

## CELTIC MINERALS LTD.

#1000, 407 – 2nd Street SW  
Calgary, Alberta T2P 2Y3  
Telephone: (403) 261-2890  
Fax: (403) 264-0793  
E-mail: info@celticminerals.com  
Web Site: www.celticminerals.com

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### DRILLING COMMENCES AT CRATER MOUNTAIN

Celtic Minerals Ltd. (CME:TSXV) along with joint venture partners Triple Plate Junction Plc (TPJ) and New Guinea Gold Corp (NGG) has commenced exploratory diamond drilling at the Nevera gold prospect in the Crater Mountain joint venture project in Papua New Guinea.

In the 1990's, seven historical diamond drill holes were completed on the Nevera prospect by BHP and Macmin (PNG) Ltd., with the best results from hole 2 which returned 115m at 1.83 g/t gold with the hole terminated while still in gold mineralization and hole 5 which returned 24m at 6.55 g/t gold also ending while still in gold mineralization. In Dec 2003, trenching by NGG, approximately 500m west of hole 2 returned *an extremely encouraging interval of 48m @ 9.97 g/t gold (including 4m of 50.4 g/t gold and 4m of 41.6 g/t gold) in one trench and 20m of 1.23 g/t gold in a further trench*. The Nevera prospect is one of five areas of interest identified in the Crater Mountain structural corridor.

Regionally, the drilling and trenching is contained within a 5km by 2km region of epithermal alteration containing sulphide and gold mineralization with intense silica, argillic and carbonate alteration. Early hand dug trenches returned gold values of 35m at 3.1 g/t and 54m at 1.21 g/t, but trenching has been hampered by three to six metres of recent volcanic ash cover that blankets the area. Rich supergene gold is being won from small workings by local artisanal miners.

The joint venture has compiled all existing data at Crater Mountain including the re-processing and re-interpretation of airborne and ground magnetic data, geochemical data, and landsat structural and lithological data. This work together with new geological mapping and sampling has identified four highly prospective targets within the Nevera prospect area. The work has demonstrated the presence of significant mineralization, with gold values over a wide area.

The joint venture also commissioned geological consultants Sinclair Knight Merz (SKM) to examine a suite of rocks taken from the Nevera prospect. SKM has reported that the rocks comprising dacites, sediments, intrusives, hydrothermal breccias and a diatreme breccia, reveal similarities between Crater Mountain and the world-class Porgera deposit of similar geological age (Porgera's production to date and remaining reserves total approximately 20 Moz of gold). SKM also reports that the presence of advanced argillic alteration offers further possibilities of porphyry or high sulphidation epithermal mineralization, while a diatreme may correlate with epithermal mineralization.

Crater Mountain is one of a number of Pliocene to Quaternary strata-volcanoes that lie in the tectonically active New Guinea Mobile Belt. The Mobile Belt hosts several world-class gold-copper deposits including Ok Tedi, Porgera, Hidden Valley and Wafi, and the underground vein gold deposits of Kainantu and Tolukuma.

### **Terms of Joint Venture**

Under the terms of the Celtic-NGG JV, Celtic will earn a 51% interest in the concession by completing work programs totaling CDN \$2.0 million within a three year period ending March, 2007 and the right to acquire an additional 24% interest in the concession by incurring further expenditures of CND \$2.0 million within a five year period ending March, 2009. *This time schedule can be accelerated.* Should all terms of the agreement be executed Celtic would own a 75% interest in the concession at the end of term. TPJ has a separate agreement with Celtic whereby TPJ can earn 68% of Celtic's interest by funding an aggregate of CDN \$ 1.0 million of exploration expenditures by December 31, 2005. Should Celtic and TPJ attain a vested interest, the JV would be held by TPJ (51%), NGG (25%) and Celtic (24%).

The Crater Mountain joint venture project covers 713 sq.km of exploration licences and TPJ is the operator of the joint venture.

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

For further information, please contact:

**Kevin Flaherty, Chairman and CEO**

Celtic Minerals Ltd.

Phone: (403) 261-2890

Fax: (403) 264-0793

Email: [kevin@celticminerals.com](mailto:kevin@celticminerals.com)

**Barry Greene, Vice President**

Celtic Minerals Ltd.

Phone: (709) 489-6480

Fax: (709) 489-7092

E-mail: [bgreene@celticminerals.nf.net](mailto:bgreene@celticminerals.nf.net)