



News Release

August 09, 2018

Stock Symbol: TSX.V: RMK

Red Moon Resources – Ace Gypsum Development Commences in Western Newfoundland

St. John's, Newfoundland and Labrador: Red Moon Resources Inc. (“the Company” - “Red Moon” TSX-V: RMK), is pleased to announce that it has received governmental approval of its Development Plan for the Ace gypsum mine in western Newfoundland. The plan includes the open pit mining method, project parameters, risk mitigation measures, rehabilitation and closure procedures and related financial assurance. As a result the project may now proceed to development. Operational work consisting of scrubbing vegetation and removal of overburden has commenced. The Company is working with Vinland Materials Inc. to undertake contract mining operations and secure sales agreements for gypsum and anhydrite. The Company is working towards initiating shipments in 2018 and given sufficient lead time is now looking forward to sourcing sales contracts in 2019. The commercial implications for the Company will be described in more detail as production is established and the full context of market availability is demonstrated.

Gypsum is mined by traditional open-pit methods which are amenable to scaling of production to meet the demand cycle. A deepwater port connected by a haulage road is located approximately 10 kilometres from the Ace mine. The project is situated off a paved road approximately 6 kilometres from the Trans-Canada Highway and 20 kilometres from the local service centre of the Town of Stephenville. The open-pit operation is located in the dormant Flat Bay mine which produced at least 15 million tonnes of gypsum prior to 1990. The Ace mine covers approximately 12 hectares and has the potential for a 10-year mining life at an average production rate of 350,000 tonnes per year. The company believes that market opportunities currently exist to warrant development, but future production rates are speculative at this time due to normal commercial mining risks associated with scaling of production, production costs, competition, commodity prices and market availability.

The markets for gypsum are primarily in the cement and wall board industries and are based on negotiated contracts. With the increasing switch from coal to natural gas fired power generation plants in the United States, the supply of synthetic gypsum which is produced by sulphur dioxide scrubbers in power plant smoke stacks has been significantly reduced. As a result, an increase in demand for natural gypsum has emerged. If the Company can access markets requiring production rates beyond the Ace mine capacity the Company is prepared to develop other existing gypsum deposits located on its mineral licences which cover approximately 700 hectares of the historic Flat Bay gypsum mine including unmined material and extensions of known deposits.

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Patrick Laracy, President of the Company said, "We are extremely pleased that Red Moon has emerged as a mining company with the prospect of positive cash flow from the Ace mine in the near future. For modest capital costs and minimal geologic risk we have taken the step from explorer to producer. We hope this is just the start of more positive economic activity as we continue to pursue our salt mine development which lies underground approximately four kilometres north of the Ace mine."

Patrick J. Laracy, P. Geo, President is the qualified person responsible for the contents of this news release as defined in National Instrument 43-101.

Red Moon is an industrial minerals company developing the Ace Gypsum deposit, the Captain Cook Salt deposit and the Black Bay Nepheline deposit in Newfoundland and Labrador. Vulcan Minerals Inc. (TSX.V: VUL) owns approximately 67% of the common shares of Red Moon.

We seek Safe Harbor.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. This release may contain certain forward-looking statements. Actual events or results may differ from the Company's expectations. Certain risk factors beyond the Company's control may affect the actual results achieved. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except by law, the Company undertakes no obligation to publicly update or revise forward-looking information.

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