

QUARTERLY REPORT

30 September 2014

ASX Code: IZM

CORPORATE

During the September quarter the Company announced and signed an exclusivity agreement with the intention of acquiring 100% of USA digital technology company mppAPPs Inc ("xTV"), a next generation media company. xTV is based in Silicon Valley and operates the xTV platform which enables organisations to build and control the messaging and content within their own enterprise media networks by organising video, social media & breaking news into a Real-time TV experience. An exclusivity fee of US\$50,000 fee was paid by the Company.

A formal agreement and plan of merger for Intercept to acquire 100% of the issued capital of xTV was signed on 8 October 2014. This transaction will be a significant change to the nature and scale of the Company's main business activity which will require re-compliance with ASX's admission requirements in Chapters 1 and 2 of the ASX Listing Rules.

The indicative timetable for completion of the proposed transaction and Intercept's re-compliance with the ASX listing rules is outlined below:

Event	Date
Formal Agreement and Plan of Merger Documents executed	8 October 2014
Despatch Notice of Meeting seeking approval for the acquisition of xTV	29 October 2014
Lodgement of prospectus with ASIC	10 November 2014
General Shareholder Meeting to approve the acquisition of xTV	28 November 2014
Closing date of offer under the prospectus	5 December 2014
Despatch holding statements	15 December 2014
Re-quotation of shares on ASX	18 December 2014

In order to provide working capital to pay the exclusivity fee and undertake due diligence, Intercept raised A\$350,000 through a two tranche placement of 175,000,000 shares at A\$0.002. The first tranche, which was completed on 24 July 2014, involved the placement of 47,975,000 shares at A\$0.002 and raised A\$95,950. The second tranche placement of 127,025,000 shares at A\$0.002, which was approved by shareholders at a meeting convened on 27 August 2014, raised A\$254,050.

ABOUT xTV

xTV is capable of delivering to any organisation the ability to lower the cost of content deployment and increase the consumption of their media by delivering a true, real-time, TV experience, all without the need to install new devices or applications. One of the most compelling capabilities of the xTV platform is the Real-time data experience. A network can define both video content and associated feeds that display on their network, just like the tickers and side screens on CNBC or CNN, except they are active and clickable. Customers can then use the xTV platform to organise and push combinations of video, social and news into a realtime multi-screen formats where the viewers can lean back and interact with their new enterprise .TV network. The result is an entirely new media network which is quick to setup, runs 24/7 without maintenance and is realtime and engaging. xTV has a highly experienced management team and board of advisors. Founder and CEO Joe Ward has over 25 years of experience in Media & Technology and was President at uCirrus, a realtime relational database company backed by SK Telecom, Qualcomm, Intel Capital and ATA Ventures. The

board of advisors include Michael Montgomery (Disney & Dreamworks), Brian Clark (CTO Moodys, NYSE) and Michael Jones (Myspace & AOL).

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

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

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

EXPLORATION - AUSTRALIA

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

Mineral Exploration Tenement Summary At 30 September 2014			
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	EL 27664 (A)	1,431
			1,546
Abbreviations: EL = Exploration Licence, A = Application.			

1. EL 26719 was relinquished in September 2014

Tiwi Islands

EL27664 - 100% Intercept Minerals Ltd reducing to 25%

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

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

Adnera Project – Uranium

EL26748, EL27516, EL28167 - 100% Intercept Minerals Ltd

No exploration work was undertaken on the Adnera project during the quarter.

S Randazzo
 Executive Chairman
 22 October 2014

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

Intercept Minerals Ltd

ABN

16 124 251 396

Quarter ended ("current quarter")

September 2014

Consolidated statement of cash flows

		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(5)	(5)
	(b) development		
	(c) production		
	(d) administration	(61)	(61)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other - new business evaluation	(77)	(77)
Net Operating Cash Flows		(143)	(143)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		0	0
1.13	Total operating and investing cash flows (carried forward)	(143)	(143)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(143)	(143)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	318	318
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	-	-
	Net financing cash flows	318	318
	Net increase (decrease) in cash held	175	175
1.20	Cash at beginning of quarter/year to date	242	242
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	417	417

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	25
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Director fees.

Non-cash financing and investing activities

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

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	6
4.2 Development	
4.3 Business Development	100
4.4 Administration	75
Total	181

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	412	237
5.2 Deposits at call	5	5
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	417	242

Changes in interests in mining tenements and petroleum tenements

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

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+ Ordinary securities	921,336,925	921,336,925		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	175,000,000	175,000,000		
7.5	+ Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	800,000 3,200,000 250,000 7,500,000 <u>11,750,000</u>	- - - -	Exercise price \$0.07 \$0.125 \$0.125 \$0.007	Expiry date 28 Sep 2015 15 Nov 2015 14 Jul 2016 30 Nov 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

S Randazzo
22 October 2014

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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