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FOR IMMEDIATE RELEASE

**CELESTE ENTERS INTO AGREEMENT TO ACQUIRE INTEREST IN  
SOUTH CROFTY MINE, CORNWALL, ENGLAND AND  
UPDATES CHILE EXPLORATION PROGRAM**

**CALGARY**, Alberta – May 25<sup>th</sup>, 2011 – Celeste Copper Corporation (TSX-V:C) (“**Celeste**”) is pleased to announce that it has entered into an earn-in agreement dated May 24, 2011 (the “**Agreement**”) to acquire up to a 100% interest in Cornish Minerals Limited, a corporation existing under the laws of England (“**Cornish UK**”) which indirectly owns the property and assets known as the South Crofty Mine, located in the tin/copper district at Pool, near Redruth, Cornwall in England (the “**South Crofty Mine**” or the “**Property**”).

The Agreement has been entered into among Celeste, Cornish UK, the shareholders of Cornish UK being Cassiterite Limited, a corporation incorporated under the laws of the Cayman Islands (“**Cassiterite**”) and Baseresult Holdings Limited, a corporation existing under the laws of England (“**Baseresult**”), and Cornish UK’s wholly-owned subsidiaries being Cornish Minerals Limited, a corporation existing under the laws of Bermuda (“**Cornish Bermuda**”) and Western United Mines Limited, a corporation existing under the laws of England (“**WUM**”). WUM owns all freehold surface property known as the South Crofty Mine together with the related sub-surface mine workings, intellectual property and mine plant and machinery and Cornish Bermuda owns certain related freehold and leasehold mineral rights and mineral sets situate in the County of Cornwall, UK.

The South Crofty Mine is an amalgamation of twelve mines that were historically mined primarily for tin and copper. The properties are located between Redruth and Camborne in Cornwall, England and comprise approximately 150 square kilometers of mineral rights in this historic mining district. Mining in this region goes back approximately 4,000 years and includes mines like South Crofty, Dolcoath and Roskear mines, which are included in these mineral rights. It is the first time in the region’s history that such a large package of mineral rights has been assembled, with an opportunity to apply modern exploration and development mining techniques.

Denis Clement, President and CEO of Celeste stated: “We are delighted to have the opportunity to participate in the expansion and redevelopment of the historic South Crofty mining region in Cornwall.”

The Agreement

Under the terms of the Agreement, Celeste can acquire an initial 25% equity interest in Cornish UK (the “**Initial Interest**”) by funding, by May 31, 2012, expenditures (“**Expenditures**”) incurred or to be incurred for the benefit of Cornish UK, Cornish Bermuda and WUM with respect to the exploration, development and mining operations on the Property of at least £4,670,000 (the “**Initial Investment**”). As at May 24<sup>th</sup>, 2011 the Bank of Canada exchange rate was \$1.58 Canadian dollars per U.K. pound sterling. The Initial Investment is equal to \$7,378,600 Cdn dollars.

Conditional upon Celeste acquiring the Initial Interest, Celeste shall then have the option to elect to fund additional Expenditures, by September 30, 2013, of either (i) £9.33 million to acquire an additional 25% equity interest in Cornish UK (such that Celeste would then hold a 50% equity interest in Cornish UK), or (ii) £16.33 million to acquire an additional 35% equity interest in Cornish UK (such that Celeste would then hold a 60% equity interest in Cornish UK).

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In certain circumstances, if Celeste funds some but not all of the above threshold amounts, it will acquire a lesser *pro rata* interest in Cornish UK.

Conditional upon Celeste acquiring a 60% equity interest in Cornish UK, it will have the option, exercisable until September 30, 2013 (or earlier in certain circumstances), to acquire the remaining 40% equity interest of Cornish UK held by Cassiterite and Baseresult based on an agreed upon valuation of Cornish UK, for consideration to be agreed between the parties, which may include (i) common shares of Celeste, (ii) cash, or (iii) a combination of common shares and cash. Any common shares so issued will be at the per share price reflected by the then market price, less any applicable discounts as may be accepted by the TSX Venture Exchange. If Celeste does not exercise this option, Cassiterite and Baseresult will have the option, exercisable for 30 days thereafter, to subscribe for additional shares of Cornish UK so that together they hold up to 51% of the shares of the Corporation.

Closing of the transaction and Celeste's obligation to advance the Initial Investment is conditional upon, among other things, (i) receipt of applicable regulatory approvals (including acceptance of the TSX Venture Exchange), (ii) Celeste having arranged financing to satisfy the Initial Investment, (iii) completion of due diligence satisfactory to Celeste, (iv) closing by June 30, 2011 (unless extended by written agreement of the parties), and (v) other customary terms and conditions of a transaction of this nature. Accordingly, there is no certainty that the transaction will be completed.

Each of Cassiterite, Baseresult, Cornish UK, WUM and Cornish Bermuda are arm's length to Celeste and its Directors and Officers. A further news release will be issued to include among other things, detailed information about South Crofty Mine and other information about the expected concurrent financing.

### **Chile Exploration Program**

Celeste is continuing to progress on its ground exploration and field program announced on March 15, 2011 on its Celeste 4 to 10 and Manto Media claims near Copiapo Chile. The Company expects to receive results in the near future.

### **About Celeste:**

Pursuant to TSX Venture Exchange Policies the shares of Celeste will remain halted pending receipt of certain documentation, including a Geological Report on the Property prepared in accordance with National Instrument 43-101. Celeste is a Canadian corporation currently focused on the exploration of its copper properties located in the Cabeza de Vaca mineral district, Chile. Celeste, having recently announced new management, is planning to assess other tin, copper and copper-gold properties for exploration and development opportunities, including the potential project announced in this press release.

Celeste shares trades on the TSX Venture Exchange under the symbol C. Celeste's website can be accessed at [www.celestecopper.com](http://www.celestecopper.com) For further information, please contact:

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***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

**Caution Concerning Forward-Looking Information**

*This news release contains forward-looking statements and information within the meaning of applicable U.S. and Canadian securities laws including with respect to closing of the transaction and the timing of receiving results from Celeste's ground exploration and field program in Chile. Words such as "may", "will", "should", "anticipate", "plan", "expect", "believe", "estimate" and similar terminology are used to identify forward-looking statements and information. Such statements and information are based on assumptions, estimates, opinions and analysis made by management of Celeste in light of its experience, current conditions and its expectations of future developments as well as other factors which they believe to be reasonable and relevant. Forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements and information. Risks and uncertainties that may cause actual results to vary include but are not limited to: the conditional nature of the transaction, including the requirement for approval of the transaction by the TSX Venture Exchange; uncertainties relating to the availability and costs of financing needed to complete the transaction; exploration costs varying significantly from estimates; delays in the exploration and development of, and/or commercial production from, the properties in which Celeste has an interest; the speculative nature of mineral exploration and development, including the uncertainty of reserve and resource estimates; operational and technical difficulties; success of future exploration and development initiatives; competition; inability to obtain, or delays in obtaining, necessary permits and approvals from government authorities; fluctuations in foreign exchange rates; as well as other risks and uncertainties which are more fully described in Celeste's annual and quarterly Management's Discussion and Analysis and other filings made by Celeste with Canadian securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com).*

*Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable laws, Celeste disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although Celeste believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.*