



CELTIC MINERALS

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Trading Symbol: CME:TSX-VEN
Shares Outstanding: 80,192,676

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CELTIC MINERALS LTD. – UPDATE

Calgary, January 19, 2010 – Celtic Minerals Ltd. (CME:TSX-V) (the “Corporation”) provides the following update on corporate and legal developments:

On July 23, 2009, the Corporation announced, among other things, that the Corporation’s former Chief Executive Officer had previously received an unauthorized payment of \$3,191,075 from the Corporation’s bank account, which had been repaid in full. On October 8, 2009, the Corporation commenced legal proceedings against its former Chief Executive Officer, Kevin Flaherty (“Mr. Flaherty”) seeking recovery for certain additional unexplained withdrawals from the Corporation’s account, interest on the previously-announced payment from the Corporation’s account and for various professional fee expenses incurred by the Corporation arising from Mr. Flaherty’s actions. On December 18, 2009, the Corporation and Mr. Flaherty resolved the legal proceedings and the court action was discontinued. The Corporation received a payment from Mr. Flaherty representing repayment in full of \$146,515 in interest on the previously-announced payment and an additional amount representing compensation for the other outstanding issues. In addition, the parties released one another from outstanding existing claims, with the Corporation reserving the right to claim against or seek indemnity from Mr. Flaherty in respect of any claims against the Corporation by third parties or any future claims the Corporation may have against Mr. Flaherty.

As a result of the recovery of funds from Mr. Flaherty, the Corporation currently has cash on hand of approximately \$ 650,000.

Today, the audited financial statements and management discussion and analysis (“MD&A”) for the fiscal year ended December 31, 2008 have been filed on SEDAR and are being mailed to shareholders. Also today, the restated 2008 second and third quarter unaudited financial statements and respective MD&A have been filed on SEDAR. Work has begun on the 2009 quarterly unaudited financial statements and they will be released as they become available. It is anticipated that the 2009 quarterly statements will be completed within the next 30-60 days.

The corporation is actively advertising and marketing its exploration projects and has received expressions of interest for potential mineral property deals covering certain of its North American projects. Further updates will be released pending developments. The corporation also announces that a newly designed website has been launched and will be updated on an ongoing basis. Information concerning exploration projects can be found here.

With the settlement with Mr. Flaherty completed, the Corporation is directing its attention to preserving its mineral assets and engaging new management as it works towards reinstating the Corporation as a publicly traded company.

However, additional issues have come to light which the Corporation believes may need to be resolved in order to return to active public company status. These include:

1. On December 17, 2009, Calviet Capital Corp. ("Calviet") and certain of its investors commenced legal proceedings in the Court of Queen's Bench of Alberta against Mr. Flaherty and the Corporation for \$1,762,883. Calviet is a private company organized and formerly controlled by Mr. Flaherty. The substance of the allegation by Calviet against the Corporation is that Mr. Flaherty used Calviet funds to repay part of the previously-announced withdrawal to the Corporation. It is the position of the Corporation that it is not liable and it will defend this lawsuit vigorously.
2. In the course of completing the audit, it has been determined that the Corporation has been unable to incur by December 31, 2009, qualifying expenditures for the benefit of subscribers of flow through shares of the Corporation. The Corporation had agreed to indemnify those subscribers in their subscription agreements. The Corporation does not presently have sufficient funds to satisfy these indemnities.
3. Some subscribers for common shares in the Corporation have indicated that, in view of the circumstances that have come to light regarding Mr. Flaherty, they believe they are entitled to rescind previous subscriptions for shares in the Company. The Company will defend any actions in that regard vigorously; however, any actions that may be brought will impair the Corporation's existing capital and adversely affect its ability to return to public company status.

The Corporation has been in discussions with potential candidates to assume control of management of the Company. These candidates have generally indicated that the Corporation must resolve the issues set out above and be capable of obtaining public company status before new management will join the Company. The common shares of the Corporation continue to be cease traded by the securities regulatory authorities and there is no certainty as to if and when the Corporation will be able to obtain a lifting of the cease trade order. The Corporation is not in a position to seek additional equity funding until the cease trade is lifted.

Forward Looking Statement

This release and subsequent oral statements made by and on behalf of the Corporation may contain forward-looking statements. Wherever possible, words such as "intends", "expects", "scheduled", "estimates", "anticipates", "believes", and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Corporation cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause the Corporation's actual results, event, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although the Corporation has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. Any forward-looking statements are made as of the date of this release, and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

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.

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