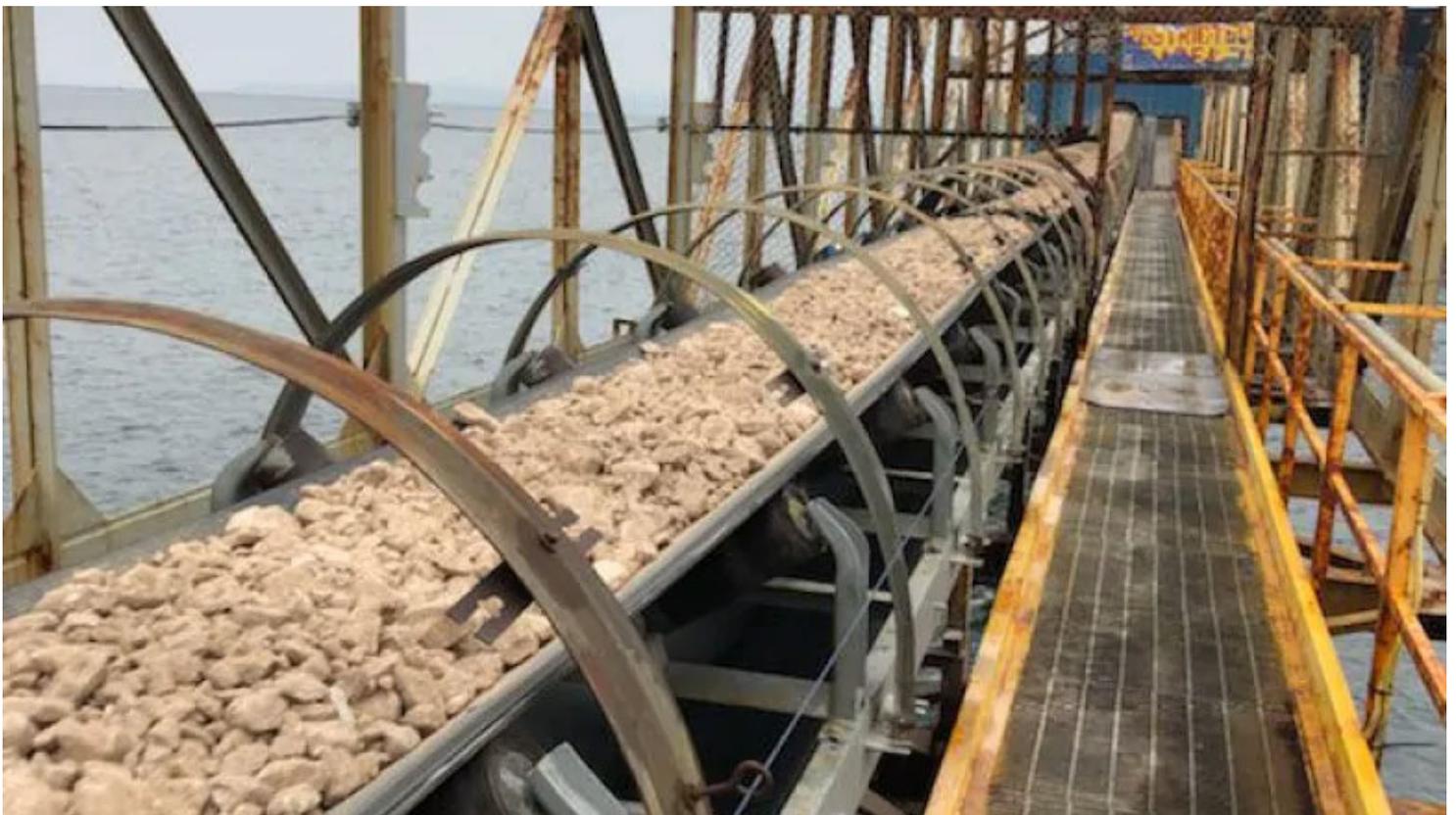


Company ships gypsum from Flat Bay mine for first time in 28 years



Red Moon Resources hopes to expand mining operations over next 2-3 years

Lindsay Bird · CBC News · Posted: Sep 12, 2018 6:00 AM NT | Last Updated: September 12



The first gypsum from the Flat Bay mine in close to 30 years loads onto a ship in St. George's. (Submitted)

A mine that closed decades ago on the province's west coast has restarted operations, as a new company has taken over the Flat Bay mine and shipped its first load of gypsum out to market since 1990.

Red Moon Resources sent the load of ore, destined for the cement industry, to Ontario via the deep water port in St. George's at the end of August.

"We're just getting up and running," said Patrick Laracy, the CEO of St. John's-based Red Moon Resources, a company that completed the permitting process to begin mining operations in July.

Gypsum is used mainly in two industries: cement and wallboard, with the latter sometimes better known by the brand name Gyprock. The Flat Bay mine, just south of St. George's, began producing gypsum in 1952, but was closed in 1990.

"The Flat Bay mine was not exhausted. There are millions of tonnes of gypsum there," said Laracy.

"We've been busy over the last year, defining the particular resource for gypsum there and determining whether or not we could enter into the marketplace and make a commercial venture out of this."



Red Moon Resources
@RedMoonResource

The Ace Gypsum project is located in the dormant Flat Bay gypsum mines approximately 3 km southwest of the Captain Cook salt deposit. Learn more: bit.ly/2z1QcOF

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[See Red Moon Resources's other Tweets](#)

Finding customers

Laracy said the gypsum market is a competitive one. Red Moon Resources employed around a dozen people to ship its first load to market, but the mine is currently in standby mode as the company searches for buyers for the product.

"We're just out of the gate, really, in terms of our ability to sell the product. Our focus now is on 2019," he said, adding there's a four- to eight-month lead time on lining up customer orders.

“It's going to make a difference.”

- Patrick Laracy

But Laracy said his company believes the gypsum market is strong enough to justify the investment, unlike the conditions of the early '90s when the mine originally closed, or even 10 years ago when LaFarge ceased its gypsum operations in Corner Brook.

- [Gypsum plant closure catches workforce off guard](#)

"Back in the 1990s, the gypsum market went through a radical change," he said. According to Laracy, at that time the availability of synthetic gypsum surged, since it was a byproduct of coal-fired power plants. But as reliance on coal has waned — particularly in the U.S. — so has production of synthetic gypsum.

"There's a resurgence for natural gypsum, and that's where the Ace Quarry of the Flat Bay mine comes in," he said.





Red Moon Resources gypsum is loaded onto this ship in the St. George's port. (Submitted)

Long-term jobs

Laracy admits the mine's current economic impact in the surrounding area is "modest," but he hopes in the coming two to three years, company can secure the contracts that then create secure employment.

"You'd be looking at 30 to 40 employees to operate on an eight- to 10-month basis per year, so that would be significant for the St. George's, Flat Bay area. You know, in Newfoundland we need more rural development to keep young people in these towns," he said.

"It's going to make a difference."

Laracy said in its heyday, the mine shipped 150,000 tonnes of gypsum to market annually. The company's environmental assessment estimated the mine could operate for another 10 years or so.





Road salt is a big potential market for Newfoundland-mined salt, says Patrick Laracy. (CBC)

Bigger, saltier plans

The company also sees mining potential on the west coast beyond gypsum, and is in the midst of investigating plans for salt mine in the same Bay. St George region, using what the company calls the Captain Cook Salt Deposit.

"This would be a very substantial industrial development for the area. We're busy right now putting together the financing, to do the feasibility study and to build out that mine," said Laracy.

Plans are still in its infancy, but Laracy said Red Moon Resources has confirmed there is 908 million tonnes of salt about 350 metres below the surface in the area, enough to mine for 50 years and employ 150 people annually.

"The salt would be an underground mine, so the capital costs to building a mine would be quite substantial, in the area of \$100 million," he said.

Laracy said that salt would be destined for the road salt industry, although he said any mine development is at least four to five years away.

With files from the Central and Corner Brook morning shows

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