



TSX Venture Symbol: DIG.H



NON-BROKERED PRIVATE PLACEMENT

July 6, 2010

Digger Resources Inc. ("DIG" or the "Company") announced on December 29, 1997 that it had arranged a non-Brokered private placement (the "Private Placement") of up to 2,500,000 units of the Company (each a "Unit") at a purchase price of CDN \$0.24 per Unit. Each Unit consisted of one common share of DIG and one non-transferable common share purchase warrant ("Warrant"), each Warrant entitling the Placee to purchase one common share of the Company at an exercise price of CDN \$0.24 per share for a period of 12 months from the closing date of the Private Placement, March 6, 1998, and at \$0.28 per common share for the second year. The Company issued from treasury a total of 2,500,000 Units to the Placees including 2,083,334 common shares and 2,083,334 share purchase warrants to Mitsukiku Investment Limited ("Mitsukiku"). At the time of the Private Placement Mitsukiku was a subsidiary of Balchan Trustees Limited ("Balchan"). Balchan was beneficially owned by Leslie Henry Ball and Simon Winslow Chandler of Guernsey, Channel Islands. Private Placement proceeds of the sale of the Units were used primarily to fund DIG's exploration program and a pre-production payment on certain of the Company's mineral property interests located in Nevada.

Allen Bradford Resources Inc. ("Allen Bradford"), an Alberta corporation controlled by Norman Yeo ("Yeo") to the extent of 50% of its ownership, advanced CAD \$60,000 on March 9, 1998 and CAD \$130,000 on April 21, 1998 to Mitsukiku. On March 9, 1999 Mitsukiku provided Yeo with an executed document stating that Mitsukiku was in possession of 791,667 DIG common shares that it had purchased with funds lent by Allen Bradford to Mitsukiku and that in full settlement of the loan made by Allen Bradford to Mitsukiku that Mitsukiku would hold the 791,667 DIG common shares in trust for Allen Bradford. Over the last eleven (11) years Allen Bradford has made repeated demands on Mitsukiku to deliver up and provide a stock transfer for the 791,667 DIG common shares registered in the name of Mitsukiku to Allen Bradford. To date Mitsukiku has refused to comply with those demands. Yeo has been a Director of DIG since 1988.

Russell Birrell ("Birrell") of Perth, Australia advanced CAD \$240,000 to Mitsukiku on March 11, 1999. On June 10, 1999 Mitsukiku provided Birrell with an executed document stating that Mitsukiku was in possession of 991,667 DIG common shares that it had purchased with funds lent by Birrell to Mitsukiku and that in full settlement of the loan made by Birrell to Mitsukiku that Mitsukiku would hold the 991,667 DIG common shares in trust for Birrell. Over the last eleven (11) years Birrell has made repeated demands on Mitsukiku to deliver up and provide a stock transfer for the 991,667 DIG common shares registered in the name of Mitsukiku to Birrell. To date Mitsukiku has refused to comply with those demands. Birrell has been a Director of DIG since March 23, 1999.

HDRG TECHNOLOGY

The Company believes that its High Definition Reservoir Geochemistry technology (“HDRG”) has the potential to offer a significant technological advance in the search for new oil and gas reserves both in new and mature fields. Of particular value to the oil and natural gas industry is the fact that HDRG technology will allow for increased efficient development of hydrocarbon deposits in areas traditionally thought to be too expensive or too difficult to develop or where 2-D / 3-D seismic has been ineffective.

DIG’s HDRG technology is based on the collection and analysis of near surface soil samples using a proprietary leachant and ultra low-level Inductively Coupled Plasma (“ICP”) analyses. Over the last 9 years DIG has completed upwards of 15 orientation surveys over existing oil and gas fields using DIG’s HDRG technology and in all of these surveys have found a sharp anomaly, over background, residing vertically over the oil and gas accumulations and a completely flat response over the dry wells in the same area.

Some of the key benefits offered by DIG’s HDRG technology are summarized hereafter:

- Soil samples are collected in a non-invasive and environmentally friendly manner by a sampling auger between 10 and 25 cm from the surface, placed in plastic bags and sent for analysis where turn around for data is usually less than a month. A typical HDRG survey involves the analysis of over 21 individual species or elements;
- The HDRG survey generates direct hydrocarbon anomaly responses rather than a series of structural traps of unknown fluid composition. HDRG orientation studies over known hydrocarbon accumulations allows the HDRG technology to effectively ‘fingerprint’ the geochemical responses associated with these accumulations. This ‘multi-species fingerprint’ can then be used for the assessment of companies’ seismic and drill targets as well as extensions to existing oil and gas fields;
- HDRG is a robust exploration tool, the data very reproducible and not subject to the variations of other geochemical techniques that often produce inconsistent and unreliable data for interpretation. This multi-element data is presented simply as highly detailed PSI (Petroleum Significance Indicator) maps for interpretation;
- The HDRG map of the hydrocarbon accumulation can prove invaluable for locating both vertical and horizontal wells, as well planning and implementation of secondary recovery processes such as water injection;
- HDRG surveys do not require any form of formal approval process, other than approval by the surface landowner. Surveys are completed quickly and effectively without the need to share results with third party mineral title holders. A creative land evaluation process can occur with a rapid cost effective land assessment to identify the potential offered in a particular area prior to the land acquisition process;

- HDRG has demonstrated the ability to detect anomalies from hydrocarbon accumulations that, for reasons of reservoir thickness and/or geological contrast, cannot be resolved by seismic interpretation.

ON BEHALF OF THE BOARD OF DIRECTORS OF DIGGER RESOURCES INC.

"Norman B. Yeo"

Norman B, Yeo, B.A., LL.B. - Director

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