



Intercept  
MINERALS LTD

ABN 16 124 251 396

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ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Via Electronic Lodgement

## **INTERCEPT SIGNS EXCLUSIVITY AGREEMENT TO ACQUIRE xTV – MEDIA PLATFORM FOR NETWORK OPERATORS**

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### **Highlights**

- Exclusivity Agreement with intention to acquire 100% of US based digital technology company xTV.
- xTV combines all user's streaming media into a branded, real time, interactive TV network
- The xTV platform combines video, social media and news into a multi-screen format
- xTV has significant intellectual property that will define the future of online TV and has filed patents in the key areas of the technology
- Management team and advisory board with extensive experience with technology companies including Disney, Dreamworks, AOL, Myspace, NYSE and Moody's
- xTV was funded by Microsoft in 2012 through a services, development and co-marketing investment
- Initial contracts with Microsoft, Intel and UST Global executed
- .TV is faster, cheaper and has higher consumer engagement than a traditional .com website
- ASX Listing to provide a platform to expand the business and become a global market leader in the next evolution of the internet

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Suite 1, 64 Thomas Street, West Perth, Western Australia, 6005.

PO BOX 8280 Subiaco East, 6008

Ph: + 61 (08) 6380 2799 Fax: + 61 (0)8 6380 1644

Email: [intercept@intercept.com.au](mailto:intercept@intercept.com.au) Website: [www.intercept.com.au](http://www.intercept.com.au)

## **Background**

Intercept Minerals Limited (ASX:IZM) is pleased to announce that it has executed an exclusivity agreement with the intention to acquire 100% of the issued capital in US based digital technology company, mppAPPs Inc. ("xTV or the Company").

## **xTV Business**

xTV, based in Silicon Valley, is a Next Generation Media Company delivering a platform that enables organisations to build and control the messaging and content within their own enterprise media networks by organising video, social media & breaking news into a Real-time TV experience. .TV is the next evolution of the internet and xTV is pioneering this evolution.

Founded in 2011 by CEO, Joe Ward, the company's vision is to deliver any organisation the capability to lower the cost of content deployment and increase the consumption of their media by delivering a true, real-time, TV experience, all without the need to install new devices or applications. One of the most compelling capabilities of the xTV platform is the Real-time data experience. A network can define both video content and associated feeds that display on their network, just like the tickers and side screens on CNBC or CNN, except they are active and clickable. Customers can then use the xTV platform to organise and push combinations of video, social and news into a realtime multi-screen formats where the viewers can lean back and interact with their new enterprise .TV network. The result is an entirely new media network which is quick to setup, runs 24/7 without maintenance and is realtime and engaging.

xTV has a highly experienced management team and board of advisors. CEO Joe Ward has over 25 years of experience in Media & Technology and was President at uCircus, a realtime relational database company backed by SK Telecom, Qualcomm, Intel Capital and ATA Ventures. The board of advisors include Michael Montgomery (Disney & Dreamworks), Brian Clark (CTO Moodys, NYSE) and Michael Jones (Myspace & AOL)

Microsoft provided significant funding for xTV in 2012 through a services, development and co-marketing investment. Microsoft continues to be supportive of the xTV rollout and only recently promoted xTV through the Microsoft Azure ISV Partnership in an ongoing marketing campaign to its enterprise customers.

xTV has executed its first sales contracts with Microsoft, Intel and UST global and currently has over 150 networks in various stages of development. The rollout of the xTV platform will be significantly increased over the coming months as marketing, development and sales initiatives are undertaken throughout the United States.

## **Key Acquisition Terms**

Payment of a US\$50,000 exclusivity fee by Intercept has secured an exclusive two month period to acquire 100% of the issued capital of xTV.

The intention of the parties is to finalise formal agreements for Intercept to acquire 100% of the issued capital of xTV. This transaction will be a significant change to the nature and scale of the Company's main business activity which will require re-compliance with ASX's admission requirements in Chapters 1 and 2 of the ASX Listing Rules.

The consideration for the acquisition of 100% of the issued capital of xTV will be the issue and allotment of 62,500,000 Intercept Shares (on a post consolidation basis) at A\$0.20 to the shareholders of xTV (Consideration Shares). These shares will be subject to ASX escrow provisions.

In addition a Performance Rights Plan will be implemented, subject to shareholder approval, to issue future Board members and key incoming management a total of 25,000,000 performance rights (on a post consolidation basis) which are automatically converted into shares in Intercept on a one for one basis on achievement of the following milestones:

- 5,000,000 performance rights on achievement of sales revenue of A\$500,000 per month, on an annualised basis over a 3 month reporting period, within two (2) years from implementation of the plan.
  - 7,500,000 performance rights on achievement of sales revenue of A\$1,000,000 per month, on an annualised basis over a 3 month reporting period, within two (2) years from implementation of the plan.
  - 5,000,000 performance rights on achievement of Intercept shares trading on the ASX at more than A\$0.50 per share, based on a 20-day volume weighted average price, within two (2) years from implementation of the plan.
  - 7,500,000 performance rights on achievement of Intercept shares trading on the ASX at more than A\$0.75 per share, based on a 20-day volume weighted average price, within two (2) years from implementation of the plan.
- (collectively Performance Rights). These Performance Rights may be subject to ASX escrow provisions.

Conditions precedent for the completion of the acquisition will include Intercept obtaining all regulatory and shareholder approvals as required:

- to issue the Consideration Securities and Performance Rights;
- to undertake a consolidation on a ratio to be determined by Intercept but consistent with the ASX Listing Rules;
- to approve a change to its business from a mineral exploration company to a technology company;
- the change of name of Intercept to xTV Limited; and
- to issue shares in Intercept under a capital raising in an amount sufficient for Intercept to re-comply with Chapters 1 and 2 of the ASX Listing Rules;
- Intercept completing a financial and legal due diligence on xTV, and the results of the due diligence being to the satisfaction of Intercept;
- Intercept preparing a prospectus for a capital raising sufficient to enable Intercept to be reinstated to quotation on ASX, lodging the prospectus with the Australian Securities and Investments Commission (**ASIC**) and receiving sufficient applications to meet the minimum subscription under the prospectus; and
- Intercept receiving a letter from ASX confirming that it will re-instate Intercept to trading on ASX following compliance with Chapters 1 and 2 of the ASX Listing Rules, with the terms of the letter acceptable to Intercept and xTV.

In order to provide working capital to pay the exclusivity fee, undertake due diligence and transaction work, Intercept has received commitments to raise A\$350,000 through a placement of 175,000,000 shares at A\$0.002. This placement will be made in two tranches being an immediate placement of 47,975,000 shares at A\$0.002 to raise A\$95,950 and the balance 127,025,000 shares at A\$0.002 to raise A\$254,050 will be subject to shareholder approval. A notice of meeting will be despatch as soon as possible to seek approval to this placement.

## Share Consolidation and Public Offer

On the basis that formal documents are executed, and in addition to obtaining shareholder approvals, the acquisition would be subject to Intercept completing a consolidation of its share capital, on a post-consolidation basis of A\$0.20 per share, and re-compliance with Chapters 1 and 2 of the ASX Listing Rules. The consolidation would be on a ratio to be determined by Intercept but consistent with the ASX Listing Rules

Subject to the receipt of shareholder approval, Intercept will also undertake a post-consolidation capital raising of at least A\$3,000,000, at A\$0.20 per share, to be completed under a prospectus. All funds raised would be employed towards the business development of xTV.

## Due Diligence and Risk Factors

The Company will undertake a due diligence process in relation to the proposed acquisition of xTV in accordance with the exclusivity agreement. Whilst this process is undertaken to identify or eliminate material risks in relation to xTV, it should be noted that, despite the best intentions of Intercept and xTV, that there are currently no guarantees that formal agreements will be successfully negotiated. xTV is subject to the usual risks associated with technology companies.

## Indicative Timetable

The indicative timetable for completion of the proposed transaction, subject to formal agreements being executed, and Intercept's re-compliance with the ASX listing rules is outlined below:

Event	Date
Execute exclusivity agreement for the acquisition of xTV	14 July 2014
Completion of first tranche placement	21 July 2014
Completion of second tranche Placement following shareholder meeting	20 August 2014
Due diligence completion and formal documents executed	14 August 2014
Despatch Notice of Meeting seeking approval for the acquisition of xTV	28 August 2014
General Shareholder Meeting to approve the acquisition of xTV	29 September 2014
Lodgement of prospectus with ASIC	1 October 2014
Closing date of offer under the prospectus	10 October 2014
Despatch holding statements	15 October 2014
Requotation of shares on ASX	20 October 2014

Any enquiries should directed to the Company Secretary on +61 (08) 6380 2799.

For and on behalf of the Board

**S Randazzo**  
**Chairman**  
**Intercept Minerals Ltd**