

QUARTERLY REPORT

30 June 2014

ASX Code: IZM

CORPORATE

During the June quarter the Company continued with its evaluation of new business opportunities. This culminated in the signing of an exclusivity agreement on 14 July 2014 with the intention of acquiring 100% of USA digital technology company mppAPPs Inc ("xTV"), a next generation media company. xTV is based in Silicon Valley and operates the xTV platform which 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. A one off US\$50,000 fee was paid by the Company to secure an exclusive 2 month period to acquire 100% of the issued capital of xTV.

It is the intention of the Company and xTV 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 key milestones.

Conditions precedent for the completion of the acquisition include:

1. the Company obtaining all regulatory and shareholder approvals to:
 - issue the Consideration Securities and Performance Rights;
 - undertake a consolidation on a ratio to be determined by Intercept but consistent with the ASX Listing Rules;
 - 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
 - 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;
2. Intercept completing a financial and legal due diligence on xTV, and the results of the due diligence being to the satisfaction of Intercept;
3. 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

4. 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 and undertake due diligence, Intercept has received commitments to raise A\$350,000 through a two tranche placement of 175,000,000 shares at A\$0.002. The first tranche, which was completed on 24 July 2014, involved the placement of 47,975,000 shares at A\$0.002 and raised A\$95,950. The second tranche placement of 127,025,000 shares at A\$0.002, which will raise A\$254,050, is subject to shareholder approval. A notice of meeting was despatched on 28 July 2014 and a shareholders meeting convened for 27 August 2014 to seek approval for this placement.

ABOUT xTV

xTV is capable of delivering to any organisation the ability 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. Founder and CEO Joe Ward has over 25 years of experience in Media & Technology and was President at uCirrur, 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 USA.

UST Global, an information technology solutions and services company for Global 1000 enterprises recently announced a US\$2 million strategic investment in xTV. In addition to the investment, UST Global and xTV will partner to bring Media as a Service (MaaS) to Fortune 1000 companies across the USA. This is a strong synergy of xTV's technology and UST Global's scale to further boost the adoption and expansion of the xTV platform.

EXPLORATION - AUSTRALIA

No tenements were acquired or disposed of during the March quarter.

Mineral Exploration Tenement Summary At 30 June 2014			
Project	Commodity	Tenement Number	Area km ²
Millionaires Well	Tungsten	EL 26543	13 ¹
Adnera	Uranium	EL 26719	22
Adnera	Uranium	EL 26748	63
Adnera	Uranium	EL 27516	13 ²
Adnera	Uranium	EL 28167	39 ³
Tiwi island	Bauxite	EL 27664 (A)	1,431
			1,581
Abbreviations: EL = Exploration Licence, A = Application.			

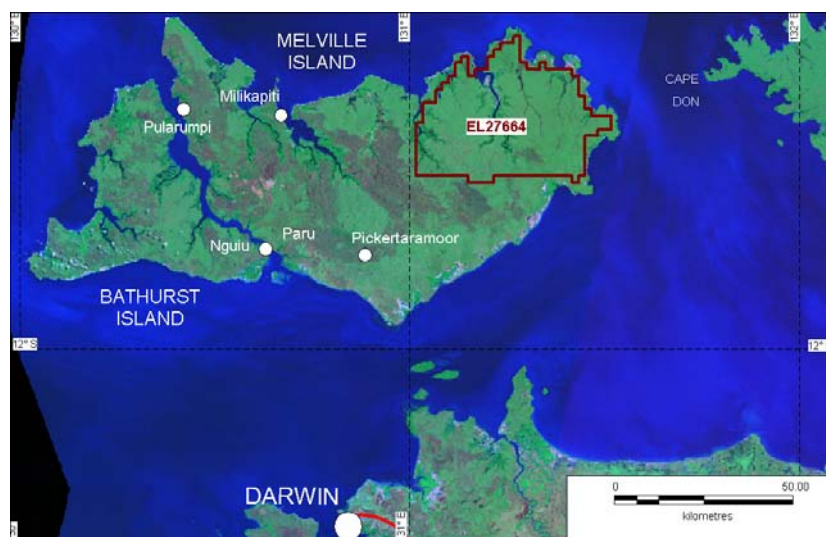
1. EL 26543 was relinquished in July 2014
2. EL27516 area reduced from 61km² to 13km²
3. EL28167 area reduced from 51km² to 39km²

Tiwi Islands

EL27664 - 100% Intercept Minerals Ltd reducing to 25%

Intercept has under application exploration licence EL27664 covering an area of 1,431 square kilometres in the North East region of Melville Island located within the Tiwi Islands. The Company has entered into a farm-in agreement with Rio Tinto Exploration Pty Ltd (RTX) covering Intercept's Tiwi Islands bauxite project whereby RTX is to spend \$5M over 4 years to earn a 75% interest.

The RTX farm-in agreement is subject to a number of pre-conditions including, the negotiation of an access agreement with the Tiwi Land Council and the formal grant of the exploration licence. RTX are managing negotiations with the Tiwi Land Council.



TIWI Islands showing location of EL27664

Millionaires Well Project – Tungsten
EL26543 - 100% Intercept Minerals Ltd

This tenement was relinquished in July 2014.

Adnera Project – Uranium

EL26719, EL26748, EL27516, EL28167 - 100% Intercept Minerals Ltd

A total of 166 shallow (<90cm) auger holes have been drilled at Adnera. Auger samples were initially assayed using a Niton portable XRF analyser and a number of anomalous >30 ppm U assays were returned. Commercial laboratory results on the same samples did not confirm the anomalous Niton results. Further work is required to resolve this issue.

S Randazzo
Executive Chairman
29 July 2014

The information in this Report relates to exploration results that have been previously reported. These results were prepared and reported in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. There are no additional exploration results to report since these previously reported results. The exploration results are based on information compiled by Mr Ian Herbison, who is a Member of The Australian Institute of Geoscientists with more than 5 years experience. Mr Herbison is the consulting exploration manager of Intercept Minerals Ltd. Mr Herbison 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 Herbison consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Intercept Minerals Ltd

ABN

16 124 251 396

Quarter ended ("current quarter")

June 2014

Consolidated statement of cash flows

		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(3)	(46)
	(b) development		
	(c) production		
	(d) administration	(92)	(422)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other - new business evaluation	-	(65)
Net Operating Cash Flows		(95)	(531)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(1)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	35
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		0	34
1.13	Total operating and investing cash flows (carried forward)	(95)	(497)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(95)	(497)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	425
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	20
1.17	Repayment of borrowings	-	(20)
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	(4)	-
	Net financing cash flows	(4)	425
	Net increase (decrease) in cash held	(99)	(72)
1.20	Cash at beginning of quarter/year to date	341	314
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	242	242

Payments to directors of the entity, associates of the directors, 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	40
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Director fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

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

None

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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	10
4.2 Development	
4.3 Production	
4.4 Administration	190
Total	200

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	237	336
5.2 Deposits at call	5	5
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	242	341

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed		Refer covering quarterly report attached hereto		
6.2 Interests in mining tenements and petroleum tenements acquired or increased		Refer covering quarterly report attached hereto		

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 + Ordinary securities	746,336,925	746,336,925		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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)	800,000 3,200,000 250,000 7,500,000 <u>11,750,000</u>	- - - -	Exercise price \$0.07 \$0.125 \$0.125 \$0.007	Expiry date 28 Sep 2015 15 Nov 2015 14 Jul 2016 30 Nov 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

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 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

S Randazzo
29 July 2014

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 and petroleum 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 or petroleum 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: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

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