



GR ENGINEERING SERVICES
ENGINEERING CONSULTANTS AND CONTRACTORS

ASX RELEASE

23 April 2018

For immediate release to the market

**Appointment as Preferred Tenderer
Karlwinda Gold Project**

GR Engineering Services Limited (GNG.ASX) (**GR Engineering**) is pleased to announce that it has been appointed as preferred tenderer by Capricorn Metals Limited (CMM.ASX) (**Capricorn**) in relation to the design and construction of a 3.0Mtpa carbon-in-leach (CIL) mineral processing plant and associated infrastructure for the Karlwinda Gold Project (**Project**), located near Newman in Western Australia.

Under a letter of intent provided by Capricorn, GR Engineering has been engaged as preferred tenderer to commence early engineering works ahead of the entry into an engineering, procurement and construction (EPC) contract for the delivery of the Project on a fixed price basis (**Contract**).

It is anticipated that the Contract price will be \$93.1 million, with the commencement of work under the Contract remaining subject to Capricorn obtaining relevant approvals and securing funding for the Project. Capricorn is targeting the commencement of site based activities under the Contract by GR Engineering in the September quarter of 2018.

Commenting on GR Engineering's appointment as preferred tender, Mr Geoff Jones, Managing Director said:

"GR Engineering is pleased to have received the letter of intent and to have been selected by Capricorn as the preferred tenderer for the delivery of the Karlwinda Gold Project. Our clients are increasingly seeking certainty and a track record of performance and GR Engineering has been able to demonstrate this to Capricorn, including by reference to its recent successful project outcomes in the turnkey design and construction of mineral processing plants in the Western Australian gold sector. We look forward to working with the Capricorn team on the Project as it progresses towards development."

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.

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