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TSX Venture Exchange: GA

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GOLCONDA PROVIDES UPDATE REGARDING JOINT VENTURE AND ANNOUNCES PROPOSED DEBT FINANCING

CALGARY, ALBERTA — Golconda Resources Ltd. (the “**Corporation**” or “**Golconda**”) is pleased to provide an update regarding the joint venture previously announced on July 31, 2012 with a Calgary based private oil and gas company and Tri-Rez Ebay Energy Ltd. with respect to oil and gas exploration and development (the “**Joint Venture**”) on approximately 1,440 acres of Cold Lake First Nation lands (the “**Lands**”).

GLJ Petroleum Consultants Ltd. has been engaged by the Joint Venture to conduct a review and provide an evaluation of the oil and gas reserves of the Lands. In addition, the Joint Venture has commenced its review of the seismic data available on the Lands.

In order to fund its participation in the Joint Venture, Golconda proposes to obtain a senior secured credit facility (the “**Facility**”) in the maximum amount of \$5 million by way of private placement with qualifying lenders. The Facility will have a three year term and will bear interest at the rate of 12% per annum, calculated annually not in advance, commencing on the date of the initial drawdown and shall be due and payable on a quarterly basis with the first interest payment due six months after the date of the initial drawdown under the Facility. As security for the Facility, Golconda shall grant the lenders a first charge against its assets to rank *pari passu* with the first charge held by Lyncorp International Corp. The issuance of the Facility is subject to acceptance by the TSX Venture Exchange (“**TSXV**”).

First “M” Investments Ltd. has advanced Golconda an unsecured loan in the amount of \$300,000, which amount will be used by Golconda for general working capital purposes.

Golconda wishes to remind its shareholders and cordially invite each of them to attend its annual general and special meeting of shareholders to be held on Wednesday September 19, 2012 at 10:00 a.m. at the Calgary offices of Davis LLP.

Trading in the shares of Golconda will remain halted pending the completion of the TSXV’s review of materials regarding the Joint Venture, including an engineering report regarding the Lands.

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Forward Looking Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify forward-looking information or statements. All statements included herein, other than statements of historical fact, constitute forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. A description of certain assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in the Corporation’s disclosure documents on the SEDAR website at www.sedar.com. The Corporation does not undertake to update any forward-looking information except in accordance with applicable securities laws.

Completion of the Facility and the Joint Venture is subject to a number of conditions, including TSXV acceptance. There can be no assurance that the Facility or the Joint Venture will be completed as proposed or at all.

This news release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States or to or for the account or benefit of U.S. persons (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”)), absent registration or an exemption from registration. The securities offered have not been and will not be registered under the U.S. Securities Act or any state securities laws and, therefore, may not be offered for sale in the United States, except in transactions exempt from registration under the U.S. Securities Act and applicable state securities laws.

The TSXV has in no way passed upon the merits of the proposed Facility and has neither approved nor disapproved the contents of this press release.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.