



Suite 2, 12 Parliament Place, West Perth WA 6005
PO Box 902, West Perth WA 6872
Ph: 08 9482 0515
Fax: 08 9482 0505
Web: www.transitholdings.com.au

29 January 2010

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

QUARTERLY ACTIVITIES AND CASHFLOW REPORT 31 DECEMBER 2009

Please find attached the Quarterly Activities and Appendix 5B Quarterly Cashflow reports for the quarter ended December 31, 2009.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Richard Monti", is written over a faint, light blue rectangular background.

Richard Monti
Executive Director



ASX Release

January 29, 2010

TRANSIT HOLDINGS LTD
Suite 2, 12 Parliament Place
West Perth WA 6005
Tel: +61 8 9482 0515
Fax: +61 8 9482 0505

Contact:

RICHARD MONTI
Executive Director
rmonti@transitholdings.com.au

MORGAN BARRON
Company Secretary
mbarron@transitholdings.com.au

E-MAIL:
info@transitholdings.com.au

WEBSITE:
www.transitholdings.com.au

Directors:
Ananda Kathiravelu - Chairman
Richard Monti
John Ceccon

Issued Capital:
44,991,224 Ordinary Shares
1,000 Class A Converting Shares
2,000 Class B Converting Shares
3,000 Class C Converting Shares
3,000,000 Unlisted Options

ASX Code:
TRH

QUARTERLY ACTIVITIES REPORT

FOR THREE MONTHS ENDED
31 DECEMBER 2009

Highlights

- ❖ **Scoping Study results confirm significant potential of the Paradox Basin Potash Project**
- ❖ **Critical Permitting step achieved on Federal potash permit applications**
- ❖ **Awarded 36km² of State potash Mineral Leases.**
- ❖ **75% interest earned in the Paradox Basin Potash Project completed**
- ❖ **Exercise of options raises \$3.3m**
- ❖ **Cash position of \$5.2m**

Overview

The board of Transit Holdings Ltd ("Transit") is pleased to present its quarterly activities report for the quarter ended 31 December 2009.

PARADOX BASIN POTASH PROJECT

Scoping Study

During the quarter Transit engaged ProMet Engineers to perform a Scoping Study ("Study") on the Paradox Basin Potash Project in Utah ("Project"). The results were received and announced on 10 December 2009.

The Study has confirmed the potentially robust financials of a conceptual 2 million tonnes per annum¹ potash solution mine delivering independent potash supply to the international potash market leveraging off the Project's close proximity to key infrastructure.

The Study's financial model indicates that the Project has significant potential value on a net present value basis and potentially has an attractive internal rate of return. Because the project does not currently contain a JORC code compliant mineral resource Transit is unable to release the full results of the financial modeling.

The Study assumes mining of Potash bed 18 only within an area where it averages 8.5 metres thick over two splits of the same bed at a grade of 34% KCl. The Study mine plan only covers 12% of the overall project area. ProMet based their Study model on estimated capital and operating costs based on the above parameters and future potash prices as projected by British Sulphur Consultants (part of the CRU Group, United Kingdom).

Annual Potash Production Assumption ¹	2 million tonnes per annum of KCl ¹
Initial Mine Life	25 years
Projected Potash Price	US\$500-US\$700/tonne KCl FOB
Estimated Capital Cost	US\$2.4 billion
Estimated Operating Cost	US\$144/tonne KCl
Sustaining Capital Cost	US\$39/tonne KCl

The completion of the Study represents another significant milestone in the development of the Project and confirms Transit's view that the Project has the potential to become a high quality, long-life independent potash solution mine with robust financials.

Subject to successful exploration and permit approvals, Transit believes the Study confirms that the Project has the potential to become a world-class potash mining operation.

The Study recommends Transit advance the Project to the pre-feasibility study stage, based on the favourable results of the Study summarised above.

The pre-feasibility study will consider some of the expected refinements to the Project identified in the scoping study including the sale of product to the domestic US market as well as the mining of Potash bed 13 as well as Potash bed 18 at the Project.

Permitting and new State Leases

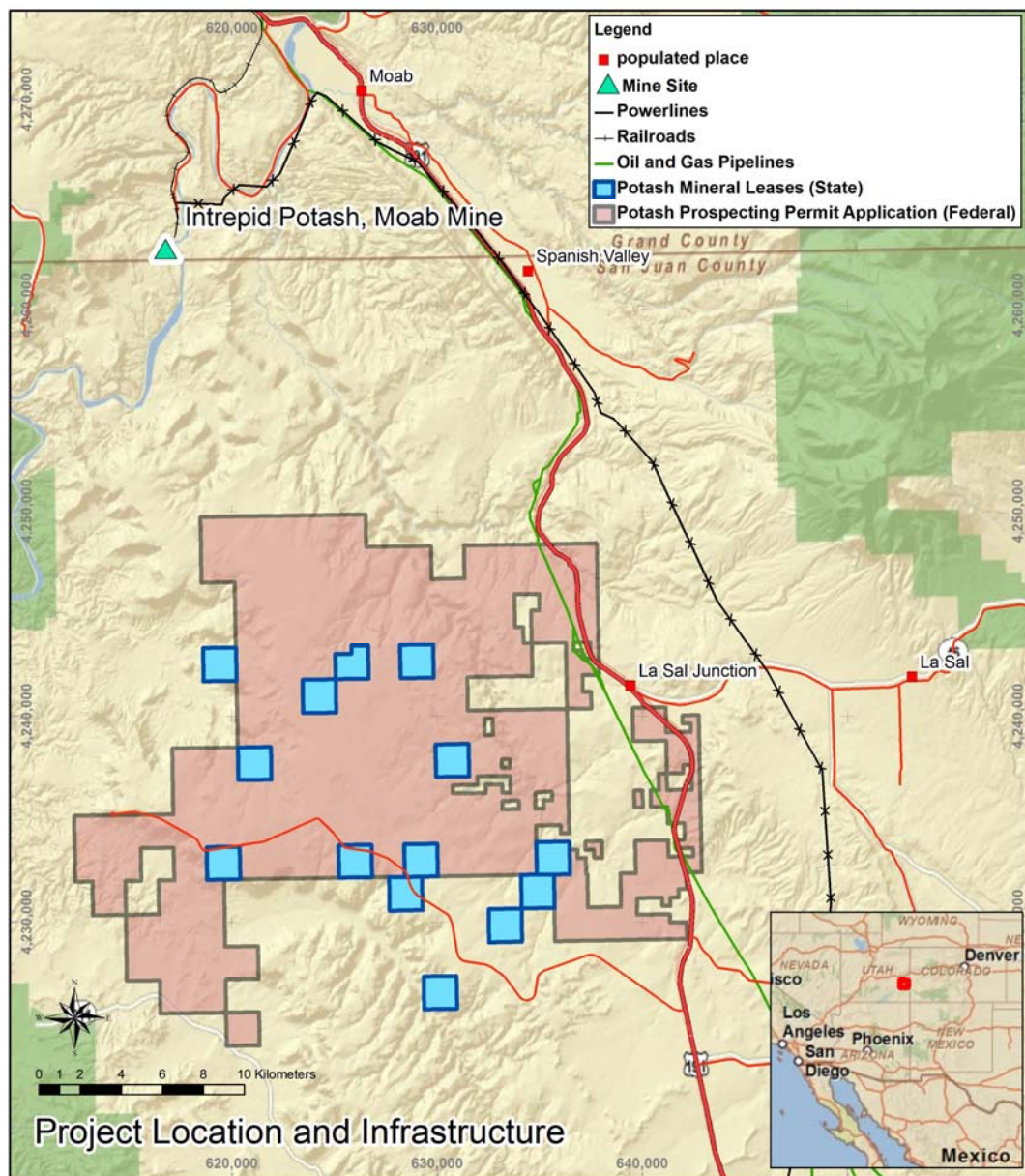
As a result of Transit successfully tendering for State Land, the Project now covers approximately 386km² of land which the potash rights are administered by both Federal (350km²) and State (36km²) agencies – refer to map on next page.

Transit announced on 3 December 2009 that it had received written confirmation that the first stage of the permitting process for the 350km² portion of the Paradox Basin Potash Project ("Project") on Federal land has been successfully completed. This effectively secures exclusive rights to potash within the prospecting permit application areas, subject to Federal Government approval of exploration and environmental plans.

In late January Transit was advised by the State of Utah School and Institutional Trust Lands Administration ("SITLA") that it was the successful bidder on 36 km² of Potash Mineral Leases in the January 2010 competitive lease offering. Transit and its partner will now press ahead with the signing of the necessary Mineral Lease agreements with SITLA.

The acquisition of these State Mineral Leases consolidates the land position of the Project.

Furthermore, Transit believes the acquisition of the State land is highly significant as it should allow the joint venture to expedite the exploration programme planned for 2010. The approval process for exploration on State Mineral Leases is less onerous and therefore it is expected that the joint venture will be in a position to drill earlier than previously expected. A permitting plan is currently being put together by the Company in conjunction with its American environmental and permitting consultants.



Completion of earn in commitments

Subsequent to the end of the quarter, Transit served notice to its joint venture partner that it has completed its commitments to earn an initial 75% interest in K₂O Utah LLC, the entity that holds 100% of the Paradox Basin Potash Project ("Project") located in Utah in the United States of America.

On presentation of the planned programme and budget for the Project's Pre-Feasibility Study Transit's joint venture partner will elect to participate or dilute its position in the joint venture vehicle. If the joint venture partner chooses to dilute, Transit can increase its interest to 90% by spending a further US\$1.4m.

Project Summary and Exploration Target

The Paradox Basin Potash Project covers approximately 390km² in the Paradox Basin in south eastern Utah, USA. Transit has completed commitments to earn an initial 75% interest in the Project which comprises potash mineralisation in two beds of interest, Potash 13 and Potash 18, ranging in depth from approximately 1,500 to 2,000 metres below the surface.

The Exploration Target range for Potash 13 is 0.9 to 1.3 billion tonnes of sylvinite (potassium chloride-rich potash ore) at an average grade of 16 to 24% KCl. The Exploration Target range for Potash 18 is 1.6 to 2.5 billion tonnes of sylvinite at an average grade of 21% to 30% KCl.

This amounts to an overall Exploration Target range for the two Potash beds of 2.5 to 3.8 billion tonnes of sylvinite at an average grade of 19 to 28% KCl (12 to 18% K₂O).

Areas hosting thicker and higher grade potash beds have been recognised within the Exploration Target and future exploration will focus on these areas.

The Exploration Target assumes a grade-thickness cutoff of 20% K₂O-m (grade by thickness), below which mineralisation 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.

JOHNSTON RANGE AND COOPER BORE IRON ORE PROJECT

No exploration was carried out during the quarter on the Johnston Range and Copper Bore Iron Ore Projects in Western Australia.

Corporate

Transit's cash position at 31 December 2009 was \$5.2 million.

The Company has raised approximately \$3.3 million from the exercise of options. \$2.8 million of this amount was received before the end of the quarter.

Transit dispatched the 2009 Annual Report during the quarter. The Company also held the Annual General Meeting on Monday, 16 November 2009. All resolutions put to shareholders were approved.

ASX Announcements

The Company made the following announcements during the quarter.

Date	Headline
28/01/2010	Further Potash Lease Acquisitions
27/01/2010	Trading Halt
22/01/2010	TRANSIT EARNS 75% INTEREST IN POTASH PROJECT (UPDATED)
14/01/2010	Transit Earns 75% Interest in Potash Project
12/01/2010	Change of Director`s Interest Notice
12/01/2010	Ceasing to be a substantial holder
12/01/2010	Becoming a substantial holder x 2
6/01/2010	Change of Director`s Interest Notice x 3
6/01/2010	Appendix 3B
6/01/2010	Details of Company Address
21/12/2009	Appendix 3B
10/12/2009	SUCCESSFUL SCOPING STUDY FOR POTENTIAL POTASH MINE
7/12/2009	Trading Halt
4/12/2009	Change of Director`s Interest Notice x 3
4/12/2009	Appendix 3B
3/12/2009	TRANSIT ACHIEVES CRITICAL PERMITTING STEP FOR POTASH PROJECT
2/12/2009	Trading Halt
1/12/2009	Expiry of Options Letter sent to Option Holders
17/11/2009	Shareholder Newsletter
16/11/2009	Results of Meeting
30/10/2009	Change of Director`s Interest Notice
30/10/2009	Quarterly Activities and Cashflow Report

The information set out above that relates to exploration results, mineral resources or ore reserves is based on information prepared by Dr Michael P. Hardy, who is Principal 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." Mr Hardy consents to the inclusion in this ASX Release of the matters based on his information in the form and context in which it appears in the Exploration Target estimate report.

1.13	Total operating and investing cash flows (brought forward)	(191)	(584)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	317	317
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - Capital Raising Costs	-	-
	- Proceeds from the exercise of options	2,511	2,511
Net financing cash flows		2,828	2,828
Net increase (decrease) in cash held		2,637	2,244
1.20	Cash at beginning of quarter/year to date	2,542	2,935
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	5,179	5,179

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	91
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

The amount above includes all payments to Directors and also includes payments to a company associated with Richard Monti. The payments relate to the provision of consulting fees, company secretarial services, accounting and bookkeeping, secretarial services and the provision office accommodation on commercial terms. Some of the payments relate to prior quarters.

Non-cash financing and investing activities

2.1

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	600

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	5,179	2,542
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,179	2,542

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description) (Converting shares)	1,000 Class A Converting Shares 2,000 Class B Converting Shares 3,000 Class C Converting Shares	- - -	Nil Nil Nil	Nil Nil Nil
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions				
7.3	+Ordinary securities	32,894,284	32,894,284		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs	1,269,284	1,269,284	25 cents	25 cents
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	9,397,282 1,500,000 2,000,000 500,000 250,000 14,916,666	9,397,282 - - - -	Exercise price 25 cents 25 cents 25 cents 25 cents 35 cents	Exercise date 31/12/09 31/12/09 31/12/09 31/01/10 31/01/11
	<i>Total</i>				
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	1,269,284	1,269,284	25 cents	
7.10	Expired during quarter	-	-		
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

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



Sign here:

Date: 29 January 2010

(Director/Company secretary)

Print name: Morgan Barron

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.