digislide
Project Your Image

ASX/Media Announcement
(ASX: DGI)

11 October 2010

Capital raising initiatives

Further to the comments made in the Financial Statements of the Company for the year ended 30th June 2010, Digislide Holdings Limited ("Digislide") advises that it has now completed the first tranche of the two phase capital raising initiative, aimed at funding the Company with additional working capital through to breakeven.

Digislide has agreed terms with two financiers who have provided the Company with $500,000 by way of subscription to a convertible note issue (Note). Subject to shareholders ratification / approval, the terms for the Note(s) to be issued are as follows:

1. the total face value of the 10 Notes is $500,000.00, comprising 10 x $50,000 notes;
2. interest payable on the Note is 15% pa;
3. each Note will be issued with an attaching issue of 300,000 options, exercisable at 25 cent per option with an expiry date of 24 month from date of issue, total 3.0 million options;
4. each Note is convertible into ordinary shares in the capital of Digislide at a conversion rate of 20 cents per ordinary share;
5. the term of the Note(s) is 12 months from date of issue; and
6. if the Note is paid out earlier than the 12mths, interest for the term will be 5%.

In addition, Digislide has come to an arrangement with several parties who have requested the settlement of their trade account with the Company in shares. In consideration for the discharge of $347,866 in trade payables, Digislide will issue 3,056,284 fully paid ordinary shares, such shares to be issued at $0.113812c cents per share, being the volume weighted average share price (VWAP) of DGI shares over the last 5 trading days to the 30th September 2010, to these parties who are persons to whom section 708 of the Corporations Act 2001 (Cth) apply. In addition to the above, 1,013,790 share options are to be issued attaching to $168,965 of the converting debt. These options will have a conversion price into ordinary shares at $0.25c per option and have an expiry date 24 months from date of issue.

The issue of these shares are also subject to shareholder approval and the shares will be issued within three months of the date of the shareholders' meeting.

About Digislide

Digislide is an Australian based company that has developed, and continues to develop globally relevant innovative miniaturised projection technologies with broad applications.

The tactical focus is on targeting products/applications that can be embedded into a range of mobile and/or hand held communication devices, such as mobile phones, PDA's and notebook computers. The technologies have wide patent protection and have already received international acclaim; winning several awards in important international technology arenas.

Further information contact:

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