Intercept
MINERALS LTD
ABN 16 124 251 396

ANNUAL REPORT 2014

CONTENTS

THE COMPANY

In this report, unless otherwise specified, a reference to "the Company" or to "Intercept" refers to Intercept Minerals Ltd. Any reference to "the Company" or "Intercept" also recognises that up until 31 December 2012, the Intercept Minerals Group of companies existed, being the parent company, Intercept Minerals Ltd and its controlled entities, as a whole. Unless otherwise specified, the text does not distinguish between the activities of the parent and those entities controlled prior to 31 December 2012.

FINANCIAL YEAR

Reference in this report to financial year or year means the period from 1 July 2013 to 30 June 2014.

ASX LISTING

Intercept's shares are listed on the Australian Securities Exchange under the code IZM.

INTERCEPT MINERALS LTD

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1. INTRODUCTION

Intercept retained a 100% interest in the Adnera Uranium and Millionaires Well tungsten projects at 30 June 2014. During the year the Box Hole lead/zinc project was relinquished. All the Company's exploration projects are located within the Northern Territory in Australia. Intercept also has an application for an exploration licence covering a 1,400 km^2 area prospective for bauxite in the Tiwi Islands. Rio Tinto Exploration (RTX) has agreed to farm into this project by spending $5m over 4 years to earn a 75% interest. This farm in agreement is subject to the exploration licence being granted. RTX is responsible for negotiating an access agreement with the Tiwi Land Council.

Exploration work on the Northern Territory projects was significantly scaled back to preserve funds. Further information regarding these projects is provided in Section 3 "Australian Exploration".

During the year a share placement to sophisticated and professional investors and a non‐renounceable entitlement offer were completed raising $490,450 before costs. The placement to sophisticated and professional investors resulted in the issue of 85,295,686 fully paid ordinary shares at $0.002 per share and raised $170,591. The non‐renounceable pro rata offer of 2 new shares for every 3 ordinary shares held, at an issue price of $0.001 per share, resulted in the issue of an additional 319,858,682 new shares and raised $319,859.

Subsequent to year end a placement of 175,000,000 fully paid ordinary shares at $0.002 to sophisticated and professional investors raised a further $350,000 before costs.

Subsequent to year end the Company executed an exclusivity agreement with the intention to acquire 100% of the issue capital of US based digital technology company, mppAPPs Inc. This transaction, if completed, 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. Further information regarding this potential acquisition is provided in Section 2 "Business Development".

2. BUSINESS DEVELOPMENT

In July 2014, the Company executed an exclusivity agreement with the intention to acquire 100% of the issued capital in US based digital technology company, mppAPPs Inc. ("xTV").

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.

xTV'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 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. 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.

UST Global, an information technology solutions and services company for Global 1000 enterprises, has also strategically invested US$2 million in xTV. In addition to the investment, UST Global and xTV will partner to bring MaaS to Fortune 1000 companies across the US. There is a strong synergy of xTV's technology and UST Global's scale to further boost the adoption and expansion of .TV.

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.

3. AUSTRALIAN EXPLORATION

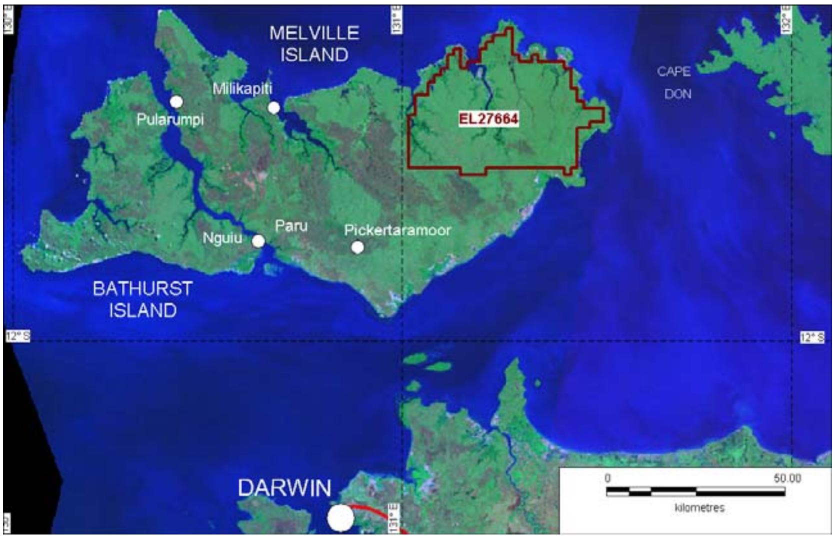
It is the current intention of the Company to change its nature and scale and upon completion of the acquisition of xTV, the existing mineral exploration activities will be sold or relinquished.

Australian Tenement (Mineral Exploration) Summary as at the date of this Annual Report			
Project	**Commodity**	**Tenement Number**	**Area km^2**
Adnera	Uranium	EL 26748	63
Adnera	Uranium	EL 27516	13
Adnera	Uranium	EL 28167	39
Tiwi island	Bauxite	EL27664 (A)	1,431
			1,546
Abbreviations: EL = Exploration Licence, A = Application. ERL26543 was relinquished in July 2014 EL26719 was relinquished in September 2014 EL26025 was relinquished during the year			

Tiwi Islands

The Company has under application exploration licence EL27664 which covers an area of 1,431 square kilometres in the North East region of Melville Island located within the Tiwi Islands. The Company has finalised 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 have advised discussions with the Tiwi Land Council are ongoing.



TIWI Islands showing location of EL27664

S Randazzo
Executive Chairman

BOARD OF DIRECTORS

Mr Sam Randazzo, BBus, CA **Executive Chairman**

Mr Randazzo is a founding shareholder of the Company and oversaw the acquisition of the Company's Australian mining tenements from Elkedra Diamonds NL prior to the Company's listing in June 2007. Prior to this, he was the Executive Director of Elkedra Diamonds from June 2004 until its merger with Canadian company Vaaldiam Resources Ltd in November 2007. He was a founder of Elkedra's Chapada Diamond Project in Brazil. He has over 30 years professional experience, having commenced his career with international accounting firm Arthur Young, after which he provided independent consulting services to a number of companies, operating predominantly in the international mineral resources sector.

Mr Randazzo is a member of the Institute of Chartered Accountants in Australia.

Mr Gary Steinepreis, BCom, CA **Non-Executive Director**

Mr Steinepreis holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant.

He provides corporate, management and accounting advice to a number of companies involved in the resource, technology and leisure industries.

Mr Patrick Burke LLB **Non-Executive Director**

Mr Burke holds a Bachelor of Laws degree from the University of Western Australia. He has approximately twenty years' experience working in law firms and companies in Australia and Europe.

His expertise is in corporate, commercial and securities law with an emphasis on capital raisings and mergers and acquisitions. He contributes general corporate and legal skills along with a strong knowledge of the ASX requirements.

The Company has in place corporate governance practices that are formally embodied in corporate governance policies and codes adopted by the Board ('the Policies'). The aim of the Policies is to ensure that the Company is effectively directed and managed, that risks are identified, monitored and assessed and that appropriate disclosures are made.

In preparing the Policies, the Directors considered the ASX Principles of Good Corporate Governance and Best Practice Recommendations ('the Recommendations'). The directors incorporated the Recommendations into the Policies to the extent that the directors considered the Recommendations were appropriate taking into account the Company's size, the structure of the Board, its resources and its proposed activities.

The Board has adopted the following:

Statement and Charters

1. Corporate Governance Statement
2. Board Charter
3. Audit Committee Charter
4. Remuneration Committee Charter

Policies and Procedures

1. Code of Conduct
2. Securities Trading Policy
3. Risk Management Policy
4. Shareholder Communication Strategy
5. Continuous Disclosure Policy
6. Safety Policy
7. Environmental Policy
8. Diversity Policy

Notwithstanding the small size of the Board and the Company, the Board has, in accordance with the policies, established various committees to better manage its responsibilities. These committees include the Audit and Compliance Committee and the Remuneration Committee, the latter comprising the Board. As the Company and its activities grow, the Board may implement additional corporate governance structures and committees.

The Company's corporate governance policies are available on the Company's website.

Company compliance or non compliance with ASX Principle

ASX Principle 1 Recommendation 1.1 recommends that the Company formalise and disclose the functions reserved to the Board and those delegated to senior executives. The respective responsibilities of Board and management are specified in the Board Charter which can be found in the Corporate Governance section of the Company's website.

ASX Principle 1 Recommendation 1.2 recommends that the Company disclose the process for evaluating the performance of senior executives. As outlined in the Board Charter, the Board is collectively responsible for the evaluation of senior executives.

ASX Principle 2 Recommendations 2.1, 2.2 and 2.3 recommend the Company have a majority of independent directors, the chairman to be independent and that the chairman and chief executive officer be different persons. The Company has one executive Board member in the role of chairman and two non-executive, independent Board members. The roles of chairman and chief executive officer are exercised by the same person and the chairman is not an independent director. As such, the Company has currently not adopted Recommendations 2.2 and 2.3, however, the Board considers that the current composition of the Board is adequate for the Company's current size and operations and includes an appropriate mix of skills, expertise and experience relevant to the Company's business. The Company has appointed a lead independent director to take over the role of the chairperson when the chairperson is unable to act in that capacity as a result of his or her lack of independence.

ASX Principle 2 Recommendation 2.4 recommends listed entities to establish a nomination committee. The Company does not have a separately established nomination committee. Given the current size of the Board, the Board considers that this function is efficiently achieved with full Board support in accordance with the guidelines set out in the Board's charter.

ASX Principle 2 Recommendation 2.5 recommends that the Company disclose the process for evaluating the performance of the Board, its committees and individual directors. As outlined in the Board Charter, the Board is collectively responsible for the evaluation of the other directors.

ASX Principle 3 Recommendations 3.1
The Company has established a Code of Conduct to guide directors and all employees in the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account the Company's legal obligations and the reasonable expectations of stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

All directors, executives and employees of the Company are charged with the responsibility to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

ASX Principle 3 Recommendations 3.2, 3.3, 3.4 and 3.5
The Company has established a Diversity Policy to guide directors and all employees. The Company recognises that diversity is an economic driver of competitiveness for companies and it strives to promote an environment and culture conducive to the appointment of well qualified persons so that there is appropriate diversity to maximise the achievement of corporate goals. In order to promote gender diversity, the Company will engage in reviews and report to the Board the proportion of women participating in the Company workforce and strategies to address diversity. The Company intends to recruit the most qualified persons for each position and considers persons from a diverse pool of qualified candidates.

The Board has set a measurable objective of 20% for female participation in the Company workforce. The measurable objective reflects the nature of remote mineral exploration operations.

At 30 June 2014, women made up 50% of the total workforce of the Company. At 30 June 2014 there were no female senior executives or Board members.

The principles require the Company to make available its Code of Conduct and its Diversity Policy, both of which are available on the Company's website.

ASX Principle 4 Recommendations 4.1, 4.2 and 4.3 recommend collectively that the Company should safeguard the integrity of its financial reporting.

The Company has an audit committee which has a formal charter and which is comprised of two independent non-executive directors, both of whom have formal business qualifications and an understanding of the industry in which the Company conducts its operations. The audit committee's charter is disclosed on the Company's website. The chairman of the audit committee is not the chairman of the Company.

ASX Principle 5 recommends that the Company promote timely and balanced disclosure of all material matters concerning the Company.

The Company understands and respects the fact that timely disclosure of price-sensitive information is central to the efficient operation of the ASX and to the prevention of selective or inadvertent disclosure, the conduct of investor and analysts' briefings, media communications, commenting on expected earnings, communications black-out periods and reviews of briefings and communications. The policy is reviewed periodically and updated as required.

The company secretary is responsible for overseeing and coordinating disclosure of information to the ASX and liaises with the directors in relation to continuous disclosure matters. The chairman is responsible for overseeing and coordinating disclosure of information to analysts, brokers and shareholders.

The Company's Continuous Disclosure Policy is shown on the Company's website.

ASX Principle 6 recommends that the Company design and disclose a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings. A copy of the Company's Shareholder Communication Strategy can be viewed on the Company's website.

The Board aims to ensure that the shareholders are informed of all major developments affecting the Company's half-yearly and quarterly reports. The Company also encourages full participation of shareholders at the annual general meeting of the Company which is attended by the Company's auditor who is available to answer questions.

The Company maintains a website on which the following information for the last three years is made available on a regular and up to date basis:

- Company announcements
- Information briefings to media and analysts
- Notices of meetings and explanatory materials
- Financial information
- Annual reports
- Latest share price

The Company also provides a website portal whereby shareholders requesting inclusion are emailed announcements as and when they are released to the market.

ASX Principle 7 recommends that the Company establish a system of risk oversight and management and internal control.

The chief executive officer and the equivalent to the chief financial officer have provided assurance that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company has developed a framework for a risk management policy and internal compliance and control system that covers the organisational, financial and operational aspects of the Company's affairs. The chairman is responsible for ensuring the maintenance of, and compliance with, appropriate systems.

The Company's financial situation is not complex. It is expected that the existing cash reserves will be used for exploration and administration purposes.

Further details are provided on the Company's website.

ASX Principle 8 recommends that the Company remunerate fairly and responsibly.

The Company has established a remuneration committee, the charter for which is available in the Company's website. The remuneration committee comprises the full Board but excludes the relevant member of the Board when his or her performance and/or remuneration are under review. The remuneration committee will consist of at least two members, be chaired by an independent chair and have a majority of independent directors.

Your directors present their report on the Company for the financial year ended 30 June 2014.

Directors

The names of directors of the Company in office at any time during or since the end of the year are:

Mr S Randazzo
Mr G Steinepreis (appointed 8 April 2014)
Mr P Burke (appointed 8 April 2014)

Mr D Best (resigned 8 April 2014)
Mr R Duncan (resigned 8 April 2014)
Mr M Bolton (resigned 8 April 2014)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. The qualifications, experience and special responsibilities of the directors have been shown elsewhere in this report.

The following person held the position of company secretary at the end of the financial year:

Mr Sam Randazzo BBus, CA

Principal Activities

The principal activity of the Company during the financial year was gold and base metals exploration.

Operating Results

The total comprehensive loss of the Company for the year was $522,156 (2013: $804,312).

Dividends Paid or Recommended

No dividend was paid or declared during the year and the directors do not recommend the payment of a dividend.

Review of Operations

The Company continued its exploration activities during the year.

A detailed review of the Company's operations and results achieved during the year are contained in the Operations Review on pages 3 to 6 of this Annual Report.

After Balance Date Events

Events arising subsequent to 30 June 2014, the date of this report, include:

- The placement of 175,000,000 fully paid ordinary shares at $0.002 to sophisticated and professional investors raised a further $350,000 before costs;
- The execution of an exclusivity agreement with the intention to acquire 100% of the issued capital in US based digital technology company, xTV.; and
- EL26025 was relinquished during the year and all related project expenditure has been provided for at 30 June 2014. ERL26543 was relinquished in July 2014 and EL26719 was relinquished in September 2014.

Further information regarding these events are provided at pages 3 to 6 in the "Operation Review" and Note 22 of the accompanying financial statements.

Environmental Issues

The Company's operations are subject to environmental regulation under the Laws of the Commonwealth and the Northern Territory. Rehabilitation bonds over certain leases are held by the Government in the Northern Territory. It is anticipated that the Northern Territory bonds will not be called on as the Company maintains a strict policy of appropriate rehabilitation over its exploration sites. The majority of the Company's activities involve low level disturbance associated with its exploration programs, as it is not presently involved in any mining activities.

Remuneration Report (Audited)

The Board's policy determining the nature and amount of compensation of key management personnel for the Company is as follows:

Executive Remuneration

All executives receive a base salary, superannuation, fringe benefits, and performance incentives. The Board reviews executive packages annually by reference to Company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The performance of executives is reviewed annually, in December, by the Board, with revised remuneration packages generally taking effect from the 1st of January of the following calendar year. Executives are also entitled to participate in the Intercept Minerals Share Plan from time-to-time, as determined by the Board.

All remuneration paid to executives is valued at the cost to the Company. Shares issued under the Employee Share Plan and Options issued are valued using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented for executives will result in the Company being able to attract and retain the best executives to run the Company. It will also provide executives with the necessary incentives to pursue the long term growth and success of the Company.

The payment of bonuses, shares, stock options and other incentive payments are reviewed by the Board annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. The Board can exercise its discretion in relation to approving incentives, bonuses, shares and options. Any changes must be justified by reference to measurable performance criteria.

Mr Randazzo became the executive chairman on 1 June 2009. Mr Randazzo is remunerated as detailed below in Employment Contracts of Directors.

Non-executive Directors

Other than for shares and options disclosed in the Remuneration Report, there is no incentive-based, equity-based remuneration for non-executive directors. Mr Steinepreis and Mr Burke are entitled to a fixed annual fee as detailed below in Employment Contracts of Directors. The non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements. Non-executive directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

Long term Incentive Scheme – Employee Share Plan

The Intercept Minerals Share Plan ("ESP") was implemented following shareholder approval at the 2011 Annual General Meeting ("AGM") and was last approved by shareholders at the AGM on 23 November 2012.

The purpose of the ESP is to attract, retain and motivate those who have been invited by the Board to participate in the ESP and align their interest with all other shareholders by encouraging performance that increases shareholder wealth through long term growth.

The principal provisions of the ESP include:

- the ESP is available to all directors, employees or consultants of the Company or any of its subsidiaries ("Eligible Participant");
- the Company may, in its absolute discretion at any time and from time-to-time, make an Offer to any Eligible Participant;
- the number of Plan Shares and the issue price is to be determined by the directors of the Company;
- the issue price is to be no less than the weighted average market price of the Company's shares on the 5 trading days prior to the proposed date of issue.
- The offer may be accepted by an Eligible Person or an associate of that Eligible Person, within the given acceptance period;
- the person accepting the offer ("Participant") will be taken to have agreed to borrow from the Company on the terms of the loan agreement referred to below an amount to fund the purchase of the Plan Shares;
- the Plan Shares will rank equally with all issued fully paid ordinary shares in respect of voting rights, dividends and entitlement to participate in any bonus or rights or issues;
- Eligible persons may dispose of 33.3% of their Plan Shares within the first year, 33.3% after 1 year and the remainder after 2 years from date of issue. These restrictions do not apply in the event of redundancy or change of control;
- Until the loan to the Participant is fully repaid, the Company has control over the disposal of the Plan Shares. Once the loan is repaid in full, the Participant may deal with the Plan Shares as he wishes;
- The aggregate number of Plan Shares and other shares and options issued in the previous 5 years under any other employee incentive scheme of the company must not exceed 10% of the issued capital of the Company; and
- Applications will be made as soon as practicable after the allotment of the Plan Shares for listing for quotation on ASX.

  The principal provisions for the loan agreement include:

- The amount lent will be an advance equal to the issue price of the Plan Shares multiplied by the number of the Plan Shares issued;
- The loan can be repaid at any time but the participant must pay any amount outstanding to the Company within 20 business days of the termination of the Eligible Person's employment. All dividends declared and paid on the Plan Shares will be applied towards repayment of the advance and there is no interest on the advance;
- The maximum liability of the loan will be the value of the Plan Shares from time to time;
- A holding lock will be placed on the Plan Shares until the loan is fully repaid; and
- Loans made under the ESP do not involve cash outlay to the Company.

A complete copy of the rules of the ESP (which incorporates the terms of the loan agreement) is available for inspection by shareholders (free of charge) at the Company's Registered Office or, upon request, from the Company Secretary.

Plan shares are approved by the Remuneration Committee based upon the assessed performance of each person against his job specifications and the recommendations of the Chief Executive Officer, and in the case of directors, with the approval of shareholders.

No Plan Shares were issued during the year ended 30 June 2014.

During the financial year ended 30 June 2013 the Plan Shares detailed below were issued to the Executive Officers of the Company.

Key Management Personnel	Number of shares issued-year ended 30 June 2013	Issue date	Issue price per share	Loan	Fair Value[1]
Mr S Randazzo	7,500,000	29 Nov 2012	$0.007	52,500	20,455
Mr D Best (resigned 8.4.14)	2,000,000	29 Nov 2012	$0.007	14,000	5,454
Mr R Duncan (resigned 8.4.14)	2,000,000	29 Nov 2012	$0.007	14,000	5,454

1. Refer to Note 25 for fair value calculation

Employment Contracts of Directors

Other major provisions of the agreements relating to remuneration of the directors are set out below:

Mr S Randazzo, Executive Chairman & Director

From the expiry of Mr Randazzo's previous Executive Service Agreement ("the Agreement") on 31 May 2012[1] up until 8 April 2014, Mr Randazzo continued to be employed under the Agreement on a 3 month rolling service period, on the same terms and conditions as the original expired Agreement[1]. The intention was that the rolling 3 month arrangement would remain in place until the Company was in a financial position to enter into a long term contract for his services.

At 31 March 2014 Mr Randazzo had unpaid/deferred salary (including statutory superannuation) of $225,102 (30 June 2013: $141,497) and accrued annual leave of $79,297 (2013: $67,154) - "the Accrued Entitlements". To assist with repositioning the Company onto a sound financial position, allowing it to pursue new opportunities and build value for Company shareholders, Mr Randazzo agreed to the immediate termination of the Agreement and to the maximum extent permitted by law released and discharged the Company from all of the Company's obligations under the Agreement, including but not limited to payment of the Accrued Entitlements.

Mr Randazzo agreed to continue to provide his services to the Company for a monthly retainer of $3,000 per month. The monthly retainer arrangement commenced on 1 April 2014 and was for a minimum period of 3 months. On 1 July 2014 the monthly retainer was increased to $5,000 per month.

Mr G Steinepreis, Non-executive Director

Agreement to act as non-executive director. From 8 April 2014, fixed fee, inclusive of superannuation of $2,000 per month to be reviewed annually. From 1 July 2014, fixed fee, inclusive of superannuation of $5,000 per month to be reviewed annually.

Mr P Burke, Non-executive Director

Agreement to act as non-executive director. From 8 April 2014, fixed fee, inclusive of superannuation of $2,000 per month to be reviewed annually. From 1 July 2014, fixed fee, inclusive of superannuation of $5,000 per month to be reviewed annually.

1. *Terms of S Randazzo original Executive Service Agreement:*
   a) *A fixed three year executive service agreement - 1 June 2009 to 31 May 2012.*
   b) *Remuneration, inclusive of superannuation, of $250,000 per annum.*
   c) *The agreement may be terminated by the Company giving 3 months' written notice. Payment of a termination benefit on early termination by the employer, other than for gross misconduct, to be equal to the remuneration that would have been payable for the remainder of the term or for a period of 12 months, whichever is the greater.*

The remuneration for each key management person of the Company was as follows:

	Short-term Benefits		*Post-employment Benefits*	*Equity-settled Share-based Payments*			
Key Management Person	**Cash Salary, Fees & Commissions**	**Non Cash Benefit**	**Superannuation**	**Options**	**Shares**	**Total**	**Performance Related %**
Mr S Randazzo[1]							
2014	**119,000**	**-**	**25,157**	**-**	**-**	**144,157**	**-**
2013	94,583	-	13,920	-	20,455	128,958	-
Mr D Best[2] (resigned as Director 8.4.14)							
2014	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2013	-	-	-	-	5,454	5,454	-
Mr R Duncan[2] (resigned as Director 8.4.14)							
2014	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2013	-	-	-	-	5,454	5,454	-
Mr M Bolton[2] (resigned as Director 8.4.14)							
2014	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2013	-	-	-	24,904	-	24,904	-
Mr P Burke (appointed as Director 8.4.14)							
2014	**5,500**	**-**	**-**	**-**	**-**	**5,500**	**-**
2013	-	-	-	-	-	-	-
Mr G Steinepreis (appointed as Director 8.4.14)							
2014	**5,500**	**-**	**-**	**-**	**-**	**5,500**	**-**
2013	-	-	-	-	-	-	-
Total 2014	**130,000**	**-**	**25,157**	**-**	-	**155,157**	**-**
Total 2013	94,583	-	13,920	24,904	31,363	164,770	-

1. *At 31 March 2014 Mr Randazzo's had accrued annual leave of $79,297, unpaid/deferred remuneration of $211,301 and unpaid/ deferred related statutory superannuation of 13,801 (30 June 2013: $141,497). On 8 April 2014 Mr Randazzo agreed to immediately terminate his Executive Service Agreement and, to the maximum extent permitted by law, release the Company from all of its obligations under the Executive Service Agreement including, but not limited to, payment of these accrued and deferred/unpaid entitlements.*
2. *At 31 March 2014, $96,667 (30 June 2013 $51,667) being 100% of the non-executive directors' remuneration (inclusive of superannuation) earned since 1 July 2013 had been deferred. On 8 April 2014 Mr Best, Mr Bolton and Mr Duncan each agreed, to the maximum extent permitted by law, to release the Company from all of its obligations under their Directorship appointments including, but not limited to, payment of these deferred entitlements.*

While the shares granted to key management personnel under the Employee Share Plan are not directly dependent on the satisfaction of a performance condition it is maintained that the nature of an option based benefit provides key management personnel with an incentive to deliver sustainable shareholder value. To this extent, the value of the shares is dependent on key management performance. It also forms part of the Company's strategy to ensure that it retains appropriately qualified key management personnel.

The holdings of key management personnel at 30 June 2014 are shown in Note 5 to the financial statements. At 30 June 2014, the directors had shareholdings as follows:

Mr S Randazzo	60,185,401
Mr G Steinepreis (appointed 8.4.14)	33,916,647
Mr P Burke (appointed 8.4.14)	-

Options Granted or Vested as Part of Remuneration for the Year Ended 30 June 2014

No options were granted or vested as part of remuneration for the year ended 30 June 2014. Options granted or vested during the year ended 30 June 2013 were as follows:

Key Management Person 2013	Grant Date	Granted No	Value Per Option at Grant Date $	Vest Date	Exercise Price $	Expiry Date
Mr M Bolton (resigned (8.4.14)	30 Nov 2012	7,500,000	0.00332	30 Nov 2012	0.007	30 Nov 2015

Options Granted as Part of Remuneration that Expired Unexercised During the Year Ended 30 June 2014

No options granted as part of remuneration expired unexercised during the year ended 30 June 2013 or the year ended 30 June 2014.

Meetings of Directors & Committees

During the financial year the following meetings of directors and board committees were held, with the following attendances:

Director	Directors' Meetings		Audit Committee	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Mr S Randazzo	12	12	-	-
Mr P Burke (appointed 8.4.14)	3	3	-	-
Mr G Steinepreis (appointed 8.4.14)	3	3	-	-
Mr D Best (resigned 8.4.14)	9	9	3	3
Mr R Duncan (resigned 8.4.14)	9	8	3	3
Mr M Bolton (resigned 8.4.14)	9	7	3	2

Directorships held by directors in other listed companies during the three years prior to end of the current financial year

Mr S Randazzo	No other directorships held.
Mr G Steinepreis (appointed 8.4.14)	Monto Minerals Ltd (since June 2009) Norseman Gold Plc (since December 2007) AVZ Minerals Ltd (since November 2012) New Horizon Coal Ltd (since June 2010) Minerals Corporation Ltd (February 2011 to October 2011) Agri Energy Ltd (June 2009 to June 2012) WAG Limited (November 2006 to May 2013)
Mr P Burke (appointed 8.4.14)	Monto Minerals Limited (since June 2009) Anatolia Energy Limited (since 21 July 2014) Emergent Resources Limited (April 2013 to May 2014) Sirocco Energy Limited (July 2009 to December 2013) Mineral Corporation Limited (February 2011 to December 2013) WAG Limited (December 2006 to May 2013) Fraser Range Metals Group Limited (March 2011 to February 2013) New Horizon Coal Ltd (June 2010 to December 2011)

Unlisted Options

At the date of this report the unissued ordinary shares of Intercept Minerals Ltd under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number
28 Sep 10	28 Sep 15	$0.07	800,000
15 Nov 10	15 Nov 15	$0.125	3,200,000
14 Jul 11	14 Jul 16	$ 0.125	250,000
30 Nov 12	30 Nov 15	$ 0.007	7,500,000
		TOTAL	**11,750,000**

During the financial year ended 30 June 2014, no options expired and no options were exercised.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Indemnifying Officers and Auditors

The Company had taken out an insurance policy insuring directors and officers of the Company against any liability arising from a claim brought by a third party against the Company or its directors and officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. That insurance policy expired on 30 June 2014 and was not renewed as a consequence of cost cutting measures.

The auditors have not been indemnified.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No non-audit services were paid or payable to the external auditors during the year ended 30 June 2014.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 18.

Signed in accordance with a resolution of the Board of Directors.

Randazzo

S Randazzo
Chairman
19 September 2014

Crowe Horwath.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Intercept Minerals Ltd for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Horwath Perth

CROWE HORWATH PERTH

SEAN MCGURK
Partner

Signed at Perth, 19 September 2014

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CONTENTS

Understanding our Financial Statements

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act.

The financial report covers the economic entity of Intercept Minerals Ltd. In this report, unless otherwise specified, a reference to "the Company" or to "Intercept" refers to Intercept Minerals Ltd. Any reference to "the Company" or "Intercept" also recognises that up until 31 December 2012, the Intercept Minerals Group of companies existed, being the parent company, Intercept Minerals Ltd and its controlled entities, as a whole. Unless otherwise specified, the text does not distinguish between the activities of the parent and those entities controlled prior to 31 December 2012.

Intercept Minerals Ltd is a listed public company, incorporated and domiciled in Australia.

The financial report of Intercept Minerals Ltd (and controlled entities, where relevant) complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The financial statements provide users with the opportunity to evaluate the Company's financial performance, cash flow and financial position.

The Statement of Comprehensive Income summarises income and expenses for the year.

The Statement of Financial Position provides information regarding the assets, liabilities and the shareholders' equity of the Company.

In accordance with the Australian Accounting Standards a Statement of Changes in Equity has been prepared. The shareholders' equity of Intercept Minerals Ltd consists of issued capital, reserves and accumulated losses.

The Statement of Cash Flows outlines the sources of cash and the uses of cash during the financial year and the cash available at the end of the financial year.

To obtain a full understanding, the accompanying notes, which form part of the financial statements, should be read in conjunction with the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 $	2013 $
Revenue	2	**1,738**	9,784
Other income	2	**31,368**	77,450
Depreciation and amortisation expense	3	**(15,022)**	(29,333)
Employee benefits expense		**(191,992)**	(266,809)
Exploration costs expensed		**-**	(48,457)
Capitalised exploration expenditure - written off	8	**(64,519)**	(173,618)
Capitalised exploration expenditure - impaired	8	**(68,025)**	-
Administrative expenses	3	**(187,508)**	(322,194)
Share-based payments	24	**-**	(50,868)
Loss on disposal and write off of plant and equipment		**(27,859)**	-
Foreign exchange gains/(losses)		**(337)**	(267)
Loss before income tax		**(522,156)**	(804,312)
Income tax expense	4	**-**	-
Net loss attributable to the Group		**(522,156)**	(804,312)
Other comprehensive income		**-**	-
Total comprehensive loss attributable to the Company		**(522,156)**	(804,312)
Basic loss per share - cents per share	25	**(0.11)**	(0.29)
Diluted loss per share - cents per share	25	**(0.11)**	(0.29)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	2014 $	2013 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	**242,444**	313,558
Receivables	7	**3,298**	4,668
Total Current Assets		**245,742**	318,226
Non-Current Assets			
Property, plant and equipment	10	**30,537**	79,439
Financial assets	11	**34,000**	34,000
Exploration expenditure	8	**10**	82,386
Total Non-Current Assets		**64,547**	195,825
TOTAL ASSETS		**310,289**	514,051
LIABILITIES			
Current Liabilities			
Trade and other payables	12	**93,431**	131,842
Provisions	13	**-**	67,988
Total Current Liabilities		**93,431**	199,830
TOTAL LIABILITIES		**93,431**	199,830
NET ASSETS		**216,858**	314,221
EQUITY			
Issued capital	16	**14,965,333**	14,540,540
Reserves	17	**611,443**	611,443
Accumulated losses		**(15,359,918)**	(14,837,762)
TOTAL EQUITY		**216,858**	314,221

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Share Capital Ordinary $	Reserves $	Accumulated Losses $	Total $
Balance at 30 June 2012	13,947,301	558,951	(14,031,826)	474,426
Loss attributable to members of the Group	-	-	(804,312)	(804,312)
Other comprehensive income	-	-	-	-
Total comprehensive loss attributable to members of the Group	-	-	(804,312)	(804,312)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY WITH OWNERS				
Shares issued during the year	632,647	-	-	632,647
Capital raising costs	(39,408)	-	-	(39,408)
Options issued during the year	-	50,868	-	50,868
OTHER TRANSFERS				
Transfer of foreign currency translation reserve to accumulated losses [1]	-	1,624	(1,624)	-
Balance at 30 June 2013	**14,540,540**	**611,443**	**(14,837,762)**	**314,221**
Loss attributable to members of the Company	**-**	**-**	**(522,156)**	**(522,156)**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive loss attributable to members of the Company	**-**	**-**	**(522,156)**	**(522,156)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY WITH OWNERS				
Shares issued during the year	**490,450**	**-**	**-**	**490,450**
Capital raising costs	**(65,657)**	**-**	**-**	**(65,657)**
Options issued during the year	**-**	**-**	**-**	**-**
Balance at 30 June 2014	**14,965,333**	**611,443**	**(15,359,918)**	**216,858**

(1) Accumulated net gains arising on translation of foreign operations transferred to accumulated losses as a consequence of the relinquishment of the Ianna Gold Project.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(422,187)**	(565,351)
Interest received		**1,955**	9,874
Interest paid		**(520)**	(1,353)
Receipts from other income		**2,079**	-
Net cash used in operating activities	23	**(418,673)**	(556,830)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		**(48,809)**	(345,228)
Proceeds from farm-in sign-on fee		**-**	50,000
Proceeds from sale of property, plant and equipment		**38,945**	36,682
Purchase of property, plant and equipment		**(777)**	(7,978)
Payments for new business evaluation		**(64,018)**	-
Payments for subsidiary wind up		**(2,237)**	-
Net cash used in investing activities		**(76,896)**	(266,524)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares (net of costs)		**424,792**	593,239
Net cash provided by financing activities		**424,792**	593,239
Net decrease in cash held		**(70,777)**	(230,115)
Cash at the beginning of the financial year		**313,558**	543,462
Effects of exchange rates fluctuations on the balances of cash held in foreign currencies		**(337)**	211
Cash at the end of the financial year	6	**242,444**	313,558

The accompanying notes form part of these financial statements.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

This financial report includes the financial statements and notes of Intercept Minerals Ltd (and for the 30 June 2013 comparatives, its subsidiary companies) and was authorised for issue in accordance with a resolution of the directors on 19 September 2014. The entity is a for profit entity under Australian Accounting Standards.

In this report, unless otherwise specified, a reference to "the Company" or to "Intercept" refers to Intercept Minerals Ltd. Any reference to "the Company" or "Intercept" also recognises that up until 31 December 2012, the Intercept Minerals Group of companies existed, being the parent company, Intercept Minerals Ltd and its controlled entities, as a whole. Unless otherwise specified, the text does not distinguish between the activities of the parent and those entities controlled prior to 31 December 2012.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

The separate financial statements of the parent entity have not been included in this financial report as permitted by the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, event and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective assets and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight line basis or a reducing balance basis commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Plant and Equipment	*20% – 80%*
Motor Vehicles	*30%*
Office Furniture and Equipment	*2.5% – 100%*

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Interests in Joint Ventures

This Company's joint venture interests are reported in the 30 June 2013 comparative financial statements as follows:

(i) Interests in jointly controlled joint venture assets are reported by including the Company's share of those assets in the Statement of Financial Position.

(ii) The Company includes its share of liabilities incurred on behalf of joint ventures in the Statement of Financial Position.

(iii) The Company's share of joint venture revenue and expenses is included in the Statement of Profit or Loss and Other Comprehensive Income in the appropriate categories.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure is either expensed as incurred or accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are recognised as incurred and treated as exploration and evaluation expenditure.

(f) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is fully settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected cash flows.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

Equity-Settled Compensation

Share based compensation has been provided to eligible persons via the Intercept Minerals Share Plan (ESP), financed by means of interest-free limited recourse loans. Under AASB 2 "*Share-based Payments*" the ESP shares are deemed to be equity settled, share-based remuneration.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For limited recourse loans issued to eligible persons on or after 30 November 2011 the Company is required to recognise within the profit and loss statement a remuneration expense measured at the fair value of the share inherent in the issue to the eligible person, with a corresponding increase to a share based payment reserve in equity. The fair value is measured at grant date and recognised when the eligible person becomes unconditionally entitled to the shares, effectively on grant. A loan receivable is not recognised.

The fair value of equity-settled share-based compensation is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(g) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(j) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.
Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as 'at fair value through profit or loss'. Transaction costs related to instruments classified as 'at fair value through profit or loss' are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are classified as set out below and are subsequently measured at either, fair value, amortised costs using the effective interest rate method or cost.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the assets. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(k) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(l) Provision for Employee Entitlements

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Foreign Exchange

The functional currency of each of the Company is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which, in relation to the Company's 30 June 2013 comparatives, is the, then parent entity's, functional and presentation currency.

Recording and translation of foreign currency transactions is completed as follows:

(i) Transactions involving foreign currencies including the Company's share of joint venture transactions in foreign currencies are recorded at the spot exchange rates applying on the date of those transactions.

(ii) Foreign currency monetary items are translated using the spot exchange rates prevailing at the end of the last day of any reporting period.

(iii) Foreign currency non-monetary items are translated at the exchange rates applying during the month when expenditure was incurred.

(iv) Translation gains and losses are reflected as income or expenses.

The financial results and position of foreign operations, whose functional currency is different from the Company's presentation currency, are translated as follows:

(i) Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period.

(ii) Income and expenses are translated at the weighted average exchange rates for the period.

(iii) Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

(p) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Judgments – Exploration and Evaluation Expenditure

In prior years the Company has capitalised expenditure relating to exploration and evaluation where it was considered likely to be recoverable or where activities had not reached a stage which permitted a reasonable assessment of the existence of reserves. At 30 June 2014 no such capitalised expenditure is being carried. At 30 June 2013 $82,386 capitalised expenditure was carried based on certain areas of interest, from which no reserves had been extracted, however the Directors were of the continued belief that such expenditure should not be written off since feasibility studies in such areas had not commenced.

Key Judgments – Deferred Directors' Remuneration

At 31 March 2014 Mr Randazzo had unpaid/deferred salary (including statutory superannuation) of $225,102 (30 June 2013: $141,497) and accrued annual leave of $79,297 (2013: $67,154) and non-executive directors, (Best, Bolton and Duncan) had accrued unpaid/deferred directors fees of $96,667 (30 June 2013: $51,667) – "the Accrued Entitlements". It was agreed between the Directors and the Company that there would be no obligation to settle the deferred salary, director fees and related superannuation components until the Company had at least $2 million of cash at bank. At 30 June 2013 and in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets, the deferred salary, director fees and related superannuation components were considered a contingent liability as it was the directors'

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

view that, while it was not considered remote, it was not considered probable that the Company would have at least $2 million of cash at bank in the foreseeable future.

On 8 April 2014, to assist with repositioning the Company into a sound financial position, allowing it to pursue new opportunities and build value for Company shareholders, Mr Randazzo agreed to immediately terminate his Executive Service Agreement and, to the maximum extent permitted by law, release the Company from all of its obligations under the Executive Service Agreement including, but not limited to, payment of the Accrued Entitlements.

Also on 8 April 2014 Mr Best, Mr Bolton and Mr Duncan, to the maximum extent permitted by law, agreed to release the Company from all of its obligations under the terms of their engagement as non-executive directors including, but not limited to, payment of their Accrued Entitlements. Accordingly, there was no contingent liability at 30 June 2014.

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(r) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Intercept Minerals Ltd at the end of the reporting period. A controlled entity is any entity over which Intercept Minerals Ltd has the ability and the right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Up until 31 December 2012, the Intercept Minerals Group of companies existed, being the parent company, Intercept Minerals Ltd and its controlled entities, as a whole. In preparing the consolidated financial statements all inter-group balances and transactions between the entities in the consolidated group have been eliminated in full on consolidation.

(s) Adoption of New and Revised Standards - Changes in accounting policies on initial application of accounting standards

In the year ended 30 June 2014, the Company reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

A number of new standards, amendments to standards and interpretations are effective for annual reporting periods beginning after 1 July 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the Company.

The Company does not plan to adopt any standards early and the extent of the impact has not been determined.

	2014 $	2013 $

NOTE 2 – REVENUE AND OTHER INCOME

	2014 $	2013 $
Revenue		
Other revenue		
- Interest received	**1,738**	9,784
Total revenue	**1,738**	9,784
Other Income		
- Rental of exploration equipment	**1,500**	-
- Storage costs rebate	**2,121**	-
- Tiwi Island farm-in agreement (sign-on fee)	**-**	50,000
- Gain on disposal of plant and equipment	**27,747**	27,450
Total other income	**31,368**	77,450

NOTE 3 – LOSS FOR THE YEAR

Loss before income tax has been determined after:

	2014 $	2013 $
(a) Administrative expenses		
- Occupancy	**64,216**	72,240
- New business evaluation	**30,565**	76,756
- Directors' fees	**-**	8,334
- Audit fees	**17,000**	31,790
- Legal fees	**1,100**	8,895
- Travel and accommodation	**2,939**	7,054
- Insurance	**9,123**	21,708
- Interest expense	**520**	1,353
- Other	**62,045**	94,064
Total administrative expenses	**187,508**	322,194
(b) Depreciation and amortisation expense		
- Plant and equipment	**6,969**	10,364
- Motor vehicles	**478**	3,788
- Office furniture and equipment	**7,575**	15,181
- Buildings	**-**	-
Total depreciation and amortisation	**15,022**	29,333
Less: Depreciation capitalised to exploration expenditure	**-**	-
Total depreciation and amortisation expense	**15,022**	29,333

	2014 $	2013 $

NOTE 4 – INCOME TAX EXPENSE

(a) Income Tax Expense

	2014 $	2013 $
The prima facie tax (benefit) on loss from ordinary activities is reconciled to the income tax as follows:		
Prima facie tax (benefit) on loss from ordinary activities before income tax at 30% (2013: 30%)	**(156,647)**	(241,293)
Add tax effect of:-		
Non-deductible/(deductible) items	**(9,330)**	44,488
Deferred tax assets not brought to account	**165,976**	196,805
Income tax expense attributable to operating loss	**-**	-

(b) Deferred Tax Assets

	2014 $	2013 $
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur		
Timing differences	**17,633**	23,601
Tax losses	**2,626,250**	2,427,663
Total deferred tax assets	**2,643,883**	2,451,264

Note: Carry forward losses will not be available if the Company successfully completes the pending transaction for the acquisition of 100% of the share capital of mppAPPs Inc.

NOTE 5 – INTERESTS OF KEY MANAGEMENT PERSONNEL

Refer to the Remuneration Report contained in the Directors' Report for details of Key Management Personnel remuneration paid or payable for 30 June 2014.

(a) The totals of remuneration paid to Key Management Personnel of the Company and the Company during the year are as follows:

	2014 $	2013 $
Short-term employee benefits	**130,000**	170,404
Post-employment benefits	**25,157**	19,994
Share-based payments	**-**	56,267
	155,157	246,665

(b) Option Holdings - Number of Options Held by Key Management Personnel and Related Entities

Key Management Person	Balance 30 Jun 13	Options Granted	Net Change Other	Balance 30 Jun 14	Total Vested 30 Jun 14	Total Exercisable 30 Jun 14	Total Unexercisable 30 Jun 14
S Randazzo	800,000	-	-	800,000	800,000	800,000	-
D Best (retired as Dir 8.4.2014)	800,000	-	-	800,000	800,000	800,000	-
R Duncan (retired as Dir 8.4.2014)	7,500,000	-	-	800,000	800,000	800,000	-
M Bolton (retired as Dir 8.4.2014)	800,000	-	-	7,500,000	7,500,000	7,500,000	-
G Steinepreis (appointed as Dir 8.4.2014)	-	-	-	-	-	-	-
P Burke (appointed as Dir 8.4.2014)	-	-	-	-	-	-	-
	9,900,000	-	-	9,900,000	9,900,000	9,900,000	-

NOTE 5 – INTERESTS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(c) Shareholdings - Number of Shares Held by Key Management Personnel and Related Entities

Key Management Person	Balance 30 Jun 13	Granted as Remuneration during the Year (ESP)	Net Change Other*	Balance 30 Jun 14
S Randazzo	31,400,000	-	33,785,401	65,185,401
D Best (retired as Dir 8.4.2014)	3,378,025	-	2,600,187	5,978,212
R Duncan (retired as Dir 8.4.2014)	4,266,667	-	3,200,002	7,466,669
M Bolton (retired as Dir 8.4.2014)	30,533,039	-	22,899,780	53,432,819
G Steinepreis (appointed as Dir 8.4.2014)	-	-	33,916,647	33,916,647
P Burke (appointed as Dir 8.4.2014)	-	-	-	-
	69,577,731	-	91,402,017	165,979,748

* Net Change Other refers to purchase or sale of shares during the year

(d) Loans to Key Management Personnel and Related Entities

Details of loans to key management personnel and their related parties, which are all interest free loans with limited recourse security over the plan shares provided in accordance with the Group's Employee Share Plan (ESP), are set out below:

Key Management Person	Balance 30 Jun 13	Balance 30 Jun 14	Highest balance in period	Loaned in period	Repaid in period
S Randazzo	223,500	223,500	223,500	-	-
D Best (retired as Dir 8.4.2014)	71,000	71,000	71,000	-	-
R Duncan (retired as Dir 8.4.2014)	71,000	71,000	71,000	-	-
M Bolton (retired as Dir 8.4.2014)	-	-	-	-	-
G Steinepreis (appointed as Dir 8.4.2014)	-	-	-		
P Burke (appointed as Dir 8.4.2014)	-	-	-	-	-
	365,500	365,500	365,500	-	-

	2014 $	2013 $

NOTE 6 – CASH AND CASH EQUIVALENTS

	2014 $	2013 $
Cash at bank and in hand	**237,312**	292,952
Foreign currency cash at bank	**132**	606
Short term bank deposits	**5,000**	20,000
Total cash and cash equivalents	**242,444**	313,558

NOTE 7 – RECEIVABLES

	2014 $	2013 $
Current		
Sundry debtors	**1,452**	4,400
Prepayments	**1,846**	268
Total receivables	**3,298**	4,668

	2014 $	2013 $
NOTE 8 – EXPLORATION EXPENDITURE		
Non-Current		
Exploration Expenditure		
Costs carried forward in respect of areas of interest in exploration and evaluation phases	**68,035**	1,389,519
Less: Provision for non-recoverability	**(68,025)**	(1,307,133)
Total exploration expenditure	**10**	82,386
Reconciled as follows:		
Opening balance	**82,386**	87,326
Tenement interests acquired	**-**	-
Exploration expenditure incurred and capitalised during the year	**50,168**	168,678
Exploration expenditure written off during the year	**(64,519)**	(173,618)
Exploration expenditure provided for during the year	**(68,025)**	-
Exchange differences	**-**	-
Total exploration expenditure	**10**	82,386

NOTE 9 – JOINT VENTURE INTEREST

The Group's Joint Venture (JV) 75% interest in the Ianna Gold Project was subject to the exercise of a US$2.5m call option expiring on 30 November 2012 (Option). On 18 September 2012 the Group relinquished its interest in the JV and wrote off the provision recognised during the year ended 30 June 2012 and exploration expenditure incurred on the project during the reporting period.

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

	2014 $	2013 $
Plant and equipment – cost	**124,257**	125,757
Less accumulated depreciation	**(101,336)**	(95,803)
Less accumulated impairment losses	**(1,917)**	(1,917)
	21,004	28,037
Motor vehicles – cost	**-**	58,500
Less accumulated depreciation	**-**	(52,133)
	-	6,367
Office furniture and equipment – cost	**71,762**	136,469
Less accumulated depreciation	**(62,229)**	(91,434)
	9,533	45,035
Total property, plant and equipment	**30,537**	79,439

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the previous and current financial year:

	Plant & Equipment $	Motor Vehicles $	Office Furniture & Equipment $	Buildings $	Total $
Carrying amount at 30 June 2012	**42,877**	**13,913**	**57,236**	**-**	**114,026**
Additions	2,490	-	5,488	-	7,978
Disposals	(4,115)	(3,758)	-	-	(7,873)
Impairment losses	(2,851)	-	(2,508)	-	(5,359)
Depreciation expense	(10,364)	(3,788)	(15,181)	-	(29,333)
Foreign exchange translation	-	-	-	-	-
Carrying amount at 30 June 2013	**28,037**	**6,367**	**45,035**	**-**	**79,439**
Additions	-	-	777	-	777
Disposals	-	(5,889)	(3,325)	-	(9,214)
Impairment losses	(64)	-	(25,379)	-	(25,443)
Depreciation expense	(6,969)	(478)	(7,575)	-	(15,022)
Foreign exchange translation	-	-	-	-	-
Carrying amount at 30 June 2014	**21,004**	**-**	**9,533**	**-**	**30,537**

	2014 $	2013 $
NOTE 11 – FINANCIAL ASSETS		
Non-current		
Environmental bonds	**34,000**	34,000
Total financial assets	**34,000**	34,000
NOTE 12 – TRADE AND OTHER PAYABLES		
Current		
Trade payables	**15,889**	16,263
Sundry payables and accrued expenses	**77,542**	115,579
Total trade and other payables	**93,431**	131,842
NOTE 13 – PROVISIONS		
Employee entitlements	**-**	67,988

NOTE 14 – STATEMENT OF OPERATIONS BY SEGMENTS

Identification of reportable segment
The Company identifies its operating segments based on the internal reports that are reviewed and used by the directors (chief operating decisions makers) in assessing performance and determining the allocation of resources. The financial information presented in the income statement and balance sheet is the same as that presented to the chief operating decision makers.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker are in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

NOTE 15 – AUDITOR'S REMUNERATION

Remuneration of the auditor of the Group for:		
- auditing or reviewing the financial report	19,250	36,410

	2014 $	2013 $

NOTE 16 – ISSUED CAPITAL

	2014 $	2013 $
746,336,925 fully paid ordinary shares (2013: 341,182,743)	**14,965,333**	14,540,540
Ordinary shares		
- At the beginning of the reporting year	**14,540,540**	13,947,301
Shares issued during the year		
Placement: 25,758,144 on 16 Oct 2012	**-**	103,033
Entitlement Offer: 65,826,370 in Nov 2012	**-**	263,305
Placement: 66,577,265 on 29 Nov 2012	**-**	266,309
Employee Share Plan: 11,500,000 on 29 Nov 2012	**-**	-
Buyback & Cancellation of Employee Share Plan Shares: (200,000) on 8 Feb 2013	**-**	-
Placement: 85,295,500 on 5 Feb 2014	**170,591**	
Entitlement Offer: 319,858,682 on 25 Mar 2014	**319,859**	
Share issue costs	**(65,657)**	(39,408)
Total issued capital at reporting date	**14,965,333**	14,540,540

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Options:
During the financial year ended 30 June 2014, no options were issued.
As at 30 June 2014 the Company had 11,750,000 unlisted options as follows:

800,000 options exercisable at $0.07 on 28 September 2015
3,200,000 options exercisable at $0.125 on 15 November 2015
250,000 options exercisable at $0.125 on 14 July 2016
7,500,000 options exercisable at $0.007 on 30 November 2015

NOTE 17 – RESERVES

	2014 $	2013 $
Options Reserve		
Opening Balance	**611,443**	560,575
Net share-based payments charge incurred in current year	**-**	50,868
Closing Balance	**611,443**	611,443
Foreign Exchange Translation Reserve		
Opening Balance	**-**	(1,624)
Exchange differences in current year	**-**	1,624
Closing Balance	**-**	-
Total Reserves	**611,443**	611,443

The Options Reserve records items recognised as expenses on valuation of share options granted to employees. The Foreign Exchange Translation Reserve records differences arising on translation of foreign controlled entities. The accumulated foreign exchange loss in the foreign exchange translation reserve was transferred to retained earnings on deregistration of the foreign subsidiaries in the year ended 30 June 2013.

NOTE 18 – FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, foreign currency cash at bank, accounts receivable and accounts payable.

The board's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst managing potential adverse effects on financial performance. The Company has developed a framework for a risk management policy and internal compliance and control system that covers the organisational, financial and operational aspects of the Group's affairs. The Executive Chairman is responsible for ensuring the maintenance of, and compliance with, appropriate systems.

Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk and liquidity risk.

(a) Interest Rate Risk

The Group's exposure to interest rate risk lies in the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The effective weighted average interest rates on financial instruments were as follows. There were no interest-bearing financial liabilities:

	2014	2013
Carrying Amount		
Financial Assets – cash and cash equivalents	**242,444**	313,558
Weighted Average Interest Rate (%)		
Financial Assets – cash and cash equivalents	**1.08%**	2.64%

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting is obligations related to financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to meet the operating requirements of the business and investing excess funds in highly liquid, high security short term investments. The Company's liquidity needs can be met through a variety of sources including the issue of equity instruments.

The Company's financial assets (other than its environmental bonds) and its financial liabilities are all expected to mature and settle within 6 months of the end of the financial year. The environmental bonds will mature and be refunded at relinquishment or disposal of the relevant tenement interest, subject to meeting the environmental requirements of the relevant government authority.

(c) Credit Risk

Credit risk arises in the event that a counterparty will not meet its obligations under a financial instrument leading to financial losses. The Company is exposed to credit risk from its deposits with banks. The Company controls this credit risk by assessing the credit quality of the institution with which the funds are deposited or invested. Due to its stage of development the Company has no exposure to customer credit risk. The maximum exposure to credit risk at balance date of recognised financial assets is the carrying amount as disclosed in the Statement of Financial Position and notes to the financial statements.

NOTE 18 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Foreign Exchange Risk

Exposure to foreign exchange risk may result in the fair value of foreign currency cash assets fluctuating due to movement in foreign exchange rates of currencies in which the Company holds the foreign currency cash.

At 30 June 2014 the Company held $606 in a United States dollar denominated bank account and $3,000 United States dollars in cash.

Financial Instruments

(a) Net Fair Value

For assets and liabilities the net fair value approximates their carrying value, as disclosed in the Statement of Financial Position.

(b) Interest Rate Sensitivity Analysis

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in interest rates.

At 30 June 2014 the effect on profit and equity as a result of changes in the interest rate with all other variables remaining constant is as follows:

	2014 $'000	2013 $'000
Change in profit		
- increase in interest rate by 2%	**3**	7
- decrease in interest rate by 2% (to a minimum 0%)	**(1)**	(6)
Change in equity		
- increase in interest rate by 2%	**3**	7
- decrease in interest rate by 2% (to a minimum 0%)	**(1)**	(6)

(c) Exchange Rate Sensitivity Analysis

The Company does not consider there is any material exposure to foreign exchange rate risk in the year ended 30 June 2014.

NOTE 19 – CONTINGENT LIABILITIES AND COMMITMENTS

	2014	2013
(a) Contingent Liabilities - Deferred Director Remuneration		
Mr Randazzo	-	141,497
Non-executive directors, Best, Bolton and Duncan.	-	51,667

(b) Exploration Commitments

Ongoing annual exploration expenditure is required to maintain title to the Group's mineral exploration tenements. No provision has been made in the financial statements for these amounts as the amounts are expected to be fulfilled in the normal course of the operations of the Group.

The Group has certain statutory obligations to perform minimum exploration work on its granted Australian tenements.

	2014 $	2013 $
These obligations which are not provided for in the financial statements and are payable:		
- not later than one year	**98,224**	112,207

The statutory expenditure requirement may be renegotiated with the relevant state department of minerals and energy, and expenditure commitments may be varied between tenements, or reduced subject to reduction of exploration area and/or relinquishment of non-prospective tenements.

(c) Claims of Native Title – Australia

The Company is not aware of any Native Title claims over its current tenements and no claims for Native Title have seriously affected exploration by the Company.

The Company is not aware of any sacred site issues which may impede its exploration activities.

The Company is unable to give a definitive statement on the impact, if any, of Native Title claims or sacred site clearance issues on the Company's future exploration and mining operations.

NOTE 19 – CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

(d) Operating Lease Commitments

The Company's tenancy agreement for the lease on office premises in Subiaco, Western Australia expired on 30 November 2013. At 30 June 2014 the Company occupied an office in West Perth on a month by month tenancy basis.

	2014 **$**	2013 $
- not later than one year	-	62,944
- later than one year but not later than five years	**-**	-
Total	**-**	62,944

NOTE 20 – PARENT INFORMATION

STATEMENT OF FINANCIAL POSITION

	2014 **$**	2013 $
ASSETS		
Current Assets	**245,742**	318,226
Non-Current Assets	**64,547**	195,825
TOTAL ASSETS	**310,289**	514,051
LIABILITIES		
Current Liabilities	**93,431**	199,830
TOTAL LIABILITIES	**93,431**	199,830
EQUITY		
Issued capital	**14,965,333**	14,540,540
Accumulated Losses	**(15,359,918)**	(14,837,762)
Options Reserve	**611,443**	611,443
TOTAL EQUITY	**216,858**	314,221

There were no guarantees, contingent liabilities or contractual commitments of the parent entity, other than those already disclosed in this financial report at 30 June 2014.

NOTE 20 – PARENT INFORMATION (CONTINUED)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2014 $	2013 $
Total loss	**522,156**	786,945
Total comprehensive loss	**522,156**	786,945

NOTE 21 - RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2014 $	2013 $
(a) Related Party Transactions		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated		
Transactions with related parties (GST inclusive)		
(i) Director Related Parties		
A private company of which Mr Randazzo is a director provided the Company with an unsecured, interest-free loan. This loan was drawn on 31 December2013 and repaid on 12 February 2014.	**20,000**	-
An associate of Mr Randazzo purchased a vehicle from the Company at market value.	**15,000**	-
Devmin Pty Ltd, a mineral resource consulting company of which Mr Best is a director and of which Mr Randazzo was a former director (resigned September 2012) was charged for the provision of office accommodation provided by the Company	**4,264**	-
A subsidiary of Fluormin plc, a company of which Mr Bolton was a director, was charged for the provision of office accommodation provided by the Group	**-**	42,678

(b) Key Management Personnel Share and Option Holdings

Key Management Personnel share and option holdings are disclosed in Note 5.

NOTE 22 – EVENTS SUBSEQUENT TO BALANCE DATE

On 24 July 2014 the Company completed a placement of 47,975,000 fully paid ordinary shares at $0.002 to sophisticated and professional investors which raised $95,950 before costs.

On 1 September 2014 the Company completed a placement of 127,025,000 fully paid ordinary shares at $0.002 to sophisticated and professional investors which raised $254,050 before costs.

On 15 July 2014, the Company executed an exclusivity agreement with the intention to acquire 100% of the issued capital in US based digital technology company, mppAPPs Inc. ("xTV"). Conditions precedent for the completion of the acquisition include the Company 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.

The consideration for the acquisition of 100% of the issued capital of xTV will be the issue and allotment of 62,500,000 the Companies 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.

ERL26543 was relinquished in July 2014 and EL26719 was relinquished in September 2014.

	2014	2013
	$	$
NOTE 23 – CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with loss from ordinary activities after income tax		
Loss from ordinary activities after income tax	**(522,156)**	(804,312)
Cash flows excluded from profit attributable to operating activities:		
Payments for exploration expenditure	**48,809**	217,456
Tiwi Island farm-in agreement sign-on fee	**-**	(50,000)
Proceeds on sale of plant and equipment	**(38,945)**	(40,682)
Purchase of property, plant and equipment	**777**	-
Payments for new business evaluation	**64,018**	-
Payments for subsidiary wind up	**2,237**	-
Non-cash flows in loss from ordinary activities:		
Depreciation	**15,022**	29,333
Carrying value of disposed plant and equipment	**25,443**	13,232
Impairment of property, plant and equipment	**9214**	-
Capitalised exploration expenditure	**(50,168)**	(168,678)
Capitalised exploration expenditure written off	**64,519**	173,618
Capitalised exploration expenditure - impaired	**68,025**	-
Foreign exchange gain	**337**	-
Share-based payment expense	**-**	50,868
Changes in assets and liabilities:		
Decrease in receivables	**4,400**	2,525
Increase in other current assets	**(3,029)**	-
Increase in other non-current assets	**(777)**	
Increase/(decrease) in trade creditors and accruals	**(38,411)**	1,316
Increase/(decrease) in provisions	**(67,988)**	18,494
Cash flows from operations	**(418,673)**	(556,830)

NOTE 24 – SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2014:

(a) Options

	Approved /Ratified At General Meeting	Issue Date	Exercise Price	Expiry Date
Director Option Issues				
3,200,000 options	12 Nov 2010	15 Nov 2010	$0.125	15 Nov 2015
Other Option Issues				
800,000 employee incentive options	12 Nov 2010	28 Sep 2010	$0.07	28 Sep 2015
7,500,000 employee incentive options	23 Nov 2012	30 Nov 2012	$0.007	30 Nov 2015

The above options hold no voting or dividend rights and are not transferable. At reporting date, all of the above options had vested and were exercisable. At reporting date none of the above options had been exercised.

	2014		2013	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	11,750,000	0.054	5,250,000	0.12
Granted	-	-	7,500,000	0.007
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	1,000,000	0.15
Outstanding at year end	11,750,000	0.054	11,750,000	0.054
Exercisable at year end	11,750,000	0.054	11,750,000	0.054

Note: The holder is able to convert each option into 1 ordinary fully paid share in the Group

The options outstanding at 30 June 2014 had a weighted average exercise price of $0.046.

No options were granted, forfeited, exercised or expired during the year ended 30 June 2014.
The weighted average fair value of the options granted during the year ended 30 June 2013 was $0.00332.
The value was calculated by using a Black-Scholes option pricing model applying the following inputs:

Exercise price	$0.007
Life of the option	3 years
Underlying share price	$0.006
Expected share price volatility	91.1%
Risk free interest rate	2.62%

Expected share price volatility has been based on the volatility of an Intercept Minerals Ltd ordinary share at the time of grant of the options, which while indicative of future trends, may not eventuate. The expected life of options is based on historical data and is not necessarily indicative of exercise patterns that may occur.

No equity-settled option-based expenditure has been included in the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position for the year ended 30 June 2014 (2013: $24,904).

NOTE 24 – SHARE-BASED PAYMENTS (CONTINUED)

(b) Shares

There were no shares movements pursuant to the ESP during the financial year ended 30 June 2014.

	30 June 2013	Issued	Repaid	Cancelled & Bought Back	30 June 2014
Number of Shares	**15,900,000**	-	-	-	**15,900,000**
Loan balance	**$498,500**	-	-	-	**$498,500**
Average loan per share	**$0.031**	-	-	-	**$0.031**

Shares issued under the ESP, in prior years were accounted for in accordance with AASB 2.

The fair value of the shares granted under the ESP during the year ended 30 June 2013 was $0.027.
The value was calculated by using a Black-Scholes option pricing model applying the following inputs:

Exercise price	$0.007
Life of the option	2 years
Underlying share price	$0.006
Expected share price volatility	91.10%
Risk free interest rate	2.73%

Expected share price volatility has been based on the volatility of an Intercept Minerals Ltd ordinary share at the time of grant of the options, which while indicative of future trends, may not eventuate. The expected life of options is based on historical data and is not necessarily indicative of exercise patterns that may occur.

No equity-settled share-based expenditure has been included in the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position for the year ended 30 June 2014 (2013: $25,964).

	2014	2013
	$	$

NOTE 25 – EARNINGS PER SHARE

(a) Reconciliation of earnings to net profit or loss

	2014	2013
Net loss	**(522,156)**	(804,312)
Earnings in the calculation of basic and dilutive EPS	**(522,156)**	(804,312)

	2014	2013
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	**460,070,797**	275,369,243
Weighted average number of options outstanding during the year used in calculation of basic EPS	**-**	-
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	**460,070,797**	275,369,243

The dilutive effect of options has not been considered due to the loss used to calculated earnings per share.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 19 to 46, are in accordance with the Corporations Act 2001:

    (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and

    (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company.

2. The persons who perform the Chief Executive Officer function and the Chief Financial Officer function have each declared that:

    (a) The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    (b) The financial statements and notes for the financial year comply with the Accounting Standards; and

    (c) The financial statements and notes for the financial year give a true and fair view.

3. The financial report also complies with International Financial Reporting Standards as set out in Note 1.

4. The remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply with the Corporations Act 2001 and the Corporations Regulations 2001.

5. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Randazzo.

S Randazzo
Chairman
19 September 2014

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Report
We have audited the accompanying financial report of Intercept Minerals Ltd, (the company) which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report
The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion
In our opinion:

(a) the financial report of Intercept Minerals Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position of the company as at 30 June 2014 and of its performance for the year ended on that date; and
  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 16 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Crowe Horwath Perth

CROWE HORWATH PERTH

SEAN MCGURK
Partner

Signed at Perth, 19 September 2014

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SHAREHOLDER INFORMATION

1. Shareholding

The shareholder information set out below was applicable as at 18 September 2014.

a. *Distribution of Share and Option Holdings as at 18 September2014.*

Size of Share and Option Holdings	Number of Shareholders	Number of Optionholders
1 - 1,000	73	27,905
1,001 - 5,000	70	204,319
5,001 - 10,000	91	832,926
10,001 - 100,000	348	13,576,244
100,001 and over	312	906,695,531
Total Shareholders and Optionholders	**894**	**921,336,925**

b. *Marketable Parcel*

Of the above total, 634 ordinary shareholders hold less than a marketable parcel.

c. *Substantial Shareholders*

	No of Shares	%
N & J MITCHELL HOLDINGS PTY LTD	72,382,568	7.86
SAMCOR INVESTMENTS PTY LTD	57,860,401	6.28
BT PORTFOLIO SERVICES LIMITED	53,598,315	5.82

d. *Voting Rights*

The voting rights attached to the ordinary shares are governed by the Constitution. On a show of hands every person present who is a member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options have any voting rights.

2. The company secretarial position is held by Sam Randazzo.

3. The address of the principal registered office in Australia is:

   Ground Level, 64 Thomas Street
   West Perth, Western Australia 6005
   Telephone +61 8 6380 2799

4. The register of securities are held at:

   Security Transfer Registrars Pty Ltd
   770 Canning Highway
   Applecross WA 6153
   Telephone +61 8 9315 0933

5. Stock Exchange Listing

   Quotation has been granted for all the ordinary shares of Intercept Minerals Ltd on all member exchanges of the Australian Stock Exchange Limited, and trade under the symbol IZM.

6. Detailed schedules of exploration and mining tenements held are included in the operations review.

7. Directors' interests in share capital is disclosed in the notes to the financial statements.

8. Unquoted Securities – Restricted Securities

   There are presently 921,336,925 ordinary shares on issue of which all are listed.

   There are presently 11,750,000 unlisted options on issue.

9. There is currently no on-market buy back.

TWENTY LARGEST SHAREHOLDERS
AS AT 18 September 2014

SHAREHOLDERS (Fully Paid Ordinary)	NUMBER OF SHARES	
N & J MITCHELL HOLDINGS PTY LTD	72,382,568	7.86%
SAMCOR INVESTMENTS PTY LTD	57,860,401	6.28%
BT PORTFOLIO SERVICES LIMITED	53,598,315	5.82%
OAKHURST ENTERPRISES PTY LTD	42,666,647	4.63%
RIBBON SECURITIES PTY LTD	38,976,611	4.23%
TALLTREE HOLDINGS PTY LTD	30,000,000	3.26%
APPLABS TECHNOLOGIES LIMITED	25,000,000	2.71%
RANCHLAND PTY LTD	21,875,000	2.37%
BNP PARIBAS NOMS PTY LTD	21,145,832	2.30%
MACQUARIE BANK LIMITED	18,717,951	2.03%
S RANDAZZO	17,325,000	1.88%
SL PHILLIPS & FJ PHILLIPS	16,500,145	1.79%
INVICTUS CAPITAL PTY LTD	15,000,000	1.63%
N & J MITCHELL HOLDINGS PTY LTD	13,585,234	1.47%
COFFEE HOUSE GROUP LIMITED	13,498,927	1.47%
MG BOLTON	12,056,208	1.31%
RANCHLAND PTY LTD	12,041,647	1.31%
B SMITH	12,000,000	1.30%
KONKERA PTY LTD	12,000,000	1.30%
RANCHILD PTY LTD	11,162,252	1.21%
TOP 20 SHAREHOLDERS	517,392,738	56.16%
TOTAL ISSUED CAPITAL	921,336,925	100.00%

CORPORATE DIRECTORY

Directors
Mr Sam Randazzo
Executive Chairman

Mr Gary Steinepreis
Mr Patrick Burke

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Gournd Level, 64 Thomas Street
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Phone: +61 8 6380 2799
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Email: intercept@intercept.com.au

Website: www.intercept.com.au

Company Secretary
Mr Sam Randazzo

Auditor
Crowe Horwath
Level 6, 256 St George's Terrace
Perth WA 6000

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Security Transfer Registrars Pty Ltd
770 Canning Highway
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Phone: +61 8 9315 2333
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