



## ASX RELEASE

5 July 2017

For immediate release to the market

### ENTRY INTO DALGARANGA GOLD PROJECT EPC CONTRACT

GR Engineering Services Limited (ASX:GNG) (**GR Engineering** or **Company**) is pleased to announce that it has entered into an engineering, procurement and construction (EPC) contract (**Contract**) with GNT Resources Pty Ltd, a wholly owned subsidiary of Gascoyne Resources Limited (ASX:GCY) (**Gascoyne**) in relation to the design and construction of the Dalgara Gold Project (**Project**) mineral processing facilities.

Under the Contract, GR Engineering will progress the design and construction of a new 2.5Mtpa mineral processing plant and associated infrastructure for the Project, located in the Murchison gold mining region of Western Australia. The Contract follows the entry into a letter of intent by the parties which was announced on 20 March 2017 pursuant to which GR Engineering has progressed front end engineering design (FEED) and early initiation activities.

The Contract has been entered into on a guaranteed maximum price (GMP) basis, with a contract sum of approximately \$66.5 million. GR Engineering will initially continue engineering design and procurement activities until such time as site access is granted by Gascoyne.

Work under the Contract will commence immediately, with the Project expected to commence ore commissioning in the second quarter of calendar year 2018.

Commenting on the entry into the Contract, GR Engineering's Managing Director, Mr Geoff Jones, said:

*"We are glad to have progressed the March 2017 letter of intent by entering into the Contract and commencing the full scope of work to bring the Dalgara Gold Project into production. GR Engineering looks forward to delivering safe and successful project outcomes for Gascoyne."*

Ends.

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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 employs more than 450 professional and support staff throughout Australia and internationally, in addition to a direct construction workforce and subcontracted personnel.