

# Sona Signs Agreement With China Machinery Engineering Corporation for Turnkey EPC and Development of the Blackdome-Elizabeth Gold Project

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VANCOUVER, 02/13/13 - [Sona Resources Corp.](#) (the "Company" or "Sona") (TSX VENTURE: SYS) (FRANKFURT: QS7) is pleased to announce that it has signed a memorandum of understanding ("MOU") with China Machinery Engineering Corporation ("CMEC") of Beijing for an engineering, procurement and construction contract ("EPC"). This will facilitate development of Sona's Blackdome-Elizabeth Gold Project (the "Project"), located in the Clinton and Lillooet Mining Districts of British Columbia, approximately 220 kilometres north of Vancouver.

## Based on the terms of the MOU for the Project, CMEC will:

- Assist Sona with the arrangement of a buyer's credit for production debt financing for the Project, through one or more Chinese financial institutions, for 85 percent of the capital requirements for the construction and commencement of mining operations, up to US\$55 million;
- Construct and deliver turnkey operations for the Project, based on an industry-standard engineering, procurement and construction ("EPC") contract;
- Provide for ongoing resource definition and expansion, and;
- Collaborate with Sona to implement an employment skills training program for personnel.

The EPC contract will include, but is not limited to, the costs of engineering, procurement, design, civil works and other construction expenses; transportation of equipment; labour; all ancillary buildings, electrical equipment and power sources; and all related mine and administrative infrastructure, to commence commercial production at the Project.

Nick Ferris, Sona's Executive Chairman, says, "We are delighted to have this agreement with CMEC. It is an international engineering group with an excellent reputation for the design, engineering and construction of high-quality industrial and infrastructure projects worldwide. We look forward to working with CMEC to expedite the commencement of gold production at the Blackdome-Elizabeth Gold Project."

The transaction is subject to a number of conditions, including but not limited to the completion of a due diligence review by CMEC and its affiliates, definitive documentation for the project financing and the EPC contract, and approval by the TSX Venture Exchange and Sona's board of directors.

The table below outlines the key parameters of the MOU between CMEC and Sona.

Terms	Blackdome-Elizabeth Gold Project
Operator	Sona or a Sona-appointed contractor
Loan amount	Up to \$55 million
Interest rate	8%
Term	Eight years
Loan repayment	60% of mine cash flow
Percentage of financing by lender	85%
Percentage of financing by Sona	15%
Grace period	Principal and interest payments commence three months after full commercial production is achieved
Timing of definitive EPC contract	February 28, 2013. May be extended by mutual agreement

The terms of the financing, repayment, mine development and production will be set out in a definitive final agreement.

### **About China Machinery Engineering Corporation**

Headquartered in Beijing, CMEC is a member of China National Machinery Industry Corporation ("SinoMach"), a listed Fortune Global 500 enterprise. CMEC began operations in 1978 as China's first large state-owned corporation to integrate engineering contracting and foreign trade with industry. As a leading international engineering contractor and service provider, it has a well-established presence in the EPC industry. It delivers turnkey solutions to its customers, both government and corporate, with a special focus on developing countries. CMEC has ranked among the top 10 overseas contractors in China by completed business volume, as published by the Chinese Ministry of Commerce.

Since its inception, CMEC has undertaken projects in over 45 countries on all five continents. Power, transportation and water treatment and supply form the core of its EPC activities, with over 80 successful engineering contracting projects in the power sector alone. It has also engaged in engineering contracting in other core sectors, such as mining, telecommunications, construction and manufacturing. CMEC has extended its business reach to more than 150 countries and territories in the fields of international contracting and general trade. It successfully went public on December 21, 2012, and trades on the Hong Kong Stock Exchange under the symbol HK1829.

### **About Sona Resources Corp.**

Based in Vancouver, Sona is a junior gold resource company with a focus on bringing its Blackdome-Elizabeth Gold Project into full commercial production. Since its inception in 1990, Sona has engaged in a wide range of mineral exploration activities in Canada, Mexico and the United States, as well as small-scale gold production.

Sona owns a 100 percent interest in the former Blackdome Gold Mine in south-central British Columbia, 250 kilometres north of Vancouver; and the Elizabeth Gold Deposit Property, 30 kilometres south of Blackdome. At Blackdome, the mineral resources are estimated to be 52,500 oz. gold, grading 11.29g Au/t indicated; and 25,900 oz. gold, grading 8.79g Au/t inferred (news release dated May 4, 2010). At Elizabeth, Sona has outlined an inferred gold resource of 206,100 oz. gold, grading 12.3g Au/t (news release dated June 8, 2009).

Sona aims to bring the fully permitted Blackdome mill back into production at an initial rate of 200 tonnes per day, with feed from the formerly producing Blackdome Gold Mine and trucking feed from the Elizabeth Gold Deposit Property. A positive Preliminary Economic Assessment by Micon International Ltd. (news release

dated May 28, 2010), at a gold price of \$950 per ounce over an eight-year mine life, has estimated costs of \$208 per tonne mined, or \$686 per ounce of gold recovered, based on approximately 23,500 ounces of gold recovered per year.

Planned underground mining activities at both Blackdome and Elizabeth will be conducted by a combination of shrinkage and long-hole methods, with access via horizontal adits. The Blackdome mine and mill was in production for four years in the late 1980s, and thus the processing technologies and metallurgical recoveries are thoroughly documented. Precious metals are to be recovered at the Blackdome mill via existing gravity and flotation recovery circuits. The expected metallurgical recoveries are approximately 94 percent for gold and 78 percent for silver. Of this, some 60 percent of the precious metals are expected to be recovered from the gravity circuit, with the balance from the flotation circuit. Gold and silver from the gravity recovery will be poured into dore bars on site, while a flotation concentrate will be shipped to a smelter for processing. During the initial stages of operation, Sona will closely follow the mining plan developed by Micon.

Sona also holds a 100 percent interest in the Montgolfier Project in Quebec, 40 kilometres east of the multimillion-ounce Casa Berardi Mine gold deposit.

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

This news release contains certain forward-looking statements, and such statements involve risks and uncertainties. The results or events predicted may differ materially from actual results or events. Any forward-looking statement speaks only as of the date of this news release. Except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results, or any other occurrence.

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