



TSX Venture Exchange: GA

March 17, 2010

## **GOLCONDA SIGNS LETTER OF INTENT TO ACQUIRE COREPRO DRILLING INC. AND GREENEARTH GROUP OF COMPANIES INC.**

**CALGARY, ALBERTA** — Golconda Resources Ltd. (the “**Corporation**” or “**Golconda**”) is pleased to announce that it has entered into a non-binding letter of intent (the “**Letter of Intent**”) on March 11-, 2010 with CorePro Drilling Inc. (“**CorePro**”) and its associated company, Greenerth Group of Companies Inc. (“**Greenerth**”), private Saskatchewan companies with offices in Tisdale, Saskatchewan, wherein the Corporation would acquire all the issued and outstanding shares of CorePro (the “**CorePro Shares**”) and all the issued and outstanding shares of Greenerth (the “**Greenerth Shares**”) by way of a share purchase agreement or other similar form of transaction (the “**Proposed Transaction**”).

CorePro operates a mineral exploration drilling business from its Tisdale base of operations and has provided drilling services in Saskatchewan, Manitoba and Ontario. For further information on CorePro, visit [www.corepro.ca](http://www.corepro.ca).

Sid Dutchak, President of Golconda said, “The CorePro acquisition will have two benefits in addition to revenue generation. The CorePro purchase will give our company additional regional reach beyond what we have now, and further diversify our drilling fleet enabling us to appeal to a wider range of customers. Our previous work has primarily been in British Columbia and the Yukon. We are also pleased that we can add knowledge and capabilities due to the experience of the CorePro personnel. CorePro’s core management team has agreed to enter into long-term employment contracts as part of the Proposed Transaction.”

Golconda currently provides drilling services through its British Columbia based subsidiary, Lyncorp Drilling Services Inc. The purchase of CorePro will increase Golconda’s drilling fleet to 14 drilling units including fly, skid mounted and underground units, with depth capacity to 2500 metres.

### **Summary of the Letter of Intent and the Proposed Transaction**

Under the terms of the Letter of Intent, Golconda, CorePro and Greenerth intend to negotiate a definitive agreement (the “**Definitive Agreement**”) by May 15, 2010, whereby Golconda will acquire all of the issued and outstanding CorePro Shares and Greenerth Shares for a purchase price of approximately \$2,220,000, subject to adjustment, of which will be paid by the issuance of approximately 18,600,000 common shares of Golconda (“**Golconda Shares**”) at a deemed price of \$0.10 per share and cash. The final number of Golconda Shares to be issued will be based on the parties’ current valuation as contained in the Letter of Intent and any changes thereto arising from the results of the parties’ mutual due diligence (the “**Agreed Valuation**”).

The Letter of Intent is subject to an exclusivity period until May 15, 2010 (the “**Exclusivity Period**”) unless the Letter of Intent is terminated earlier in accordance with its terms. During the Exclusivity Period, the parties have agreed to exclusively negotiate with one another the final terms and conditions for the Definitive Agreement and each shall continue to operate its business in the ordinary course. The

parties may terminate the Letter of Intent if either Golconda, CorePro or Greenerth is not satisfied with the results of its due diligence by May 15, 2010.

The completion of the Proposed Transaction is subject to several conditions, including: (i) the parties entering into the Definitive Agreement and the satisfaction of the terms and conditions to be set forth therein; (ii) final agreement by the parties as to the Agreed Valuation; (iii) completion of all necessary legal, financial and technical due diligence reviews; and (iv) receipt of all necessary consents and approvals, including board and regulatory approvals.

Completion of the Proposed Transaction is subject to TSX Venture Exchange acceptance. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Golconda is in the business of exploration drilling in western and northern Canada, and mineral property exploration and development in British Columbia and Nevada.

For more information please contact:

Sid Dutchak, President

Ph: (403) 538-8457

e-mail: [sid@golconda.ca](mailto:sid@golconda.ca)

web site: [www.golcondaresources.com](http://www.golcondaresources.com)

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