31 March 2014

African Potash Limited ('African Potash' or 'the Company')

Interim Results

African Potash Limited, the AIM listed African exploration company, is pleased to announce its results for the six months ended 31 December 2013.

Chairman's Statement:

The Company's focus continues to be on its 70% interest in the Lac Dinga Potash Project ('Lac Dinga' or 'the Project'), located in a world-class potash-bearing region in the south-west of the Republic of Congo. The Board believes Lac Dinga could be a strategically important asset, which has the potential to combine significant sylvinite tonnage at attractive depths with solid infrastructure, proximity to a port, and relatively cheap energy, demonstrating its potential to add significant value to the Company and to become another high value potash asset in the region.

The focus during the period under review has been to collate the appropriate information in order to launch a successful and efficient exploration programme at Lac Dinga. This has involved the joint acquisition of historic data with Elemental Minerals Limited ('Elemental'), which is developing the Sintoukola Potash Project ('Sintoukola') on the contiguous licence to Lac Dinga. This historic information has facilitated the Company's evaluation of the Project area for drilling targets during future exploration activities. Furthermore, the appointment of CSA Global as lead technical consultants provides the Company with knowhow and expertise, as the team can draw on their experience of developing Sintoukola, to advance Lac Dinga. In tandem with this, the appointment of Dr. Simon Dorling, an exploration and structural geologist to our Board provides further invaluable expertise as he recently, as a Competent Person, helped develop and delineate Sintoukola from a conceptual target to classified resource stage.

With the intention of refining the Company's targeting criteria of the Project, post period end, African Potash acquired exploration seismic data to constrain areas for drilling and support the advancement of its on-ground exploration activities. A total of 415 line kilometres of recent oil industry standard regional 2D seismic data covering about 470km^2 on and around the Lac Dinga licence area was acquired in March 2014, together with data for two historic oil exploration boreholes. This data allows for the identification of drill targets, providing a solid platform for the next stage of exploration. The Company is also pleased to announce that the Ministry of the Environment has fully approved the terms of reference for our Environmental and Social impact assessment in connection with the exploration programme submitted.

Financial Results

The Group is reporting a loss attributable to equity shareholders of USD 554,000 (2012: profit of USD 1,153,000 following the write back of an impairment provision of USD 1,441,000). At 31 December 2013 cash balances were USD 2,563,000 (30 June 2013: USD 3,488,000).

Outlook

We remain confident that Lac Dinga has the potential to deliver significant value to shareholders through the application of a systematic exploration campaign. Whilst drilling has not commenced according to our original schedule, we believe that the information and data we have now obtained, combined with the interpretations made from it, will allow us to develop a more cost effective and efficient exploration programme. Planning for this has now begun. This combined with the approval of the Terms of Reference for our Environmental and Social impact assessment by the Ministry of the Environment leads us to expect commencement of our drilling campaign during the dry season of 2014. Further news regarding our exploration plans will be made to the market in due course.

In respect of Lac Dinga in the wider context of the region, the inherent value of this asset remains attractive to parties wanting exposure or access to potash. As previously reported, the A$190 million offer for Elemental by Hong Kong based Dingyi Group Investment Limited (‘Dingyi’) highlighted the strategic status of potash exploration licences in this basin of coastal Republic of Congo. Whilst the planned takeover has been terminated due to regulatory protocols on the Stock Exchange of Hong Kong, Dingyi remains a significant shareholder of Elemental and has reiterated its support for the development of Sintoukola, Elemental’s flagship project. The Board therefore are confident this region will continue to be an area of interest for many international corporates and governments looking for access to a low cost potash asset.

I would like to thank both our shareholders and our team for their support and look forward to providing updates on the Company’s activities as we look to further our position as an emerging potash exploration and development company.

Jean-Pierre Conrad
Chairman
31 March 2014

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Unaudited Consolidated Income Statement
For the half year to 31 December 2013

	Note	Unaudited 6 months to 31 December 2013 $'000	Unaudited 6 months to 31 December 2012 $'000	Unaudited Year ended 30 June 2013 $'000
Operating expenses		(555)	(360)	(1,799)
Loan impairment - reversal		-	1,441	1,441
Operating (loss) / profit		(555)	1,081	(358)
Net finance income		1	72	122
(Loss) / profit before taxation		(554)	1,153	(236)
Income tax expense		-	-	-
(Loss) / profit for the period		(554)	1,153	(236)
Attributable to :				
Owners of the parent company		(554)	1,153	(236)
Non–controlling interests		-	-	-
		(554)	1,153	(236)
(Loss) / earnings per share: basic and diluted	5	(0.24 cents)	0.58 cents	(0.11 cents)

All results relate to continuing activities

Unaudited Consolidated Comprehensive Income Statement
For the half year to 31 December 2013

	Unaudited 6 months to 31 December 2013 $'000	Unaudited 6 months to 31 December 2012 $'000	Unaudited Year ended 30 June 2013 $'000
(Loss) / profit for the period	(554)	1,153	(236)
Other comprehensive income			
Exchange translation differences on foreign operations	(28)	-	(33)
Total comprehensive income for the period	(582)	1,153	(269)
Attributable to :			
Owners of the parent company	(582)	1,153	(269)
Non–controlling interests	-	-	-

	(582)	1,153	(269)

Unaudited Consolidated Statement of Financial Position
As at 31 December 2013

	Note	Unaudited 31 December 2013 $'000	Unaudited 31 December 2012 $'000	Unaudited 30 June 2013 $'000
Non-current assets				
Intangible assets: exploration activities		13,609	-	13,057
Property plant and equipment		52	-	52
Loans and receivables		-	1,583	-
Total non-current assets		13,661	1,583	13,109
Current assets				
Trade and other receivables		105	74	97
Cash and cash equivalents		2,563	7,807	3,488
Total current assets		2,668	7,881	3,585
Total assets		16,329	9,464	16,694
Current liabilities				
Trade and other payables		(749)	(194)	(542)
Deferred consideration		(800)	-	(800)
Net assets		14,780	9,270	15,352
Equity				
Issued capital	6	12,456	10,911	12,456
Shares to be issued		2,800	-	2,800
Share based payment reserve		22	-	12
Foreign exchange translation reserve		(61)	-	(33)
Retained earnings		(3,584)	(1,641)	(3,030)
Total equity attributable to equity holders		11,633	9,270	12,205
Non controlling interests		3,147	-	3,147
Total equity		14,780	9,270	15,352

Unaudited Statement of Changes in Equity

	Ordinary share capital $'000	Shares to be issued $'000	Share based payment reserve $'000	Foreign exchange translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interest $'000	Total $'000
Balance at 1 July 2012	10,911	-	-	-	(2,794)	8,117	-	8,117
Profit for the period	-	-	-	-	1,153	1,153	-	1,153
Total comprehensive income for the period	-	-	-	-	1,153	1,153	-	1,153
Balance at 31 December 2012	10,911	-	-	-	(1,641)	9,270	-	9,270
Loss for the period	-	-	-	-	(1,389)	(1,389)	-	(1,389)
Other comprehensive income								
Exchange translation differences on foreign operations	-	-	-	(33)	-	(33)	-	(33)
Total comprehensive income for the period	-	-	-	(33)	(1,389)	(1,422)	-	(1,422)
Transactions with owners								
Issue of shares on acquisition of subsidiary	1,545	2,800	-	-	-	4,345	3,147	7,492
Share based payment charge	-	-	12	-	-	12	-	12
Total transactions with owners	1,545	2,800	12	-	-	4,357	3,147	7,504
Balance at 30 June 2013	12,456	2,800	12	(33)	(3,030)	12,205	3,147	15,352
Loss for the period	-	-	-	-	(554)	(554)	-	(554)
Other comprehensive income								
Exchange translation differences on foreign operations	-	-	-	(28)	-	(28)	-	(28)
Total comprehensive income for the period	-	-	-	(28)	(554)	(582)	-	(582)
Transactions with owners								
Share based payment charge	-	-	10	-	-	10	-	10

Total transactions with owners	-	-	10	-	-	10	-	10
Balance at 31 December 2013	**12,456**	**2,800**	**22**	**(61)**	**3,584**	**11,633**	**3,147**	**14,780**

Unaudited Consolidated Statement of Cash Flows

For the half year to 31 December 2013	**Unaudited 6 months to 31 December 2013**	**Unaudited 6 months to 31 December 2012**	**Unaudited year ended 30 June 2013**
Operating activities	**$'000**	**$'000**	**$'000**
(Loss) / profit before tax	(554)	1,153	(236)
Adjustments for:			
Impairment of loans and receivables	-	(1,441)	(1,441)
Share based payment change	10	-	12
Movements in exchange	(29)	-	-
Net interest income	(1)	(72)	(122)
Operating cash flow before movements in working capital	(574)	(360)	(1,787)
Working capital adjustments:			
- Increase in receivables	(5)	(41)	(73)
- Increase in payables	192	87	163
Cash used in operations	(387)	(314)	(1,697)
Net interest received / (paid)	1	72	22
Net cash outflow from operating activities	(386)	(242)	(1,675)
Investing activities			
Purchase of intangible assets net of cash acquired	(536)	-	(2,814)
Advance of loans and receivables	-	(143)	(315)
Finance income – facility fee	-	-	100
Purchase of property, plant and equipment	(2)	-	-
Net cash flow from investing activities	(538)	(143)	(3,029)
Net (decrease) / increase in cash and cash equivalents	(924)	(385)	(4.704)
Cash and cash equivalents at start of the period	3,488	8,192	8,192
Effect of foreign exchange rates	(1)	-	-
Cash and cash equivalents at end of the period	2,563	7,807	3,488

Notes to the Unaudited Interim Financial Statements

1. General information

African Potash Limited ('African Potash' or the 'Company') has an investing policy to acquire potash (and associated minerals) assets in Africa. African Potash is a public limited company incorporated and domiciled in the Guernsey. The address of its registered office is Richmond House, St Julians Avenue, St Peter Port, Guernsey GY1 1GZ.

The Company is listed on the AIM Market of London Stock Exchange plc.

The unaudited interim financial statements for the 6 months ended 31 December 2013 were approved for issue by the board on 28 March 2014.

The interim financial statements for the 6 months ended 31 December 2013 and the 6 months ended 31 December 2012 are unaudited and do not constitute full accounts. The comparative figures for the period ended 30 June are extracts from the annual report and do not constitute statutory accounts.

The unaudited interim financial statements have been prepared in US Dollars as this is the currency of the primary economic environment in which the Group operates.

2. Basis of preparation

The condensed consolidated financial statements of the Group for the six months ended 31 December 2013, which are unaudited and have not been reviewed by the Company's auditor, have been prepared in accordance with the International Financial Reporting Standards ('IFRS'), as adopted by the European Union, accounting policies adopted by the Group and set out in the annual report for the year ended 30 June 2013 (available at www.africanpotash.com). The Group does not anticipate any significant change in these accounting policies for the year ended 30 June 2014. References to 'IFRS' hereafter should be construed as references to IFRSs as adopted by the EU.

This interim report has been prepared to comply with the requirements of the AIM rules of the London Stock Exchange (the 'AIM Rules'). In preparing this report, the Group has adopted the guidance in the AIM Rules for interim accounts which do not require that the interim condensed consolidated financial statements are prepared in accordance with IAS 34, 'Interim financial reporting'. While the financial figures included in this report have been computed in accordance with IFRSs applicable to interim periods, this report does not contain sufficient information to constitute an interim financial report as that term is defined in IFRSs.

The financial information contained in this report also does not constitute statutory accounts under the Companies (Guernsey) Law 2008, as amended. The financial information for the year ended 30 June is based on the statutory accounts for the year then ended. The auditors reported on those accounts. Their report was unqualified and did not include any statements of emphasis of matter.

3. Significant accounting policies

Basis of accounting

The unaudited interim financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value. The principal accounting policies adopted are consistent with those of the financial statements for the year ended 30 June 2013.

4. Segment information

The directors consider that the Company operates in a single segment, Potash exploration and in one geographical segment, Africa.

5. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	Unaudited 6 months to 31 December 2013	Unaudited 6 months to 31 December 2012	Unaudited year ended 30 June 2013
	$'000	$'000	$'000
(Loss) / profit for the purpose of calculating basic loss per share attributable to equity holders	(554)	1,153	(236)
Number of shares			
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	226,583,062	198,700,000	208,478,170
Basic and diluted (loss) / earnings per share (cents)	(0.24c)	0.58c	(0.11c)

6. Share Capital

	Ordinary shares of no par value Allotted and fully paid	
	Number	$'000
At 1 June 2012 and 31 December 2012	198,700,000	10,911
Issue of shares	27,883,062	1,545

At 30 June 2013 and 31 December 2013	226,583,062	12,456

On 22 February 2013, 27.9 million ordinary shares were issued at 3.6p per share as part of the initial consideration for the acquisition of African Potash Mauritius Limited ("AFPM") with a fair value of $1.5m. AFPM holds a 70% interest in the equity of La Societe des Potasses et des Mines SA ("SPM"). SPM is incorporated in the Republic of Congo and holds the Lac Dinga exploration licence.