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MAJOR NEW GOLD ZONE DISCOVERED AT KOITI

Celtic Minerals Ltd. (CME:TSX) is very pleased to announce that results from trenching on the newly discovered Koiti Zone in Papua New Guinea has confirmed a major new gold zone. Highlights include:

Trench	Length (m)	Au (g/t)	Ag (g/t)	Cu (%)
4	6.0	1.50	4.7	0.09
6	33.0	5.30	10.5	0.24
7	3.0	2.36	5.7	0.20
7	3.0	3.14	1.0	0.01
8	6.0	6.10	12.0	0.68
9	6.0	1.22	2.5	0.10
11	4.0	1.54	1.0	0.00
12	8.0	4.08	2.3	0.07
13	3.0	7.15	5.0	0.15
13	3.0	1.45	3.3	0.14
13	1.4	7.68	5.5	0.30
13	2.0	4.41	5.5	0.67
14	3.9	12.12	16.0	1.20
15	2.8	21.67	29.5	0.59

Analytical results released are for trenches 4 to 15. All samples are continuous chip samples, which contain sulphide and/or oxide mineralization. Trenches 5 and 10 had no significant gold values and are being extended to the northwest to intersect the mineralization. Trench 6 may be sampled partially along strike; a perpendicular trench is currently being excavated to clarify this anomaly. Analysis is pending for trenches 1 to 3 and 16 to 18. Trench locations referred to are available for viewing on a trench location map located at www.celticminerals.com

These results confirm an extensive, structurally controlled gold system. **Reconnaissance trenching and sampling over a 600 meter strike length of the structure has shown continuity of the mineralization with strong gold values.**

The Koiti Zone appears to be a major shear structure that has been reactivated numerous times and has both a complex intrusive and mineralogical history. In trenches and drill core there is evidence of a low sulphidation epithermal/mesothermal gold-copper-quartz sulphide event overprinted by a carbonate-base metal event, the latter possibly adding to elevated gold values. The zone contains pyrite, chalcopyrite, chalcocite, covellite, and sphalerite mineralization hosted

within a hornblende diorite and is composed of brecciated diorite with multiple silicified zones and stockwork quartz veining and is approximately 5 to 10 metres thick. Initial indications are that the structure is dipping approximately 50 to 60 degrees to the northwest.

Drill hole KZ-03-01 currently under way is the first drill hole to test this target. The hole was collared 100 metres northwest of trench 13 at an azimuth of 160 degrees and an angle of -56 degrees. This is near the site of the initial discovery outcrop.

Trenching will continue to the northeast and southwest in an attempt to further expand the zone while diamond drilling is ongoing. In addition, grid lines are currently being cut in preparation for IP/Resistivity and detailed ground magnetic surveys. The recent discovery of similar mineralization approximately two kilometers to the northeast and along strike suggests that this **zone may continue for several kilometers.**

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 massive Porgera gold mine is 60 km southwest of the project. Mineralization at Malaumanda appears to be concentrated along NNE transfer structures, one of these structures is believed to be the strike extension of the transfer structure localizing Porgera.

The sampling protocol is supervised by Bill Bond M.Sc, P.Geo., project geologist for Celtic Minerals and a qualified person as defined under the Canadian Securities Administrators' National Instrument 43-101. Mr. Bond has considerable country experience, having worked as Senior Manager from 1996-1999 on the nearby Mt. Kare epithermal gold project. Mr. Bond has over 30 years of exploration experience worldwide with major and junior mining companies.

All samples are being analyzed for gold by fire assay and 30 additional elements by ICP analysis at SGS Australia Pty. Limited in Garbutt, Queensland, Australia and/or at Amdel laboratories in South Australia. All continuous chip samples are one to two metres in length.

Celtic encourages the public to visit its website at www.celticminerals.com for updated information on our 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.

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

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