



**KENYA  
FLUORSPAR**

18 February 2016

Press Release

## **Kenya Fluorspar Limited To Suspend Operations**

Kenya Fluorspar Limited regrets to announce the temporary suspensions of operations effective April 30, 2016.

A prolonged global slump in commodity prices has negatively impacted extractive businesses around the world, including Kenya Fluorspar. Low demand and prices since 2012, has led to losses for the last three years. Unfortunately, a collapse in market conditions in the last six months has led to a dramatic reduction in fluorspar prices and demand and thus the Company's operations have become unsustainable in the current market.

The Company remains committed to the mine and is confident that conditions will change and operations will resume, although it is difficult to predict the timing of a recovery in global markets.

Today's announcement will unfortunately result in the termination of employment of employees across all levels of staff. All agreements will be respected and wages and dues paid in full. In the future, when the Company becomes financially sustainable to resume operations, current employees will receive preference in re-employment.

Although the decision to temporarily suspend mining operations was necessary, the Company's dedication to the health and prosperity of the community is unwavering. Current commitments to the Company's primary and nursery schools, medical centre, athletic programs and other community programs and activities are not impacted by this announcement and will remain in place.

Nico Spangenberg  
Managing Director and CEO  
Kenya Fluorspar Company Limited