

Corporate Update

Golconda Optimistic about Gold and Company Outlook

Times seem dark and it is difficult not to get caught up in the negativity of the gloomy markets. Investors have lost their faith in financial markets across the board as there are few industries untouched by the current economic downturn. But on the horizon there is a glimmer of positive news and that sparkle is gold.

Given the financial meltdown gold has still appreciated close to 30% in the past few months. Gold is denominated in dollars and as such, democracies and investors alike are buying gold to protect themselves against a declining dollar. With the inflation looming (USD), and the global slowdown in development and trade, low cost gold producers may potentially do very well in these turbulent times.

Golconda had decided years ago to explore for large deposits to maximize investors' gain in the case of a discovery. To this end, we are focused on large deposits of gold in Nevada and are doing everything to advance these properties given current economic constraints. It is important to note that our holding and exploration costs on these properties are quite modest; that we can use Golconda's recently acquired equipment to operate any exploration program that we undertake, and that the revenues from such a program would go back into the company, thus making the risk reward ratio acceptable.

Kinross Gold is actively pursuing its joint venture with Golconda on the South Monitor project and will update us on the status of its exploration program once they have finalized the mapping that will direct their planned drilling. A status report on this project will be forthcoming.

Golconda's involvement on the Mitchell Creek project furthers our interest in gold exploration as we continue to acquire highly prospective projects. Golconda's sights are on the horizon where gold gleams...

Mitchell Creek Property Update

The Mitchell Creek property is located near Stewart, B.C. and comprises fourteen placer claims for approximately 1,375 hectares. The claims are situated within the same area of Canadian-based Seabridge Gold Inc.'s KSM project. Seabridge's Mitchell Creek zone adjoins Golconda's Mitchell Creek claims and is described as "one of the world's largest undeveloped gold/copper projects" -according to a news release made by Seabridge on December 22, 2008 (For more information please see their website at www.seabridgegold.net)

Golconda plans to undergo exploration on the property to establish preliminary figures and decide on the next course of action. In the coming months the company will begin delineating a strategy for setting up a placer mining operation on this highly prospective property, the company announced today that it has made an application to the BC Ministry to this end. It requires a lesser investment to start up a placer operation and costs are low; to explore an alluvial (placer) deposit costs much less than to explore a primary deposit.

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