



## INCREASE IN GRADE AND TONNAGE IN POTASH EXPLORATION TARGET

**Paradox Basin Exploration Target increases to 3.4 to 5.2 billion tonnes of sylvinitic ore at an average grade of 23% to 34% KCl.**

### ASX Release

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#### Directors:

Ananda Kathiravelu (Chairman)  
Richard Monti (Executive)  
Brian Thomas (Non – Executive)  
Sean Murray (Non-Executive)

#### Issued Capital:

52,765,474 Ordinary Shares  
3,000 Class C Converting Shares  
5,250,000 Unlisted Options

#### ASX Code:

TRH (Fully Paid Ordinary Shares)

Transit Holdings Ltd ("Transit") is pleased to announce that the total JORC Exploration Target estimate for the Paradox Basin Potash Project, Utah (TRH: 90%), has increased by over 1.0 billion tonnes and the average projected grades of the individual beds have increased by about 5% KCl in grade.

In total, the Exploration Target for the Company's flagship US potash asset has been upgraded from 2.5 to 3.8 billion tonnes of sylvinitic ore at an average grade of 19% to 29% KCl to 3.4 to 5.2 billion tonnes of sylvinitic ore at an average grade of 23% to 34% KCl.

The upgrade has been confirmed with Transit's specialist consultants, Agapito Associates, Inc. The increased quantity and grade over the April 2009 estimate is principally attributed to:

- 1) Improving the land position by adding another area richer in sylvinitic while eliminating an area which was not as attractive,
- 2) The addition of data from Whiting Petroleum's Threemile 43-18H hole and several historical holes which confirm bed continuity extending several miles south and southeast of the property,
- 3) Other adjustments from the re-examination of the historical gamma logs in the Husky Fed 6-15 gas well which locally reduced KCl grade, and
- 4) A tightening of the resource estimate cutoff from 32% KCl-m to 16% KCl composite bed grade and 2.0 m bed thickness which reduced the overall tonnage.

The net effect of all changes is a positive increase in overall projected tonnes and grade, as described in the following section "About the Project."

## About the Project

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

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

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

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

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

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

*The information set out above that relates to exploration results is based on information prepared by Dr Michael P. Hardy, who is a Senior Consultant with Agapito Associates, Inc. Mr. Hardy is a Registered Member of The Society of Mining, Metallurgy, and Exploration (SME), a Recognised Overseas Professional Organisation and is employed by Agapito Associates Inc who is a consultant to the Company. Mr Hardy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves."*

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

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