

THE BUSINESS POST

Newfoundland and Labrador's Journal of Business and Politics

Vol. 1 No. 1

August 2006

Making the cut Freeport hoping for Newfoundland companies to bid on garnet project

Even from space, the Hutton beaches' red hue is clearly visible.

It's the high grades of alluvial garnet in them that gives the remote northern Labrador beaches their colour and is what makes them potentially so valuable commercially.

Now the company with the mineral rights to the beaches, Freeport Resources of Vancouver, is looking for a partner to mine the beaches and bring the garnet to market.

The first stage of a request for proposals on mining, shipping, processing and marketing the garnet closes the end of this month.

Freeport president Brenda Clark says she was hoping someone in this province would express an interest in taking on some aspect of the work, but up until mid-July there were no bidders. Freeport has received expressions of interest from other parts of Canada, the United States and Europe.

Clark says it's not too late for a Newfoundland and Labrador company to vie for a piece of the project.

"There's still time for people to respond. The first thing we were asking people for was an expression of interest letter," Clark says. "And they have until the end of July."

Clark says the reason the end of July was chosen is that Freeport is organizing a trip to the beaches this summer for anyone interested in bidding on the project.

"But people can still respond afterwards if they don't want to go up there," she adds.

The RFP is available on the SEDAR website under the listing for Freeport Resources.

"The main aspects of the project are the logistics parts, or the work onshore up at the beaches," Clark notes.

Over the years people have suggested all kinds of ways to remove the garnet from the beaches, everything from giant vacuums to small bulldozers.

"Then there's the processing of the material to make a product



Submitted photo

The Hutton garnet beaches are located on a series of remote strands in Northern Labrador

and to bag it, and then there's the marketing and distribution of the product," Clark adds. "So the way we've structured this RFP is that we tried to make it open because there may be certain people who would only be interested in one part. Each of the various pieces could be taken by one group or person and then combined into a whole project

concept... It's a bit like asking people to brainstorm."

Testing of the Hutton garnet has shown that it meets or exceeds the high end garnet available in the market. Garnet is used in waterjet cutting and for other industrial purposes. The main suppliers are in India and Australia.

Clark isn't sure when produc-

tion might begin on the beaches. Besides the RFP process, Freeport has to obtain the usual environmental and other regulatory permits. Some people in the industry have asked whether it's possible to obtain the garnet within the next year, she admits.

"I guess it's all subject to the government permitting issues. But it seems like this is a really

good time to bring the Hutton garnet to the market because they can't keep (garnet) in stock," Clark says. "A lot of people are very interested in the thought of a Canadian source of garnet for North America and even for Europe." ■