during the last year.

Transit’s cash position at 30 June 2011 was \$5.8 million.

ASX Announcements

The Company made the following announcements during the quarter.

Date	Headline
08/07/2011	INCREASE IN GRADE AND TONNAGE IN POTASH EXPLORATION TARGET
04/07/2011	Company Update
29/06/2011	Change of Director`s Interest Notice
29/06/2011	Revised Change of Director`s Interest Notice
29/06/2011	Change in substantial holding
29/06/2011	Change of Director`s Interest Notice
28/06/2011	Change in substantial holding
28/06/2011	Ceasing to be a substantial holder
24/06/2011	Secondary Trading Notice Pursuant to Section 708A(5)
24/06/2011	Appendix 3B
23/06/2011	Notice of General Meeting/Proxy Form
17/06/2011	Transit Completes Placement to Raise \$9.5m
15/06/2011	Trading Halt
08/06/2011	UPDATED TRANSIT RECEIVES STATE APPROVAL FOR DRILLING
07/06/2011	TRANSIT RECEIVES STATE APPROVAL FOR DRILLING
06/06/2011	Transit increases holding to 90% Interest in Utah Potash
27/05/2011	Transit Holdings Ltd - Research Report.
12/05/2011	US Potash Presentation May 2011
06/05/2011	TRH Priority Entitlement to Participate in New Coal Company

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Transit Holdings Ltd

ABN

121 184 316

Quarter ended ("current quarter")

30 June 2011

Consolidated statement of cash flows

Cash flows related to operating activities

1.1	Receipts from product sales and related debtors		
1.2	Payments for	(a) exploration and evaluation	
		(b) development	
		(c) production	
		(d) administration	
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	- Payments for project assessment		

Current quarter \$A'000	Year to date (12 months) \$A'000
-	-
(406)	(1,375)
-	-
-	-
(330)	(769)
-	-
72	266
-	-
-	-
(16)	(207)
(680)	(2,085)

Net Operating Cash Flows

Cash flows related to investing activities

1.8	Payment for purchases of:	(a)prospects	
		(b)equity investments	
		(c) other fixed assets	
1.9	Proceeds from sale of:	(a)prospects	
		(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)		
	- Cash disposed of in sale of subsidiary		
	- Bond Payments to Government Agencies		

(10)	(70)
-	-
-	-
-	-
-	120
-	-
-	-
-	-
-	(18)
(425)	(425)
(435)	(393)

Net investing cash flows

1.13	Total operating and investing cash flows (carried forward)		
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(1,115)	(2,478)
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1.13	Total operating and investing cash flows (brought forward)	(1,115)	(2,478)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	3,896	3,896
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 - Capital Raising Costs	(202)	(202)
Net financing cash flows		3,694	3,694
Net increase (decrease) in cash held		2,579	1,216
1.20	Cash at beginning of quarter/year to date	3,263	4,626
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	5,842	5,842

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	54
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Amounts paid to directors includes salaries and wages for director services.

Non-cash financing and investing activities

2.1

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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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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	2,000
4.2	Development	-
4.3	Production	-
4.4	Administration	500
Total		2,500

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	5,842	763
5.2	Deposits at call	-	2,500
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		5,842	3,263

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				

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 Preference securities (description) (Converting shares)	3,000 Class C Converting Shares	-	Nil	Nil
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	52,765,474	52,765,474		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	281,250 500,000 6,600,000	281,250 500,000 6,600,000	\$0.16 \$0.40 \$0.56	\$0.16 \$0.40 \$0.56
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	2,250,000 3,000,000 5,250,000	- -	<i>Exercise price</i> 40 cents 40 cents	<i>Exercise date</i> 31/12/12 31/12/12
<i>Total</i>				
7.8 Issued during quarter				
7.9 Exercised during quarter	500,000	-	40 cents	31/12/12
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 28 July 2011

(Director/**Company secretary**)

Print name: Morgan Barron

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: Cash Flow Statements* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.