



Minerals Ltd.

Trading Symbol: CME.TSXV
Shares Outstanding: 24,612,685

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DUE DILIGENCE AND FINAL AGREEMENT ON MALAUMANDA GOLD PROJECT

Celtic Minerals Ltd. (CME.TSXV) is pleased to announce that following a period of due diligence sampling, it has entered into a final agreement with the Malaumanda Development Corporation Limited ("MDC") to acquire the exploration rights over the Malaumanda gold project area in the East Sepik province of Papua New Guinea (PNG). Under the terms of the agreement Celtic will receive an 85% interest and MDC will retain a 15% interest in the project. Celtic will earn the 85% interest by completing expenditures totaling \$3,000,000, of which \$225,000 must be expended in the first year, and making cash payments of \$40,000, with \$10,000 due on signing. 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, OK-Tedi with 10M oz and 3 Mt contained gold and copper respectively, Freida River with 9M oz and 5.3Mt contained gold and copper respectively and Porgera with 22M oz contained gold.

The Malaumanda project area covers 850 sq. km. of ground. It is located 150 km northwest of Mount Hagen, the third largest city in Papua New Guinea and a major supply base for the region. The massive Porgera gold mine (22 million ounces) is 60 km southwest of the project.

During a field visit to the property by a Celtic geologist with extensive experience in the region, cut core was examined and four samples were taken over the main prospect area known as Milikap while one sample was taken 6.8 km away at Lodon village. The Milikap samples were random grab samples along a 50 m area. The results confirm the high grades reported by earlier companies and are described as follows:

Description	Au gpt	Ag gpt	Cu ppm
Grab of quartz+pyrite vein close to T6- Milikap	625	340	5650
Highly oxidised, kaolinsed wallrock adjacent to vein	80	48.5	1300
Grab sample of highly oxidised 0.5m shear, locals mining from adit	410	125	2250
Grab sample of highly oxidised quartz veining in shear	76	74	2300
Lodon Village, manganese shears in saprolitic diorite	0.84	1.5	900

It must be noted that these values are very high and were taken from surface exposures of weathered saprolite. It is believed that supergene enrichment, as occurs on the property, is extremely important in the region and bulk tonnage primary rocks below the supergene zone would have to be further tested by additional diamond drilling. Nevertheless, supergene enrichment has been a major factor in the economic development of Porgera and the same could be important in this region.

MDC is 100% owned by the sixteen clans of the Malaumanda area in the Nete region of East Sepik Province that inhabit an area in excess of 2000 sq. km. The sixteen clans are each represented on the board of MDC with an appointed director. These clans' representatives are executive members of the Malaumanda Landowners Association. In contrast to other areas of PNG the local inhabitants of Malaumanda area are cohesive and unified members of the Nete dialect group.

Celtic encourages the public to visit its web-site at www.celticm.com for updated information on our new property in Papua New Guinea or to email us at celtic@nucleus.com to be added to the Company's e-mail list for press releases and updates.

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