

TRANSIT HOLDINGS LTD
ACN 121 184 316

NOTICE OF MEETING



TRANSIT HOLDINGS LTD

ACN 121 184 316

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT TO SHAREHOLDERS

FOR AN ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON
17 NOVEMBER 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.

To vote in person, attend the Annual General Meeting at the time, date and place set out above.

You are encouraged to attend the meeting, but if you cannot, you are requested to

Complete and return the enclosed Proxy Form to

PO Box 902, West Perth, Western Australia, 6872,

or by facsimile on facsimile number +618 9482 0505, no later than 5:00 PM WST on Tuesday, 15 November 2011.

TRANSIT HOLDINGS LTD
ACN 121 184 316

NOTICE OF MEETING

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

DATE: Thursday, 17 November 2011
LOCATION: CWA House, 1176 Hay Street, West Perth, Western Australia
TIME: 9.00 AM WST

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual 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 Annual General Meeting are those who are registered Shareholders of the Company at 5.00 pm WST on 15 November 2011.

BUSINESS

The business to be transacted at this Annual General Meeting is the receipt of the financial statements and reports and the proposal of Resolutions 1 to 5 as set out below.

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, and the independent auditor's report.

RESOLUTION 1 ~ ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Director's Report in the Annual Report for the year ended 30 June 2010".

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (d) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

RESOLUTION 2 ~ RE-ELECTION OF DIRECTOR - MR ANANDA KATHIRAVELU

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

"That Mr Ananda Kathiravelu, a Director of the Company, having retired in accordance with clause 13.2 of the Company's Constitution and, being eligible, offers himself for re-election as a Director of the Company."

NOTICE OF MEETING

RESOLUTION 3 ~ ADOPTION OF EMPLOYEE SHARE OPTION PLAN

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

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to adopt the Employee Share Option Plan 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 director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their 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 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.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 4 ~ 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 2,700,000 Options 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 5 ~ CHANGE OF NAME

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, in accordance with section 157 of the Corporations Act and for all other purposes, approval be and is hereby given to allow the Company to change its name to Potash Minerals Limited."



MORGAN BARRON
Company Secretary
13 OCTOBER 2011
BY ORDER OF THE BOARD
TRANSIT HOLDINGS LIMITED

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 9.00 AM WST at CWA House, 1176 Hay Street, West Perth, Western Australia on Thursday 17 November 2011. This Explanatory Statement 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.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.transitholdings.com.au.

2. RESOLUTION 1 ~ ADOPTION OF REMUNERATION REPORT

General

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Directors' Remuneration as set out in the Directors' Report of the Annual Report 2011 be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Directors' Remuneration at the Annual General Meeting.

Recent changes to the Corporations Act

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on the Resolution are voted **against** adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 2011.

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Proxy restrictions

If you elect to appoint the Chair, or another member of Key Management Personnel or any Closely Related Party as your proxy to vote on this Resolution 1, you must direct the proxy how they are to vote. Where you do not direct the Chair, or another member of Key Management Personnel or Closely Related Party on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will **not** be counted in relation to this Resolution 1.

3. RESOLUTION 2 ~ RE-ELECTION OF DIRECTOR – MR ANANDA KATHIRAVELU

Clause 13.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of three years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

The Company currently has four Directors and accordingly one must retire. A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

In accordance with the Constitution, Mr Ananda Kathiravelu, the Director longest in office since his last election retires by rotation and, being eligible, seeks re-election.

Details regarding Mr Kathiravelu are set out in the 2011 Annual Report.

4. RESOLUTION 3 ~ ADOPTION OF EMPLOYEE SHARE OPTION PLAN

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

Resolution 3 seeks Shareholder approval for the adoption of the Employee Share Option Plan (**the Plan**) in accordance with Exception 9 of ASX Listing Rule 7.2.

If Resolution 3 is passed, the Company will be able to issue Options under the Plan without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The objective of the Plan is to attract, motivate and retain key employees. It is considered by the Directors that the adoption of the Plan and the future grant of Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company. No Options have been issued under the Plan to date.

A summary of the terms and conditions of the Plan is set out in Appendix 1. A full copy of the Plan is available for inspection at the Company's registered office until the date of the Meeting.

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

5. RESOLUTION 4 ~ RATIFICATION OF PRIOR ISSUE

General

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

Date	Security	Price	Number	Reason for Issue
29 July 2011	Options	Nil	500,000	Issued to employees
10 Aug 2011	Consulting Options	Nil	2,000,000	Issued to consultants in consideration for services
22 Sept 2011	Options	Nil	200,000	Issued to employees

None of the subscribers pursuant to these issues were related parties of the Company.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

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. The Company confirms that it is in compliance with 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.

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) 2,700,000 options were allotted;
- (b) the issue price of each issue is displayed in the table above;
- (c) the terms and conditions of the Options and Consulting Options issued are set out in Appendix 2;
- (d) the securities were issued to the following parties:
 - (i) the Options issued on 29 July 2011 and 22 September 2011 were allotted and issued to employees in consideration for services rendered and as future incentive; and
 - (ii) the Options issued on 10 August 2011 were issued in consideration for services rendered from a consultant,
(no parties of whom received options are related parties of the Company)
- (e) there were no funds raised from any of the issues.

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6. RESOLUTION 5 ~ CHANGE OF NAME

Resolution 5 is a special resolution and seeks Shareholder approval to change the name of the Company to "Potash Minerals Limited".

The adoption of the new name under Resolution 5 is to be approved by Existing Shareholders under section 157(1) of the Corporations Act. The change of name will take effect on the day ASIC alters the details of the Company's registration.

7. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+61 8) 9482 0515 if they have any queries in respect of the matters set out on these documents.

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

8. GLOSSARY

\$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

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.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

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

Constitution means the Company's constitution.

Consulting Option means an Option granted pursuant to a consultant in consideration for services performed.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Employee means a full or part time employee of the Company.

Employee Share Option Plan or **ESOP** or **Plan** means the Transit Holdings Limited Employee Share Option Plan.

Exercise Price means the price payable when the Optionholder exercises the Options

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

Issue Date means the date on which the Options are issued by the Board.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

Offer means an offer made to an Eligible Employee or an Officer to subscribe for one or more Options.

Officer means any Director of the Company or such other person within the meaning of that term as defined by the Corporations Act.

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Option means an option to acquire a Share.

Optionholder means the person registered in the Company's option register as the holder of the Options or Consulting Options as the context requires.

Option Exercise Period means a period during which an Option is exercisable

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 2011.

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.

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

APPENDIX 1

Summary of Terms and Conditions of the Employee Share Option Plan

1. The Plan is to extend to Eligible Employees and Officers of Transit Holdings Ltd ACN 121 184 316 (the Company) or an associated body corporate of the Company as the Board may in its discretion determine.
2. The total number of Shares to be issued by the Company to Eligible Employees and Officers in respect of which Options have been issued under the Plan shall not at any time exceed five percent (5%) of the Company's total issued ordinary Share capital in that class at that time when aggregated with:
 - (a) the number of Shares in the same class which would be issued were each outstanding offer with respect to Options under any share option plan of the Company accepted and exercised; and
 - (b) the number of Shares in the same class issued during the previous five (5) years pursuant to:
 - (i) the Plan to an Eligible Employee or Officer; or
 - (ii) any employee share option plan of the Company, but excluding for the purposes of the calculation, any offer made or Option acquired by way of or as a result of:
 - (c) any offer to a person situated at the time of receipt of the offer referred to in paragraph 2(a) and (b) outside of this jurisdiction; or
 - (d) an offer that did not require disclosure to investors because of Section 708 of the Corporations Act; or
 - (e) an offer that did not require the giving of a product disclosure statement because of Section 1012D of the Corporations Act; or
 - (f) an offer made under a disclosure document or product disclosure statement within the meaning of those terms in the Corporations Act.
3. The Options are to be issued for no consideration.
4. The exercise price of an Option is to be determined by the Board at its sole discretion.
5. The vesting date will be any such date or dates with respect to the Options or tranches of Options (as the case may be) as may be determined by the Board from time to time (**Vesting Date**).
6. The option commencement date (**Option Commencement Date**) will be the later of:
 - (a) the Issue Date; and
 - (b) the Vesting Date.
7. The Option Exercise Period commences on the Option Commencement Date and ends on the earlier of:
 - (a) three (3) years from the Issue Date; or
 - (b) the Business Day after the expiration of thirty days, or any longer period which the Board may determine, after the Eligible Employee or Officer ceases to be employed or ceases to be an officer or director (if the Eligible Employee is not also employed) by the Company or an associated body corporate of the Company; or
 - (c) the Eligible Employee or Officer ceasing to be employed by the Company or an associated body corporate of the Company due to fraud or dishonesty;

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

8. Eligibility to participate is determined by the Board. Eligibility is restricted to Eligible Employees and Officers of the Company or an associated body corporate of the Company. The Board is entitled to determine:
 - (a) subject to paragraph 2, the total number of Options to be offered in any one (1) year to Eligible Employees;
 - (b) the Eligible Employees to whom offers will be made; and
 - (c) the terms and conditions of any Options granted, subject to the Plan.
9. Participants do not participate in dividends or in bonus issues unless the Options are exercised.
10. While the Optionholders do not have any participating rights in new issues of securities in the Company during the term of any Options held, the Optionholders shall be afforded a period of at least six (6) Business Days before the record date to determine entitlements to the issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
11. In the event that a rights issue is made by the Company during the term of the Options at a discount to the independently ascertained value of the Shares, then the Company shall be obliged to adjust the exercise price for the Options in accordance with the formula in Listing Rule 6.22.
12. The Company will not apply for quotation of the Options on ASX, however, it will, pursuant to the exercise of an 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.
13. The Board may vary the Plan to the extent necessary to comply with the listing rules applying to a reorganisation of capital at the time of reorganisation. 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 ASX Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
14. Shares issued on the exercise of an Option may be subject to a restriction that they may not be transferred or otherwise dealt with until a restriction period has expired, as specified in the Offer.
15. The Options granted under the Plan may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options. Any restrictions imposed by the Directors must be set out in the Offer.

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

APPENDIX 2

A. Terms and conditions of Options issued on 29 July 2011

1. Each Option entitles the holder to acquire one Share in the Company.
 - a. 250,000 of the Options may be exercised at any time after 12 months from the Issue Date and until 31 July 2014. These 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 Option exercised. In the event the Optionholder ceases to be a director prior to that date which is 12 months after the Issue Date, the Options will lapse (in the absence of the Board agreeing otherwise). These Options will expire at 5pm WST on 31 July 2014.
 - b. 250,000 of the Options may be exercised at any time after 24 months from the issue date and until 31 July 2014. These 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 Option exercised. In the event the Optionholder ceases to be a director prior to that date which is 24 months after the Issue Date, the Options will lapse (in the absence of the Board agreeing otherwise). These Options will expire at 5pm WST on 31 July 2014.
2. The Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Options at any time until 31 July 2014. This right is subject to any restrictions on the transfer of an 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 Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the 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 Options prior to the date for determining entitlements to participate in any such issue.
4. Shares issued on the exercise of 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 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 Options on ASX, however, it will, pursuant to the exercise of an 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 ASX 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 Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the 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 Options may be reduced in accordance with Listing Rule 6.22.

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B. Terms and conditions of the Consulting Options issued on 10 August 2011

Tranches	Number of Options	Exercise price	Expiry Date
Tranche 1	500,000	\$0.50 cents	31/07/12
Tranche 2	500,000	\$0.75 cents	31/07/12
Tranche 3	1,000,000	\$1.00 cents	31/07/12

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

1. The Consulting Options will entitle the holder to subscribe for fully paid ordinary shares in the Company on the following terms:
2. Each Consulting Option entitles the holder to acquire one fully paid ordinary share in the Company.
3. The Consulting Options may be exercised at any time until 31 July 2012. Each Consulting Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the exercise price in accordance with the above table. The Consulting Options will lapse at 5pm WST on 31 July 2012.
4. The Consulting Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of options at any time until 31 July 2012.
5. Optionholders shall be permitted to participate in new issues of securities on the prior exercise of Consulting Options in which case the Optionholders shall be afforded the period of at least five (5) Business Days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Consulting Option.
6. Shares issued on the exercise of Consulting 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 Consulting Option will rank equally with the then issued ordinary shares of the Company in all respects.
7. 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 ASX Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
8. If there is a bonus issue to Shareholders, the number of Shares over which the Consulting Option is exercisable may be increased by the number of Shares which the holder of the Consulting Option would have received if the Consulting Option had been exercised before the record date for the bonus issue.

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

C. Terms and conditions of Options issued on 22 September 2011

1. Each Option entitles the holder to acquire one fully paid ordinary share in the Company.
2. The Options may be exercised at any time after the vesting period has been completed until 30 November 2014. Each Option 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 and twenty five cents (A\$1.25) per Option exercised. The Options will lapse at 5pm WST on 30 November 2014.
3. Vesting conditions inherent to the Options are as follows:
 - a. 50% of the options vest 18 months from the date of issue; and
 - b. 50% of the Options vest 36 months from the date of issue.
4. The Options may not be transferred.
5. Subject to the discretion of the Board, the Options shall be cancelled 1 months after the Optionholder ceases to have any role in the Company as either employee or consultant.
6. There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
7. Shares issued on the exercise of 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 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 Options on ASX, however, it will, pursuant to the exercise of an 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.
8. 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 ASX Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
9. If there is a bonus issue to shareholders, the number of shares over which the Option is exercisable may be increased by the number of shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
10. 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 Options may be reduced in accordance with ASX Listing Rule 6.22.

PROXY FORM

TRANSIT HOLDINGS LTD
ACN 121 184 316

All correspondence to:
Transit Holdings Ltd
PO Box 902
West Perth WA 6872
Phone: 08 9482 0515
Facsimile: 08 9482 0505

I/We _____
(insert name of holder – please print)

Of _____
(insert address of holder – please print)

Appointment of Proxy

I/We being member/s of Transit Holdings Ltd and entitled to attend and vote hereby appoint

The Chairman
of the Meeting
(mark with an
'X')

OR

Write here the name of the person
you are appointing if this person **is
someone other than** the
Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting or a nominee of the Chairman, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Transit Holdings Ltd to be held at CWA House, 1176 Hay Street, West Perth, Western Australia on Thursday 17 November 2011 at 9:00 am (WST) and at any adjournment of that meeting.

IMPORTANT: FOR RESOLUTION 2 TO 5 BELOW

If the Chair of the Annual 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 **Resolution 3** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 3 and that votes cast by the Chair of the Annual General Meeting for Resolution 3 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 Resolution 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 3.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 2 to 5 and will not cast undirected votes on Resolution 1.

Voting directions to your proxy - please mark

Ordinary business

X to indicate your directions

For Against Abstain*

- Approval of Remuneration Report
- Resolution 1** **Important for Resolution 1:** If the Chair of the Meeting or any member of the Key Management Personnel of the Company or a Closely Related Party of a member of the Key Management Personnel of the Company is your proxy and you have **not** directed the proxy to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company or Closely Related Party of a member of the Key Management Personnel is your proxy, in order for your votes to be counted on Resolution 1, you **must** direct your proxy how to vote on Resolution 1.
- Resolution 2** Re-election of Director - Mr Ananda Kathiravelu
- Resolution 3** Adoption of Employee Share Option Plan
- Resolution 4** Ratification of prior issues
- Resolution 5** Change of Company Name

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

TRANSIT HOLDINGS LTD

ACN 121 184 316

Instructions for Completing 'Appointment of Proxy' Form

1. Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please Contact the Share register on (08)9315-2333. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the Company.

3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may, subject to the comments below, vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- (a) if proxy holders vote, they must cast **all** directed proxies as directed; and
- (b) any directed proxies which are **not** voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5. Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, 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, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

6. Attending the Meeting

Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, the proxy's authority to speak and vote for the member is suspended while the member is present at the Annual General Meeting.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the Meeting scheduled for 9:00 am (WST) on Thursday 17 November 2011. Any Proxy Form received after that time (5.00pm (WST) Tuesday, 15 November 2011) will not be valid for the scheduled Meeting.

Documents may be lodged:

<p>By email info@transitholdings.com.au</p> <p>By mail - Transit Holdings Ltd PO Box 902 West Perth WA 6872</p> <p>or in person - Transit Holdings Ltd Suite 2, 12 Parliament Place West Perth WA 6005</p>	OR	<p>By facsimile - Within Australia (08) 9482 0505 Outside Australia +618 9482 0505</p>
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