

## CELTIC MINERALS LTD.

#1870, 205 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 2V7  
Telephone: (403) 261-2890  
Fax: (403) 264-0793  
E-mail: info@celticminerals.com  
Web Site: www.celticminerals.com

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### NEW GOLD DISCOVERY AT MALAUMANDA

Celtic Minerals Ltd., (CME:TSX-VEN) is very pleased to announce that the gold assays from the first drillhole at the *Lodon Tops Prospect*, on the Malaumanda Project in Papua New Guinea, have confirmed the presence of a *significant gold mineralized system*. This first hole (CLT03-12) was drilled to undercut trench # LTR2 and returned ***an average of 4.47 g/t Au, 28.90 g/t Ag, 0.73% Zn, 0.06% Cu over 10.80 m*** core length, thereby confirming the consistent nature of the zone both horizontally and vertically. This 10.80 m interval contained 0.7 m grading 14.0 g/t Au and 0.9 m of 8.39 g/t Au and ***was intersected at a vertical depth of 39.5 m***. The hole was drilled at an angle of –55 degrees and 220- degree azimuth.

Given these very significant results, mobilization of drilling crews has now started and drilling will resume testing the zone along trend and down dip. Work will also continue to trace the mineralized shear zone, which is open at both ends along the NNW-SSE trend.

#### Lodon Tops High Grade Gold Zone Shows Continuity

This mineralized shear zone has now been traced by a combination of drilling, trenching and prospecting for 1.6 kilometers. The trenching has shown that the zone is fairly consistent in width and is highly mineralized throughout the entire structure. The presence of numerous cross faults such as the one discovered in Trench LTR5 have shown an increase in mineralization and grade when they intersect the main mineralized shear zone.

Due to the fact that the main shear remains straight, always strongly sheared, and marked by intense carbonate +/- silica (both within the shear itself and in the host country rock), it is ***easily recognized along strike***. The fact that this first drill hole intercepts geology/structure and gold values similar to that seen on surface confirms that *the gold bearing structure appears to stay similar along strike and down dip*.

#### Trenching Results On The Lodon Tops Mineralized Zone

Eleven trenches and pits have been dug along this zone of which Celtic has received assays for three (#1, #2, #5). Continuous chip samples, generally of 1 metre length, and additional rock samples were taken from the trenches. The mineralization lies on the northeastern (hanging wall) side of the zone and in the three trenches, where we have assays, has coincident high gold, silver, copper and zinc assays. The assays for the three trenches were as follows:

<b>Trench</b>	<b>Mineralized width (m)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>Cu (%)</b>	<b>Zn (%)</b>
Trench LTR1	8.0	8.55	44.00	0.10	0.68
Including	4.0	16.85	83.50	0.17	0.72
Including	<b>1.0</b>	<b>55.00</b>	<b>230.00</b>	<b>0.042</b>	<b>1.29</b>
separate interval	3.50	11.11	46.00	0.059	0.79
Trench LTR2	7.0	11.01	76.00	0.30	2.95
Within	8.0	9.85	68.25	0.27	2.65
Including	<b>1.0</b>	<b>17.5</b>	<b>145.00</b>	<b>0.67</b>	<b>8.97</b>
Trench LTR5	4.4	15.52	90.05	0.062	0.76
Including	<b>0.7</b>	<b>40.00</b>	<b>240.00</b>	<b>0.017</b>	<b>0.57</b>

*These results have given Celtic an excellent target in that the high gold assays are coincident with visually identifiable sphalerite (zinc) mineralization.*

The sampling protocol is being supervised by Bill Bond M.Sc, Celtic's project geologist at our Malaumanda project. Mr. Bond has over 30 years of exploration experience worldwide with major and junior companies and he has had considerable experience in Papua New Guinea, having worked as Senior Manager from 1996-1999 on the nearby Mt. Kare epithermal gold project.

All samples are being analyzed for Au by fire assay and 30 elements by ICP at Amdel laboratories in South Australia. All core samples are being cut by diamond saw and half is submitted for analysis while the other half is retained on site.

### **About Celtic Minerals**

Celtic's mission is to provide shareholder value by acquiring and developing a balanced portfolio of high quality precious and base metal projects. *The Company's prime focus is on the advancement of the Malaumanda gold property, located in Papua New Guinea.* Celtic considers the geological potential of the island of New Guinea to be unmatched. New Guinea is the site of several major mines including some of the largest copper and gold mines and ore deposits in the world, such as Grasberg-Ertsberg with 52M oz and 12.5Mt contained gold and copper respectively, Lihir with 40M plus oz contained gold, Panguna with 16M oz and 5Mt contained gold and copper respectively, and Porgera with 22M oz contained gold. The massive Porgera gold mine is 60 km southwest of the Malaumanda property. Celtic encourages the public to visit its website at [www.celticminerals.com](http://www.celticminerals.com) for updated information on our property in Papua New Guinea or to email us at [info@celticminerals.com](mailto:info@celticminerals.com) to be added to the Company's e-mail list for press releases and updates.

**The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.**

For further information, please contact:

**John Steele, President**  
Celtic Minerals Ltd.  
Phone: (416) 703-3694  
Fax: (416) 703-3695  
Email: [jpsteel@attglobal.net](mailto:jpsteel@attglobal.net)

**Thomas Hart, Corporate Development**  
Celtic Minerals Ltd.  
Phone: (403) 261-2890  
Fax: (403) 264-0793  
Email: [tom@celticminerals.com](mailto:tom@celticminerals.com)