



NOTICE OF EXTRAORDINARY GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

TO SHAREHOLDERS

FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON
TUESDAY, 26 JULY 2011 AT CWA HOUSE,
1176 HAY STREET, WEST PERTH, WESTERN AUSTRALIA AT 9.00 AM (WST)

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

If you do not understand it you should consult your professional advisers without delay.

You are encouraged to attend the Meeting, but if you cannot, you are requested to complete and return the enclosed Proxy Form to the Company without delay to

PO Box 902, West Perth, Western Australia, 6872,
or by facsimile on facsimile number +618 9482 0505

**TRANSIT HOLDINGS LTD
ACN 121 184 316**

**NOTICE OF EXTRAORDINARY GENERAL MEETING
TO SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**Meeting**" or "**Extraordinary General Meeting**") of the members of Transit Holdings Ltd ("**Transit**", "**TRH**" or "**the Company**") will be held on the date and at the location and time specified below:

DATE: TUESDAY, 26 JULY 2011

LOCATION: CWA House, 1176 Hay Street, West Perth, Western Australia

TIME: 9.00 am (WST)

The Explanatory Statement provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5.00 pm (WST) on Sunday 24 July 2011.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

BUSINESS

The business to be transacted at this Extraordinary General Meeting is to consider Resolutions 1 to 8 as set out below.

RESOLUTION 1 ~ RATIFICATION OF PRIOR ISSUE

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 6,881,250 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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RESOLUTION 2 ~ APPROVAL OF PLACEMENT OF SHARES

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

"That for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 15,000,000 Shares at an issue price of AUD\$0.56 per Share on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Note:

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed, and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 3 ~ APPROVAL FOR OPTION ISSUE TO CEO

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and all other purposes, approval is given for the Company to grant and issue up to 3,000,000 Options for nil consideration to Mr G.A. Binninger (or his nominee) (**Binninger Options**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion Note:

The Company will disregard any votes cast on this Resolution by Mr Binninger (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 4 ~ RE-ELECTION OF DIRECTOR - MR SEAN MURRAY

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Sean Murray, having been appointed as a Director of the Company prior to the date of this meeting, retires and, being eligible, is re-elected as a Director in accordance with clause 13.4 of the Constitution."

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RESOLUTION 5 ~ ISSUE OF DIRECTOR OPTIONS – MR ANANDA KATHIRAVELU

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 1,500,000 Director Options to Mr Ananda Kathiravelu (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Ananda Kathiravelu (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 6 ~ ISSUE OF DIRECTOR OPTIONS – MR RICHARD MONTI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 1,000,000 Director Options to Mr Richard Monti (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Richard Monti (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 7 ~ ISSUE OF DIRECTOR OPTIONS – MR BRIAN THOMAS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 1,000,000 Director Options to Mr Brian Thomas (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Brian Thomas (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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RESOLUTION 8 ~ ISSUE OF DIRECTOR OPTIONS – MR SEAN MURRAY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 1,000,000 Director Options to Mr Sean Murray (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Sean Murray (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED 22 June 2011



RICHARD MONTI
Director

NOTES

A member entitled to vote at this Extraordinary General Meeting is entitled to appoint a proxy to attend and vote for the member at the Extraordinary General Meeting. A proxy need not be a member. If the member is entitled to cast 2 or more votes at the Extraordinary General Meeting the member may appoint 2 proxies. If a member appoints 2 proxies and the appointment does not specify the proportion or number of the members votes each proxy may exercise, each proxy may exercise half of the votes. A proxy form is attached at the back of this booklet.

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This Explanatory Memorandum forms part of a Notice convening the Extraordinary General Meeting of shareholders of the Company (“**Shareholders**”) to be held at 9:00 am (WST) on Tuesday, 26 July 2011. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders of the Company at 5:00 pm (WST) on Sunday, 24 July 2011.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE

1.1 General

The table below outlines dates, number and price of shares issued by the Company under its 15% capacity, in accordance with Listing Rule 7.1.

Date	Price	Number	Reason for Issue
7 April 2011	\$0.16	281,250	Consideration for services rendered
On or about 22 nd June 2011	\$0.56	6,600,000	Placement

None of the subscribers pursuant to this issue were related parties of the Company.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Technical Information Required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share issue:

- (a) 6,881,250 Shares were allotted;
- (b) the issue price of each issue is displayed in the table above;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares issued on or about 22nd June 2011 were allotted and issued to sophisticated and professional investors, the shares issued on 7 April 2011 were issued to RM Research Pty Ltd (no parties of whom received shares are related parties of the Company); and

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- (e) the funds raised from the placement on or about 22nd June 2011 are intended to be applied to the exploration program at the Company's potash prospects in Utah, USA and towards working capital. The shares issued on 7 April 2011 were issued in consideration for services rendered.

2. RESOLUTION 2 - APPROVAL OF PLACEMENT OF SHARES

2.1. General

Resolution 2 seeks Shareholder approval for the issue of a maximum of 15,000,000 Shares at an issue price of AUD\$0.56 per Share to raise up to a total of AUD\$8,400,000 ("**Capital Raising**"). The Shares will be offered to sophisticated and professional investor clients of Taylor Collison Ltd.

Listing Rule 7.1

Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's securities then on issue.

The effect of Resolution 2 will be to allow the Directors to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if extended by way of ASX granting a waiver to the Listing Rules), without using the Company's 15% placement capacity.

2.2. Technical Information Required by ASX Listing Rule 7.1

The following information is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Shares to be issued under Resolution 2 is 15,000,000 Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) the issue price of the Shares will be AUD\$0.56 each;
- (d) the Shares to be issued are fully paid ordinary shares in the capital of the Company which will rank *pari passu* and equally in all respects with existing Shares;
- (e) the Shares will be issued to sophisticated and professional investor clients of Taylor Collison Ltd. The allottees will not be related parties (or their associates) of the Company;
- (f) the allotment of the Shares will occur progressively; and
- (g) the funds raised from the placement issue are to be applied to the exploration program at the Company's potash prospects in Utah, USA and towards working capital.

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3. RESOLUTION 3 - APPROVAL FOR OPTION ISSUE TO CEO

3.1. General

Resolution 3 seeks Shareholder approval for the issue of Options to Mr G.A. "Ben" Binninger, Transit's newly appointed CEO, in consideration for his services and in accordance with his contract of employment.

Mr Binninger will be appointed as a director of the Company after the Meeting.

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 track record in a career in resources that has spanned management and commercial roles in Resources companies, including Rio Tinto, ARCO, Hercules and others, which provide a relevant base of experience to guide Transit's potash assets through their development trajectory.

Mr Binninger will be paid a consultants' fee of \$250,000 per annum for his services as Chief Executive Officer and will also be entitled to receive three (3) million options over Transit ordinary shares (**Binninger Options**) upon the successful completion of a probationary period of 3 months continuous consulting. The Options will be issued on the following terms and conditions:

- 1 million Class A Options exercisable at \$0.50 each, expiring on or before 30 November 2013. Options are only exercisable if the share price is > \$1.00 on a 5 day volume weighted average basis.
- 1 million Class B Options exercisable at \$0.75 each, expiring on or before 31 May 2014. Options are only exercisable if the share price is > \$1.25 on a 5 day volume weighted average basis.
- 1 million Class C Options exercisable at \$1.00 each, expiring on or before 30 November 2014. Options are only exercisable if the share price is > \$1.50 on a 5 day volume weighted average basis.

The Binninger Options package is subject to the following vesting conditions:

- The Class A Options vest after 6 months continuous employment;
- The Class B Options vest after 12 months continuous employment; and
- The Class C Options vest after 18 months continuous employment.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Binninger Options requires the Company to obtain Shareholder approval because the grant of Binninger Options constitutes giving a financial benefit to a related party, as Mr Binninger will be appointed a director of the Company following the Meeting.

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It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Binninger Options.

5.1. SHAREHOLDER APPROVAL (CHAPTER 2E OF THE CORPORATIONS ACT AND LISTING RULE 10.11)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related party is Mr Binninger and he is a related party as he will be appointed a director following the Meeting;
- (b) the maximum number of Binninger Options (being the nature of the financial benefit being provided) to be granted to Mr Binninger is 3,000,000, as set out above.
- (c) the Binninger Options will be granted no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Binninger Options will be issued on one date;
- (d) the Binninger Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Binninger Options are set out in Annexure A;
- (f) the value of the Binninger Options and the pricing methodology is set out in Schedule 1;
- (g) Mr Binninger has a relevant interest in Nil Shares and Nil Options;
- (h) Mr Binninger's remuneration and emoluments from the Company for both the current and previous financial year are set out below:

	Current Financial Year ⁽¹⁾		Previous Financial Year	
	Salary and Fees \$	Options \$	Salary and Fees \$	Options \$
Related Party				
Mr. Binninger	20,833	-	-	-

1) Financial year to date (1 July 2010 – 31 May 2011).

- (i) Mr Binninger will be paid a consultants' fee of \$250,000 per annum for his services as Chief Executive Officer;
- (j) if the Binninger Options are exercised, a total of 3,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 52,765,474 to 55,765,474 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Related Party	Total Issued Shares as at the date of this Notice of Meeting	Director Options to be issued	Issued Shares upon exercise of all Director Options	Dilutionary effect upon exercise of Director Options
Mr. Binninger	52,765,474	3,000,000	55,765,474	5.38%

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- (k) the market price for Shares during the term of the Binner Options would normally determine whether or not the Binner Options are exercised. If, at any time any of the Binner Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Binner Options, there may be a perceived cost to the Company.

As at the date of this Notice of Meeting, the Share price of Transit's ordinary shares are trading on ASX higher than the exercise price of the Class A Binner Options.

As at the date of this Notice of Meeting, the Share price of Transit's ordinary shares are trading on ASX lower than the exercise price of the Class B and Class C Binner Options;

- (l) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out below:

	Price	Date
Highest	95.5 cents	20 April 2011
Lowest	13 cents	9, 12 & 13 Jul 2010
Last	61.5 cents	22 June 2011

- (m) the primary purpose of the grant of the Binner Options is to provide cost effective consideration to Mr Binner for his upcoming commitment and contribution to the Company. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Binner Options upon the terms proposed. If the Options are not issued, the Company could remunerate the Mr Binner for additional amounts. However, the Board considers it reasonable for the remuneration of Mr Binner to have a cash component and an equity component to further align his interests with Shareholders and maintain a strong cash position for the Company;
- (n) Mr Binner declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution;
- (o) Mr Sean Murray, who does not have a material interest in the outcome of Resolution 3, recommends that Shareholders vote in favour of Resolution 3 for the reasons set out in paragraph (m) above. Mr Murray is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3;
- (p) Mr Ananda Kathiravelu, who does not have a material interest in the outcome of Resolution 3, recommends that Shareholders vote in favour of Resolution 3 for the reasons set out in paragraph (m) above. Mr Kathiravelu is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3;
- (q) Mr Richard Monti, who does not have a material interest in the outcome of Resolution 3, recommends that Shareholders vote in favour of Resolution 3 for the reasons set out in paragraph (m) above. Mr Monti is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3; and
- (r) Mr Brian Thomas, who does not have a material interest in the outcome of Resolution 3, recommends that Shareholders vote in favour of Resolution 3 for the reasons set out in paragraph (m) above. Mr Thomas is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3.

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Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Binninger Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Binninger Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule.

4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR SEAN MURRAY

Clause 13.4 of the Company's Constitution states that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office only until the next following general meeting of shareholders and is then eligible for re-election.

Mr Sean Murray was appointed to the board on 19 April 2011 and in accordance with Clause 13.4 of the Constitution seeks re-election as a Director.

Mr Murray brings extensive industry experience in general management, corporate strategy, minerals marketing and sustainable development.

Over the past 40 years, Mr Murray has worked worldwide in the chemicals and mining industries, including non-ferrous metals and minerals and industrial minerals. His successful executive management career includes senior roles with Rio Tinto Zinc Corporation and Pasminco Inc, where he also served as Chairman, and Rio Tinto Borax where he became Managing Director of Borax Europe and then Deputy Chief Executive, Rio Tinto Borax in the 1990s.

Mr Murray has also served on the boards of Rio Tinto subsidiary companies including U.S. Borax (California), Borax Francais (Paris and Dunkirk) and Borax Argentina (Buenos Aires and Salta). He has also served as a Vice-President of the European Zinc Institute (The Hague), as an Industry Advisor to the UK government on non-ferrous metals and minerals, and as Vice-president of the Industrial Minerals Association, and as President of the European Borates Association.

Since 2004, Mr Murray has provided specialist consulting services to the industrial minerals sector in Europe and North and Central America. 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.

5. RESOLUTIONS 5 to 8 – ISSUE OF DIRECTOR OPTIONS

5.2. General

The Company has agreed, subject to obtaining shareholder approval, to allot and issue 4,500,000 Director Options to Messrs Ananda Kathiravelu, Richard Monti, Brian Thomas and Sean Murray ("Related Parties") on the terms and conditions set out below.

	Terms		
	\$0.75 exercise price vesting after 12 months	\$1.00 exercise price vesting after 24 months	\$1.25 exercise price vesting after 30 months
Director			
Mr. Kathiravelu	500,000	500,000	500,000
Mr. Monti	500,000	500,000	-
Mr. Thomas	500,000	500,000	-
Mr. Murray	500,000	500,000	-
Total	2,000,000	2,000,000	500,000

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For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Director Options to the Related Parties requires the Company to obtain Shareholder approval because the grant of Director Options constitutes giving a financial benefit and as a Director, Messrs Kathiravelu, Monti, Thomas and Murray are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Director Options to the Related Parties.

5.3. SHAREHOLDER APPROVAL (CHAPTER 2E OF THE CORPORATIONS ACT AND LISTING RULE 10.11)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related parties are Messrs Kathiravelu, Monti, Thomas and Murray and they are related parties by virtue of being Directors;
- (b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is 4,500,000 Director Options. Each Related Party is entitled to the amount of Director Options as displayed in the table below;

Director	Terms			Total
	\$0.75 exercise price vesting after 12 months	\$1.00 exercise price vesting after 24 months	\$1.25 exercise price vesting after 30 months	
Mr. Kathiravelu	500,000	500,000	500,000	1,500,000
Mr. Monti	500,000	500,000	-	1,000,000
Mr. Thomas	500,000	500,000	-	1,000,000
Mr. Murray	500,000	500,000	-	1,000,000
Total	2,000,000	2,000,000	500,000	4,500,000

- (c) the Director Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date;
- (d) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;

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- (e) the terms and conditions of the Director Options are set out in Annexure B;
- (f) the value of the Director Options and the pricing methodology is set out in Schedule 2;
- (g) the relevant interests of the Related Parties in securities of the Company are set out below;

Related Party	Shares	Options
Mr. Kathiravelu	83,332	500,000
Mr. Monti	2,524,166	1,000,000
Mr. Thomas	100,000	500,000
Mr. Murray	-	-

- (h) the remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:

Related Party	Current Financial Year ⁽¹⁾		Previous Financial Year	
	Salary and Fees \$	Options \$	Salary and Fees \$	Options \$
Mr. Kathiravelu	57,885	-	39,240	114,000
Mr. Monti	80,410	-	116,100	228,000
Mr. Thomas	35,970	40,000	2,415	-
Mr. Murray	-	-	-	-

1) Financial year to date (1 July 2010 – 31 May 2011).

- (i) Mr Murray will be paid directors' fees of \$36,000, after his appointment as a director;
- (j) if the Director Options granted to the Related Parties are exercised, a total of 4,500,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 52,765,474 to 57,265,474 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Related Party	Total Issued Shares as at the date of this Notice of Meeting	Director Options to be issued	Issued Shares upon exercise of all Director Options	Dilutionary effect upon exercise of Director Options
Mr. Kathiravelu	52,765,474	1,500,000	54,265,474	2.76%
Mr. Monti	52,765,474	1,000,000	53,765,474	1.86%
Mr. Thomas	52,765,474	1,000,000	53,765,474	1.86%
Mr. Murray	52,765,474	1,000,000	53,765,474	1.86%

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.

As at the date of this Notice of Meeting the Share price of Transit's ordinary shares are trading on ASX lower than the exercise price of the Director Options.

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- (k) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out below:

	Price	Date
Highest	95.5 cents	20 April 2011
Lowest	13 cents	9, 12 & 13 Jul 2010
Last	61.5 cents	22 June 2011

- (l) the primary purpose of the grant of Director Options to the Related Parties is to provide cost effective consideration to the Related Parties for their ongoing commitment and contribution to the Company in his role as Director. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed. If the Options are not issued, the Company could remunerate the Related Parties for additional amounts. However, the Board considers it reasonable for the remuneration of the Related Parties to have a cash component and an equity component to further align the Related Parties' interests with Shareholders and maintain a strong cash position for the Company;
- (m) the Board acknowledges the grant of Director Options to the Related Parties is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to the Related Parties reasonable in the circumstances, given the necessity to attract and retain the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves;
- (n) Mr Kathiravelu , who does not have a material interest in the outcome of Resolutions 6, 7 and 8, recommends that Shareholders vote in favour of Resolutions 6, 7 and 8 for the reasons set out in paragraphs (l) and (m) above. Mr Kathiravelu is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass either Resolutions 6, 7 and 8.

Mr Kathiravelu declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution ;

- (o) Mr Monti, who does not have a material interest in the outcome of Resolutions 5, 7 and 8, recommends that Shareholders vote in favour of Resolutions 5, 7 and 8 for the reasons set out in paragraphs (l) and (m) above. Mr Monti is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass either Resolutions 5, 7 and 8.

Mr Monti declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution ;

- (p) Mr Thomas, who does not have a material interest in the outcome of Resolutions 5, 6 and 8, recommends that Shareholders vote in favour of Resolutions 5, 6 and 8 for the reasons set out in paragraphs (l) and (m) above. Mr Thomas is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass either Resolutions 5, 6 and 8.

Mr Thomas declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution;

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- (q) Mr Murray, who does not have a material interest in the outcome of Resolutions 5, 6 and 8, recommends that Shareholders vote in favour of Resolutions 5, 6 and 7 for the reasons set out in paragraphs (l) and (m) above. Mr Murray is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass either Resolutions 5, 6 and 7.

Mr Murray declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Party as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Party will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule.

6. GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Binner Options means the Options to be issued to Ben Binner as set out in this Notice.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Transit Holdings Limited (ACN 121 184 316).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting or **Meeting** means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Director Option as the context requires.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A

Terms and Conditions of the Class A Binnering Options

A summary of the proposed terms and conditions of the Options is as follows:

1. Each Class A Binnering Option entitles the holder to acquire one fully paid ordinary share in the Company.
2. The Class A Binnering Options may be exercised at any time after the following vesting conditions have been satisfied and until 30 November 2013 (subject to paragraph 5 below):
 - a. 6 months continued employment; and
 - b. the volume weighted average price of the Company's ordinary share price exceeds \$1.00 (or, if the Company's shares are only trading on another stock exchange, the equivalent of \$1.00, based on the then current exchange rate) for a period of 5 trading days on which sales in the Company were recorded on the Australian Securities Exchange or any other recognised stock exchange.
3. The Class A Binnering Options may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of fifty cents (50c) per Class A Binnering Option exercised. The Class A Binnering Options will lapse at 5pm WST on 30 November 2013.
4. The Class A Binnering Options may not be transferred at any time during their existence.
5. Subject to the discretion of the Board, any Class A Binnering Options that have not vested at the time Mr G.A. Binnering ceases to have any role in the Company as, either an employee, consultant or director, shall be cancelled immediately.
6. Should either of the following events occur all Class A Binnering Options will vest immediately:
 - a. Transit is subject to a takeover whereby more than 50% of the shares of Transit are controlled by one party either directly or through related or affiliated parties; or
 - b. More than 50% of any of Transit's potash subsidiaries or their assets are sold to a party unrelated to Transit.
7. There are no participating rights or entitlements inherent in the Class A Binnering Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Class A Binnering Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Class A Binnering Options prior to the date for determining entitlements to participate in any such issue.
8. Shares issued on the exercise of Class A Binnering Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of a Class A Binnering Option will rank equally with the then issued ordinary shares of the Company in all respects. The Company will not apply for quotation of the Class A Binnering Options on ASX, however, it will, pursuant to the exercise of a Class A Binnering Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the ASX Listing Rules.
9. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Optionholder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
10. If there is a bonus issue to shareholders, the number of shares over which the Class A Binnering Option is exercisable may be increased by the number of shares which the holder of the Class A Binnering Option would have received if the Class A Binnering Option had been exercised before the record date for the bonus issue.
11. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Class A Binnering Options may be reduced in accordance with Listing Rule 6.22.

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Terms and Conditions of the Class B Binninger Options

A summary of the proposed terms and conditions of the Options is as follows:

1. Each Class B Binninger Option entitles the holder to acquire one fully paid ordinary share in the Company.
2. The Class B Binninger Options may be exercised at any time after the following vesting conditions have been satisfied and until 31 May 2014 (subject to paragraph 5 below):
 - a. 12 months continued employment; and
 - b. the volume weighted average price of the Company's ordinary share price exceeds \$1.25 (or, if the Company's shares are only trading on another stock exchange, the equivalent of \$1.25, based on the then current exchange rate) for a period of 5 trading days on which sales in the Company were recorded on the Australian Securities Exchange or any other recognised stock exchange.
3. The Class B Binninger Options may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of seventy five cents (75c) per Class B Binninger Option exercised. The Class B Binninger Options will lapse at 5pm WST on 31 May 2014.
4. The Class B Binninger Options may not be transferred at any time during their existence.
5. Subject to the discretion of the Board, any Class B Binninger Options that have not vested at the time Mr G.A. Binninger ceases to have any role in the Company, as either an employee, consultant or director, shall be cancelled immediately.
6. Should either of the following events occur all Class B Binninger Options will vest immediately:
 - a. Transit is subject to a takeover whereby more than 50% of the shares of Transit are controlled by one party either directly or through related or affiliated parties; or
 - b. more than 50% of any of Transit's potash subsidiaries or their assets are sold to a party unrelated to Transit.
7. There are no participating rights or entitlements inherent in the Class B Binninger Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Class B Binninger Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Class B Binninger Options prior to the date for determining entitlements to participate in any such issue.
8. Shares issued on the exercise of Class B Binninger Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of a Class B Binninger Option will rank equally with the then issued ordinary shares of the Company in all respects. The Company will not apply for quotation of the Class B Binninger Options on ASX, however, it will, pursuant to the exercise of a Class B Binninger Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the ASX Listing Rules.
9. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Optionholder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
10. If there is a bonus issue to shareholders, the number of shares over which the Class B Binninger Option is exercisable may be increased by the number of shares which the holder of the Class B Binninger Option would have received if the Class B Binninger Option had been exercised before the record date for the bonus issue.
11. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Class B Binninger Options may be reduced in accordance with Listing Rule 6.22.

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Terms and Conditions of the Class C Binninger Options

A summary of the proposed terms and conditions of the Options is as follows:

1. Each Class C Binninger Option entitles the holder to acquire one fully paid ordinary share in the Company.
2. The Class C Binninger Options may be exercised at any time after the following vesting conditions have been satisfied and until 30 November 2014 (subject to paragraph 5 below):
 - a. 18 months continued employment; and
 - b. the volume weighted average price of the Company's ordinary share price exceeds \$1.50 (or, if the Company's shares are only trading on another stock exchange, the equivalent of \$1.50, based on the then current exchange rate) for a period of 5 trading days on which sales in the Company were recorded on the Australian Securities Exchange or any other recognised stock exchange.
3. The Class C Binninger Options may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of one dollar (\$1.00) per Class C Binninger Option exercised. The Class C Binninger Options will lapse at 5pm WST on 30 November 2014.
4. The Class C Binninger Options may not be transferred at any time during their existence.
5. Subject to the discretion of the Board, any Class C Binninger Options that have not vested at the time Mr G.A. Binninger ceases to have any role in the Company as either an employee, consultant or director, shall be cancelled immediately.
6. Should either of the following events occur all Class C Binninger Options will vest immediately:
 - a. Transit is subject to a takeover whereby more than 50% of the shares of Transit are controlled by one party either directly or through related or affiliated parties; or
 - b. More than 50% of any of Transit's potash subsidiaries or their assets are sold to a party unrelated to Transit.
7. There are no participating rights or entitlements inherent in the Class C Binninger Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Class C Binninger Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Class C Binninger Options prior to the date for determining entitlements to participate in any such issue.
8. Shares issued on the exercise of Class C Binninger Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of a Class C Binninger Option will rank equally with the then issued ordinary shares of the Company in all respects. The Company will not apply for quotation of the Class C Binninger Options on ASX, however, it will, pursuant to the exercise of a Class C Binninger Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the ASX Listing Rules.
9. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Optionholder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
10. If there is a bonus issue to shareholders, the number of shares over which the Class C Binninger Option is exercisable may be increased by the number of shares which the holder of the Class C Binninger Option would have received if the Class C Binninger Option had been exercised before the record date for the bonus issue.
11. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Class C Binninger Options may be reduced in accordance with Listing Rule 6.22.

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ANNEXURE B

Terms and Conditions of the Director Options

Each Related Party will be issued the following Director Options

Director	Terms			Total
	\$0.75 exercise price vesting after 12 months	\$1.00 exercise price vesting after 24 months	\$1.25 exercise price vesting after 30 months	
Mr. Kathiravelu	500,000	500,000	500,000	1,500,000
Mr. Monti	500,000	500,000	-	1,000,000
Mr. Thomas	500,000	500,000	-	1,000,000
Mr. Murray	500,000	500,000	-	1,000,000
Total	2,000,000	2,000,000	500,000	4,500,000

A summary of the proposed terms and conditions of the Director Options is as follows:

1. Each Director Option entitles the holder to acquire one fully paid ordinary share in the Company.
 - a. 2,000,000 of the Director Options may be exercised at any time after 12 months from the issue date and until 31 July 2014 as set out in the above table. These Director Options may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of seventy five cents (75c) per Director Option exercised. In the event the holder ceases to be a director prior to that date which is 12 months after the issue date, the Director Options will lapse (in the absence of the Board agreeing otherwise). These Director Options will expire at 5pm WST on 31 July 2014.
 - b. 2,000,000 of the Director Options may be exercised at any time after 24 months from the issue date and until 31 July 2014. These Director Options may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of one dollar (\$1.00) per Director Option exercised. In the event the holder ceases to be a director prior to that date which is 24 months after the issue date, the Director Options will lapse (in the absence of the Board agreeing otherwise). These Director Options will expire at 5pm WST on 31 July 2014.
 - c. 500,000 of the Director Options may be exercised at any time after 30 months from the issue date and until 31 July 2014. These Director Options may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of one dollar (\$1.25) per Director Option exercised. In the event the holder ceases to be a director prior to that date which is 30 months after the issue date, the Director Options will lapse (in the absence of the Board agreeing otherwise). These Director Options will expire at 5pm WST on 31 July 2014.
2. The Director Options may be transferred, once the vesting conditions have been satisfied, by an instrument (duly stamped where necessary) in the form commonly used for transfer of Director Options at any time until 31 July 2014. This right is subject to any restrictions on the transfer of a Director Option that may be imposed by ASX in circumstances where the Company is listed on ASX.
3. There are no participating rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.

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4. Shares issued on the exercise of Director Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of an Director Option will rank equally with the then issued ordinary shares of the Company in all respects. The Company will not apply for quotation of the Director Options on ASX, however, it will, pursuant to the exercise of a Director Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the ASX Listing Rules.
5. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Optionholder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
6. If there is a bonus issue to shareholders, the number of shares over which the Director Option is exercisable may be increased by the number of shares which the holder of the Director Option would have received if the Director Option had been exercised before the record date for the bonus issue.
7. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Director Options may be reduced in accordance with Listing Rule 6.22.

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SCHEDULE 1

Value of the Binnering Options and the pricing methodology

The Binnering Options to be issued to the Mr Binnering pursuant to Resolution 3 have been valued by internal management.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Binnering Options were ascribed a value range, as follows:

Assumptions:	
Valuation date	14 June 2011
Market price of Shares	69.5 cents
Exercise price in respect of the Class A Binnering Options	50 cents
Exercise price in respect of the Class B Binnering Options	75 cents
Exercise price in respect of the Class C Binnering Options	100 cents
Expiry date in respect of the Class A Binnering Options	30 November 2013
Expiry date in respect of the Class B Binnering Options	31 May 2014
Expiry date in respect of the Class C Binnering Options	30 November 2014
Risk free interest rate	4.83%
Volatility	75%
Indicative value per Class A Binnering Option	39.42 cents
Indicative value per Class B Binnering Option	34.67 cents
Indicative value per Class C Binnering Option	32.46 cents
Total Value of 3,000,000 Binnering Options	\$1,065,500

Note: The valuation noted above is not necessarily the market price that the Binnering Options could be traded at and it is not automatically the market prices for taxation purposes.

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SCHEDULE 2

Value of the Director Options and the pricing methodology

The Director Options to be issued to the Related Party pursuant to Resolutions 5 to 8 have been valued by internal management.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Director Options were ascribed a value range, as follows:

Assumptions:	
Valuation date	14 June 2011
Market price of Shares	69.5 cents
Exercise price in respect of 2,000,000 options	75 cents
Exercise price in respect of 2,000,000 options	100 cents
Exercise price in respect of 500,000 options	125 cents
Expiry date	31 July 2014
Risk free interest rate	4.83%
Volatility	75%
Indicative value per Director Option in respect of 2,000,000 options	38.38 cents
Indicative value per Director Option in respect of 2,000,000 options	33.03 cents
Indicative value per Director Option in respect of 500,000 options	28.92 cents
Value of Options to be issued to Mr Ananda Kathiravelu	\$501,650
Value of Options to be issued to Mr Richard Monti	\$357,050
Value of Options to be issued to Mr Brian Thomas	\$357,050
Value of Options to be issued to Mr Sean Murray	\$357,050
Total Value of 4,500,000 Director Options	\$1,572,800

Note: The valuation noted above is not necessarily the market price that the Director Options could be traded at and it is not automatically the market prices for taxation purposes.

**TRANSIT HOLDINGS LTD
ACN 121 184 316**

PROXY FORM

**APPOINTMENT OF PROXY
TRANSIT HOLDINGS LTD
ACN 121 184 316**

GENERAL MEETING

I/We
of

being a member of Transit Holdings Ltd entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 9am (WST), on Tuesday, 26 June 2011 at CWA House, 1176 Hay Street, West Perth, WA, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of the Resolutions please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by the Chair of the General Meeting for the resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolutions and your votes will not be counted in calculating the required majority if a poll is called on the resolutions.

OR

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Prior Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Approval of placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval for option issue to CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Election of Director – Mr Sean Murray	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Issue of Director Options – Mr Ananda Kathiravelu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Issue of Director Options – Mr Richard Monti	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Issue of Director Options – Mr Brian Thomas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Issue of Director Options – Mr Sean Murray	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s): _____

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Transit Holdings Ltd, PO Box 902, West Perth WA, 6872; or
 - (b) facsimile to the Company on facsimile number +61 8 9482 0505; or
 - (c) email to the Company at info@transitholdings.com,

so that it is received not later than 5.00 pm (WST) on Sunday 24 July 2011.

Proxy forms received later than this time will be invalid.