



**GR ENGINEERING SERVICES**  
ENGINEERING CONSULTANTS AND CONTRACTORS

**ASX RELEASE**

20 March 2017

For immediate release to the market

**LETTER OF INTENT – DALGARANGA GOLD PROJECT**

GR Engineering Services Limited (ASX:GNG) (**GR Engineering** or **Company**) is pleased to announce that it has entered into a conditional letter of intent (**LOI**) with Gascoyne Resources Limited (ASX:GCY) (**Gascoyne**) for the award of an engineering, procurement and construction contract (**Contract**) in relation to the Dalgaranga Gold Project (**Project**) mineral processing facilities.

The Project is located approximately 70km by road north west of Mt Magnet in the Murchison gold mining region of Western Australia. Under the LOI, it is intended that GR Engineering will commence work immediately on front end engineering design (FEED) and early initiation activities in relation to the design and construction of a new 2.5Mtpa mineral processing plant and associated infrastructure for the Project.

The award of the Contract under the LOI is conditional upon, amongst other things, final Gascoyne Board approval, receipt of final statutory approvals, Gascoyne obtaining the balance of its financing for the Project and the finalisation of the Contract terms and conditions. It is intended that the Contract will be undertaken on a guaranteed maximum price (GMP) basis.

GR Engineering and Gascoyne are targeting entry into the Contract in the coming weeks. Subject to the satisfaction of the conditions referred to in the LOI, the Project is scheduled to commence ore commissioning in the second quarter of calendar year 2018.

Commenting on the award of the LOI, GR Engineering's Managing Director, Mr Geoff Jones, said:

*"GR Engineering has established a sound and successful working relationship with Gascoyne commencing in 2012. The award of the LOI will enable GR Engineering to continue assisting Gascoyne advance the highly prospective Dalgaranga Project through its final pre-development activities and into detailed design and construction. GR Engineering looks forward to Gascoyne emerging as a significant new Australian gold producer."*

Potential earnings from the Contract are not expected to alter the anticipated FY17 financial outcomes referred to in the Company's HY17 results announcement of 27 February 2017.

GR Engineering will continue to inform the market in relation to the status of the proposed Contract.

Ends.

For further information contact:

**Geoff Jones**

Managing Director

☎ +61 8 6272 6000

✉ [geoff.jones@gres.com.au](mailto:geoff.jones@gres.com.au)

**Joe Totaro**

Chief Financial Officer

☎ +61 6272 6000

✉ [joe.totaro@gres.com.au](mailto:joe.totaro@gres.com.au)



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GR Engineering Services Limited (ASX:GNG) is an ASX listed engineering design and construction contractor specialising in fixed price engineering design and construction services to the resources and mineral processing industry.

GR Engineering has successfully completed the engineering design and construction of projects for a diverse range of clients, including global mining houses, mid-tier miners and junior developers undertaking their first project. Traditionally an EPC contractor, GR Engineering also has the ability to contract through a variety of models, including EPCM and hybrid contracting arrangements.

GR Engineering also has a long history of providing a diverse range of process engineering consulting services, including feasibility study preparation and management, process design and peer review engagements. These services have been delivered for projects globally and play a key role in delivering organic growth opportunities through design and construction project execution.

The Company also has a presence in the hydrocarbons industry via its wholly owned subsidiary, Upstream Production Solutions. Upstream Production Solutions is a leading provider of operations and maintenance and well management services to the Australian and South East Asian oil and gas industry.

As a group, GR Engineering and Upstream Production Solutions employs more than 450 professional and support staff throughout Australia and internationally, in addition to a direct construction workforce and subcontracted personnel.