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DRILLING COMMENCES ON KINGURUTIK NICKEL PROSPECT

Celtic Minerals Ltd., (CME:TSX-VEN) is pleased to announce that drilling has commenced on its 100% owned Kingurutik property. A minimum drill program of 5,000 metres, utilizing two drill rigs, is planned for the initial phase of exploration. The Kingurutik property consists of 2,056 claims (514 sq km), located approximately 85 kms NW of the Inco-CVRD Voisey's Bay mine. Celtic recently announced the discovery of a mineralized outcrop on the property, which has now been dubbed the Toll Prospect.

To provide sufficient time for collection and interpretation of detailed ground geophysical data over the Toll Prospect, diamond drilling will begin on separate geophysical targets located elsewhere on the Kingurutik property. The first drill holes will be located approximately 3 km northwest and 8 km south of the Toll Prospect. These initial holes will be peripheral to the observed ultramafic layer/dyke which has been mapped on surface for about 12.5 km, and also trends through the area of the Toll Prospect. The northern hole targets a combined airborne Electromagnetic (EM), magnetic and gravity anomaly and is proximal to a gossan zone. The south hole will test an airborne EM and magnetic anomaly adjacent to another gossan. It is anticipated that drilling will commence on the Toll Prospect within the next two to three weeks.

Celtic has received the results of the recently completed airborne Full Tensor Gravity Gradiometry survey over the Kingurutik River and Tasisuak Lake properties. The data is being interpreted and early results confirm a significant gravity anomaly over the area of the Toll nickel prospect.

Elsewhere in Labrador, Celtic and Merrex Gold Inc. have completed the first two holes of a drill program on their 451 claim (112.75 sq km) West Voisey's Bay property. The first two holes reached depths of 568 m and 925 m, and are awaiting downhole geophysics. On the Garland Lake JV, under an earn in option agreement with Cornerstone Capital Resources Inc., the first drill hole of a planned two hole program is now underway.

Celtic's land position including the Kingurutik River, Tasisuak Lake, West Voisey's Bay and Garland Lake blocks cover 3355 claims (838.75 sq km). Celtic is the most active junior exploration company in the Voisey's Bay nickel district and has the largest land position.

Kevin Flaherty, Celtic's Chairman & CEO, stated "We are very pleased that early exploration on Kingurutik has resulted in the identification of a significant target. Our exploration team has done a tremendous job of quietly advancing this project to the drill stage. Special recognition goes out to the two Celtic prospectors, Tom McLennon and Lloyd King, that identified the mineralized outcrop."

Paul Delaney, P.Geo., project geologist for Celtic Minerals Ltd. is the qualified person who has reviewed the content of this news release.

Celtic encourages the public to visit its website at www.celticminerals.com for additional information on the various projects or to email us at 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.

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