



**INTERCEPT MINERALS LIMITED
(TO BE RENAMED xTV NETWORKS LTD)
ACN 124 251 396**

PROSPECTUS

For an offer of 150,000,000 Shares at an issue price of \$0.02 per Share to raise \$3,000,000 (**Offer**).

Oversubscriptions of up to a further 150,000,000 Shares at an issue price of \$0.02 per Share to raise up to a further \$3,000,000 may be accepted.

The Offer is conditional (amongst other things) upon Shareholders approving, at the General Meeting to be held on 3 December 2014, the issue of the Shares offered by this Prospectus. Please refer to Sections 3.4 and 5.2 of this Prospectus for further details.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

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1. CORPORATE DIRECTORY

Directors

Mr Sam Randazzo (Chairman)
Mr Gary Steinepreis
Mr Patrick Burke

Proposed Directors

Joseph Ward (Managing Director)
Thomas Reynolds (President and Chief
Operating Officer)
Mark Canepa (Executive Vice President of
Strategy)
Charles Thomas (Non-executive Director)
Rocco Tassone (Non-executive Director)

Company Secretary

Mr Sam Randazzo

Share Registry*

Security Transfer Registrars
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Applecross WA 6153

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Auditor and Independent Accountant

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Perth WA 6000

ASX code: IZM

Proposed ASX code: XTV

Registered Office

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Email: intercept@intercept.com.au
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Solicitors

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Lawyers and Consultants
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16 Milligan Street
Perth WA 6000

Prospectus Manager

Ascent Capital
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WEST PERTH WA 6005

GTT Ventures Pty Ltd
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12-20 Railway Road
SUBIACO WA 6008

*This entity is included for information purposes only. This entity has not been involved in the preparation of this Prospectus.

2. TIMETABLE*

	Date
Lodge Prospectus with ASIC and the ASX	24 November 2014
Opening Date	24 November 2014
Closing Date	15 December 2014
Shares issued under Prospectus	19 December 2014
Settlement Date (Securities issued to Vendors)	19 December 2014
Quotation Date	5 January 2015

* These dates are indicative only and subject to change. The Directors reserve the right to vary these dates, including the Closing Date, without prior notice.

3. IMPORTANT NOTICE

This Prospectus is dated 24 November 2014 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares which are the subject of this Prospectus should be considered highly speculative.

3.1 Website – Electronic Prospectus

A copy of this Prospectus can be downloaded from IZM's website at www.intercept.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

3.2 Website

Other than as otherwise stated in this Prospectus, no document or information included on our website is incorporated by reference into this Prospectus.

3.3 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

3.4 Conditional Offer

The Offer is conditional on the passing of Resolutions 1 to 4, 10 to 11 and 16 that are being put to Shareholders at the General Meeting scheduled to be held on 3 December 2014. A copy of the Notice of Meeting is available on request.

In the event that Shareholders do not approve Resolutions 1 to 4, 10 to 11 and 16 at the General Meeting, the Offer will not proceed and no Shares will be issued pursuant to this Prospectus. If this occurs, Applicants will be reimbursed their application monies (without interest).

4. INVESTMENT OVERVIEW

This Section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

4.1 The Company

Intercept Minerals Ltd (**IZM** or the **Company**) is a public company listed on the official list of ASX (ASX code: IZM) with its principal focus being mineral exploration. The Company was incorporated in March 2007 and was admitted to the official list of the ASX on 19 June 2007.

In addition to its principal business activities, the Company has been actively seeking to identify and evaluate new opportunities in related or non-related industries that may increase shareholder value.

As announced on 15 July 2014, the Company entered into an exclusivity agreement where it was granted an exclusive option to acquire 100% of the issued share capital of mppAPPs Inc (**xTV**)(**Acquisition**). On 7 October 2014, the Company entered into an agreement and plan for merger with xTV Acquisition Corp, xTV and Fortis Advisors LLC which sets out the full terms and conditions of the Acquisition (**Agreement**).

xTV is engaged in the business of designing, developing, marketing and servicing software products that combine a user's streaming media into a branded, real-time, interactive television network (the **Business** and such products, the **Products**).

As it is not in the same business as the existing business operations of IZM, the General Meeting will seek approval from Shareholders for a change in the nature and scale of the activities of the Company to include the Business.

4.2 xTV – Key Investment Highlights

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

Founded in 2011 by CEO, Joe Ward, the company's vision is to deliver any organisation the capability to lower the cost of content deployment and increase the consumption of their media by delivering a true, real time, TV experience, all without the need to install new devices or applications. One of the most compelling capabilities of the xTV platform is the Real-Time data experience. A network can define both video content and associated feeds that display on their network, just like the tickers and side screens on CNBC or CNN, except they are active

Key Points:

- Scalable, Company Developed Cloud TV Application Platform
- Highly experienced leadership team and advisory board
- Multiple patents under development with provisional patents already filed
- Large scale distribution deals will have a significant, positive impact on financials
- Highly capital efficient business

and clickable. Customers can then use the xTV platform to organise and push combinations of video, social and news into a real-time multi-screen formats where the viewers can lead 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 real-time and engaging.

xTV has a highly experienced management team and board of advisors. CEO Joe Ward has over 25 years of experience in Media & Technology and was President at uCirrus, a real-time 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, Chief Architect at 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 contract with Microsoft, Intel and UST Global and currently has over 100 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.

xTV believes that the most natural evolution of the .com website is to own and operate your online TV network.

The goal is to lower the barriers to entry to creating an online TV network and multiply the consumption of the content as a result.

xTV owns a global media network which consists of a Real Time Operating System and Video delivery network to give your audience an interactive, lean back experience.

xTV is currently in discussions with internet service providers, telecommunications companies and media delivery platforms for distribution and exclusive agency arrangements and has announced a proposal for a joint venture to enter the Chinese market.

4.3 xTV– Key Risks

Please note, the business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The key risks associated with an investment in the Company are summarised in Section 4.7. Further risks concerning an investment in the Company are set out in Section 7. Investors are advised to consider these risks carefully before deciding whether to apply for Shares pursuant to this Prospectus.

4.4 The Acquisition

In accordance with the terms of the Agreement, the Company will acquire 100% of the xTV Shares, conditional upon completion occurring in accordance with the Agreement.

(a) Consideration

In exchange for the Company acquiring 100% of the issued capital in xTV, the Company agrees to issue by way of consideration on a post-Consolidation basis, 625,000,000 Shares to the xTV Shareholders or their nominee (**Vendors**) (in proportion to their holdings in xTV immediately prior to the Merger). As part of the structuring of the transaction, it is proposed that the Vendors and any relevant key management of xTV direct the Company to issue the Consideration Shares and any Performance Rights that are subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules to an independent trustee, Lindfield Nominee Services Pty Ltd as their nominee to hold the legal title to these securities on behalf of each of the xTV Shareholders or key management personnel as beneficiaries. The number of Consideration Shares and Performance Rights that will be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules has not yet been determined.

(b) Trust Arrangement

For the purposes of this Prospectus Lindfield Nominee Services Pty Ltd will be termed **the Trustee**.

The xTV Shareholders, any relevant key management personnel, the Company and the Trustee will enter into a trust agreement to document the terms of the trust arrangement (**Trust Agreement**). The key terms of the Trust Agreement are set out in section 11.

The effect of this trust arrangement is that the Trustee will have a relevant interest in all of the Consideration Shares and Performance Rights the subject of the Trust.

The number of Consideration Shares and Performance Rights (refer below) that will be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules will be determined by ASX after this Prospectus is lodged with ASX.

The sole director and secretary of Lindfield Nominee Services Pty Ltd is Mr Peter Vickers. Mr Peter Vickers holds 100% of the issued fully paid ordinary shares in Lindfield Nominee Services Pty Ltd.

Mr Peter Vickers studied at the University of Sydney and is a Fellow of the Institute of Chartered Accountants in Australia, the Australian Institute of Company Directors and is a Chartered Tax Adviser (CTA) of the Tax Institute. Mr Peter Vickers is an authorized representative under the Corporations Act and is licensed to give investment advice. He is a registered tax agent, a registered company auditor, a registered SMSF auditor, an external examiner for the Law Society of NSW and a Justice of the Peace. Mr Peter Vickers has no current relevant interest in the Company and is not a related party of the Company.

(c) **Performance Rights**

As stated above, as part of the transaction, it has been agreed with xTV that a total of 250,000,000 Performance Rights on the terms set out in section 12.3 (**Performance Rights**) will be issued to key management personnel of xTV.

(d) **Conditions Precedent**

Completion of the Acquisition is subject to (amongst other things) the mutual satisfaction or waiver by the parties of the following conditions precedent:

- (i) IZM obtaining all regulatory and shareholder approvals as required; and
- (ii) IZM undertaking a capital raising of at least \$3,000,000 to enable IZM to be reinstated to quotation on ASX in accordance with this Prospectus and receiving sufficient applications to meet the minimum subscription.

For further details, refer to the material contract summary of the Agreement in section 11.1 of this Prospectus.

More detail in respect of xTV's assets and business plan is set out in Section 6 of this Prospectus.

4.5 Effect of the Acquisition

The effect of the Acquisition is that the nature and scale of the activities of the Company will change as the Company proposes to focus on designing, developing, marketing and services software products upon completion of the Acquisition. The acquisition of xTV is an event which requires the Company to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules, including seeking Shareholder approval for the acquisition of xTV, issuing a prospectus and obtaining a sufficient number of Shareholders with the requisite number of Shares in accordance with those rules.

Shareholder approval with respect to all resolutions relating to the Acquisition will be sought at the General Meeting to be held on 3 December 2014.

The effect of the Acquisition is set out in the capital structure table in Section 4.11.

4.6 Business Model, New Business Development and Company Objectives

The Company's main focus for the period immediately following re-listing will be the development of the Business and Products of xTV.

The Company's main objectives on completion of the Offer are:

- reinstating its Shares to trading on the ASX;
- providing a public listing platform to access capital markets and a broader shareholder base; and
- completion of all work necessary to progress xTV's Business and Products.

4.7 Key Risks

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively be managed or mitigated may be limited.

Set out below are specific risks that the Company is exposed to. Further risks associated with an investment in the Company are outlined in Section 7.

Risks relating to the Change in Nature and Scale of Activities

(a) Re-Quotation of Shares on ASX

The acquisition of xTV constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

(b) Dilution Risk

The Company currently has 921,336,925 shares on issue (on a pre-Consolidation basis). On completion of the Acquisition, the Company proposes to issue the relevant number of Shares and Performance Rights under the Acquisition and issue Shares to raise up to \$6,000,000 as part of the capital raising. On issue of the consideration under the Acquisition and the minimum subscription of the Shares under the Capital Raising (assuming no exercise of Options, or conversion of Performance Rights), the existing Shareholders will retain approximately 10.33% of the issued capital of the Company, with the Vendors holding 70.06%, introductory and advisory fee holding 2.80% and the investors under the Capital Raising holding 16.81% of the issued capital of the Company respectively.

On issue of the consideration under the Acquisition and the maximum subscription of the Shares under the Capital Raising, (assuming no exercise of Options, or conversion of Performance Rights), the existing Shareholders will retain approximately 8.84% of the issued capital of the Company, with the Vendors holding 59.97%, introductory and advisory fee holding 2.40% and the investors under the Capital Raising holding 28.79% of the issued capital of the Company respectively.

If subsequently the performance milestones are met and all the Performance Rights are converted (and provided no other Shares are issued or Options exercised), the interests of the existing Shareholders in the Company will reduce to 8.07% on a post-offer basis, assuming minimum subscription under the Capital Raising. The interests of the existing Shareholders in the Company will reduce to 7.13% on a post-offer basis, assuming maximum subscription under the Capital Raising.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Business.

(c) **Liquidity Risk**

On completion of the Acquisition, the Company proposes to issue 625,000,000 Shares to the Vendors, 250,000,000 Performance Rights to key management of xTV and 25,000,000 Shares for the Introductory and advisory fee (on a post-Consolidation basis). These securities will be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules. Based on the post-offer capital structure (on a post-Consolidation basis) (and assuming no further Shares are issued or Options exercised), these Shares will equate to approximately 78.80% of the post-Offer issued Share capital (assuming minimum subscription under the Capital Raising). This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

(d) **Contractual Risk**

Pursuant to the Agreement the Company has agreed to acquire 100% of xTV, subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

Risks relating to the Company's operations

(e) **Competition and new technologies**

The industry in which xTV is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could overtake the advancements made

by the xTV Platform. In that case, the Company's revenues and profitability could be adversely affected.

(f) **Reliance on key personnel**

The emergence and development of xTV's business has been in large part due to the talent, effort, experience and leadership of its management team, including its CEO, Mr Joseph Ward. xTV is also substantially dependent on the continued service of its existing development personnel because of the complexity of its services and technologies. There is no assurance that the Company will be able to retain the services of such persons.

(g) **Future capital requirements**

Future funding may be required by the Company to develop the Business and Products or additional projects that the Company may identify. There can be no assurance that such funding will be available on satisfactory terms or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations as the case may be, which may adversely affect the business and financial condition of the Company and its performance.

(h) **Management of growth**

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Acquisition. The capacity of the new management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 7 of this Prospectus before deciding whether to apply for Shares pursuant to this Prospectus.

4.8 The Offer

The Company invites applications for 150,000,000 Shares at an issue price of \$0.02 per Share to raise a minimum of \$3,000,000. Oversubscriptions of up to a further 150,000,000 Shares at an issue price of \$0.02 per Share to raise up to a further \$3,000,000 may be accepted.

Completion of the Offer under this Prospectus is subject to a number of conditions, including:

- (a) the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules;
- (b) the Company raising the minimum subscription; and
- (c) the Company receiving conditional approval for re-quotation of the Company's Shares on the ASX.

Further details of the outstanding conditions precedent to completion of the Acquisition are set in Section 4.4 and in Section 11. If these conditions are not met, the Company will not proceed with the Offer and will repay all application monies received, without interest and in accordance with the Corporations Act.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

The key information relating to the Offer and references to further details are set out below.

4.9 Purpose of the Offer

The purpose of the Offer is to provide additional funds to enable the Company to:

- (a) complete the Acquisition of xTV;
- (b) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules; and
- (c) complete all work necessary to progress the development of xTV's Business.

4.10 Use of Funds

The table below sets out the intended application of funds raised under the Prospectus (from the date of reinstatement to trading on the ASX) showing the minimum subscription and maximum subscription allocations.

Funds available	Minimum Subscription (\$) (3,000,000)	Percentage of Funds (%)	Maximum Subscription (\$) (\$6,000,000)	Percentage of Funds (%)
Existing cash reserves ¹	193,277	6.8%	193,277	3.0%
Funds raised from the Offer	3,000,000		6,000,000	
Expenses of the offer ²	(375,000)		(535,000)	
Net funds raised from the Offer	2,625,000	93.2%	5,465,000	97.0%
Total	2,818,277	100.0%	5,658,277	100.0%

Allocation of net funds and existing cash reserves	Minimum Subscription (\$)	Percentage of Funds	Maximum Subscription (\$)	Percentage of Funds
Compliance and management	350,000	12.4%	350,000	6.2%
Marketing programmes	200,000	7.1%	500,000	8.8%
Product development	750,000	26.6%	1,750,000	30.9%
Business	750,000	26.6%	1,750,000	30.9%

development and sales				
Contract services and enhanced business processes	200,000	7.1%	500,000	8.8%
Team incentive plans	250,000	8.9%	250,000	4.4%
Working capital ³	318,277	11.3%	558,277	10.0%
Total	2,818,277	100.0%	5,658,277	100.0%

Notes:

1. The existing cash reserves represents the adjusted proforma cash position of the consolidated group at 30 June 2014 excluding the capital raising and less actual and estimated business running costs for the Company and xTV for October, November and December 2014.
2. Refer to Section 12.8 of this Prospectus for further details.
3. The Company intends to use funds allocated for working capital towards other administrative expenses and other compliance.

The table above is a statement of current intentions of the Board as of the date of this Prospectus. As with any budget, intervening events (including delays in contract negotiations and permitting) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

In the event the Company raises more than the minimum subscription of \$3,000,000 but less than the maximum subscription, the additional funds will be applied towards the expenses of the Offer first and then equally towards marketing, product development, business development and contract services. On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

4.11 Capital Structure

The capital structure of the Company following completion of the Offer (showing the minimum subscription and maximum subscription) is summarised below:

Pre Consolidation			
Securities	IZM Shares (minimum subscription)	IZM Shares (maximum subscription)	IZM Options
Existing issued securities	921,336,925 ¹	921,336,925 ¹	11,750,000 ²
TOTAL SECURITIES PRE CONSOLIDATION	921,336,925	921,336,925	11,750,000
Post Consolidation			
Securities on issue Post Consolidation	92,133,692 ³	92,133,692 ³	1,175,000 ⁴
Introduction and Advisory Fee	25,000,000	25,000,000	-
Consideration Securities	625,000,000	625,000,000	-
Post Consolidation Capital	150,000,000	300,000,000	-

Raising			
TOTAL SECURITIES POST CONSOLIDATION	892,133,692	1,042,133,692	1,175,000

Performance Rights	
Tranche 1 issued on the terms set out in section 12.3	50,000,000
Tranche 2 issued on the terms set out in section 12.3	75,000,000
Tranche 3 issued on the terms set out in section 12.3	50,000,000
Tranche 4 issued on the terms set out in section 12.3	75,000,000
Employee Share Option Plan	
The Company is also proposing an Employee Share Option Plan to be exercisable at various prices and subject to vesting conditions. Refer to Section 12.4.	200,000,000

Notes

1. Assumes no further securities are issued prior to completion of the Acquisition, other than as set out in the table.
2. This figure comprises 800,000 unlisted options each exercisable at \$0.07 on or before 28 September 2015, 3,200,000 unlisted options each exercisable at \$0.125 on or before 15 November 2015, 250,000 unlisted options each exercisable at \$0.125 on or before 14 July 2016 and 7,500,000 unlisted options each exercisable at \$0.007 on or before 30 November 2015.
3. The Consolidation will result in the issue price of Shares increasing from approximately \$0.002 to approximately \$0.02.
4. This figure comprises 80,000 unlisted options each exercisable at \$0.70 on or before 28 September 2015, 320,000 unlisted options each exercisable at \$1.25 on or before 15 November 2015, 25,000 unlisted options each exercisable at \$1.25 on or before 14 July 2016 and 750,000 unlisted options each exercisable at \$0.07 on or before 30 November 2015.

4.12 Change in Nature and Scale of Activities

The purchase of xTV is an event which requires the Company to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules, including seeking Shareholder approval for a change in the nature and scale of activities (which will be sought at the General Meeting to be held on 3 December 2014). This Prospectus is issued to assist the Company to re-comply with these requirements.

The Company's Shares will remain suspended from Official Quotation and will not be reinstated until the ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. In the event the Company does not receive conditional approval for re-quotation on the ASX then the Company will not proceed with the Offer and will repay all application monies received.

4.13 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

As at the date of the Prospectus (on a post-Consolidation basis):

Shareholder	Shares	%
N & J Mitchell Holdings Pty Ltd	7,238,256	7.86
Samcor Investments Pty Ltd	5,786,040	6.28
BT Portfolio Services Limited	5,359,831	5.82

On completion of the Acquisition the following parties will have a relevant interest of 5% or more in total Securities on issue (on a post-Consolidation basis):

Shareholder	Shares	% (minimum subscription)
ForwardPeople LLC as trustee for the Joseph Ward Family Trust ¹	253,846,477	28.45%
Trustee ^{1, 2}	625,000,000	70.06%
UST-Global Private Limited ^{1, 3}	176,029,291	19.73%
Bay Area Investments LLC ⁴	51,171,920	5.74%

Notes

1. The numbers represent the current expected maximum number of shares which may be issued and may vary. The Company has sought shareholder approval for the maximum number of shares which may be issued to Joseph Ward in the amount of 412,940,360 Shares excluding Performance Rights or 46.29% and 625,000,000 Shares or 70.06% for the Trustee excluding Performance Rights.
2. Mr Peter Vickers is the sole shareholder of the Trustee. Accordingly, pursuant to Section 608(3) of the Corporations Act, he is deemed to have the relevant interests of the Trustee. The number of Consideration Shares and Performance Rights that will be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules will be determined by ASX after this Prospectus is lodged with ASX. The Shares shown above are the maximum number of shares excluding Performance Rights.
3. UST-Global Private Limited represents a consolidated holding and the current position and may be subject to change.
4. Bay Area Investments LLC represents a consolidated holding and the current position and may be subject to change.

Shareholder approval is being obtained on 3 December 2014 for Joseph Ward and his associates and the Trustee to hold an interest in excess of 19.9% in the capital of the Company after the issue of the Consideration Shares and upon conversion of any Performance Rights. The Company will ensure that no other party or its associates will have a voting power in the Company in excess of 19.9% after the issue of any Shares under this Prospectus.

The Company will announce to the ASX details of its Top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on the ASX.

4.14 Restricted Securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules, certain securities on issue prior to the Offer and certain securities issued as part of the Acquisition will be classified by the ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement to Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which

may impact on the ability of a Shareholder to dispose of Shares in a timely manner.

The securities likely to be subject to escrow will be Shares issued under the Capital Raising, the Consideration Shares and the Performance Rights.

The Consideration Shares issued will be given 'cash formula' relief and for unrelated parties are expected to be escrowed for 12 months from the date of issue. For related parties and promoters, these Shares will be escrowed for 24 months from the date of quotation.

The Company will announce to the ASX full details (quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on the ASX.

4.15 Financial Information

Following the change in the nature of its activities, the Company will be focused on developing the Business and Products of xTV. Therefore, the Company's past operational and financial historical performance will not be of significant relevance to future activities.

As a result, the Company is not in a position to disclose any key financial ratios other than its statement of financial position which is included in Section 9 of this Prospectus.

The initial funding for the Company's future activities will be generated from the offer of Shares pursuant to this Prospectus and existing cash reserves. The Company anticipates raising further funding from equity raisings in the future to develop the Business and Products of xTV. The Company may also consider alternative forms of debt or quasi-debt funding if required.

4.16 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

4.17 Dividend Policy

It is anticipated that significant expenditure will be incurred in the development of the Project. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment

of dividends or franking credits attaching to dividends can be given by the Company.

4.18 Directors and Key Personnel

(a) **Mr Joseph Ward – Managing Director**

Joe Ward has 26 years of experience in media and technology, primarily in leadership roles as CEO.

A former network engineer turn entrepreneur, Mr Ward has founded 5 companies that specialize in Cloud/SaaS/Media, with a recent emphasis on Realtime technology as the significant competitive advantage. In addition to xTV, these companies include Argyle Data (formerly uCirrus inc. USA), Workstar Australia, Marketboomer and Axis Media.

Prior to the companies he founded, he was the second employee at Ozemail and Network Engineer at Australian Consolidated Press.

Mr Ward's passion for xTV is a significant driver for the growth of the company, channeling the years of directly relevant experience and expertise into xTV where the vision is to become the most natural evolution of the website - your own online TV network, powered by xTV.

(b) **Mr Mark Canepa – Executive Vice President of Strategy**

Mark Canepa is an experienced and well known executive in the computing and communication industries. Mr. Canepa most recently served as Chairman of the Board of Directors of GreenButton Limited, where he was instrumental in the sale of the company to Microsoft in May of 2014.

Prior to GreenButton, Mr. Canepa served as CEO and President at Extreme Networks Inc., a Nasdaq listed Company, from August 30, 2006 until October 20, 2009. He also served as SVP, Network Storage Products at Sun Microsystems Inc. (now Oracle America, Inc.) and served as EVP of the Data Management Group from April 2001 to May 2006. Mr. Canepa also served as VP and GM, Internet Desktop and Server Products at Oracle from June 2000 to April 2001 and as its VP, Workgroup Server Products from October 1996 to June 2000. He also held several GM positions at Hewlett-Packard Co., including development and marketing of its Workstation Division. Mr. Canepa has been a Director of GreenButton Limited since August 2010 and served as a Director of Extreme Networks Inc. from October 2006 until October 20, 2009.

Mr. Canepa holds a B.S. and an M.S. in Electrical Engineering from Carnegie Mellon University, and has also completed the University of Pennsylvania's Advanced Management Program at the Wharton School.

(c) **Mr Thomas Reynolds – President and Chief Operating Officer**

Tom Reynolds brings nearly 40 years of experience in managerial and executive roles in hi-tech, communications, and networking industries. He has created and grown new businesses within notable multinational companies as well as startups. Mr. Reynolds's focus is on

delivering value to customers and shareholders through the creation and delivery of innovative solutions and technologies.

In addition to his recent startup efforts with xTV and others, Mr. Reynolds led the sales and marketing efforts that increased Ericsson's data business ten-fold in two years, and also includes similar successes at Motorola, HP and Harris. Mr. Reynolds also played key roles in the startup community, establishing Actelis Networks in the market and growing PairGain Technologies from \$200M to \$300M in two years.

Mr. Reynolds holds a Bachelor of Design from the University of Colorado in Boulder.

(d) **Mr Charles Thomas – Non-executive Director**

Mr Thomas is a Non-Executive Director of Applabs Technologies Ltd and Liberty Resources Ltd.

Mr Thomas is Executive Director of GTT Ventures Pty Ltd a Corporate Advisory firm based in Western Australia. Mr Thomas worked as an investment advisor from 2009-2014 for Bell Potter Securities Limited focusing on high net-worth clients and corporate advisory services. Previously he worked for State One Stockbroking for a period of 3 years. Previous to that he worked at Sanford Securities for 2 years. During the past 10 years he has advised and funded numerous ASX listed companies from early stage seed capital through to IPO.

Mr Thomas is a founding director and major shareholder of D-InkD, a company offering laser tattoo removal in Australia.

Mr Thomas holds a Bachelor of Commerce from UWA majoring in Corporate Finance.

Mr Thomas is also a Director of various private companies which industries span across many industries including finance, technology and medical fields.

(e) **Mr Rocco Tassone – Non-executive Director**

Mr Tassone holds a Bachelor of Business with a Double Major in Finance and Economics from Edith Cowan University, together with a Post Graduate Diploma in Applied Finance and Investment from Kaplan.

Mr Tassone has extensive experience in equities markets most recently with Bell Potter Securities Limited, where for a period of 8 years, he advised across domestic and international Institutional Sales, High Net Worth individuals and Corporate Advisory. During this time he has advised and funded many ASX listed companies from early stage seed capital through to Initial Public Offering as well as through mergers and acquisitions.

Additionally Mr Tassone is currently Non-Executive Director of ASX listed Applabs Technologies Ltd and is also a Founding Director and major shareholder of D-InkD Pty Ltd, as well as Founding Director of online retailer and distributor www.everythingmma.com.au.

4.19 Corporate Governance

To the extent applicable, commensurate with the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by the ASX Corporate Governance Council (**Recommendations**).

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 8.2 of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 8.3 of this Prospectus.

In addition, the Company's full Corporate Governance Plan may be requested from the Company Secretary on +61 8 6380 2799.

4.20 Disclosure of Interests

Directors are not required under the Company's Constitution to hold any Shares. Details of the Directors' and Proposed Directors' remuneration and relevant interests in the securities of the Company as at the date of this Prospectus and upon completion of the Offer are set out in the table below:

Interests at the date of this Prospectus (Post-Consolidation)

Director	Remuneration for year ended 30 June 2014	Remuneration for current year to 31 October 2014	Shares	Options
<u>Existing Directors</u>				
Sam Randazzo ¹	\$144,157	\$20,000	7,518,540	80,000
Gary Steinepreis ²	\$5,500	\$20,000	4,266,664	Nil
Patrick Burke ³	\$5,500	\$20,000	500,000	Nil
<u>Proposed Directors</u>				
Joseph Ward	Nil	Nil	Nil	Nil
Mark Canepa	Nil	Nil	Nil	Nil
Thomas Reynolds	Nil	Nil	Nil	Nil
Charles Thomas	Nil	Nil	Nil	Nil
Rocco Tassone	Nil	Nil	Nil	Nil

Notes:

1. Mr Randazzo holds 17,325,000 Shares directly and 57,860,401 via Samcor Investments Pty Ltd. Mr Randazzo's role will be made redundant on completion of the transaction and a redundancy fee on commercial terms will be paid in accordance with the regulatory requirements.
2. Mr Steinepreis holds his Shares through Oakhurst Enterprises Pty Ltd of which he is the sole director and 50% shareholder. Mr Steinepreis or associated entities will be paid for additional services undertaken as part of the Prospectus work on commercial terms.
3. Mr Burke holds his Shares via Rowan Hall Pty Ltd <Rowan Hall Investment A/C> of which Mr Burke is a potential beneficiary. Mr Burke or associated entities will be paid for further additional undertaken as part of the Prospectus work on commercial terms.

Interests upon completion of the Acquisition for Proposed Directors (post-Consolidation)

Director	Remuneration for year ended 30 June 2014	Proposed annual remuneration	Shares	Options	Performance Rights
Proposed Directors					
Joseph Ward ¹	Nil	Executive Salary US\$250,000 & Director fees A\$40,000	253,846,477	Nil	160,136,808
Mark Canepa	Nil	Executive Salary US\$72,000 & Director fees A\$40,000	318,062	17,000,000 ²	21,443,874
Thomas Reynolds	Nil	Executive Salary US\$220,000 & Director fees A\$40,000	8,481,662	29,000,000 ²	18,419,317
Charles Thomas	Nil	Director fees A\$40,000	Nil	Nil	-
Rocco Tassone	Nil	Director fees A\$40,000	Nil	Nil	-

Notes:

1. Mr Ward is the sole director of ForwardPeople LLC which acts as trustee for the Joseph Ward Family Trust of which Mr Ward is a potential beneficiary.
2. Subject to shareholder approval being obtained, Messrs Canepa and Reynolds will receive Options under the Employee Share Option Plan as set out in section 4.11. Refer to section 12.4 for further details.

4.21 Agreements with Directors or Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The Company discloses that as a result of the transaction there are related party agreements relating to employment contracts with the Proposed Directors. These agreements were negotiated on arms-length commercial terms as part of the Acquisition and the terms are summarised in Section 11.

Deeds of indemnity, insurance and access

The Company proposes to enter into a deed of indemnity, insurance and access with the current Directors, and Proposed Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect Board papers in certain circumstances.

5. DETAILS OF THE OFFER

5.1 The Offer

Pursuant to this Prospectus, the Company invites applications for 150,000,000 Shares at an issue price of \$0.02 per Share. The Company may accept oversubscriptions of up to a further \$3,000,000 through the issue of up to a further 150,000,000 Shares at an issue price of \$0.02.

The maximum amount which may be raised under this Prospectus is therefore \$6,000,000.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue, the terms and conditions of which are set out in Section 12.2.

5.2 Conditional Offers

Completion of the Offer under this Prospectus is subject to Shareholders approving Resolutions 1 – 4, 10 – 11 and 16 at the General Meeting, being:

- (i) Resolution 1 – Change in nature and scale of activities;
- (ii) Resolution 2 – Consolidation of capital;
- (iii) Resolution 3 – Capital raising;
- (iv) Resolution 4 – Transaction with xTV;
- (v) Resolution 10 – Change of company name;
- (vi) Resolution 11 – Issue of introduction and advisory shares; and
- (vii) Resolution 16 – Creation of new class of securities.

If these conditions are not met, the Company will not proceed with the Offer and will repay all application monies received, without interest and in accordance with the Corporations Act.

5.3 Minimum subscription

If the minimum subscription to the Offer of \$3,000,000 has not been raised within four (4) months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

5.4 Oversubscriptions

The Company may accept oversubscriptions of up to a further \$3,000,000 through the issue of up to a further 150,000,000 Shares at an issue price of \$0.02 each under the Offer. The maximum amount that may be raised under the Offer is therefore \$6,000,000.

5.5 Applications

Applications for Securities under the **Offer** must be made using the **Application Form**.

Applications for Shares must be for a minimum of 100,000 Shares and thereafter in multiples of 10,000 Shares and payment for the Shares must be made in full at the issue price of \$0.02 per Share.

Completed Application Forms and accompanying cheques, made payable to **"Intercept Minerals Ltd"** and crossed "Not Negotiable", must be mailed to the address set out on the Application Form so that it is received by no later than the Closing Date.

The Company reserves the right to close the Offers early.

5.6 Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

The Company's Shares will be suspended from trading on the date of the General Meeting, being 3 December 2014, and will not be reinstated to Official Quotation until the ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules, which will not occur until completion of the Acquisition.

In the event that the Company does not receive conditional approval for re-quotation on the ASX, it will not proceed with the Offer and will repay all application monies received, without interest.

5.7 ASX listing

Application for Official Quotation by the ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by the ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that the ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

5.8 Issue

Subject to the minimum subscription to the Offer being reached and the ASX granting conditional approval for the Company to be admitted to the Official List, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the allottees of all the Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

5.9 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

5.10 Not underwritten

The Offer is not underwritten.

5.11 Commissions on Application Forms

The Company reserves the right to pay a commission of 5% (exclusive of goods and services tax) of amounts subscribed to any licensed securities dealers or Australian Financial Services licensee in respect of valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee.

6. COMPANY OVERVIEW UPON COMPLETION OF THE ACQUISITION

6.1 Background of xTV and the Business Model

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

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

Key Points:

- Scalable, Company Developed Cloud TV Application Platform
- Highly experienced leadership team and advisory board
- Multiple patents under development with provisional patents already filed
- Large scale distribution deals will have a significant, positive impact on financials
- Highly capital efficient business

xTV has a highly experienced management team and board of advisors. CEO Joe Ward has over 25 years of experience in Media & Technology and was President at uCirrus, a real-time 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, Chief Architect at 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 contract with Microsoft, Intel and UST Global and currently has over 100 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.

xTV believes that the most natural evolution of the .com website is to own and operate your online TV network.

The goal is to lower the barriers to entry to creating an online TV network and multiply the consumption of the content as a result.

xTV owns a global media network which consists of a Real Time Operating System and Video delivery network to give your audience an interactive, lean back experience.

xTV is currently in discussions with internet service providers, telecommunications companies and media delivery platforms for distribution and exclusive agency arrangements and has announced a proposal for a joint venture to enter the Chinese market.

6.2 xTV Team

Joe Ward, Managing Director

With 26 years in Media and technology, Joe brings passion, vision & drive to the company – his mission is to lead xTV to lower the barriers to creating interactive online TV networks from a 1 employee company to large scale enterprises.

A former network engineer turned entrepreneur, Joe has founded 5 companies that specialise in Cloud/SaaS/Media with a recent emphasis on realtime technology.

Previous Managing Director/CEO appointments include, Marketboomer, Workstar and Argyle Data. Early network engineering roles includes Australian Consolidated Press and Ozemail.

Jim Hogan, SVP Sales & Marketing

Jim Hogan has been helping technology companies in the USA for over 30 years. His passion for xTV is to scale sales in collaboration with the company's partner network and he is constantly being quoted saying he believes that xTV is the next generation of TV networks where every company can become a media company.

Jim has a consistent track record in sales and product leadership roles across some of the world's leading technology companies including Compuserve, Netcom and IBM.

Jim has been a Vice President level executive at 3 companies which were acquired by Microsoft (Placeware, xDegrees and Tellme Networks), Confluent Software which was acquired Oracle and Tablus which was acquired by RSA.

Christopher Peri, VP Network Operations

Christopher has experience with web, mobile and hardware/software solutions starting as a designer, then programmer, manager, to various leadership roles over his career.

With over 20 years of technology operations including CTO of VentureBeat leading the effort with Video production, Christopher runs network operations for xTV. His mission is to "move the needle" for xTV's customers and partners.

Drew Anderson, VP Engineering

Drew has a passion for technical excellence and leadership in software programming, innovation, engineering, science and technology.

Over 20 years in full-time hands-on and senior management roles in novel or leading-edge product development, business management, R&D, and software engineering in digital media infrastructure, networking, social networking, gaming, e-Commerce, content discovery and media distribution with a mobile first approach.

John Schroeder, Head of TV Design

John recently left Comcast SportsNet in San Francisco to join xTV after working with xTV as an advisor and contractor for nearly three years.

At Comcast SportsNet John was the art director responsible for the TV graphics and design for most sports, with a large focus being on Major League Baseball and the San Francisco Giants.

Prior to Comcast, John was art director for some of the USA's biggest TV networks including CBS5, ABC6 and FOX28 & CBS11.

With over 25 years experience in art direction for television, John brings immense capability to the xTV team.

Tom Reynolds, Chief Operating Officer

Tom Reynolds brings nearly 40 years of experience in managerial and executive roles in hi-tech, communications, and networking industries. He has created and grown new businesses within notable multinational companies as well as startups. Mr. Reynolds' success comes from his focus is on delivering value to customers and shareholders through the creation and delivery of innovative solutions and technologies.

In addition to his recent startup efforts with xTV and others, Mr. Reynolds led the sales and marketing efforts that increased Ericsson's data business ten-fold in two years, and also includes similar successes at Motorola, HP and Harris. Mr. Reynolds also played key roles in the startup community, and leading the sales and marketing efforts to grow PairGain Technologies from \$200M to \$300M in two years and securing the major wins that established Actelis Networks in the market.

Mr Reynolds holds a Bachelor of Design from the University of Colorado in Boulder.

6.3 xTV Products

xTV Set Top Box – Interactive TVs for your Online TV Network

Deploy your interactive online TV network using the xTV Set Top Box. Each box connects to your local network via Ethernet or Wi-Fi, has two HDMI ports and connects to the TV Application Services Platform in the cloud.

Highlights include:

- (a) xTV Set Top Box connects to your HD screen;
- (b) 12 and 24 hour fixed screen options; and
- (c) Interactive with a smartphone via the cloud.

.TV Network – Combine all of your media into a single, interactive, online TV destination, highlights include:

- (a) Accessible via your .TV domain; and
- (b) Compliments your .com website.

Auto Start TV – Transform your laptops and PCs into TV outlets

Multiply the consumption of your online TV network consumption with the xTV Windows and Mac Screen Saver replacement.

Networks automatically play on laptops and PCs without sound. Connect your smartphone via the QR code over the cloud, sound turns on and the interaction begins.

Highlights include:

- (a) Replaces the screen saver (Mac or Windows);
- (b) Use your smartphone to interact; and
- (c) Drives consumption by 10-100x.

Video In Box – Broadcast Video as it happens.

Instant push of new video content to your audience globally.

Highlights include:

- (a) Push video to your audience;
- (b) Broadcast push notification to Android and iPhone; and
- (c) Interact and share content.

6.4 Cloud TV Application Platform

Online, Interactive, Multi-Channel, Multi device networks deployed in the cloud.

Our platform lowers the barriers to entry for creating an online TV network and multiplies the consumption of your content as a result.

The Cloud TV Application Platform consists of:

- (a) Realtime Operating System;
- (b) Global Video; and
- (c) TV Application Programming Interface (API).

6.5 Global Video

- (a) Live & Video-on-demand video, ultra fast load, multi-device encoding;
- (b) Cloud side supports external sources including YouTube and Livestream; and
- (c) Client side supports HTML5, XBOX, XTV Set Top Box, iOS, Android.

6.6 Realtime operating system

- (a) Low latency, push network in the cloud for super-fast Realtime interactive experience across all devices; and

- (b) Combine your feeds from Twitter, Facebook, LinkedIn, RSS News, Stocks, Sports & Weather into your online TV network.

6.7 Application Programming Interface (API)

- (a) Graphic designers can build their own TV Guide and In-Channel User interface;
- (b) Access Realtime data from the xTV Cloud TV Application platform for iOS, Android, HTML5, xBOX & Smart TV application development;
- (c) First realtime Cloud TV API in the market to combine realtime data feeds with video; and
- (d) Realtime analytics for down to the second data and responsive dashboards.

6.8 Media Services - Become your own media network

Transform your content, marketing and industry with your online TV network and leverage our media services

24 x 7 Video Content Generation from your company and industry sources, highlights include:

- (a) Convert your news into a branded video story (30-60 minute turn around);
- (b) Premium branded content in Business, Technology, Sports, Entertainment & Politics;
- (c) Source industry news content from our media partners Reuters, Associated Press;
- (d) Consolidate the best of online video from YouTube; and
- (e) Branded content from National news, Technology, Sports, Entertainment, Politics and more where we transform your online TV network into a 24 x 7 news network for your industry.

6.9 Industry solutions

xTV's Online Interactive TV Networks are being sold into the market, initially in the following sectors:

- (a) Hospitality;
- (b) Retail (e.g. BMW, Sears Vacations, GAP, American Express);
- (c) Healthcare (e.g. Advanced Bionics, The Larkin Group, Venture-Med, Wellpoint);
- (d) Enterprise (e.g. Microsoft, Intel, UST-Global, Alcatel Lucent); and
- (e) Media (e.g. TechCrunch, NY Times, MLB, The Weather Channel).

Use Cases

HOSPITALITY	
Use Case	Online TV Networks activate via Wi-Fi on guest Laptops and Tablets. Set Top Box replacement for in room TVs.

	<p>Local news & reviews.</p> <p>Accessible online prior to arrival in hotel.</p> <p>Use smartphone as remote control.</p>
RETAIL	
Use Case	<p>Kiosk-style TVs for customer content interaction.</p> <p>Customers pair smartphone and either interact with content, take content with them or one-click for phone call or email for sales.</p> <p>eLearning for employees where they use their smartphone to interact with content and answer questions.</p>
ENTERPRISE	
Use Case	<p>Interactive Online TV network to communicate company news, industry news, product information.</p> <p>xTV media services creates content 24 x 7 allowing the enterprise to become its own media network.</p> <p>Sales people share content with customers via social media and email.</p> <p>Set Top Boxes share content through TVs around the organizations locations globally.</p> <p>Video InBox application for iPhone and Android sends push notifications from the xTV Cloud TV Application Platform to all devices when new videos become available.</p> <p>Auto Start TV transforms Macs and Windows PCs into TV screens, multiplying the consumption of the content.</p>
MEDIA	
Use Case	<p>Existing YouTube channels promote other content after watching the Media company's content.</p> <p>xTV's Online TV platform combines all their YouTube content into a single destination, multi-channel, multi-device experience in realtime.</p> <p>This multiplies the consumption of the content for the media company.</p>

6.10 Competition

Various companies in the industry provide similar elements to xTV. Here we have identified the companies may compete with xTV in one form or another.

Video Hosting Companies

xTV is compatible with a range of video hosting companies however, in the future, xTV will be offering a video hosting service also.

When that occurs, the following companies may be considered competition albeit complimentary now and in the future. They are:

- Brightcove

- DaCast
- Dailymotion Cloud
- Kewego
- MediaCore
- MetaCDN
- Nideo
- Ooyala
- thePlatform
- Ustream
- ViaStreaming
- Viddler
- Kaltura

6.11 Distribution Strategy

Phase One – Direct Sales

Direct sales to Fortune 1000 companies in the USA, with a focus on 4 initial verticals:

- Enterprise & Technology
- Hospitality
- Retail
- Media

In November 2014, the company has begun an outbound campaign into the Enterprise vertical, specifically in the sub sector Enterprise Technology companies.

Hospitality: xTV has received strong feedback from two hotel groups and is pursuing the first deployments in California and New York.

Retail: In partnership with one of the largest North American telcos, we have received strong feedback that xTV's retail offering has been well received by major travel companies, manufacturers and other household brands in the U.S.

Media: xTV has been running an experiment with AOL for TechCrunch and Engadget.

Phase Two – Sales Expansion through Telecommunications Companies as a Channel

xTV is currently in discussions with Telecommunications companies and Internet Service Providers in the United States, Europe and India.

As the distribution model is proven the company is planning a continuation of the model across SE Asia, Europe Middle East, Australasia & Africa and Latin America.

Package Offering (Direct or via Channel Partner)

(a) **Monthly Package Pricing (US\$)**

Bronze	Silver	Gold
\$499	\$1,990	\$2,499
Includes: Monthly Network Credit \$250 1 Set Top Box Subscription 10,000 Views or 250 hours of viewing	Includes: Monthly Network Credit \$1,000 3 Set Top Box Subscription Newsreader Video Production for 5 videos / month 25,000 views or 500 hours of viewing	Includes: Monthly Network Credit \$1,500 5 Set Top Box Subscription Newsreader Video Production for 5 videos / month 50,000 views or 1,000 hours of viewing

(b) **Individual Line Item Pricing (US\$)**

Product	Base Price	Price Break 1	Price Break 2	Notes
DOT TV NETWORK	\$2/HOUR OR; 10,000 VIEWS	\$1/HOUR OR; 100,000 VIEWS	\$0.50/HOUR OR; 1,000,000 VIEWS	HOURLY CONSUMPTION INCLUDES BANDWIDTH & STORAGE
PREMIUM CHANNELS (NEWS CHANNELS)	\$1/HOUR OR; 10,000 VIEWS	\$0.50/HOUR OR; 100,000 VIEWS	\$0.25/HOUR OR; 1,000,000 VIEWS	Not applicable to specialist content channels
12 HOUR HD SET TOP BOX	\$199/Month	100 Screens \$180/Month	1,000 Screens \$170/Month	Does not consume DOT NETWORK capacity. Screen Not Included.
24 HOUR HD SET TOP BOX	\$349/Month	\$325/Month	\$300/Month	Does not consume DOT NETWORK capacity. Screen Not Included.
AUTO START TV SCREEN SAVER REPLACEMENT	\$5/Month	1,000 Installations \$3/Month	10,000 Installations \$2/Month	Not inclusive of network capacity.
VIDEO INBOX iPHONE (ANDROID Q4, 2014)	\$5/Month Min. 100	1,000 Installations \$3/Month	10,000 Installations \$2/Month	Not inclusive of network capacity.
NEWSREADER	\$100/Video, first 10,000 views free. \$5/1000 thereafter Min. 5/month	\$90/Video. First 10,000 views free. \$5/1000 thereafter Min. 25/Month	\$80/Video. First 10,000 views free. \$5/1000 thereafter Min. 50 / Month	Voice Over and graphics package included

Product	Base Price	Price Break 1	Price Break 2	Notes
NEWSREADER PRO	\$500/Video Min. 5/month	\$490/Video Min. 25/Month	\$480/Video Min. 50 / Month	Studio talent and graphics package included

6.12 **Limitation on Liability for User Selected Content while using xTV Technologies and Disclaimer of xTV relationships with Content Providers**

xTV provides a set of tools that enable anyone to create a network using the content of their choice. Customer and Network Supplier Agreements will include a set of defined Terms of Service and Use which will include standard provisions for a service of this type.

- (a) The Terms of Services will include provisions to protect xTV such as indemnification against activities and illegal acts, rights to remove content, limitations on liability and other relevant provisions.
- (b) Providers of content using xTV technologies or services are solely responsible for the selection or use of content and any consequences of submitting and publishing that content using xTV technologies. These limitations extend to licensing, copyright, infringement, privacy and any other form of liability that may arise from the presentation of the content.
- (c) xTV does not endorse any content provided by any user or licensor. Further, the presentation of content using xTV technologies does not constitute or imply that xTV has a relationship with any company or organization whose content is presented using xTV technologies.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to our business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company Specific

Risks relating to the Change in Nature and Scale of Activities

(a) Re-Quotation of Shares on ASX

The acquisition of xTV constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

(b) Dilution Risk

The Company currently has 921,336,925 shares on issue (on a pre-Consolidation basis). On completion of the Acquisition, the Company proposes to issue the relevant number of Shares and Performance Rights under the Acquisition and issue Shares to raise up to \$6,000,000 as part of the capital raising. On issue of the consideration under the Acquisition and the minimum subscription of the Shares under the Capital Raising (assuming no exercise of Options, or conversion of Performance Rights), the existing Shareholders will retain approximately 10.33% of the issued capital of the Company, with the Vendors holding 70.06%, introductory and advisory fee holding 2.80% and the investors under the Capital Raising holding 16.81% of the issued capital of the Company respectively.

On issue of the consideration under the Acquisition and the maximum subscription of the Shares under the Capital Raising, (assuming no exercise of Options, or conversion of Performance Rights), the existing Shareholders will retain approximately 8.84% of the issued capital of the

Company, with the Vendors holding 59.97%, introductory and advisory fee holding 2.40% and the investors under the Capital Raising holding 28.79% of the issued capital of the Company respectively.

If subsequently the performance milestones are met and all the Performance Rights are converted (and provided no other Shares are issued or Options exercised), the interests of the existing Shareholders in the Company will reduce to 8.07% on a post-offer basis, assuming minimum subscription under the Capital Raising. The interests of the existing Shareholders in the Company will reduce to 7.13% on a post-offer basis, assuming maximum subscription under the Capital Raising.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Business.

(c) **Liquidity Risk**

On completion of the Acquisition, the Company proposes to issue 625,000,000 Shares to the Vendors, 250,000,000 Performance Rights to key management of xTV and 25,000,000 Shares for the Introductory and advisory fee (on a post-Consolidation basis). These securities will be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules. Based on the post-offer capital structure (on a post-Consolidation basis) (and assuming no further Shares are issued or Options exercised), these Shares will equate to approximately 78.80% of the post-Offer issued Share capital (assuming minimum subscription under the Capital Raising). This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

(d) **Contractual Risk**

Pursuant to the Agreement the Company has agreed to acquire 100% of xTV, subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

Risks relating to the Company's operations

(e) **Sales and marketing success**

Following completion of the Proposed Transaction, the Company intends to continue with the commercialisation of the xTV Business and Products by focusing on brand development and sales and marketing. By its nature, there is no guarantee that the Company's brand development and sales and marketing campaign will be successful. In the event that it is not, the Company may encounter difficulty in bringing the xTV Business and Products to market and creating market awareness of the "xTV" brand. This would likely have an adverse impact on the Company's sales and profitability.

Even if the Company does successfully commercialise the xTV Business and Products, there is a risk the Company will not achieve a commercial

return. The Company may not be able to sell products and services to customers at a rate which covers its operating and capital costs, or new technology may overtake the Company's technology.

(f) **Protection of intellectual property rights**

If the Company fails to protect the intellectual property rights of xTV adequately, competitors may gain access to its technology which would in turn harm its business.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which its products are available. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

The Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management. In addition, unauthorised use of the "xTV" brand in counterfeit products or services may not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities.

(g) **Competition and new technologies**

The industry in which xTV is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could overtake the advancements made by the xTVBusiness and Products. In that case, the Company's revenues and profitability could be adversely affected.

(h) **Reliance on key personnel**

The emergence and development of xTV's business has been in large part due to the talent, effort, experience and leadership of its management team, including its CEO, Mr Joseph Ward. xTV is also substantially dependent on the continued service of its existing development personnel because of the complexity of its services and technologies. There is no assurance that the Company will be able to retain the services of such persons.

(i) **Faults with products/services**

Because xTV's Product is complex, it may have errors or defects that users identify after they begin using it, which could harm the Company's reputation and business. Internet-based services frequently contain undetected errors when first introduced or when new versions or enhancements are released. xTV has on occasions found defects in its product and new errors in its existing or future developed products and services may be detected in the future. If that occurs, the Company could lose future sales or customers.

(j) **Regulatory environment**

Presently, xTV's operations are based in the US and are subject to US laws and regulations. However, the Company intends to expand xTV's operations into other markets such as Asia and Australia. Users, competitors, members of the general public or regulators could allege breaches of legislation in the relevant jurisdictions (for example, if an advertisement was considered to be misleading or deceptive). This could result in remedial action or litigation, which could potentially lead to the Company being required to pay compensation or a fine.

The Company's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon the Company's profitability. In addition, if regulators took the view that the Company had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant damage to the Company's reputation and consequently impact on its revenue.

If and when the Company operates in other jurisdictions, regulatory changes could see the Company being required to hold a licence in some of these jurisdictions or otherwise comply with local regulations. This could preclude the Company from offering certain services in these jurisdictions until such a licence has been obtained, or may require the Company to comply with a range of regulatory requirements. Any such increase in the costs and resources associated with the regulatory compliance in these jurisdictions could impact upon the Company's profitability.

(k) **Foreign exchange risks**

xTV's revenues, costs and expenses in the United States are denominated in US dollars, whereas the Company reports in Australian dollars. As a result of the use of these different currencies, the merged group is subject to foreign currency fluctuations which may materially affect its financial position and operating results. For example, a depreciation of the US dollar relative to the Australian dollar may result in lower than anticipated revenue, profit and earnings as a result of the translation of the USD earnings into AUD. As such, the combined group is considering changing its functional currency for reporting purposes to US dollar.

(l) **Insurance coverage**

xTV faces various risks in connection with its business and may lack adequate insurance coverage or may not currently have the necessary insurance coverage. The Company will need to review its insurance requirements and obtain relevant insurances covering each jurisdiction it operates in as required. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, its profitability may be adversely affected.

(m) **Dependence on the internet**

Expanding sales of the xTV Business and Products and other future developed products depends on the continued acceptance of the internet as a communications and commerce platform for individuals and enterprises. The internet could become less viable as a business tool due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility and quality-of-service.

The performance of the internet and its acceptance as a business tool have been harmed by "viruses," "worms" and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If for any reason the internet does not remain a widespread communications medium and commercial platform, the demand for the Company's products would be significantly reduced, which would harm its business.

(n) **Hacker attacks**

xTV relies upon the availability of its website to provide services to customers and attract new customers. Hackers could render the website unavailable through a disrupted denial of service or other disruptive attacks.

Although xTV has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the website could lead to a loss of revenues for the Company. Further, it could hinder the Company's abilities to retain existing customers or attract new customers, which would have a material adverse impact on the Company's growth.

(o) **Domain name risk**

xTV's business depends to some extent on customers being attracted to its website. xTV has registered a domain name for the purposes of its website. However, should the Company not renew or otherwise lose control of the xTV domain name, it would lose all website traffic direct to that domain. This would likely adversely affect the Company's revenue.

(p) **Attracting customers to the website**

The Company's revenues, in part, will be affected by its ability to attract customers to the xTV website. Various factors can affect the level of web traffic arriving at the xTV website, including:

- (i) Marketing and promotions: If the Company's marketing and promotion efforts are not effective this may result in less customers visiting the xTV website.
- (ii) Brand damage: If the Company or xTV suffer from reputational damage, web traffic could be affected.
- (iii) Search engine traffic: Search engines such as Google direct significant traffic to the xTV website. Should these search engines make changes to their algorithms and procedures that direct this traffic, the Company could see a substantial drop in customers visiting the xTV website. For example, Google regularly updates the algorithms that determine the ranking of results it returns for any given search term. xTV attempts to follow Google's guidelines and online best practice to maintain the flow of traffic to its website, but such changes could adversely affect the traffic to its website.

A decline in traffic to the xTV website could lead to a decline in the Company's ability to attract customers, which in turn may affect the Company's profitability.

(a) **Future capital requirements**

Future funding may be required by the Company to develop the Business and Products or additional projects that the Company may identify. There can be no assurance that such funding will be available on satisfactory terms or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations as the case may be, which may adversely affect the business and financial condition of the Company and its performance.

7.3 General Risks

(a) **Management of growth**

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Acquisition. The capacity of the new management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(b) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(c) **Market risk**

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism and other hostilities.

(d) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to xTV's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

(e) **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

8.1 Directors, Proposed Directors and Key Personnel

Biographies for the Directors are set out below and Proposed Directors are set out in Section 4.18 above.

Current Directors

Mr Sam Randazzo, BBus, CA Chairman

Executive

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 Director

Non-Executive

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 Director

Non-Executive

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.

8.2 The ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by the ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available from the Company's website at www.intercept.com.au and upon request from the Company Secretary on +61 8 6380 2799.

Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board's discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meetings.

However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board's membership, but an

informal assessment process, facilitated in consultation with the Company's professional advisors, has been committed to by the Board.

Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board will review and approve the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing

director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit committee

The Company has an audit committee. The audit committee acts under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

8.3 Departures from Recommendations

Following admission to the Official List of the ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out on the following pages.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the board, the chair and management; and includes a description of those matters expressly reserved to the board and those delegated to management.	YES	The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management and details of the Board's disclosure policy. A copy of the Company's Board Charter is available on the

		Company's website.
Recommendation 1.2 A listed entity should: <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director. 	YES	<ul style="list-style-type: none"> (a) The Company undertakes checks on any person who is being considered as a director. These checks may include character, experience, education and financial history and background. (b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	Each senior executive and executive director has a formal employment contract and the non-executive directors have a letter of appointment.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	YES	The Company Secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: <ul style="list-style-type: none"> (a) have a diversity policy which includes requirements for the board: <ul style="list-style-type: none"> (i) to set measurable objectives for achieving gender diversity; and (ii) to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period: <ul style="list-style-type: none"> (i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the 	YES	<ul style="list-style-type: none"> (a) The Company has adopted a Diversity Policy <ul style="list-style-type: none"> (i) The Diversity Policy provides a framework for the Company to achieve a list of measurable objectives that encompass gender equality. (ii) The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The company is responsible for implementing, monitoring and reporting on the measurable objectives. (b) The Diversity Policy is available on the company website. <ul style="list-style-type: none"> (i) The measurable objectives set by the board will be included in the annual report. In addition the board will

<p>(B) entity has defined "senior executive" for these purposes); or the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.</p>		<p>review progress against the objectives in its annual performance assessment.</p> <p>The board will include in the annual report each year, the measurable objectives, progress against the objectives, and the proportion of male and female employees in the whole organisation, at senior management level and at Board Level.</p>
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>YES</p>	<p>The Chairman is responsible for evaluating the performance of the Board, its committees and individual directors. This is generally done through a meeting with the Chair.</p> <p>The review is currently informal but is based on a review of goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement that may be identified. The Chairman will provide each Director with confidential feedback on his or her performance. There was no formal performance evaluation during the financial year.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>YES</p>	<p>(a) The Remuneration Committee is responsible for evaluating the performance of senior executives. The Committee is to arrange an annual performance evaluation of the senior executives.</p> <p>(b) The Remuneration Committee is required to disclose whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided in the Company's Annual Report.</p>
<p>Principle 2: Structure the board to add value</p>		
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and 	<p>NO</p>	<p>A nomination committee has not been established. The role of the Nomination Committee has been assumed by the full Board.</p>

<p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>		
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	YES	The Board reviews capabilities, technical skills and personal attributes of its directors. It will normally review the Board's composition against those attributes and recommend any changes in Board composition that may be required. An essential component of this will be the time availability of Directors.
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director</p>	YES	<p>(a) Disclosure of the names of Directors, considered by the board to be independent, are provided in the Annual Report.</p> <p>(b) Directors' interests, positions, associations and relationships are regularly assessed by the Board. Details of the Directors interests, positions associations and relationships are provided in the Annual Report.</p> <p>(c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Report.</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	NO	<p>The Board Charter requires that an appropriate balance between independent and non-independent directors are represented on the Board.</p> <p>Details of each Director's independence are provided in the Annual Report.</p>
<p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	NO	The Chair of the Board is not independent. It is the Board's intention to comply with its policy at a time when the size of the Group and its activities warrants such a structure.

Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	YES	A responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Remuneration Committee is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: <ul style="list-style-type: none"> (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. 	YES	<ul style="list-style-type: none"> (a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees. (b) The Company's Corporate Code of Conduct is available on the Company's website.
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The board of a listed entity should: <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. 	YES	<ul style="list-style-type: none"> (a) The Audit and Compliance Committee Charter states that: <ul style="list-style-type: none"> (i) The Audit and Compliance Committee shall comprise the Company's non-executive directors with at least one member to have significant, recent and relevant experience; and (ii) The Audit and Compliance Committee Charter is available on the Company website; (iii) The Audit and Compliance Committee Charter requires the Committee in relation to the reporting period to disclose the number of times that the Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the Committee meetings will be provided in the Company's Annual Report.
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly	YES	Before the Board approves the entity's financial statements for a financial period, the CEO and CFO must have declared that in their opinion the financial records of the entity have been properly

maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	YES	The Audit and Compliance Committee Charter provides that the Committee must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. 	YES	<ul style="list-style-type: none"> (a) The Board Charter provides details of the Company's continuous disclosure policy. (b) The Board Charter is available on the Company website.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Statement which can be found on the Company's website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	<p>The Shareholder Communication Strategy states that as a part of the Company's developing investor relations program, Shareholders can register via the Company website to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to</p>

		Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	YES	The Board has adopted a Risk Management Policy. There is no risk management committee and this role is undertaken by the Board, however, the overall basis for risk management is to provide recommendations about: <ol style="list-style-type: none"> 1. Assessing the internal processes for determining and managing key risk areas, particularly: <ul style="list-style-type: none"> • non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws; • litigation and claims; and • relevant business risks other than those that are dealt with by other specific Board Committees. 2. Ensuring that the Group has an effective risk management system and that major risks to the Group are reported at least annually to the Board. 3. Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws. 4. Evaluating the process the Group has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk. 5. Assessing whether management has controls in place for unusual types of

		<p>transactions and/or any potential transactions that may carry more than an acceptable degree of risk.</p> <p>6. Meeting periodically with key management, internal and external auditors and compliance staff to understand and discuss the Group's control environment.</p>
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	YES	<p>The Board meets on a regular basis to discuss the operating activities. As part of this all risks are considered including but not limited to strategic, operational, legal, reputation and financial risks. This is an on-going process rather than an annual formal review.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	NO	<p>The Company does not have an internal audit function but reviews its risk management and internal control processes on a regular basis.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>The Company is of the view that its operations do not create a material exposure to economic, environmental and social sustainability risks.</p>
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p>	YES	<p>(a) The Remuneration Committee Charter outlines the roles and responsibilities of the Remuneration Committee and provides that the Remuneration Committee comprises the full Board but excludes the relevant member of the Board when his or her performance is under review;</p> <p>(b) The Remuneration Committee Charter is available on the Company website.</p> <p>(c) The Remuneration Committee</p>

<p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		<p>discloses the number of times that the Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the Committee meetings will be provided in the Company's Annual Report.</p>
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	YES	<p>The Company provides disclosure of all Directors and executives remuneration in its annual report.</p> <p>Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Group. There are no documented agreements providing for termination or retirement benefits to non-executive directors.</p> <p>Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares and / or options granted at the discretion of the Board and subject to obtaining the relevant approvals.</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Not applicable	<p>The Company does not have an equity based remuneration scheme which is affected by this recommendation.</p>

9. FINANCIAL INFORMATION

Introduction

This Section sets out the Historical Financial Information and Proforma Financial Information. The basis for preparation and presentation is set out below.

The Directors are responsible for the inclusion of all Financial Information in the Prospectus. Crowe Horwath Perth has prepared an Investigating Accountant's Report in respect of the Historical and Proforma Financial Information. A copy of this report is set out in Section 10 of the Prospectus.

The Financial Information has been prepared by management and adopted by the Directors of the Company. The Financial Information comprises the merged group of Intercept and xTV on the basis as set out below.

Basis of Preparation

The Historical Financial Information and Proforma Financial Information has been prepared for illustrative purposes and has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards and the significant accounting policies of the Company and xTV, on the assumption that the proposed acquisition occurred on 30 June 2014.

The accounting policies comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. They also comply with International Financial Reporting Standards. The Historical and Proforma Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements, comparative information and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.

The Company's financial statements for the year ended 30 June 2014 have been audited by Crowe Horwath Perth. Crowe Horwath Perth has also audited the financial information of xTV as at and for the six months ended 30 June 2014. Unmodified audit opinions were issued by Crowe Horwath for the Company and for xTV.

The Historical Financial Information of the merged group provided in this Prospectus comprises a Proforma consolidated statement of financial position as at 30 June 2014, which is based upon:

- (a) the Company's audited statement of financial position as at 30 June 2014;
 - (b) xTV's audited statement of financial position as at 30 June 2014,
- (together, the **Historical Financial Information**); and
- (c) relevant Proforma adjustments required to present the merged group, (together with the Historical Financial Information, the **Proforma Financial Information**).

The information in this Section is presented on a Proforma basis only, and as a result it is likely that this information will differ from the actual financial information for the merged group as at completion of the proposed acquisition.

Accounting under AASB 3 'Business Combinations' to determine the acquirer

Australian Accounting Standards require that where two or more entities combine through an exchange of equity for the purposes of a combination, one of the entities must be deemed to be the accounting acquirer (accounting parent).

The Company is the legal acquirer (legal parent) in respect of the proposed acquisition (xTV is the legal subsidiary) and it will issue Shares in the Company to effect the business combination. However, in accordance with Australian Accounting Standards, all relevant facts and circumstances must be considered to determine which entity has obtained control in the transaction and is therefore deemed to be the accounting acquirer (accounting parent).

The proposed acquisition is a merger of a listed and non-listed entity. The Directors have considered the guidance set out in Australian Accounting Standard AASB 3 'Business Combinations' and consequently, xTV was deemed to be the accounting acquirer (accounting parent). This accounting method is referred to as a 'reverse acquisition'. The factors considered by the Directors in identifying the accounting acquirer included the relative voting rights after the business combination and the Board and management composition of the consolidated group.

The net assets of the Company reflect the assets and liabilities deemed to be acquired by xTV and are stated at their acquisition date fair values. The assets and liabilities of xTV as the accounting acquirer are maintained at their historical book values.

Any difference between the fair value of the consideration paid, and the fair value of the net assets of the Company acquired, is recognised as goodwill on consolidation

The Company is the legal acquirer and will be the reporting entity of the merged group. The accounting policies of the merged group used in the compilation of the Proforma Financial Information are based on those of the Company. A summary of the significant accounting policies of the Company is disclosed in the audited financial statements of the Company for the year ended 30 June 2014, available on ASX's website at www.asx.com.au.

Upon completion of the proposed acquisition, the business of the Company will have changed to that of the merged group resulting in the need to consider and/or adopt new accounting policies. Significant new accounting policies to be adopted by the merged group are outlined below.

No adjustments have been made in the Proforma financial information for any expected synergies or integration costs following the completion of the proposed acquisition. Nor have any adjustments been made in the Proforma financial information for any one-off or non-recurring costs, other than those set out in the Proforma adjustments.

The functional and presentation currency of the Company (the reporting entity) is Australian dollars. If the proposed acquisition completes, the merged group will consider if the transaction will change the primary economic environment in which the Company operates and trigger the need to change the functional currency to US dollars. The Proforma financial information is presented in Australian dollars using the US dollar : Australian dollar exchange rate at 30 June 2014.

New accounting policies of the merged group

1. Revenue recognition

Sale of goods and disposal of assets

Revenue from the sale of goods and disposal of assets is recognised when the consolidated entity has passed control of the goods or assets to the buyer, the fee is fixed or determinable and collectability is probable.

Software licence fee revenue is recognised at the point of "go live" (i.e. when users can use the system on a fully functional basis).

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract or on a time and materials basis depending upon the nature of the contract.

Support and maintenance revenue is recognised on a straight-line basis over the period of contract.

In multiple element arrangements where goods and services are sold as a bundled product, the fair value of the services component is recognised as revenue over the period during which the service is performed.

2. Deferred revenue

Revenue earned from maintenance and support services provided on sales of certain products by the consolidated entity are deferred and then recognised in profit or loss over the contract period as the services are performed, normally 12 months.

3. Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised. Finite life intangible assets are subsequently measured at cost less amortization and any impairment. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortization method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses recognised on goodwill are not subsequently reversed.

Research phase

No intangible asset arising from research (or from the research phase of an internal project) is recognised. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when incurred.

Development phase

An intangible asset arising from development (or from the development of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the

intangible asset; and

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs in respect of enhancements on existing suites of software applications are capitalised and written off over a 3 year period. Development costs on technically and commercially feasible new products are capitalised and written off on a straight line basis over a period of 3 years commencing at the time of commercial release of the new product.

Development costs include costs directly attributable to the development activities.

Following initial recognition, the consolidated entity will adopt the cost model. As a result, any development costs carried forward will be carried forward at its cost less any accumulated amortization and any accumulated impairment losses.

4. Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each entity comprising the consolidated entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet item presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each item presented in the income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a

reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

5. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company and the results of all subsidiaries from the date control was obtained. The Company controls another entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is fully transferred. They are deconsolidated from the date control ceases.

Intercompany transactions, balances and unrealized gains on transactions between entities in the consolidated group are eliminated on consolidation.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest without a loss of control, is accounted for as an equity transaction.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the financial statements. Losses incurred by the consolidated entity are attributed to the non controlling interests in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognizes the assets including goodwill, liabilities and non-controlling interest in the subsidiary, together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gains or loss in profit or loss.

Proforma Financial Information

This Section contains the Proforma Financial Information for the merged group, reflecting the combined business of the Company and xTV. The Proforma Financial Information is presented to provide shareholders with an indication of the consolidated group's consolidated financial position as if the proposed acquisition had been implemented as at 30 June 2014.

As the proposed acquisition, if implemented, will be effected at a future date, the actual financial position of the consolidated group post completion will differ from that presented below.

References to notes in the table presented below refer to the notes to Proforma adjustments set out below.

The xTV financial information as at 30 June 2014 has been translated into Australian dollars using an US\$ to A\$ exchange rate of 1.0594.

Intercept Minerals Ltd

Proforma Statement of Financial Position

30 June 2014

	xTV	xTV	Intercept	Proforma \$3m Minimum raising	Proforma \$6m raising (oversubscriptions of \$3m)	Note Reference
	Audited US\$	A\$	Audited A\$	Unaudited A\$	Unaudited A\$	
ASSETS						
Current Assets						
Cash and cash equivalents	302,868	320,858	242,444	3,687,559	6,527,559	1
Other assets	500	530	3,298	3,828	3,828	
Total current assets	303,368	321,388	245,742	3,691,387	6,531,387	
Non-current assets						
Goodwill on consolidation	-	-	-	2,833,037	2,833,037	2
Property, plant & equipment	-	-	30,537	-	-	2
Financial assets	-	-	34,000	-	-	2
Exploration expenditure	-	-	10	-	-	2
Total non-current assets	-	-	64,547	2,833,037	2,833,037	
TOTAL ASSETS	303,368	321,388	310,289	6,524,424	9,364,424	
LIABILITIES						
Current Liabilities						
Trade and other payables	681,669	722,160	93,431	815,591	815,591	
Financial liabilities	4,127,100	4,372,250	-	-	-	3
Total current liabilities	4,808,769	5,094,410	93,431	815,591	815,591	
Non-current Liabilities						
Deferred compensation	278,906	295,473	-	-	-	1,4
Total non-current liabilities	278,906	295,473	-	-	-	
TOTAL LIABILITIES	5,087,675	5,389,883	93,431	815,591	815,591	
NET ASSETS	(4,784,307)	(5,068,495)	216,858	5,708,833	8,548,833	
EQUITY						
TOTAL EQUITY	(4,784,307)	(5,068,495)	216,858	5,708,833	8,548,833	

Note 1:

	Proforma \$3m Minimum raising \$A	Proforma \$6m raising (oversubscriptions of \$3m) \$A
Opening cash	563,302	563,302
Capital raising in 2 tranches in July and September 2014	318,000	318,000
On 15 July 2014, the Company executed an exclusivity agreement to acquire xTV. The exclusivity fee of US\$50,000 has been expensed in accordance with AASB 3.	(52,970)	(52,970)
Capital raising net of costs of the Offer	2,625,000	5,465,000
Settlement of deferred compensation owing to Mr Joseph Ward, which relates to the period 1 March 2011 up to and including 30 June 2014	(295,473)	(295,473)
xTV received a further investment of US\$500,000 from the issue of 2 convertible notes subsequent to 30 June 2014.	529,700	529,700
Closing Cash	3,687,559	6,527,559

The Proforma Financial Information assumes that the minimum amount of the offer will be fully subscribed. This pro forma adjustment reflects the net impact of the proposed \$3 million capital raising (and oversubscriptions of an additional \$3m) and associated Performance Rights issued as part of the proposed acquisition and the issue of the corporate and advisory fee. These transactions include:

- (a) A capital raising of 150,000,000 Shares at \$0.02 each to raise \$3,000,000, less transaction costs of \$375,000 (the Minimum) and a capital raising of 300,000,000 Shares at \$0.02 each to raise \$6,000,000, less transaction costs of \$535,000 (assuming oversubscriptions);
- (b) 250,000,000 Performance Rights to be issued as part of the transaction. These have been valued but not included in the Proforma Financial Information as the expense will be recognised progressively over the vesting period, in accordance with AASB 2 (refer to Note 5 below for valuation details and assumptions); and
- (c) A corporate and advisory fee of 25,000,000 Shares have also been issued at \$0.02 each (reflected in equity).

The expense or cost to be offset against equity to be raised under item (b) and (c) will be determined by reference to the market price per Share at the issue date. For the purposes of the Proforma Financial Information, this is assumed to be \$0.02 per Share (being the capital raising price post-consolidation).

Note 2:

If the proposed acquisition is approved by shareholders, the Company intends to sell or relinquish its mining tenements and plant and equipment. Tenement bonds would also be returned.

The proposed acquisition has been accounted for as a "reverse acquisition" under AASB 3. Accordingly, the assets and liabilities of the legal parent, Intercept Minerals Limited, have been measured at their acquisition date values (acquisition date is assumed to be 30 June 2014 for the purposes of the Proforma Financial Information) in accordance with AASB 3. The difference between the acquisition date fair values ascribed to the assets and liabilities of the legal parent and the consideration paid, is reflected as goodwill on consolidation.

Note 3:

	Proforma \$3m Minimum raising \$A	Proforma \$6m raising (oversubscriptions of \$3m) \$A
Opening financial liabilities	4,372,250	4,372,250
xTV received a further investment of US\$500,000 from the issue of 2 convertible notes subsequent to 30 June 2014.	529,700	529,700
The issue of 625,000,000 Shares to acquire 100% of the issued capital of xTV includes the conversion of all convertible notes and other financial instruments into common shares in xTV as part of the transaction thereby eliminating all financial liabilities.	(4,901,950)	(4,901,950)
Closing Financial Liabilities	Nil	Nil

Note 4:

The deferred compensation has been paid from xTV existing cash reserves.

Note 5:

The valuation of the Performance Rights, as detailed below, has been completed for illustrative purposes only. In accordance with the requirements of AASB 2, the value attached to the performance rights is required to be allocated over the vesting period, which is 2 years from the date of grant. As the grant of the performance rights is subject to shareholder approval, AASB 2 would deem the date of such approval to be the grant date. Accordingly, the recognition of any amounts in relation to the grant of the performance rights would commence from the date of grant, which has yet to occur. As a result, the performance rights have been excluded from the Proforma Financial Information.

Performance rights valuation:

Item		1	2	3	4
Underlying Security spot price	Note a	A\$0.02	A\$0.02	A\$0.02	A\$0.02
Exercise price		Nil	Nil	Nil	Nil
Implied share price barrier		N/A	N/A	A\$ 0.050	A\$ 0.075
Valuation date		15 October 2014	15 October 2014	15 October 2014	15 October 2014
Expiration date		15 October 2016	15 October 2016	15 October 2016	15 October 2016
Life of the Rights (years)		2	2	2	2
Volatility	b	115%	115%	115%	115%
Risk free rate	c	2.57%	2.57%	2.57%	2.57%
Number of Rights		50,000,000	75,000,000	50,000,000	75,000,000
Valuation per Right		A\$0.02	A\$0.02	A\$0.0163	A\$0.0141
Valuation per Tranche		A\$1,000,000	A\$1,500,000	A\$815,000	A\$1,057,500

Note a- Underlying Share Price

The valuation has assumed the underlying spot price to be \$0.02 per share– the Capital Raising Price post-consolidation.

Note b- Expected Volatility of Share Price

Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

Many techniques can be applied in determining volatility, with a summary of the methods that can be used outlined below:

- The square root of the mean of the squared deviations of closing prices from a sample. This can be calculated using a combination of the opening, high, low, and closing share prices each day the underlying security trades for all days in the sample time period chosen;
- The exponential weighted moving average model adopts the closing share price of the Company in a given time period. The model estimates a smoothing constant using the maximum likelihood method, which estimates volatility assuming that volatility is not a constant measure and is predicted to change in the future; and
- The generalised autoregressive conditional heteroscedasticity model. This model takes into account periods of time where volatility may be higher than normal and/or lower than normal, as well as the tendency for the volatility to run at its long run average level after such periods of abnormality. The model will calculate

the rate at which this is likely to occur from the sample of prices thereby enabling estimates of future volatility by time to be made.

The Company will be changing its focus and company operations. Therefore, it was more relevant to review the volatility of comparable technology companies with xTV than to review the historical trading patterns of the Company as a mining exploration company.

Based on a review of the one and two year volatility of comparable companies, an estimated volatility level of 115% was adopted in the pricing model.

Note c- Risk-free Rate of Interest

The Australian Government 2-year bond rate of 2.57% as at the valuation date as input to the pricing model.

Note 6:

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company. Refer to Potential Litigation relating to xTV in Section 11.1(h).



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24 November 2014

The Directors
Intercept Minerals Ltd
64 Thomas Street
West Perth WA 6005

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on Intercept Minerals Ltd (to be renamed xTV Networks Ltd) Historical and Proforma Historical Financial Information

We have been engaged by Intercept Minerals Limited (to be renamed xTV Networks Ltd) (the Company) to report on the historical financial information and pro forma historical financial information of the Company as at 30 June 2014 for inclusion in the Prospectus dated on or about 24 November 2014 in connection with the proposed offer of 150 million shares in the Company (the Offer) to be undertaken in connection with the acquisition of all of the securities in mppAPPs Inc (xTV) (the Acquisition). The Offer will raise \$3m (before costs of the Offer), with a potential to accept over subscriptions of up to \$3m (before Costs of the Offer).

Expressions and terms defined in the Prospectus have the same meaning in this report.

Scope

Historical Financial Information

You have requested Crowe Horwath Perth to review the following historical financial information of the Company and xTV included in the Prospectus:

- the audited Statement of Financial Position as at 30 June 2014.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's and xTV's adopted accounting policies. The historical financial information has been extracted from the financial reports of the Company and xTV for the year ended 30 June 2014 and the six months ended 30 June 2014 (respectively), which were audited by Crowe Horwath Perth in accordance with the Australian Auditing Standards. Crowe Horwath Perth issued unmodified audit opinions on the financial reports. The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma Historical Financial Information

You have requested Crowe Horwath Perth to review the following pro forma historical financial information of the Company included in the Prospectus:

- the A\$ pro forma Statement of Financial Position of the Merged Group as at 30 June 2014,

which assumes the completion of a pre Offer equity raise by the Company, the completion of the Offer, and the acquisition of xTV.

The pro forma historical financial information has been derived from the historical financial information of the Company and xTV, after adjusting for the effects of pro forma adjustments described in section 9 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's and xTV's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 9 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Merged Group's actual or prospective financial position.

Directors' responsibility

The directors of the Company are responsible for the preparation of the historical financial information and pro forma historical financial information, including its basis of preparation and the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit report on any financial information used as a source of the financial information.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information of the Company and xTV, as described in section 9 of the Prospectus, and comprising:

- the Statement of Financial Position as at 30 June 2014

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 9 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's and xTV's adopted accounting policies.

Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information of the Company as described in section 9 of the Prospectus, and comprising:

- the A\$ pro forma Statement of Financial Position of the Merged Group as at 30 June 2014

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 9 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 9 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information.

Restriction on Use

Without modifying our conclusions, we draw attention to section 9 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

Crowe Horwath Perth has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Liability

The liability of Crowe Horwath Perth is limited to the inclusion of this report in the Prospectus. Crowe Horwath Perth makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

Independence and Disclosure of Interest

Crowe Horwath Perth are the appointed statutory auditors of Intercept Minerals Limited and were engaged to complete the audit of xTV solely for the purposes of preparing this report. Crowe Horwath Perth does not have any interest in the outcome of this transaction other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Crowe Horwath Perth

Crowe Horwath Perth

Cyrus Patell

Cyrus Patell
Partner

11. MATERIAL CONTRACTS

11.1 Agreement

In accordance with the terms of the Agreement, the Company will acquire 100% of the xTV Shares, conditional upon completion occurring in accordance with the Agreement. The key terms of the Agreement are as follows:

(a) Transaction

The Agreement states that the acquisition of xTV will be effected through the creation of a wholly owned subsidiary company of IZM, named xTV Acquisition Corp (**Merger Subsidiary**), a company incorporated in Delaware. The Merger Subsidiary and xTV then undertake a statutory merger (**Merger**), after which the separate corporate existence of the Merger Subsidiary will cease and xTV shall continue on as the surviving corporation and wholly owned subsidiary of the Company (**Surviving Corporation**).

Upon the completion of the Merger, all the property, rights, privileges, powers and franchises of xTV and the Merger Subsidiary vest in the Surviving Corporation, and all the debts, liability and duties of xTV and the Merger Subsidiary become the debts, liabilities and duties of the Surviving Corporation.

(b) Consideration

In exchange for the Company acquiring 100% of xTV, through the ownership of 100% of the issued capital of the Surviving Corporation, the Company agrees to issue by way of consideration on a post-Consolidation basis, 625,000,000 Shares to the xTV Shareholders or their nominee (**Vendors**).

Of the consideration Shares, an amount of 62,500,000 Shares will be initially held in escrow (**Holdback Amount**). This Holdback Amount will be held in escrow as a several indemnification from the xTV Shareholders to compensate the Company, the Merger Subsidiary and the Surviving Corporation for any claims by such parties for losses for which they are entitled to recover.

At the date of the Merger, each xTV Share will be cancelled and converted automatically into the right to receive, upon the terms and conditions of the Agreement:

- (i) at the date of Merger, that number of Shares (in proportion to their fully diluted holdings in xTV immediately prior to the Merger) minus the xTV Shareholder's pro rata portion of the Holdback Amount; and
- (ii) at that date which is 18 months after the settlement of the Merger, the xTV Shareholder's pro rata portion of the Holdback Amount.

As further detailed below, as part of the structuring of the transaction, it is proposed that the Vendors and any relevant key management of xTV direct the Company to issue the Consideration Shares and any Performance Rights that are subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules to an independent

trustee, Lindfield Nominee Services Pty Ltd as their nominee to hold the legal title to these securities on behalf of each of the xTV Shareholders or key management personnel as beneficiaries. The number of Consideration Shares and Performance Rights that will be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules has not yet been determined.

(c) **Conditions Precedent**

Completion of the Acquisition is subject to (amongst other things) the satisfaction or waiver by the parties of the following conditions:

- (i) IZM obtaining all regulatory and shareholder approvals as required;
- (ii) IZM undertaking a consolidation of its issued capital, on the basis of one (1) Share for every ten (10) Shares held and one (1) Option for every ten (10) Options held in order to raise capital at a \$0.02 price; and
- (iii) IZM preparing a prospectus for a capital raising of at least \$3,000,000 to enable IZM to be reinstated to quotation on ASX and receiving sufficient applications to meet the minimum subscription under the prospectus.

(d) **Performance Rights**

As part of the transaction, it has been agreed with xTV that a total of 250,000,000 Performance Rights will be issued to key management personnel of xTV on the terms set out in section 12.3.

(e) **Capital Raising**

The Company will conduct a capital raising in order to fund the Acquisition and to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company proposes to raise up to \$6,000,000 at an issue price of not less than \$0.02 (following the Consolidation as defined above). The minimum amount that is proposed to be raised under the Prospectus is \$3,000,000 (before costs). The Capital Raising is the subject of the Offer under this Prospectus.

(f) **New Board of Directors**

In accordance with the terms of the Agreement, on completion, each of the existing directors of IZM will resign from their current positions with IZM and the Company will appoint in their place the following xTV directors to the Board of IZM:

- (i) Joseph Ward – Managing Director;
- (ii) Thomas Reynolds – President and Chief Operating Officer;
- (iii) Mark Canepa – Executive Vice President of Strategy;
- (iv) Charles Thomas – Non-executive Director; and
- (v) Rocco Tassone - Non-executive Director.

(g) **Change of Name**

As a result of the Acquisition, the Company proposes to change its name to xTV Networks Limited.

(h) **Potential litigation**

The Agreement itemizes potential litigation of xTV and includes a potential claim by a former employee and officer (**Party**). As described below, the maximum exposure to the merged Company is US\$150,000. The Party claims that he is owed money under an employment agreement and a promissory note. No formal claim has yet been lodged, and both sides have agreed to pursue non-binding mediation. xTV and the Party are in the process of selecting a mediator and mutually agreeable dates for the mediation. xTV has been advised that the Party is seeking up to US\$592,102. Although xTV cannot provide any assurance as to the outcome of this claim, xTV believes that the size of the claim is without merit, and xTV also has potential counterclaims against the Claimant for breaches of fiduciary duty and breach of contract. The Agreement provides that if this claim is settled for an amount in excess of US\$150,000, then the Holdback Amount (described in Section 10.2(b) hereof) payable to the Vendors will be reduced by the amount of any such excess.

(i) **Other Clauses**

The Agreement is termed an "Agreement and Plan of Merger" and is a document that is governed by the laws of the State of Delaware. The effectuation of the plan of merger is subject to the applicable provisions of the Delaware General Corporation Law as xTV is a Delaware incorporated company.

The Agreement and Plan of Merger contains warranties and representations from xTV which are of a relatively standard nature for similar type transactions, which are then backed by a several indemnification from the xTV shareholders on the terms set out in the Agreement and Plan of Merger.

11.2 Trust Agreement

The xTV Shareholders, any relevant key management personnel, the Company and the Trustee will enter into a trust agreement to document the terms of the trust arrangement (**Trust Agreement**). The key terms of the Trust Agreement will be as follows:

- (a) the Consideration Shares that will be held in trust will be all the Consideration Shares of xTV Shareholders with a registered address in the United States and all the Performance Rights of key management personnel that are subject to any ASX restriction;
- (b) the Trustee will be indemnified for actions made in good faith;
- (c) the Trust Agreement will describe the holding of legal title by the Trustee for and on behalf of the beneficiaries (being the xTV Shareholders and any key management personnel the subject of the trust);
- (d) for so long as the Trustee holds the Consideration Shares and Performance Rights, the beneficiaries will not:

- (i) receive dividends;
 - (ii) exercise the right to vote. The voting rights attaching to the Consideration Shares will be exclusively exercised by the Trustee at his sole discretion; or
 - (iii) exercise any other rights that flow from ownership of the Consideration Shares and Performance Rights.
- (e) subject to the ASX restrictions that are imposed, the Consideration Shares under the trust will be subject to forfeiture for indemnification claims under the Agreement; and
 - (f) the ASX restriction agreement which will be separately entered into will ensure that the Consideration Shares and Performance Rights the subject of the trust cannot be disposed of or pledged in any way.

11.3 Executive Services Agreement with Joseph Ward

xTV entered into an executive services agreement with Joseph Ward pursuant to which Mr Ward will serve xTV as its Managing Director and Chief Executive Officer.

Following completion of the Acquisition, xTV will be a 100% subsidiary of the Company.

The material terms of the agreement are as follows:

- (a) the agreement has a term of three (3) years commencing on the date of reinstatement of the securities of the Company on the ASX;
- (b) xTV will pay Mr Ward an annualized salary of US\$250,000 (inclusive of superannuation and GST), which is payable in accordance with the then current payroll practices and which will be reviewed annually, and will be paid annualized Board Director fees of A\$40,000 (inclusive of superannuation and GST), which is payable monthly and reviewed annually;
- (c) subject to proof, xTV will reimburse Mr Ward for all reasonable expenses incurred in the performance of his duties;
- (d) Mr Ward is entitled to enter into a Deed of Indemnity and Access, covering the subjects of indemnity of Directors, Directors' and Officers' insurance and access to Company documentation;
- (e) Mr Ward will be eligible for performance based shares of Company stock and bonuses at the discretion of the Board; and
- (f) the agreement contains termination provisions that are customary for an agreement of this type.

11.4 Executive Services Agreement with Thomas Reynolds

xTV entered into an executive services agreement with Thomas Reynolds pursuant to which Mr Reynolds will serve xTV as its President and Chief Operating Officer.

Following completion of the Acquisition, xTV will be a 100% subsidiary of the Company.

The material terms of the agreement are as follows:

- (a) the agreement has a term of three (3) years commencing on the date of reinstatement of the securities of the Company on the ASX;
- (b) xTV will pay Mr Reynolds a salary of US\$220,000 (inclusive of superannuation and GST), which is payable in accordance with the then current payroll practices and which will be reviewed annually, and will be paid annualized Board Director fees of A\$40,000 (inclusive of superannuation and GST), which is payable monthly and reviewed annually;
- (c) subject to proof, xTV will reimburse Mr Reynolds for all reasonable expenses incurred in the performance of his duties;
- (d) Mr Ward is entitled to enter into a Deed of Indemnity and Access, covering the subjects of indemnity of Directors, Directors' and Officers' insurance and access to Company documentation;
- (e) Mr Reynolds will be eligible for performance based shares of Company stock and bonuses at the discretion of the Board; and
- (f) the agreement contains termination provisions that are customary for an agreement of this type.

11.5 Services Agreement with Mark Canepa

The Company entered into a Services Agreement with Mark Canepa pursuant to which Mr Canepa will serve xTV as Executive Vice President of Strategy and a Director of the Company.

The material terms of the agreement are as follows:

- (a) the agreement has a term of three (3) years from the date of re-election;
- (b) the Company will pay Mr Canepa an annualized Executive Services salary of US\$72,000 (inclusive of superannuation and GST), and will be paid annualized Board Director fees of A\$40,000 (inclusive of superannuation and GST), which is payable monthly and reviewed annually;
- (c) subject to proof, xTV will reimburse Mr Reynolds for all reasonable expenses incurred in the performance of his duties;
- (d) Mr Canepa is entitled to enter into a Deed of Indemnity and Access, covering the subjects of indemnity of Directors, Directors' and Officers' insurance and access to Company documentation;
- (e) Mr Reynolds will be eligible for performance based shares of Company stock and bonuses at the discretion of the Board; and
- (f) the agreement contains termination provisions that are customary for an agreement of this type.

11.6 Introduction and transaction assistance mandate

The Company has entered into a mandate letter with MV Agusta Investments Pty Ltd (**MVA**) to recognize the introduction of the transaction and continued assistance for the completion of the acquisition of xTV.

MVA introduced the transaction to IZM and the consideration for the introduction and continued assistance to complete this transaction in this role for the re-compliance Australian Listing on the ASX of IZM is the issue of 25,000,000 Shares at an issue price of \$0.02 each to MVA or its nominees, subject to shareholder approval and settlement of the transaction.

11.7 UST-Global Agreements

xTV and UST Global Private Limited (**UST**) are parties to the following agreements (collectively, the **UST Agreements**):

- (a) a License Agreement with UST dated 5 June 2014 for the amount of US\$185,500 providing UST with a right and license to use the xTV Products.
- (b) a Master Services Agreement dated 5 June 2014 with UST that provides for a services credit of US\$1,000,00. UST may identify services that UST can provide to xTV (**Projects**). Each Project may include provisions of services (**Work**) and/or delivery of certain products or other items (**Deliverables**). Each Project will be described within a Statement of Work (**SOW**), which may contain specifications, description or scope of work, a schedule or milestones, payments, list of Deliverables, or other terms and conditions agreed by the parties. A SOW shall be effective only if accompanied by the dated signature of an authorized representative of both parties.

11.8 Other Contracts

The Company proposes to enter into standard Directors Indemnity Deeds with its Directors and Proposed Directors. These agreements are summarised in other sections of this Prospectus.

12. ADDITIONAL INFORMATION

12.1 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company. Refer to Potential Litigation relating to xTV in Section 11.1(h).

12.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the

dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms

of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

12.3 Performance Rights

The terms of the Performance Rights are set out as follows:

- (a) **(Performance Rights)** Each Performance Right is a share in the capital of IZM.
- (b) **(General Meetings)** The Performance Rights shall confer on the holder **(Holder)** the right to receive notices of general meetings and financial reports and accounts of IZM that are circulated to shareholders. The Holder has the right to attend general meetings of shareholders of IZM.
- (c) **(No Voting Rights)** The Performance Rights do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of IZM.
- (d) **(No Dividend Rights)** The Performance Rights do not entitle the Holder to any dividends.
- (e) **(Rights on Winding Up)** The Performance Rights participate in the surplus profits or assets of IZM upon winding up of IZM only to the extent of \$0.000001 per Performance Right.
- (f) **(Not Transferable)** The Performance Rights are not transferable.
- (g) **(Reorganisation of Capital)** If at any time the issued capital of IZM is reconstructed, all rights of the Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- (h) **(Application to ASX)** The Performance Rights will not be quoted on ASX. However, upon conversion of the Performance Rights into fully paid ordinary shares **(Ordinary Shares)** IZM must within seven (7) days after the conversion, apply for the official quotation of the Ordinary Shares arising from the conversion on ASX.
- (i) **(No Other Rights)** The Performance Rights give the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (j) **(Participation in Entitlements and Bonus Issues)** Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of the Ordinary Shares such as bonus issues and entitlement issues.

- (k) **(Reconstruction)** If there is a reconstruction (including, consolidation, subdivision, reduction or return) of the issued capital of IZM, the basis for adjustment of the conversion of Performance Rights into Ordinary Shares will be reconstructed in the same proportion as the issued capital of IZM is reconstructed and in a manner which will not result in any additional benefits being conferred on the Holder which are not conferred on the Shareholders of IZM, (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms for conversion of the Performance Rights will remain unchanged.

The adjustments of this term will, subject to the ASX Listing Rules, be determined by IZM.

Conversion and Redemption of the Performance Rights:

- (a) **(Performance Milestones)** If the following performance hurdles are satisfied, the Performance Rights will convert into Ordinary Shares as follows:
- (i) if xTV achieves US\$500,000 in gross revenue for each month for a continuous period of 3 months within a period of 2 years from the date of issue of the Performance Rights **(Milestone 1)** then 50,000,000 Performance Rights will convert into 50,000,000 Ordinary Shares;
 - (ii) if xTV achieves US\$1,000,000 in gross revenue for each month for a continuous period of 3 months within a period of 2 years from the date of issue of the Performance Rights **(Milestone 2)** then 75,000,000 Performance Rights will convert into 75,000,000 Ordinary Shares;
 - (iii) if xTV share price is \$0.05 or above over a 20 day VWAP period within a period of 2 years from the date of issue of the Performance Rights **(Milestone 3)** then 50,000,000 Performance Rights will convert into 50,000,000 Ordinary Shares;
 - (iv) if xTV share price is \$0.075 or above over a 20 day VWAP period within a period of 2 years from the date of issue of the Performance Rights **(Milestone 4)** then 75,000,000 Performance Rights will convert into 75,000,000 Ordinary Shares; and
- (b) **(Redemption if Milestones not achieved)** If:
- (i) Milestone 1 is not achieved within a 2 year period commencing on the date of issue of the Performance Rights **(Milestone 1 Determination Date)**, then 50,000,000 Performance Rights held by the Holders will be automatically redeemed by IZM for the sum of \$0.000001 per Performance Right within 10 business days of the Milestone 1 Determination Date;
 - (ii) Milestone 2 is not achieved within a 2 year period commencing on the date of issue of the Performance Rights **(Milestone 2 Determination Date)**, then 75,000,000 Performance Rights held by the Holders will be automatically redeemed by IZM for the sum of \$0.000001 per Performance Right within 10 business days of the Milestone 1 Determination Date;

- (iii) Milestone 2 is not achieved within a 2 year period commencing on the date of issue of the Performance Rights (**Milestone 3 Determination Date**), then 50,000,000 Performance Rights held by the Holders will be automatically redeemed by IZM for the sum of \$0.000001 per Performance Right within 10 business days of the Milestone 2 Determination Date; or
 - (iv) Milestone 3 is not achieved within a 3 year period commencing on the date of issue of the Performance Rights (**Milestone 4 Determination Date**), then 75,000,000 Performance Rights held by the Holders will be automatically redeemed by IZM for the sum of \$0.000001 per Performance Right within 10 business days of the Milestone 3 Determination Date.
- (c) (**Conversion Procedure**) IZM will issue the Holder with a new holding statement for the Ordinary Shares as soon as practicable following the conversion of the Performance Rights into Ordinary Shares in accordance with condition 2(a).
 - (d) (**Ranking of Shares**) The Ordinary Shares into which the Performance Rights will convert will rank pari passu in all respects with existing Ordinary Shares.

12.4 Employee Option Plan

The Company is also proposing an Employee Share Option Plan which may allow for up to 200,000,000 options to be exercisable at various prices and subject to vesting conditions.

The Board has adopted an Employee Option Plan to allow Eligible Participants to be granted Options to acquire Shares in the Company, the principle terms of which are summarised below.

- (a) **Eligibility and Grant of Incentive Options:** The Board may grant Options to any employee, Director of or consultant to the Company or an Associated Body Corporate (**Eligible Participant**). Options may be granted by the Board under the Employee Option Plan at any time.
- (b) **Consideration:** Each Option issued under the Employee Option Plan will be issued for nil cash consideration.
- (c) **Conversion:** Each Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.
- (d) **Exercise Price and Expiry Date:** The exercise price and expiry date for Options granted under the Employee Option Plan will be determined by the Board prior to the grant of the Options.
- (e) **Exercise Restrictions:** The Incentive Options granted under the Employee Option Plan may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options (**Exercise Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Options.
- (f) **Lapsing of Options:** Subject to the terms of the Offer made to a Participant, an unexercised Option will lapse:

- (i) on its Expiry Date;
 - (ii) if any Exercise Condition is unable to be met;
 - (iii) if the Eligible Participant is an employee or director of the Company, then if that person ceases to be an employee or director of the Company, in the event that Exercise Conditions have not been met by the date the Eligible Participant ceases to be an employee or Director (**Ceasing Date**); or
 - (iv) within a period of three (3) months after the Ceasing Date, in the event that Exercise Conditions have been met by the Ceasing Date.
- (g) **Unquoted:** The Company will not apply for quotation of the Options on ASX.
- (h) **Trigger Events:** The Company may permit Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- (a) **Participation in Rights Issues and Bonus Issues:**
 - (i) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
 - (ii) The Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven (7) Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.
 - (iii) A holder of Options under the Plan shall only be permitted to participate in a pro rata issue to the holders of Shares on the prior exercise of the Option (and provided the Exercise Conditions are satisfied). The Company must notify the holder of an Option of the proposed issue at least 7 Business Days before the record date to determine entitlements to the pro rata issue. If the Company makes a bonus issue, the number of Shares over which an Option is exercisable will not be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (b) **Reorganisation:** The terms upon which Options will be granted will not prevent the Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.
- (c) **Restrictions on issue and exercise:** No Option may be offered, granted or exercised and no Share may be issued under the Employee Option Plan if to do so:
 - (i) would contravene the Corporations Act, the Listing Rules or any other applicable law; or
 - (ii) would contravene the local laws or customs of an Eligible Participant's country of residence or in the opinion of the board would require

actions to comply with those local laws or customs which are impractical.

12.5 Interests of Directors

Other than as set out in this Prospectus, no Director or Proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or Proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

12.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Steinepreis Paganin has acted as the Company's solicitor in the preparation of this Prospectus. The Company estimates it will pay Steinepreis Paganin a total of \$40,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received \$0 (excluding GST, re-imbursements and disbursements) for the year ended 30 June 2013 in fees from the Company for other legal services and \$48,510 (excluding GST and disbursements) in fees from the Company for other legal services up to 20 November 2014.

Crowe Horwath Perth has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 10 of this Prospectus. The Company estimates it will pay Crowe Horwath Perth a total of \$8,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Crowe Horwath Perth has received \$41,000 in fees from the Company for its service as auditor of the Company for the audits and half year reviews for 31/12/12, 30/6/13, 31/12/13 and 30/6/14.

12.7 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Crowe Horwath Perth has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 10 of this Prospectus in the form and context in which the information and report is included. Crowe Horwath Perth has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

12.8 Expenses of the Offer

The total expenses of the Offer (excluding GST), which have not yet been paid, are estimated to be approximately \$375,000 for minimum subscription or \$535,000 for full oversubscription and are expected to be applied towards the items set out in the table below.

Item of Expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
ASIC fees	2,290	2,290
ASX fees	52,119	62,620
Legal fees-Australian and United States	70,000	70,000
Investigating Audit Report	8,000	8,000
Broker Commissions and Advisory Fees	225,000	375,000
Printing and distribution	15,000	15,000
Miscellaneous	2,591	2,090
TOTAL	375,000	535,000

12.9 Continuous disclosure obligations

As the Company is admitted to the Official List, the Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information will be publicly released through the ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

12.10 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the ASX company announcements platform.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

12.11 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

12.12 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company currently participates in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

12.13 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

13. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors and separately consented to by each of the Proposed Directors.

In accordance with Section 720 of the Corporations Act, each Director and Proposed Director has consented to the lodgement of this Prospectus with ASIC.

A handwritten signature in black ink, appearing to read 'G Steinepreis', with a stylized flourish at the end.

Gary Steinepreis
Director
For and on behalf of
Intercept Minerals Ltd

14. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means Australian dollars.

Acquisition means the acquisition of xTV by the Company in accordance with the terms and conditions set out in the Agreement.

Agreement means the agreement and plan for merger entered into between the Company, xTV Acquisition Corp, xTV and Fortis Advisors LLC on 7 October 2014.

Application Form means the application form(s) attached to or accompanying this Prospectus.

ASIC means Australian Securities & Investments Commission.

ASX means the ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of the ASX.

Board means the board of Directors as constituted from time to time.

Business Day means those days other than a Saturday, Sunday, New Year's Day, Australia Day, Good Friday, Easter Monday, Anzac Day, Christmas Day, Boxing Day and any other day which the ASX shall declare and publish is not a business day.

Capital Raising means a capital raising of a minimum of 150,000,000 Shares to raise up to \$3,000,000 (before costs) at an issue price of at least \$0.02. The Capital Raising is the subject of the Offer under this Prospectus.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Investment Overview in Section 4 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **IzM** means Intercept Minerals Ltd (ACN 124 251 396).

Consideration Securities has the meaning set out in section 4.4 of this Prospectus.

Consolidation means the consolidation of the Company's Shares on a 1:10 basis.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

IzM or the **Company** means Intercept Minerals Limited (ACN 124 251 396).

Directors means the directors of the Company at the date of this Prospectus and the Proposed Directors.

General Meeting means the general meeting of Shareholders to be held on 3 December 2014.

Notice of Meeting means the notice of meeting for the General Meeting.

Offer means the offer of 150,000,000 Shares at an issue price of \$0.02 per Share (with oversubscriptions of a further 150,000,000 Shares) pursuant to this Prospectus.

Offer Period means the period from the Opening Date until the Closing Date.

Official List means the official list of the ASX.

Official Quotation means official quotation by the ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer, as set out in the indicative timetable in Section 2 of this Prospectus.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a right issued in the capital of IZM on the terms set out in Schedule 1.

Proposed Directors means those persons named as such in Section 1 of this Prospectus.

Prospectus means this prospectus.

Resolution means a resolution proposed to Shareholders at the General Meeting.

Section means a section of this Prospectus.

Settlement Date means the date of settlement of the Agreement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

US\$ means United States of America dollars.

Vendors has the meaning given to that term in Section 4.1.

xTV means mppAPPs Inc.

xTV Shares means all of the issued and outstanding shares of xTV including but not limited to common shares and series A-1 preferred stock, series A-2 preferred stock, options, warrants and any other equity interests of xTV.

xTV Shareholders means all holders of xTV Shares.

WST means Western Standard Time as observed in Perth, Western Australia.

INSTRUCTIONS TO COMPLETION OF THIS APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of this Application Form using BLOCK LETTERS

The below instructions are cross-referenced to each section of the Application Form.

1 Number of Shares

Insert the number of Shares you wish to apply for in section 1. Your application must be for a minimum of 10,000 Shares and in multiples of 1,000 Shares thereafter.

2 Payment Amount

Enter into section 2 the total amount payable. Multiply the number of Shares applied for by \$0.20 – the application price per Share.

3 Name(s) in which the Shares are to be registered

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

4 Postal Address

Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released. Should you wish to receive a hard copy of the annual report you must notify the Share Registry. You can notify any change to your communication preferences by visiting the registry website – www.securitytransfer.com.au

5 CHESS Holders

If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5.

6 Email Address

As permitted under the Corporations Act, Intercept Minerals Limited will only be forwarding printed annual reports to shareholders electing to receive one. Our company annual report and company information will be available at the registered office. You may elect to receive all communications despatched by Intercept Minerals Limited electronically (where legally permissible) such as a notice of meeting, proxy form and annual report via email.

7 TFN/ABN/Exemption

If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 7. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application Form.

8 Cheque Details

Cheques must be drawn on an Australian branch of a financial institutional in Australian currency, made payable to Intercept Minerals Limited and crossed "Not Negotiable". Please complete the relevant details in section 8.

9 Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

HOW TO LODGE YOUR APPLICATION FORM

Mail or deliver your completed Application Form with your cheque to the following address.

Mailing Address

PO BOX 8280 Subiaco East, WA, 6008

Hand Delivery (Please do not use this address for mailing purposes)

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