



CULLEN RESOURCES N.L.

ACN 006 045 790

QUARTERLY REPORT 31 DECEMBER 1999

HIGHLIGHTS

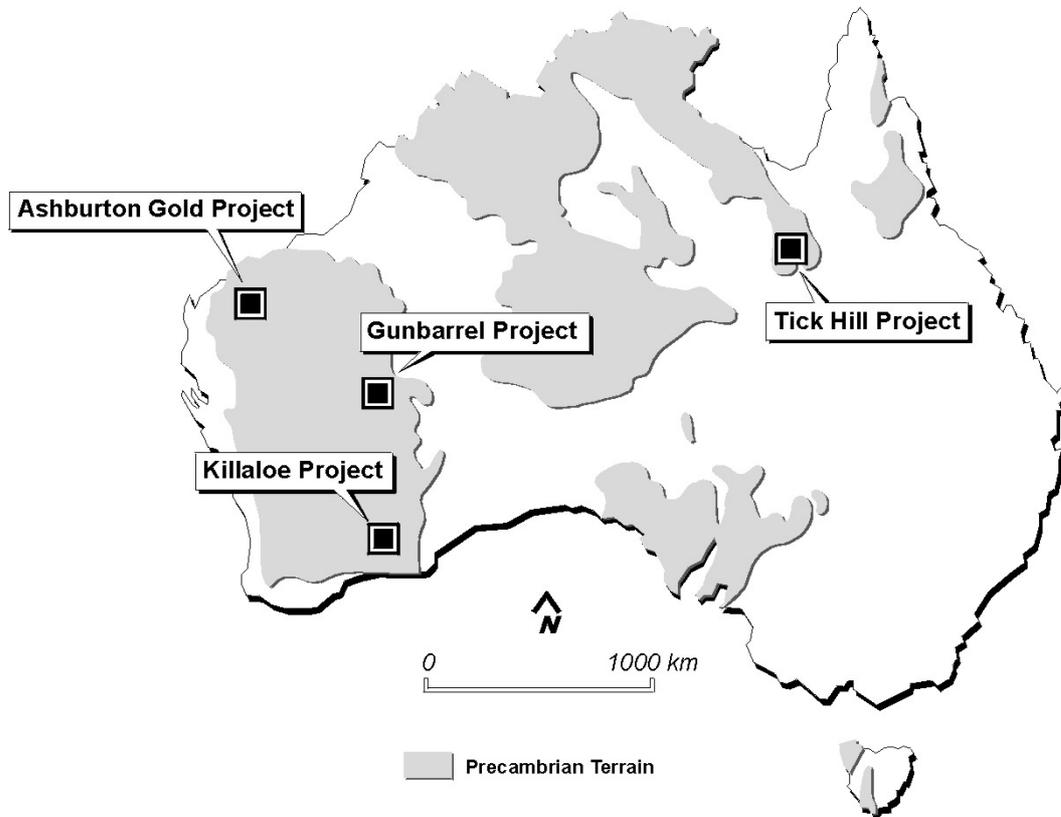
Significant progress made at the Ashburton Gold Project:

- Drill targets emerge at De Courcy's Lizzie gold prospect.
- Slate Bore proves to be a large well mineralised gold system which represents a major RC drilling target.
- At Yanks Bore soil and chip sampling of silicified dolomites return anomalous gold values over 23km strike with values up to 14.4 g/t Au in rock chips.

ASX Code : CUL
Level 4, 118 Christie Street
ST LEONARDS NSW 2065
AUSTRALIA

Phone: +61 2 9437 4588 Fax: +61 2 9437 4599
Email: wmaus@magna.com.au
Website : www.montaguegold.com.au
(Website name change to Cullen in progress.)

AUSTRALIAN ACTIVITIES



ASHBURTON GOLD PROJECT WA

De Courcy (E 47/874, 875, 903 – 100% Cullen)

Exploration focused on higher priority targets identified from Cullen's earlier airborne geophysical and geochemical surveys and geological mapping. Targets are mainly along the **Highway Shear Zone** (Paraburdoo Hinge Zone) or within the complex **SE closure of the Wyloo Dome** (see attached figures). The following work was completed:

- Soil sampling on 50 x 200m centres at **Scorodite** (Grid C), **Cullen 1 NE** (Grid E), **Highway Zone East** (Grid G), **Cullen 1** (Grid H), **Cullen 5** (Grid J) and **Mungie-Metawandy** (Grid MM).
- Shallow soil-bedrock interface drilling (633 holes, 1592m) of covered areas on 50 x 200m centres at **Metawandy West and North** (Grids A, B and K), **Scorodite**, **Cullen 2/Cullen 1 NE** (Grid F), **Mungie Well Fault** (Grid G), **Cullen 1**, **Cullen 5**, **Clarke Fault** (Grid L) and **Mungie-Metawandy**.
- Geological mapping at 1:10,000 scale and rock chip sampling (167 samples) on most grids.
- Stream sediment sampling and prospecting of **Four Mile Bore NE** and **Metawandy W and N** target zones.

- Re-imaging and interpretation of aeromagnetic data from the **Mungie-Metawandy, Highway Zone East** and **Mungie Well Fault** targets.

Soil sampling and soil-bedrock interface drilling results to date highlight **SE De Courcy** as being distinctly anomalous in gold. This is supported by Cullen's drainage sampling which shows a cluster of gold, mercury and silver anomalies. In this prospective area where Paraburdoo Hinge Zone regional faults intersect the SE closure of the Wyloo Dome, soil and soil-bedrock interface drill sampling on Scorodite (Grid C) have defined the moderately strong Lizzie gold anomaly (+10ppb, peak 43 ppb Au). At Lizzie, the gold anomaly occurs within an envelope of anomalous arsenic; higher gold values are associated with elevated arsenic and antimony. The gold anomaly extends ENE for 900m. Low order gold anomalies detected by follow-up soil and soil-bedrock interface drill sampling to the E indicate that the Lizzie anomaly may extend a further 1200m.

Field inspection at Lizzie has located multi-generational quartz veining hosted by strongly silicified and carbonated mafic volcanics and argillites with boxworks after disseminated arsenopyrite and pyrite. Rock chips are anomalous to strongly anomalous in gold (up to 620ppb Au). Interpretation of Cullen's aeromagnetics indicates the host sequence and structures may extend for another 3 to 5km along strike into covered areas. Infil soil sampling and detailed mapping are proposed to better define RAB/RC drill targets. The Lizzie anomaly is currently the most promising target developed within the De Courcy project area.

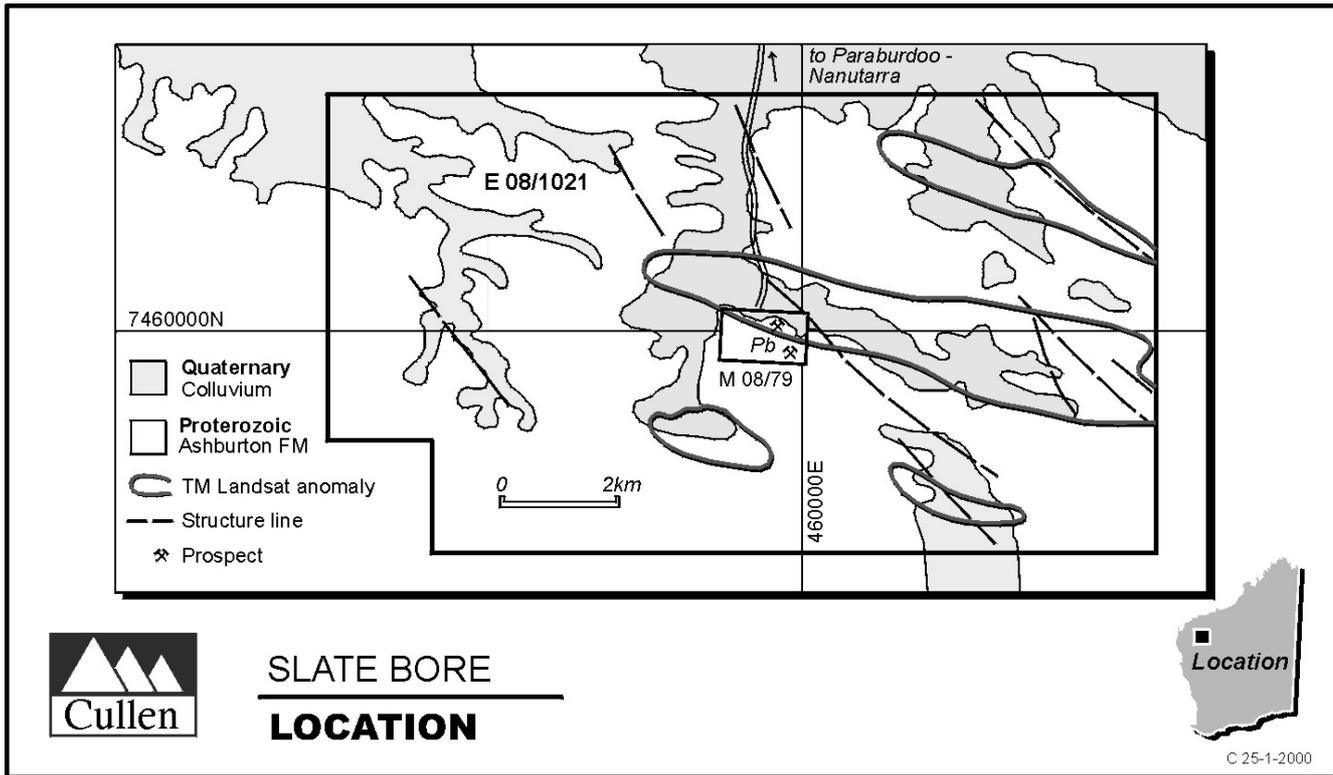
Soil sampling over other grids generally showed low order but incoherent gold patterns with occasional spiky gold values in soils as high as **5.8 g/t Au**. (Cullen 1 NE, Grid E).

Strong gold anomalies in drainages in the **Four Mile Bore NE** target area were followed up by mapping and detailed stream sediment sampling. Other than minor copper-gold mineralised quartz veins exposed in old trenches, no indications of significant gold mineralisation were located.

Based on similarities with the regional geological setting of the Paulsens (Taipan Resources) gold deposit on the NW closure of the Wyloo Dome, the **Mungie-Metawandy** and **Highway Zone East** target zones are considered to be prospective. The 1999 Cullen aeromagnetic survey was re-imaged and interpreted to investigate this 8 x 10km area in more detail. The study developed several possible exploration targets for follow-up in this structurally complex area. Conventional soil geochemical surveys over the **Highway Zone East** grid located weak gold and base metal anomalies. Results of trial biogeochemistry over the area are awaited.

Slate Bore (M 08/79, Cullen 100%, E 08/1021, Cullen earning 75% from Min-Tech8 NL)

Slate Bore is rapidly developing as a major drilling target with excellent potential for sediment-hosted gold mineralisation. There is compelling geological, geochemical and geophysical evidence to indicate that a large well-mineralised system is present. Detailed rock chip sampling by Cullen shows that the zone is highly anomalous in gold with values as high as 10m @ 5.6 g/t Au locally. The gold prospect is untested by percussion drilling. The only previous drilling reported is 5 diamond drill holes by Jododex in 1975 which targeted base metals (best intercept 3.04m @ 14.8% Pb). No gold assays were carried out by Jododex.



Work completed by Cullen during the quarter at **Slate Bore** (35km southeast of De Courcy) included:

- Compilation of Cullen's geological mapping at 1:2,500, 1:5,000 and 1:10,000 scales.
- Infil soil sampling (355 samples, 100 x 25m pattern) in the western portion of a 1989/1990 soil grid (500 x 50m) completed by a previous explorer.
- Shallow soil-bedrock interface drill sampling in covered areas (152 holes, 582m, 500 x 25m).
- Compilation of soil-bedrock interface drill sampling data obtained by a previous explorer.
- Compilation of previous IP geophysical data.

Geological mapping identified extensive zones characterised by quartz veining, silicification and sulphidation over a total strike length of 8km. The zones are related to a major WNW trending shear structure and are developed within a broad halo of sericite, chlorite and clay alteration of Proterozoic Ashburton Formation sandstones and siltstones. Rock chip sampling results were reported last quarter; they indicate that the zones are mineralised with gold, arsenic, lead and antimony.

Cullen's more detailed soil sampling over a 3.5km segment of a 7km long soil anomaly, defined by a previous explorer, outlined three strong gold anomalies (plus 10ppb, maximum 340ppb). The strike lengths of the anomalies are 1,400m, 600m and 400m respectively. Each is related to outcropping silicification, quartz veining and sulphidation and each has coincident arsenic, lead and antimony anomalies (see attached figures)

Soil-bedrock interface drill sampling beyond the soil grid indicates widespread gold anomalism but current line spacing is too wide (500m) to define specific drilling targets. Further soil-bedrock drill sampling is required.

Data from a 1975 Induced Polarisation (IP) survey indicate a WNW trending zone of IP chargeability anomalies extending over 2,500m strike and in places up to 250m wide. The anomalies are interpreted to be caused by sizeable bodies of disseminated sulphides. A core of strong chargeabilities extends over 1,200m strike and 50-200m wide, correlating closely with gold anomaly A (see figure attached).

A reverse circulation drilling campaign is scheduled for the second quarter 2000 to test anomalies A, B and C.

Yanks Bore (E 08/1022, Cullen earning 65% from Hunter Exploration NL)

Yanks Bore is within the NW sector of the Paraburdoo Hinge Zone, 80km NNW of DeCourcy.

Exploration during the quarter included:

- Compilation of rock chip sampling and geological mapping at 1:25,000 and 1:10,000 scales.
- Soil sampling of northern and southern extensions to Hunter's **Main Zone** anomalies – **Hunter Grid** (5.9 strike km, 200 x 50m).
- Soil sampling of Hunter's **Northern** anomalies (5.4 strike km, 200 x 50m).
- Integration of Hunter and Cullen data.

West dipping silicified dolomite of variable thickness (up to 15m) was mapped over a strike length of 23km (see attached figure). Gold-in soil and rock chip gold anomalies are associated with the dolomite. Silicification is concentrated in a well-defined structural zone near the contact of west-dipping siltstone/slate (Ashburton Formation?) and mixed dolomite/mafic volcanics.

Assays were received for 62 rock chip samples collected during the previous quarter, mostly from the silicified zone. Samples represent rock chip traverses or composites taken of substantial outcrops and approximately 20% were anomalous in gold (ie >50ppb Au). These included a rock chip traverse of brecciated silicified dolomite assaying 6m @ 0.6 g/t Au located 1.4km S of the **Hunter Grid**. The mapping and rock chip sampling confirm that gold and arsenic anomalism occur on a broad scale related to a Paraburdoo Hinge Zone structure. An earlier rock chip traverse by Hunter taken within the **Hunter Grid** returned 1.7 g/t Au over 20m. A follow-up grab sample from a gossanous section of the silicified zone about 3.7km S of the **Hunter Grid** assayed 14.5 g/t Au.

Soil sampling outlined a broad coherent gold anomaly (>5ppb, max. 59 ppb) extending over 2.1km in the S of the tenement adjacent to the Yanks Bore Fault with coincident anomalous arsenic in the northern part of this anomaly. The silicified zone south of the **Hunter Main Grid** has intermittent soil gold anomalism up to 32 ppb and more consistent arsenic up to 96 ppm. To the N of the **Hunter Grid**, a weak gold anomaly to 13 ppb correlates with the silicified horizons. In the **Northern Zone** where deeper weathering and transported cover are more extensive, a subtle gold anomaly (>3 ppb to 14 ppb Au) occurs discontinuously over 5.5km related to silicified zones. There is also some anomalous gold related to the Yanks Bore Fault in the northern sector.

Overall the tenement is highly prospective. The strike extent of the Yanks Bore silicified dolomite and its consistency of anomalism are encouraging and present an attractive

exploration target. Detailed mapping and soil/rock chip geochemistry are required to define drill targets.

De Courcy South (ELA 08/1145, Cullen 100%)

Compilation of open file data has identified several targets for geochemical prospecting.

De Courcy Southwest (ELA 08/1166 Cullen 100%)

An additional 34 sub-block (105 sq km) EL application was lodged with the DME located to the west of and adjoining ELA 08/1145. The area covers a further 18 strike km of a major WNW structure along the Paraburdoo Hinge Zone south of the Wyloo Dome. Open file compilation shows strong geochemical leads from previous exploration by Billiton in the late 1980s. The area is subject to a simultaneous application by another company.

GUNBARREL PROJECT, NORTHEAST GOLDFIELDS WA

(E 53/568, E 53/645, and ELAs 53/818, 837, Cullen 100%, E 53/535, Cullen 80%, North Coolgardie 20%)

A programme of shallow base-of-hardpan geochemical drilling to develop drill targets around clusters of old gold workings near **Mt Eureka** and investigate high priority target zones at “**Northern**” (E 53/568), “**Southern**” (E 53/568) and “**Taipan South**” (E 53/535) has been deferred to the 2000 field season. This followed advice that granting of E 53/837 would be delayed by a Native Title claim. Upgrading of the project digital data base is in progress prior to seeking a farm-in partner.

KILLALOE, EASTERN GOLDFIELDS WA

(Cullen 100% ELA 63/722)

Cullen has successfully applied for ground centred about 30km NE of the Norseman gold mining centre. The 50 sub-block EL application (145km²) covers about 20 strike km of greenstones packaged between the NNW to NW trending Zuleika Shear and Boulder-Lefroy Fault. The application includes the Duke and Killaloe gold prospects and is prospective for structurally controlled gold deposits and also sulphide and oxide nickel mineralisation hosted by the Killaloe ultramafic complexes.

Preliminary open file research indicates scope to apply modern regolith geochemistry coupled with re-appraisal of recent detailed aeromagnetics for both gold and nickel exploration. More thorough compilation of open file exploration data will commence during the 2000 field season

TICK HILL JOINT VENTURE, QLD (MIM, Cullen earning 70% interest EPM 9083, EPM 11013 and EPM Applications 11990, 11991, 12325 and 12395)

First phase RC percussion drilling during the September quarter located anomalous gold mineralisation over a 4m interval in drill hole CTT03 at the **Top Tank** prospect. To further evaluate the prospect, two additional RC percussion holes (236m) were drilled and an extension (36m) to an earlier hole was made during the December quarter. Detailed geological and structural mapping was also undertaken about the immediate area drilled to refine earlier work and to incorporate information gained from the first round of drilling.

The target at **Top Tank** is concealed Tick Hill style-gold mineralisation. The two new holes and the hole extension tested structural interpretations of the mineralisation found in CTT 03. The additional drilling did not produce any significant mineralised intersections, however, the holes did not intersect the same structural zone cut by CTT 03.

A total of nine holes (1192 m) have now been drilled at **Top Tank**. The new drilling and geological mapping clarified the structural setting and confirmed the structural discontinuity that hosts the anomalism in hole CTT03.

The gold mineralisation is now believed to be a moderately high angle (55-60°) reverse fault that emplaces older granitic and intrusive amphibolitic dyke rocks over younger Corella Formation calc-silicates. The gold mineralisation occurs immediately below the reverse fault contact with the Corella formation extending into the calc-silicate "footwall" rocks. This suggests that the anomalism is confined to a single structural entity.

Compilation and assessment of exploration from this year's program is continuing together with assessment and integration of this data with earlier MIMEX regional data.

RUSSIAN GOLD MINING INTEREST

POKROVSKIY GOLD PROJECT (2% direct equity interest)

No information has been received from the Project Manager for the Quarter ended 31/12/99.

Further information on the progress of the Pokrovskiy project is available over the internet on www.zoloto.co.uk

MANAGEMENT & CORPORATE

NEW OPPORTUNITIES

During the quarter, the Company received a number of approaches regarding potential investment opportunities in the technology sectors. The nature, size and structure of these proposals vary reflecting the diversity of new business opportunities, which are being generated by the application of internet-related technologies to more traditional business models.

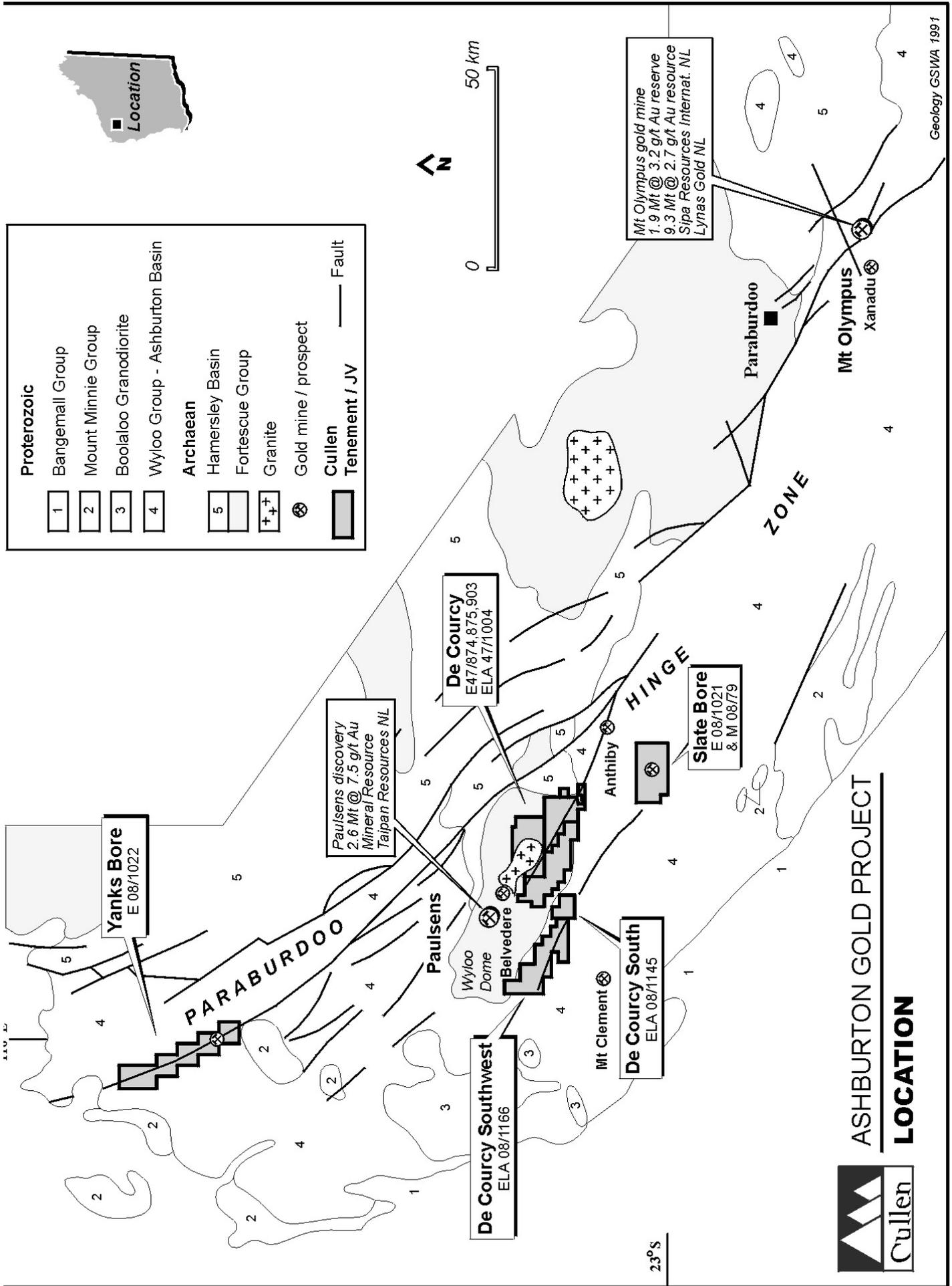
Many junior mining companies have in recent months successfully diversified their activities into the areas of e-commerce and information technology. To this end, the Company is continuing to evaluate a number of proposals which it believes, in the current market, have the potential to increase the value of the Company for shareholders. Any material developments in this area, should they occur, will be disclosed to the Market in accordance with the continuous disclosure requirements of the Australian Stock Exchange.

Importantly, it is the Board's current intention to adopt a dual strategy in relation to pursuing possible e-commerce and telecommunications opportunities and the Company will continue to actively progress its mineral exploration activities, particularly in the Ashburton region of Western Australia.

BOARD CHANGES

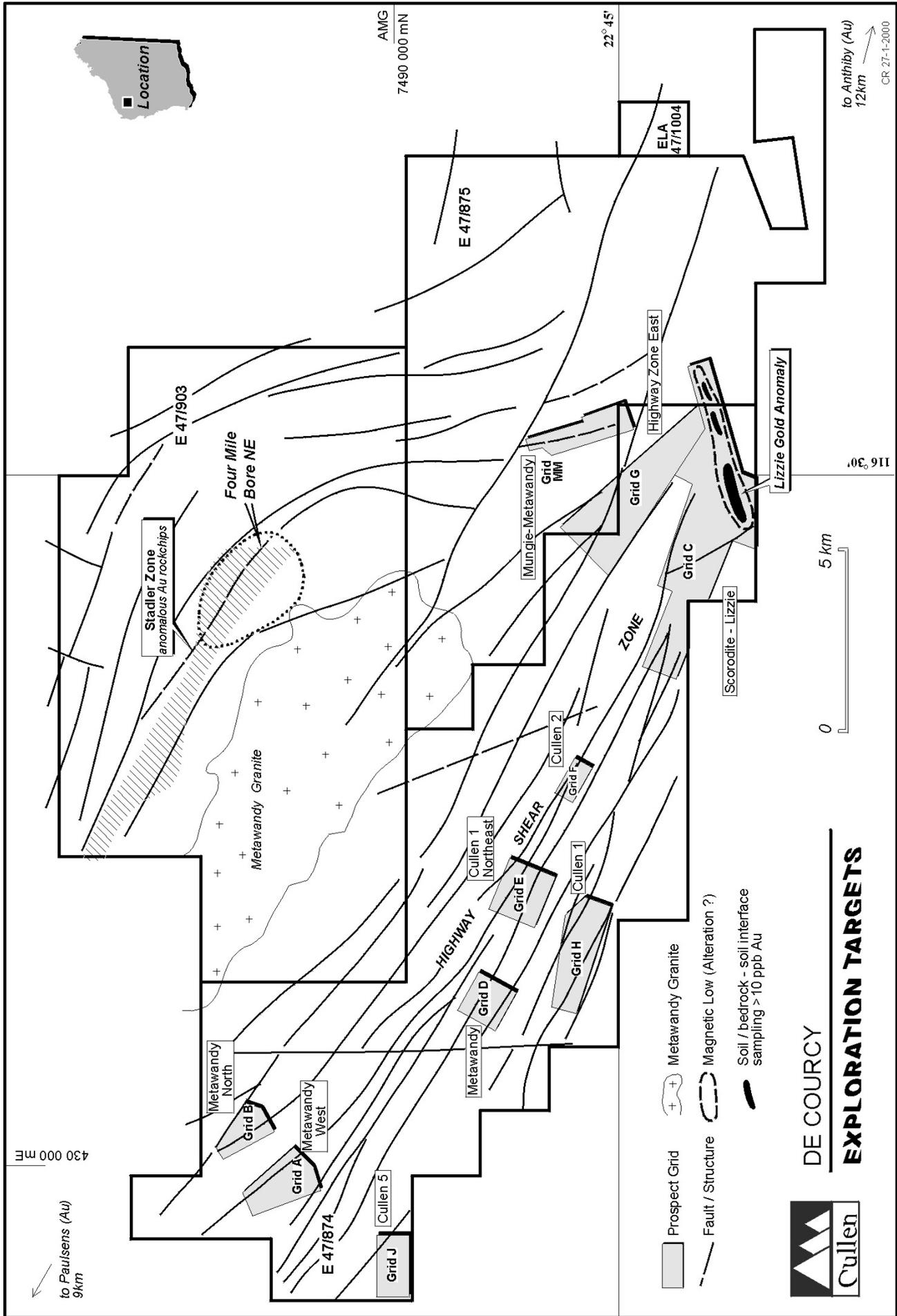
The Company has received the resignation of director William Howe, effective 24 January 2000. William joined the board in 1999 and has made a significant contribution to the Company during the period of his directorship. The board expresses its thanks and offers its best wishes to William for the future.

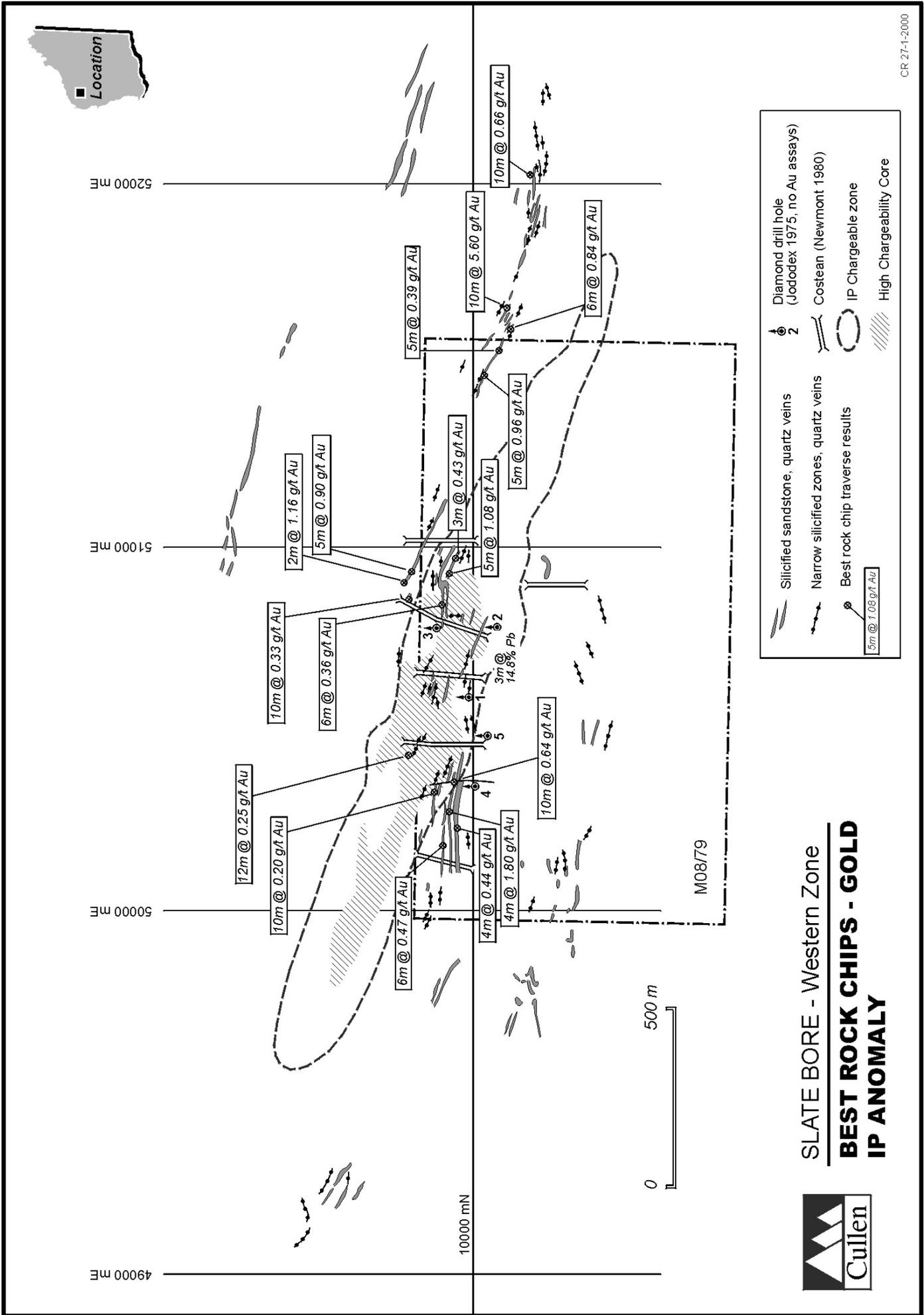
J. HORSBURGH
Director



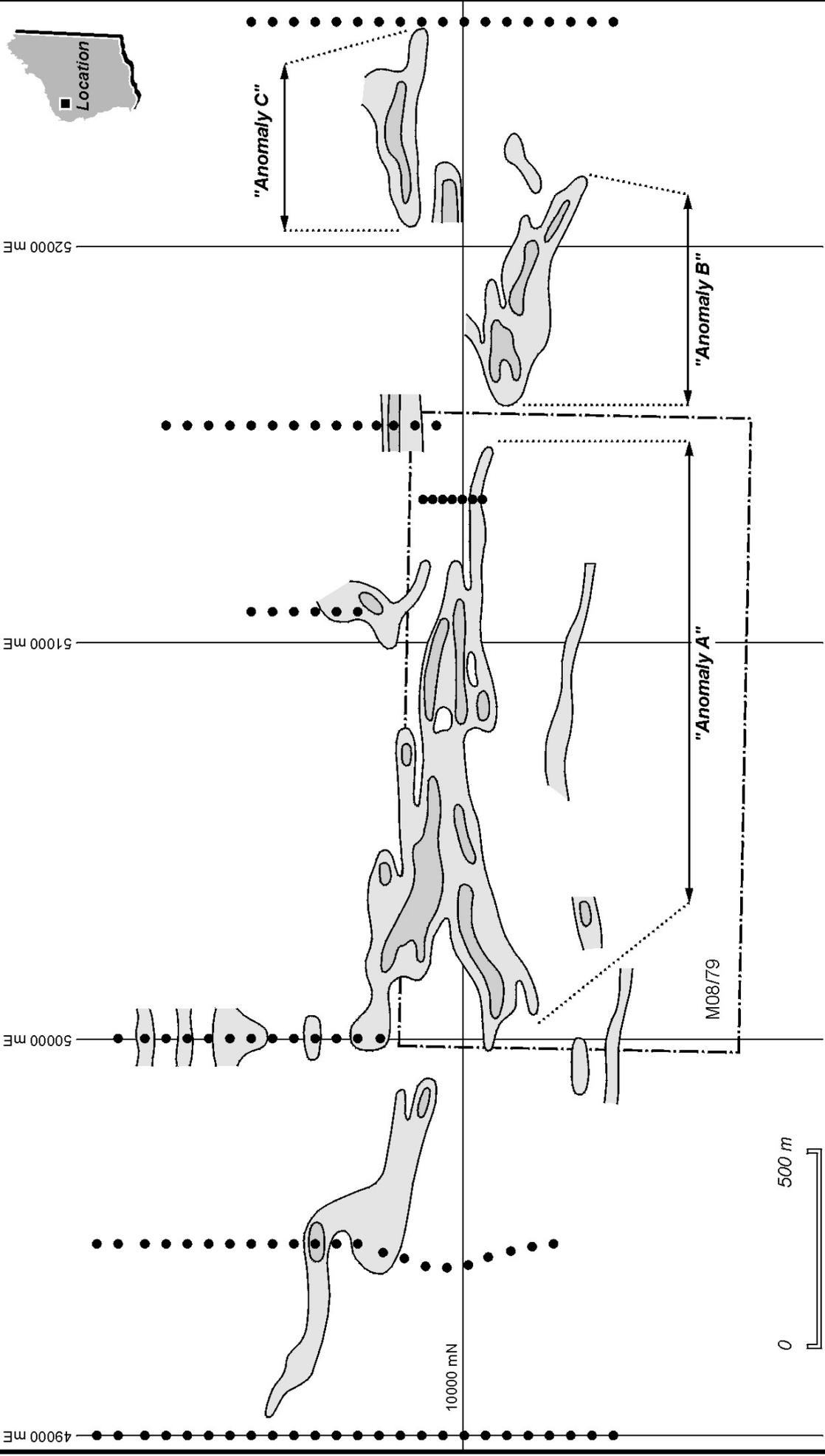
ASHBURTON GOLD PROJECT
LOCATION







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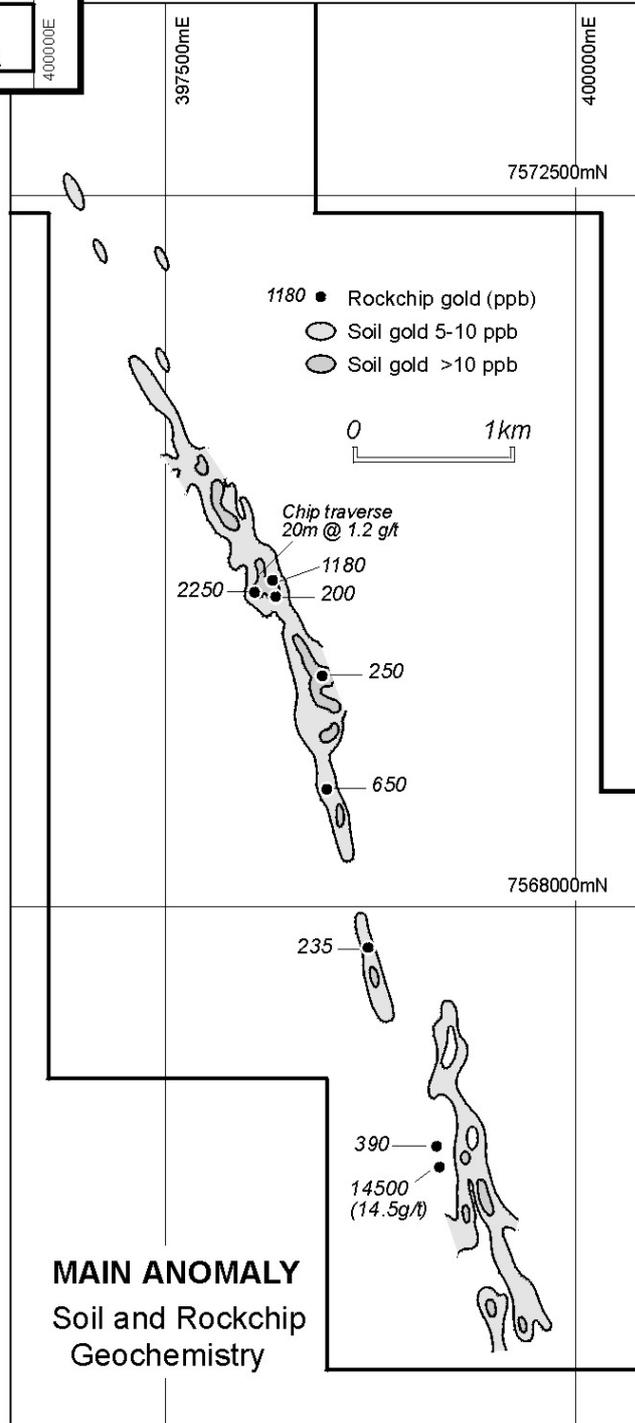
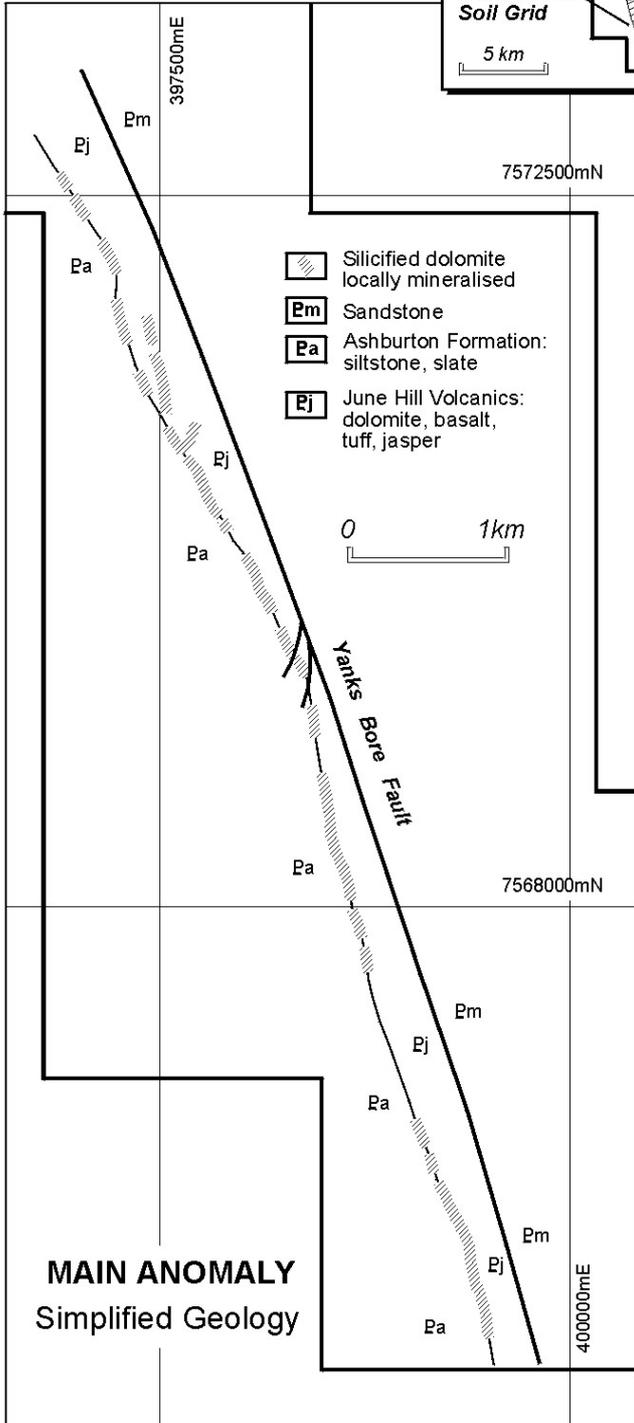
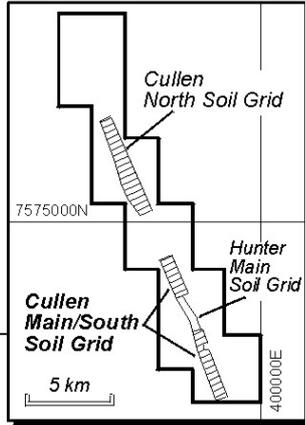


SLATE BORE - Western Zone
SOIL and BEDROCK - INTERFACE GOLD ANOMALIES



CR 25-1-2000

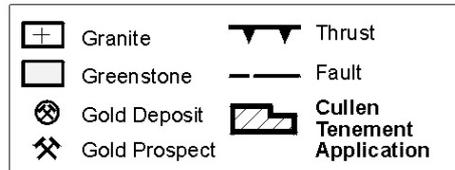
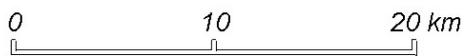
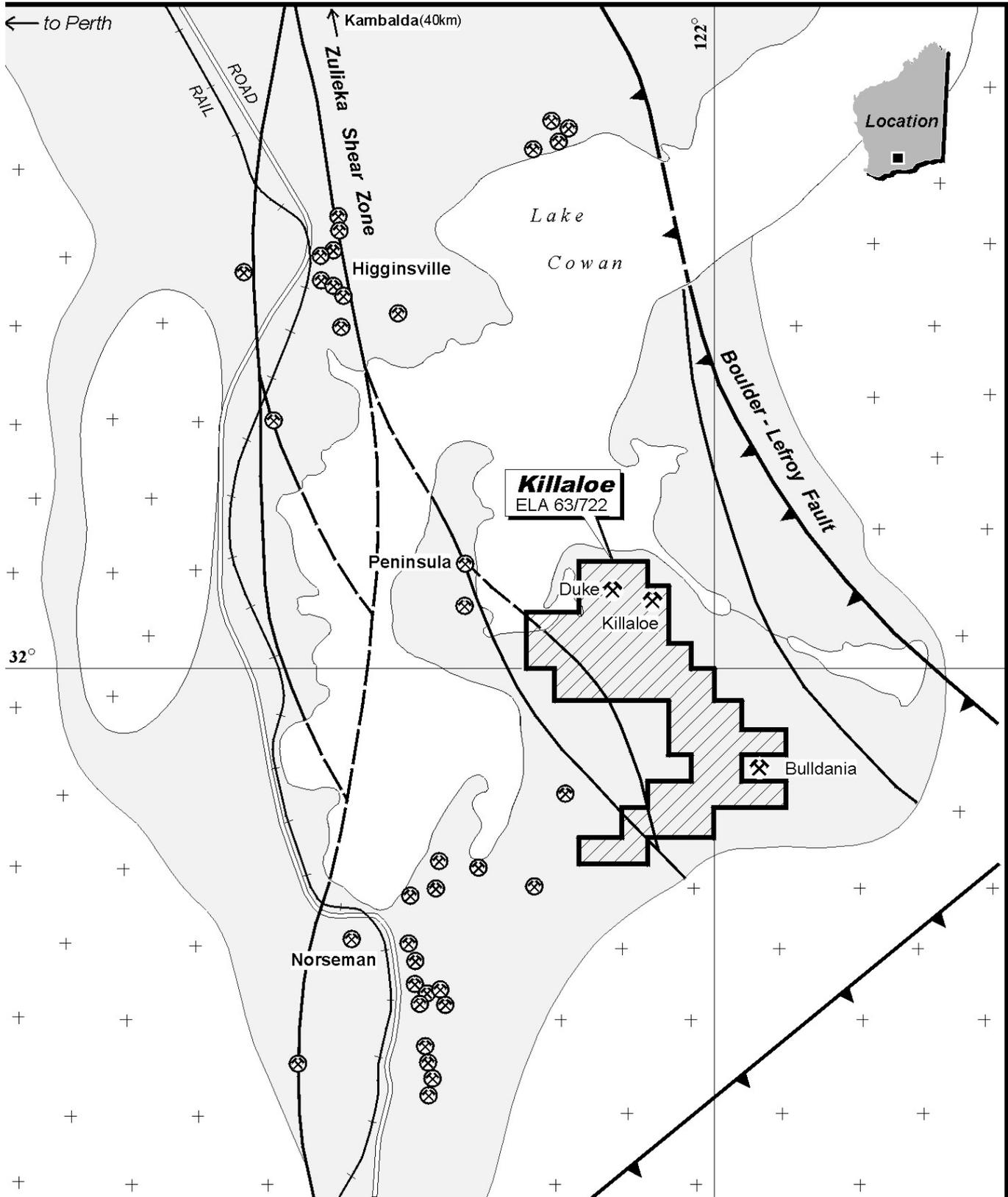
YANKS BORE Soil Sampling Grids



YANKS BORE

TENEMENT LOCATION - GEOLOGY - GEOCHEMISTRY

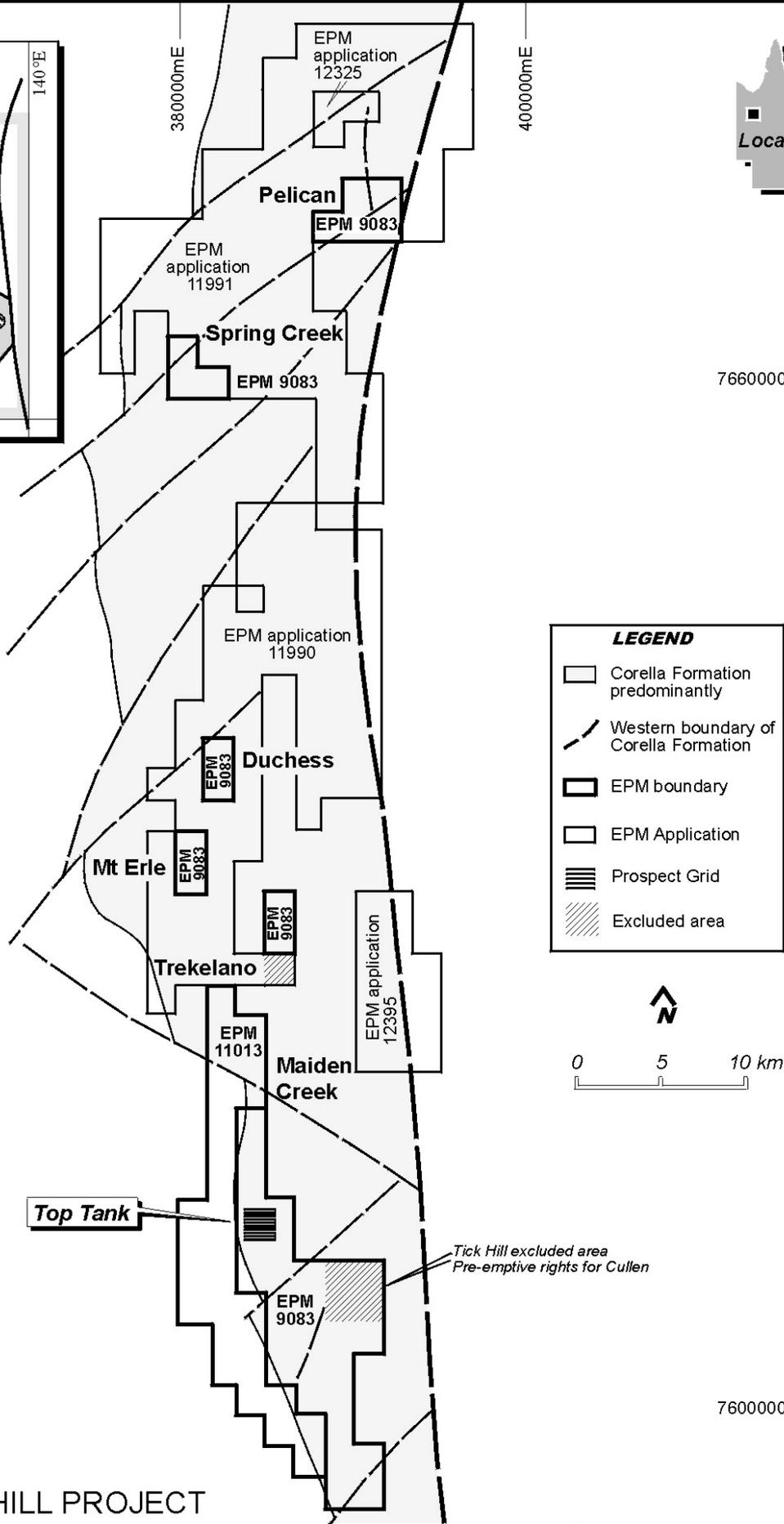
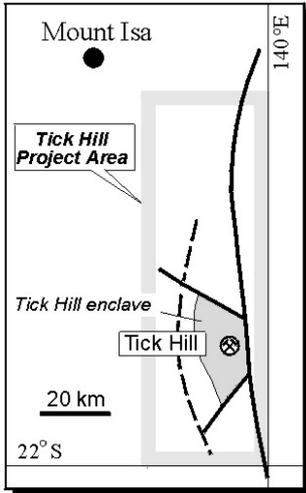
CR 27-1-2000



KILLALOE PROJECT - ELA 63/722

TENEMENT LOCATION - GEOLOGY

CR 27-1-2000



TICK HILL PROJECT

Top Tank Grid and Tenement Locations

C 24-1-2000