



TSX Venture Exchange: GA
Calgary, Alberta

October 5, 2010

GOLCONDA PROVIDES BUSINESS UPDATE

GOLCONDA RESOURCES LTD. (“Golconda”) is pleased to provide an update on its business activities:

1. Core Drilling

Golconda, through its wholly owned subsidiary Lyncorp Drilling Services Inc., has substantially increased its equipment utilization in the first nine months of 2010. In the past year alone, Lyncorp has provided drilling services to six exploration and mining companies in northern British Columbia, the Yukon, and northern Ontario.

2. Financial

Due to the increase in drilling activity and resulting programs undertaken by Lyncorp, two additional Zinex A5 drilling units have been purchased, bringing the total number of drills in Lyncorp’s fleet, to 12 units. As a result of the purchases of the additional units and related equipment, Golconda has extended the maturity date of a secured convertible debenture with a principal amount (the “Principal Amount”) of \$250,000 (the “Debenture”) originally issued pursuant to a private placement of a debenture unit on September 29, 2009. The maturity date of the Debenture has been extended to September 30, 2011. The Corporation has also amended the terms of the Debenture to provide for the repayment of a portion of the Principal Amount to the holder with payments of \$10,000 per month for the term of the Debenture.

3. Previously Announced Transaction

Golconda announces that it will not conclude the previously announced purchase of Saskatchewan based CorePro Drilling Inc. and has chosen instead to purchase certain drilling assets of that company. The purchase of the final equipment from CorePro is being concluded in October 2010.

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Certain information set out in this News Release constitutes forward-looking information. Forward-looking statements (often, but not always, identified by the use of words such as “expect”, “may”, “could”, “anticipate” or “will” and similar expressions) may describe expectations, opinions or guidance that are not statements of fact and which may be based upon information provided by third parties. Forward-looking statements are based upon the opinions, expectations and estimates of management of Golconda as at the date the statements are made and are subject to a variety of known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Those factors include, but are not limited to the entering into of the Definitive Agreement as contemplated by the Letter of

Intent, satisfaction by both parties of the results of due diligence and the Agreed Valuation, the ability of each of the parties to successfully satisfy the conditions precedent to the completion of the Proposed Transaction including risks, uncertainties and other factors that are beyond the control of Golconda. In light of the risks and uncertainties associated with forward-looking statements, readers are cautioned not to place undue reliance upon forward-looking information. Although Golconda believes that the expectations reflected in the forward-looking statements set out in this News Release or incorporated herein by reference are reasonable, it can give no assurance that such expectations will prove to have been correct. The forward-looking statements of Golconda contained in this News Release, or incorporated herein by reference, are expressly qualified, in their entirety, by this cautionary statement.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities of Golconda in any jurisdiction. The securities of Golconda have not been registered under the Securities Act of 1933, as amended (the "1933 Act") and may not be offered or sold in the United States absent registration or an applicable exemption therefrom under the 1933 Act and applicable state securities laws.