



NEWS RELEASE

Not for dissemination in the US or to US wire services.

CIELO GOLD PROVIDES CORPORATE UPDATE ANNOUNCING MOU WITH GOLDPLATA CORPORATION LIMITED AND WELCOMING MR. MICHEL JUILLAND TO THE BOARD

VANCOUVER, British Columbia, Canada /December 12, 2011/CNSX:CMC/Cielo Gold Corp. ("Cielo" or the "Company") is currently in negotiations regarding several properties in Colombia. To facilitate these transactions, Cielo has entered into a memorandum of understanding with Goldplata Corporation Limited (the "Goldplata MOU") to provide in-country resource management services.

The Goldplata MOU

Goldplata Corporation Limited ("Goldplata") is a private Colombian company with existing infrastructure and operation expertise in Colombia. Goldplata is the operating arm of the Juilland mining family. Under the terms of the Goldplata MOU, Goldplata will provide their expertise and report to the Board of Directors for approvals with respect to due diligence, negotiating the terms of acquisitions, handling project management and administration; and will be charged with ensuring that Cielo remains in good standing with regard to all its ongoing regulatory and compliance obligations in Colombia. As the Company finalizes negotiations on properties, further details will be provided via news releases.

About the Juillands

The Juilland brothers have international expertise in acquiring and developing world-class mining deposits; they have partnered with world-class mining houses and successfully listed many exploration and production mining projects in both Africa and Latin America. They have developed responsible, environmentally sound projects on these continents.

Georges Juilland is a graduate of the Colorado School of Mines in Metallurgy and Mining and is the mainstay of the Juillands' Colombian operation. Michel Juilland is a Mining Engineer, also from the Colorado School of Mines, with a history of mining and mineral exploration throughout Latin America and Africa. Michel Juilland, who joins the Cielo board effective today, is President and a director of Goldplata Mining International Corporation, a firm holding several mineral properties throughout South America.

Goldplata has been active in Colombia since 1991 when it acquired the Titiribi project, a gold-copper porphyry deposit located near the town of Titiribi about 70 kilometres southwest of Medellin, Colombia; it was subsequently sold to Sunward Resources Ltd. In 2010, Michel

Juilland was appointed Chairman and a director of Sunward Resources Ltd.; he stepped down as Chairman in April 2011 and resigned from the board in May 2011. Mr. Juilland was a Founder, former Director General and a director of Auplata SA, a company listed on the Alternext Stock Exchange in France. He is the former CEO and Chairman of Guyanor Resources SA, a subsidiary of Golden Star Resources Ltd.; several properties in French Guiana previously owned by Guyanor Resources were successfully put into production making Auplata the first gold producer in French Guiana.

Lucky Janda, CEO of Cielo, said, "We welcome the Juilland mining family on-board to assist in negotiating the acquisition and the building of Cielo's resource asset base in Colombia. We are keen to move forward and with Michel on our board of directors, we feel there is great potential for Cielo's future; Michel and Georges' experience in acquiring and developing resources will be an asset to Cielo."

The Company also advises that Mr. Rana Vig has resigned as a director effective December 9, 2011. Mr. Vig will remain with the Company as a consultant.

Private Placement

The Company has amended the terms of its private placement originally announced by news release on September 14, 2011. The private placement financing will consist of up to 5,000,000 units (the "Units") at a price of \$0.20 per Unit. Each Unit now consists of one common share in the equity of Cielo and one half of one transferable share purchase warrant (the "Warrants"); each whole Warrant entitles the holder to purchase one additional common share (a "Share") at a price of \$0.30 per Share for a period of one year from closing of the Financing. Proceeds of the Financing will be used for general working capital purposes. A finder's fee may be payable in connection with this private placement.

Stock Options

Cielo wishes to update its previous announcement with respect to stock options dated September 20, 2011, wherein the Company announced a grant of up to an aggregate total of 4,716,674 common shares. Subject to such board, shareholder, and regulatory approvals, as may be required, the Company will amend the grant of options previously announced to include, among others, Mr. Michel Juilland. Details of options granted to insiders of the Company are available through the System for Electronic Disclosure by Insiders (SEDI). The options will be exercisable at a price of \$0.30 per share and will vest in four equal tranches at three, six, nine, and twelve months from the date of grant and will be fully vested at such time. The stock options expire two years from the date of the grant.

About Cielo Gold

Cielo Gold was created to hold mineral resource projects and is actively pursuing prospective projects in Colombia. In addition, Cielo Gold owns the Midge property, a silver and gold potential property, comprised of two claim blocks totalling 578 hectares, located in the Kamloops mining division of British Columbia. Cielo Gold's team intends to continue seeking

potential projects of merit, aimed at building stakeholder value. As of the date of this release, the directors of Cielo Gold are Mr. Lucky Janda; Mr. T. Greg Hawkins, P. Geo; Mr. Thomas Tough, P. Eng.; and M. Michel Juilland. Mr. Larry Tsang, CA is the Company's CFO. Further information regarding the Company can be found on SEDAR at www.SEDAR.com.

This news release was prepared on behalf of the Board of Directors, which accepts full responsibility for its contents.

"Lucky Janda"
*President and
Chief Executive Officer*

For additional information about Cielo Gold please call 604-685-2542.

Certain statements contained in this release constitute "forward-looking statements" or "forward-looking information" (collectively "forward-looking information") as those terms are used in the Private Securities Litigation Reform Act of 1995 and similar Canadian laws. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated", "anticipates" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the business of the Company, the Property, financing and certain corporate changes. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

These securities have not and will not be registered under United States federal or state securities laws and may not be offered or sold in the United States or to a U.S. Person unless so registered, or an exemption from registration is relied upon. This news release does not constitute an offer of securities for sale in the United States.

CNSX has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.