



CULLEN RESOURCES N.L.

ACN 006 045 790

QUARTERLY REPORT

31 MARCH 2000

HIGHLIGHTS

- Shareholders approve change of company status from NL to Limited paving the way for a broadening of the Company's activities.
- Cash resources augmented by \$862,000 to approximately \$1.4 million.
- Evaluation of 1999 exploration data confirms prospectivity of the Ashburton Gold Project.
- RC percussion drilling planned at Slate Bore during 2000 field season.

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MANAGEMENT & CORPORATE

NEW OPPORTUNITIES

The Company is continuing with its efforts to expand its activities base by seeking investment opportunities in the more broadly based technology and e-commerce sectors.

Several potential opportunities were reviewed during the quarter. Detailed evaluation and discussions on a number of fronts are continuing. In selecting potential opportunities the Company has consciously targeted products and/or services which can demonstrate positive cash flow and real earnings potential. In particular, management has focussed on opportunities which are:

- sufficiently developed so as to have immediate commercial application;
- can demonstrate "first to market" or other similar significant competitive advantage;
- are backed by people with a successful track record in business and/or commerce; and
- are capable of rapid deployment and scale-up in the local, and potentially, overseas markets.

Significant progress has been made during the quarter in expanding the Company's range of contacts with intermediaries - who provide introductions to potential new opportunities - and appropriate technical consultants who provide assistance with due diligence and general technical reviews.

The Company is continuing its efforts in this area and believes the recent correction and increased volatility in US equity markets will reduce the acquisition costs for technology related investments.

COMPANY FUND RAISING

Since the end of the quarter the Company has added approximately \$862,000 to its cash resources. These funds have been raised via;

- a placement of 7.0 million new ordinary shares at 10 cents per share to clients of Wilson HTM, Cameron Securities and PG Intercapital;
- the sale at an auction held on the 23rd March 2000 of 1,229,246 ordinary shares, at an average sale price of 10.6 cents per share, forfeited due to non-payment of calls; and
- the exercise of 400,000 unlisted 8 cent options, which raised \$32,000.

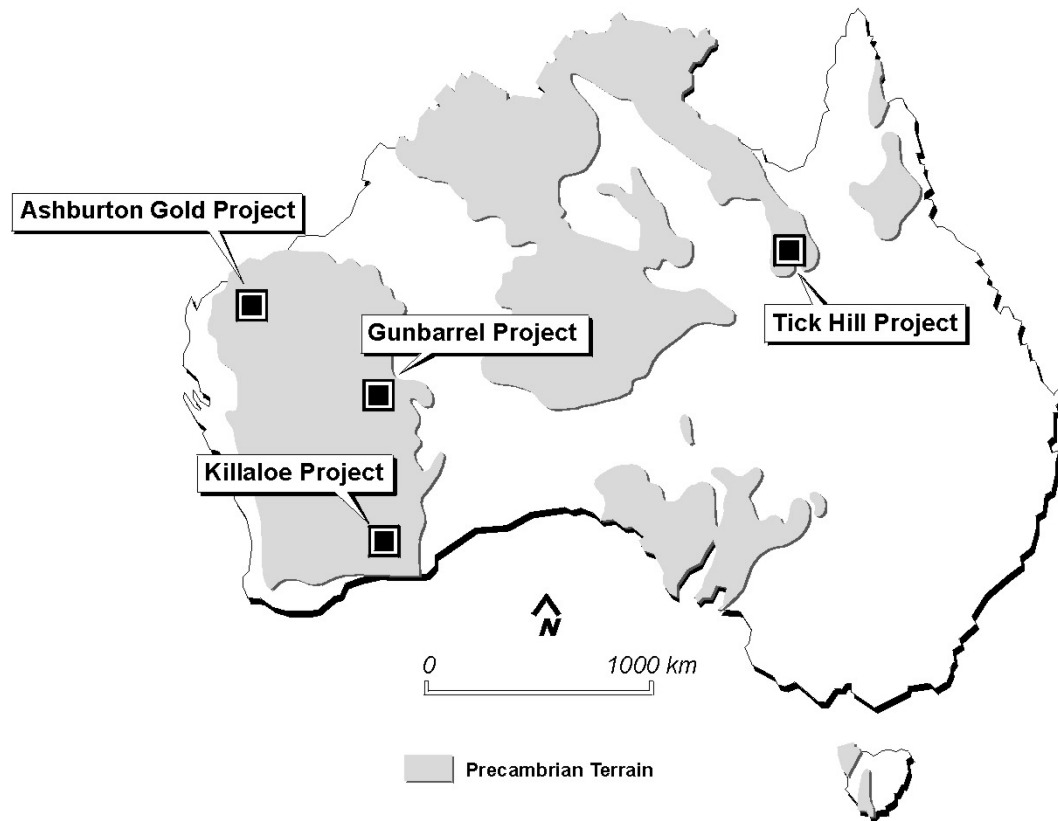
As a result of these raisings the Company currently has total cash resources of approximately \$1.4 million for working capital, exploration programmes and general investment purposes.

CHANGE OF COMPANY STATUS

At an Extraordinary General Meeting held on 10 April 2000 shareholders unanimously approved a change in company status from "No Liability (NL)" to "Limited".

As a result of this change the Company is now legally able, subject to receipt of ASIC approval, to pursue activities outside the mining sector.

AUSTRALIAN ACTIVITIES



ASHBURTON GOLD PROJECT WA

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

The De Courcy project is located in a structurally complex area of the Ashburton Region where major shear zones (Paraburdoo Hinge Zone) intersect the Wyloo Dome. The Paraburdoo Hinge Zone is recognised as a regional structural control for gold mineralisation.

Exploration through 1999 was focused on higher priority targets along the **Highway Shear Zone** (Paraburdoo Hinge Zone) and the complex **SE closure of the Wyloo Dome** (see attached figures). This included geological mapping (1:10,000 scale), grid soil geochemistry and rock chip sampling over targets in areas of outcrop and vegetation sampling and cover-bedrock drill sampling of target zones masked by alluvium deposits. Also, stream sediment sampling/prospecting was completed at the **Four Mile Bore NE** and **Metawandy W and N** target zones.

Work during the quarter included detailed evaluation of stream sediment and vegetation sampling, compilation of geological mapping and review of all surface and shallow bedrock geochemistry.

The important conclusions are:

- Strongest patterns of gold anomalism (stream, rock, soil and interface samples) are found in the SE corner of the De Courcy tenements.
- The **Lizzie Prospect** (Grid C), located in the SE of the tenement block is confirmed as the most encouraging gold exploration target to date. A soil and cover-bedrock interface gold anomaly (+10ppb, peak 43 ppb Au) extends ENE for 900m and possibly a further 1200m to the east. The gold zone lies within a well defined envelope of strongly anomalous arsenic and antimony. The Lizzie gold anomaly is related to a zone of sulphidic or gossanous multi-generation quartz veining hosted by strongly silicified and carbonated mafic volcanics and argillites which extend over at least 2000m. Infil geochemical sampling, detailed mapping and RAB and/or RC drilling are scheduled for the 2000 field season (expected to start in June).
- Results of multi-element vegetation sampling (200 x 200m spacing) over the **Mungie-Metawandy and Highway Zone West** covered target zones show two gold anomalies and a number of arsenic ± antimony anomalies which, based on the Lizzie signature, may also indicate gold mineralisation. These zones mirror the NW closure of the Wyloo Dome which hosts the Paulsens gold deposit. The strongest gold anomaly coincides with a structural target at the intersection of major NW and WNW Paraburdoo Hinge Zone faults. These vegetation anomalies are shallow geochemical drill targets.
- The **Cullen 5 Prospect** consists of massive quartz veining extending over 1500m between the Hardey Formation and a large mafic sill, ie similar to the local geological setting at Paulsens. Sporadic anomalous gold in soils with coincident arsenic, lead and antimony occurs along the trend with a maximum rock chip value of 70 ppb Au. The extent of the system is impressive enough to warrant follow-up shallow drilling and soil geochemistry.
- Follow-up of stream sediment gold anomalies has found a target west of **Grid C** with rock chip values up to 265 ppb Au, 1.3% Pb, 47 ppm Ag, and 2700 ppm Cu. Extension of Grid C to the west is warranted to cover this new area. Other areas identified for follow-up include **Cullen 1 Northeast** (rock chip values up to 1.2 g/t Au in ferruginous quartz veins on the N margin of Grid E) and **Metawandy Grid A** area (strong gold in stream sediments N and W of Grids A and B).

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

The project area is 35km SE of De Courcy and is characterised by tightly folded shale-siltstone and slate with minor sandstone of the Ashburton Formation. Cullen has identified a prime target for gold exploration, a WNW trending shear zone extending for 9 km within the tenement.

Work completed during the quarter includes finalisation of 1:25,000, 1:5,000 and 1:10,000 scale geological maps, detailed evaluation of Cullen's 1999 soil, rock chip and shallow drill hole geochemistry, reviews of previous geochemical and geophysical data and identification of RAB and RC drill targets.

The reviews confirm Cullen's initial assessments that a large mineralised system is present with potential for significant sediment-hosted gold mineralisation. Three high priority target zones designated A, B and C are defined by geology, geochemistry and to some extent geophysics within a 2.5km zone of strong gold anomalism. These targets require testing by RC percussion drilling. Local structural complexity within the zones may enhance potential for higher grade mineralisation e.g. Zone B with up to 10m @ 5.6 g/t Au in rock chips previously reported.

Two styles of mineralisation have been recognised: sandstone hosted zones of silicification, quartz carbonate veining and stockworking and secondly siltstone/slate hosted zones of quartz carbonate sheet veining and silicification. Levels of gold, silver, lead, arsenic and antimony in both styles are significantly anomalous.

Outside the main 2.5km zone of interest where soil-bedrock interface drill sampling indicates widespread gold anomalism, the current line spacing is too wide (500m) to define specific drilling targets. Further soil sampling and rotary air blast drilling (RAB) will be required to investigate these anomalies.

Prior to drilling, survey control is planned to better relate Cullen mapping and geochemistry to earlier geochemical and geophysical surveys. Unusually high summer rainfall in the Pilbara may prevent access into the project area until about June. An initial RC drill programme of at least 1000m is anticipated.

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. The tenement covers the transition between the shelf sequence Duck Creek Dolomite and the June Hill Volcanics with the younger Ashburton Formation trough sequence. The more prospective Duck Creek Dolomite outcrops as a narrow 20km structural sliver with the eastern contact of the zone marked by a major structure of the Paraburdoo Hinge Zone, the Yanks Bore Fault.

Results of last year's geological mapping, rock chip sampling and grid soil sampling were evaluated during the quarter. Main conclusions are as follows:

- Intermittent gold and arsenic soil and rock anomalies extending over at least 17 km are related to a silicified horizon near the contact between the June Hill Volcanics and the Ashburton Formation and in other rocks adjacent to the Yanks Bore Fault.
- Extent and consistency of gold-arsenic anomalism in soil and rocks along the Yanks Bore Fault structure indicates a large hydrothermal system. The association of mineralisation with zones of silicification in reactive carbonate-rich lithologies suggests a favourable setting for sediment hosted or Carlin style gold mineralisation and hence potential for economic deposits.
- Ten relatively well defined anomalous soil gold zones extending in aggregate over some 16 strike km have been identified for follow-up in the form of detailed mapping and infill rock/soil sampling.

At this stage the higher priority targets are:

- Hunter Main Grid – strong consistent gold values in soils, mainly associated with the silicified zone.
- Extensions to the south of the Hunter Main Grid silicified zone.
- A silicified zone in the extreme south of the tenement which includes a local rock chip value of 14.5 g/t gold.
- A subtle gold-antimony anomaly in soils towards the northern end of the sampled zone partially obscured by younger Mesozoic rocks. Siliceous rocks from here are notably gold-anomalous over wide sampling intervals.

De Courcy South (ELA 08/1145, Cullen 100%) and De Courcy Southwest (ELA 08/1166 Cullen 100%)

The above are previously reported tenement applications to cover prospective structural trends and low order gold geochemical anomalies reported from previous exploration. Note that ELA 08/1166 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%)

The Gunbarrel digital database has been upgraded during the quarter and a review of nickel potential carried out.

The data base upgrade has enabled the gold exploration programme to be further refined.

The nickel review indicates that significant stratigraphic sections of komatiitic ultramafic are present. There are 40 strike km of outcropping and sub-outcropping ultramafic sequences (including dunites) over which there has been no modern exploration for nickel. Leads from previous exploration include saprolitic zones of enriched secondary nickel, e.g. **Doyle Bore** Nickel Prospect and anomalous levels of copper and nickel in surface lag and bottom of hole drill samples, e.g. N and E of **Ruby Find**.

A programme of shallow base-of-hardpan geochemical drilling to develop gold 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) is scheduled. The programme includes relogging of Pegasus RAB and RC drilling, establishment of a regolith model and surface geological mapping.

Native Title objections continue to delay granting of Red Bluff E53/818 and Doyle Bore E53/837.

KILLALOE, EASTERN GOLDFIELDS WA

(Cullen 100% ELA 63/722)

Cullen's 50 sub-block Killaloe application (145km²) is centred about 30km NE of the Norseman gold mining centre. It 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 has potential for both structurally controlled gold deposits and sulphide and oxide nickel mineralisation hosted by the Killaloe ultramafic complexes. The ultramafics are on strike from a very productive nickel district, the Kambalda/Pioneer Dome.

Preliminary research of open file data identifies scope for focussed gold exploration and highlights at least one significant target area at **Duke** where supergene gold mineralisation may not have been completely tested by follow-up RC drilling. The Duke supergene zone measuring approximately 350x45m was discovered by RAB drilling of a low order soil gold anomaly. **Two holes returned intercepts of 24m @ 2.15 g/t and 12m @ 1.12g/t Au and a second soil anomaly gave a RAB intercept of 4m @ 1.28g/t Au.**

Acquisition of open file reports and available digital data is in progress. Open file data will be re-assessed together with results of a previous 50m line spaced aeromagnetics survey.

TICK HILL JOINT VENTURE, QLD

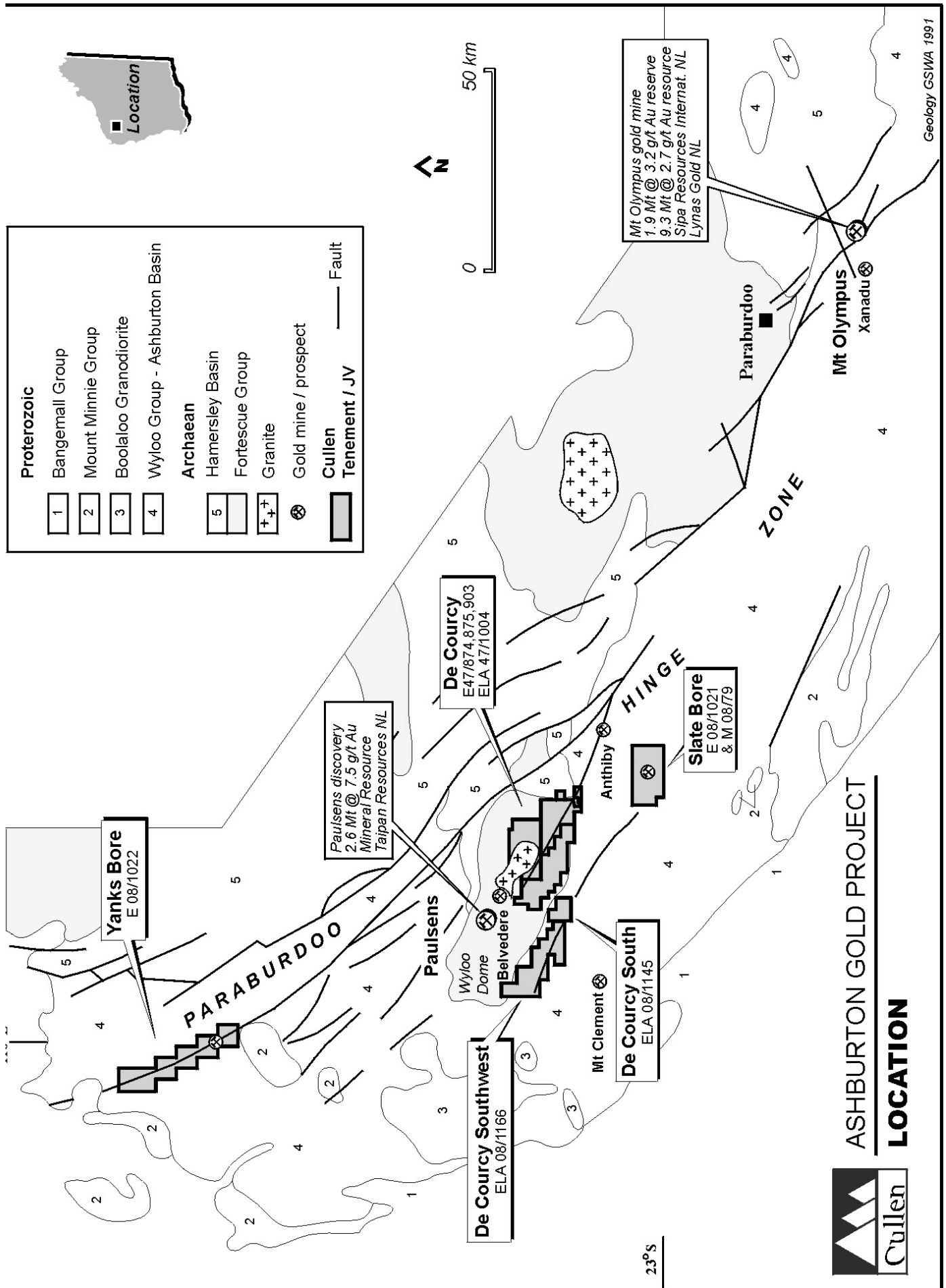
(Cullen earning 70% interest EPM 9083)

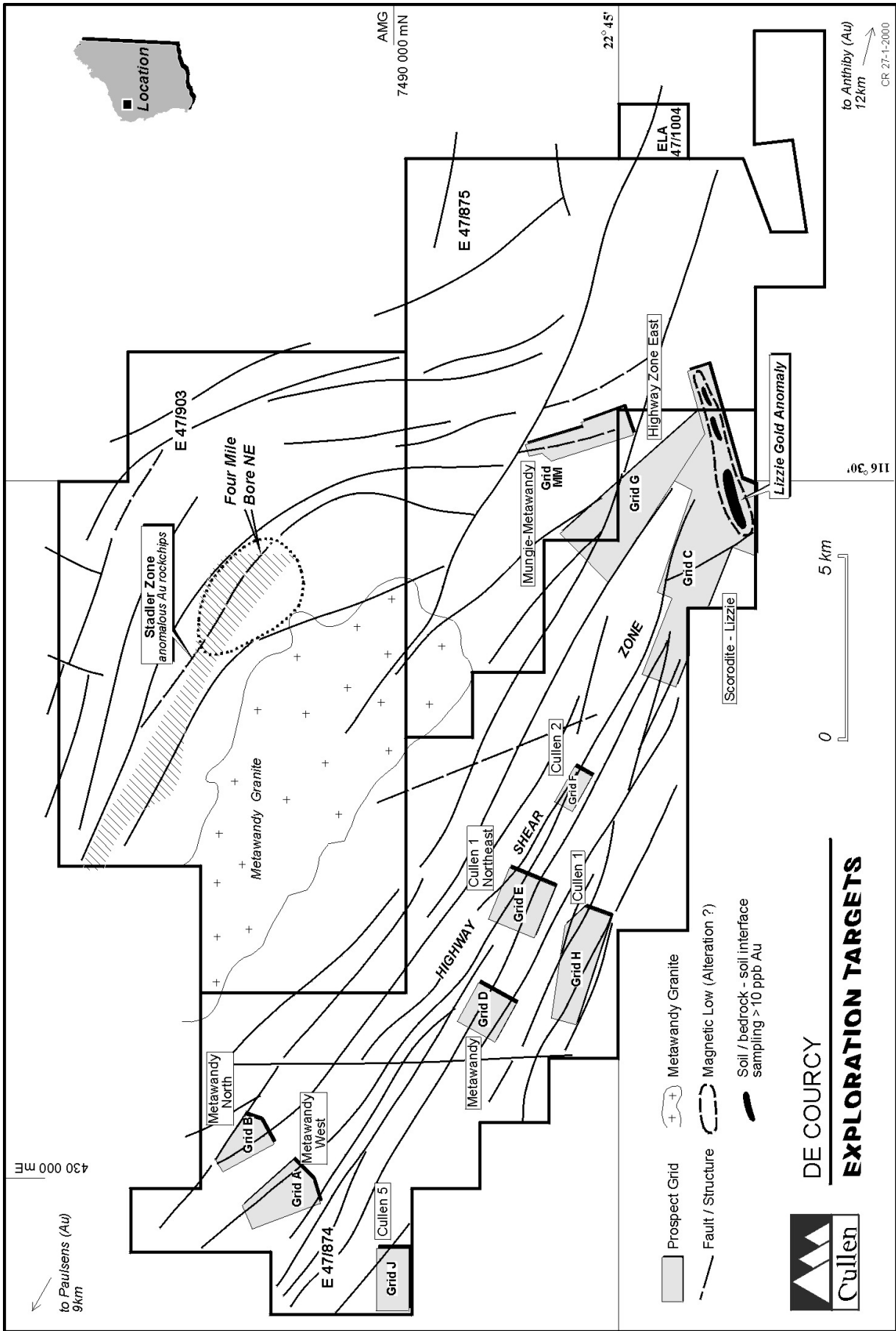
Cullen has completed a detailed review of all exploration data on the remaining joint venture tenement EPM 9083 – Burke River. The review considered all aspects of the extensive database including geophysics, geochemistry and geology and endeavoured to identify additional areas for follow up. The primary target was Tick Hill style gold mineralisation and in addition, copper/gold mineralisation of the Duchess/Trekelano type was also considered.

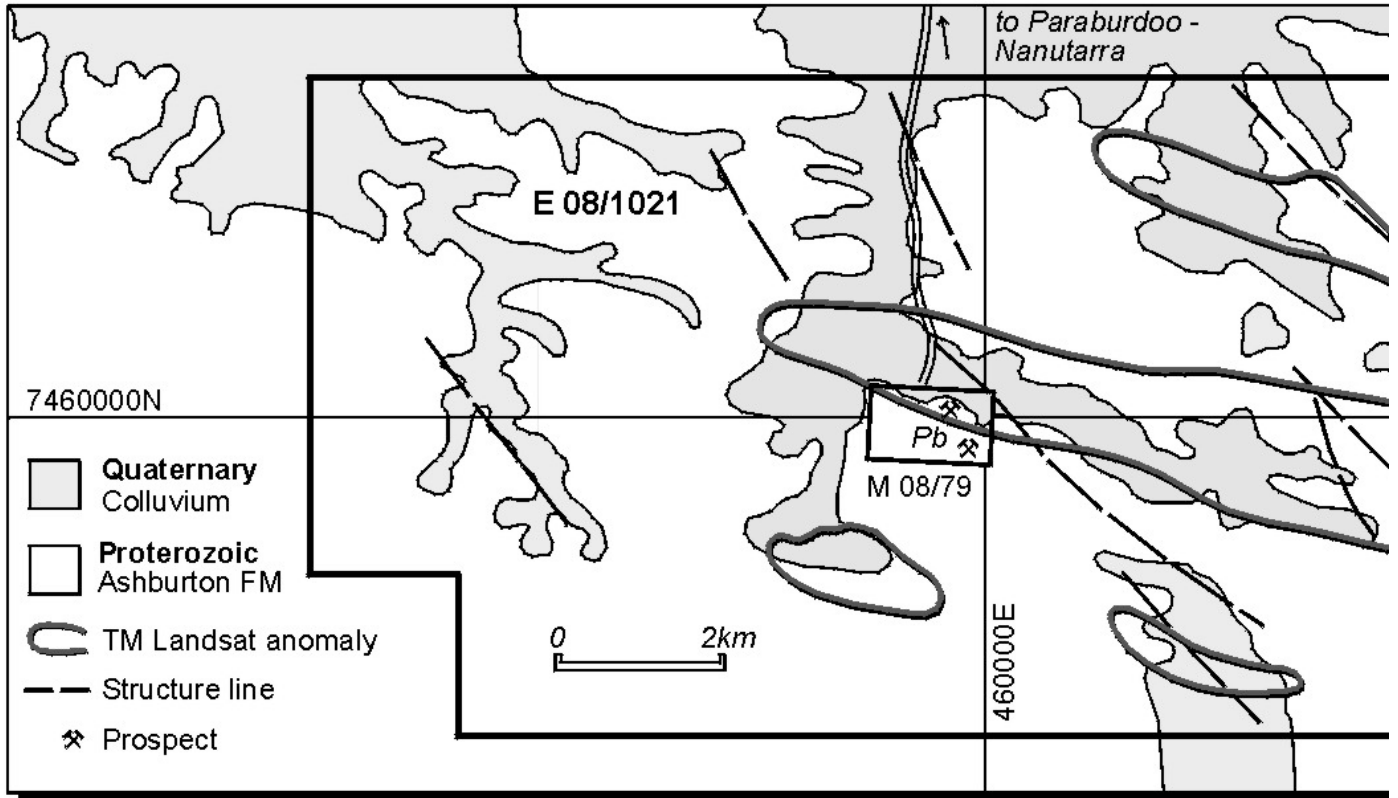
Although the area is considered prospective for Tick Hill type deposits, the detailed review did not identify any new areas for further exploration. As was reported in the last two quarterlies, Cullen's drilling at Tick Hill did not result in any significant mineralised intersections. Exploration to date has effectively tested the Company's concept of mineralisation for Tick Hill style gold deposits. Generation of new targets in the joint venture area would require a completely new concept and exploration strategy. Under the existing arrangements Cullen would have to spend substantial funds to achieve an equity position in the joint venture. The application of these scarce funds either to existing projects or acquisition of new projects is considered more beneficial to the Company at this time.

Cullen has therefore decided to withdraw from the Tick Hill joint venture with MIM Exploration and will not retain any equity in the tenement.

J. HORSBURGH
DIRECTOR

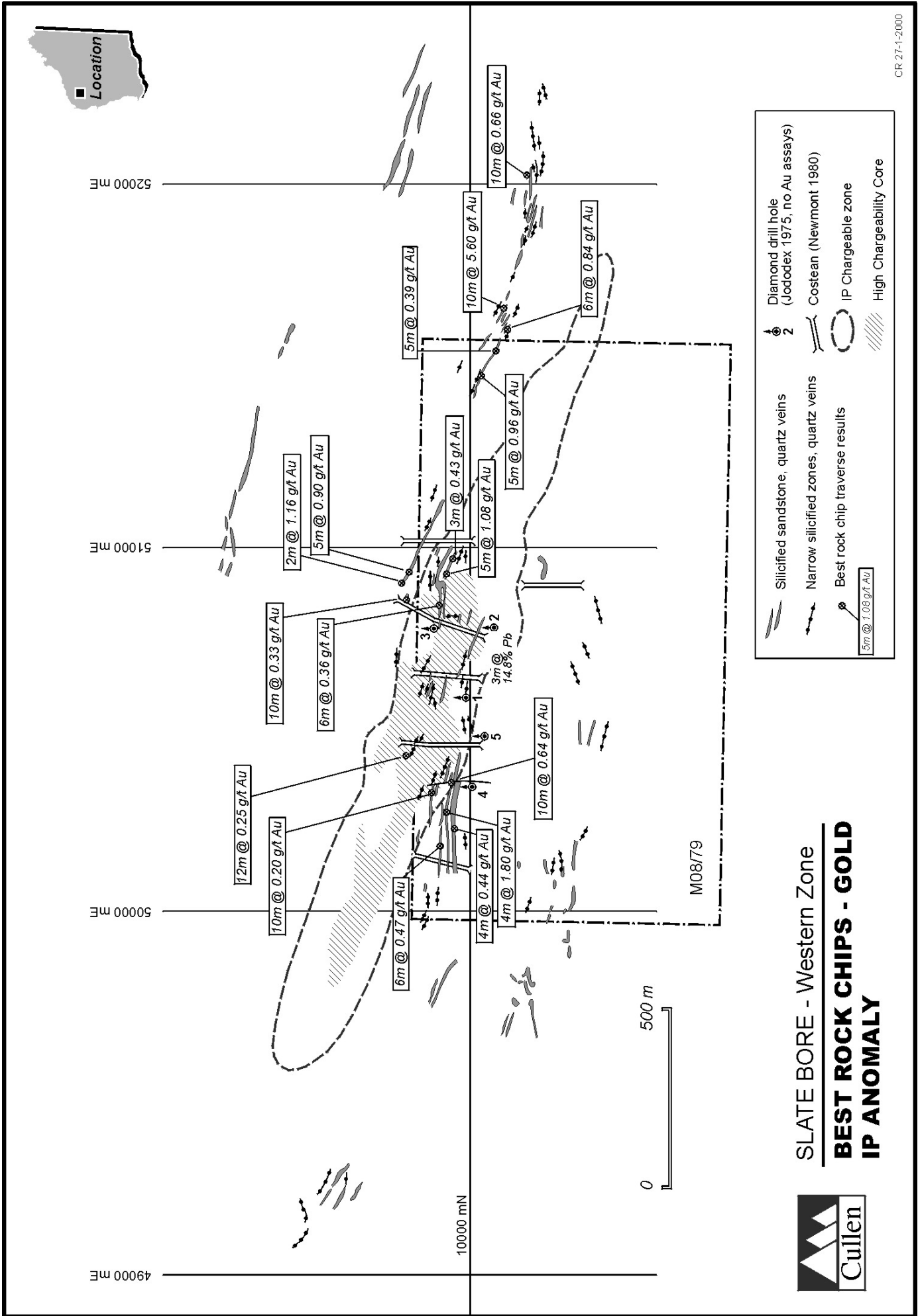


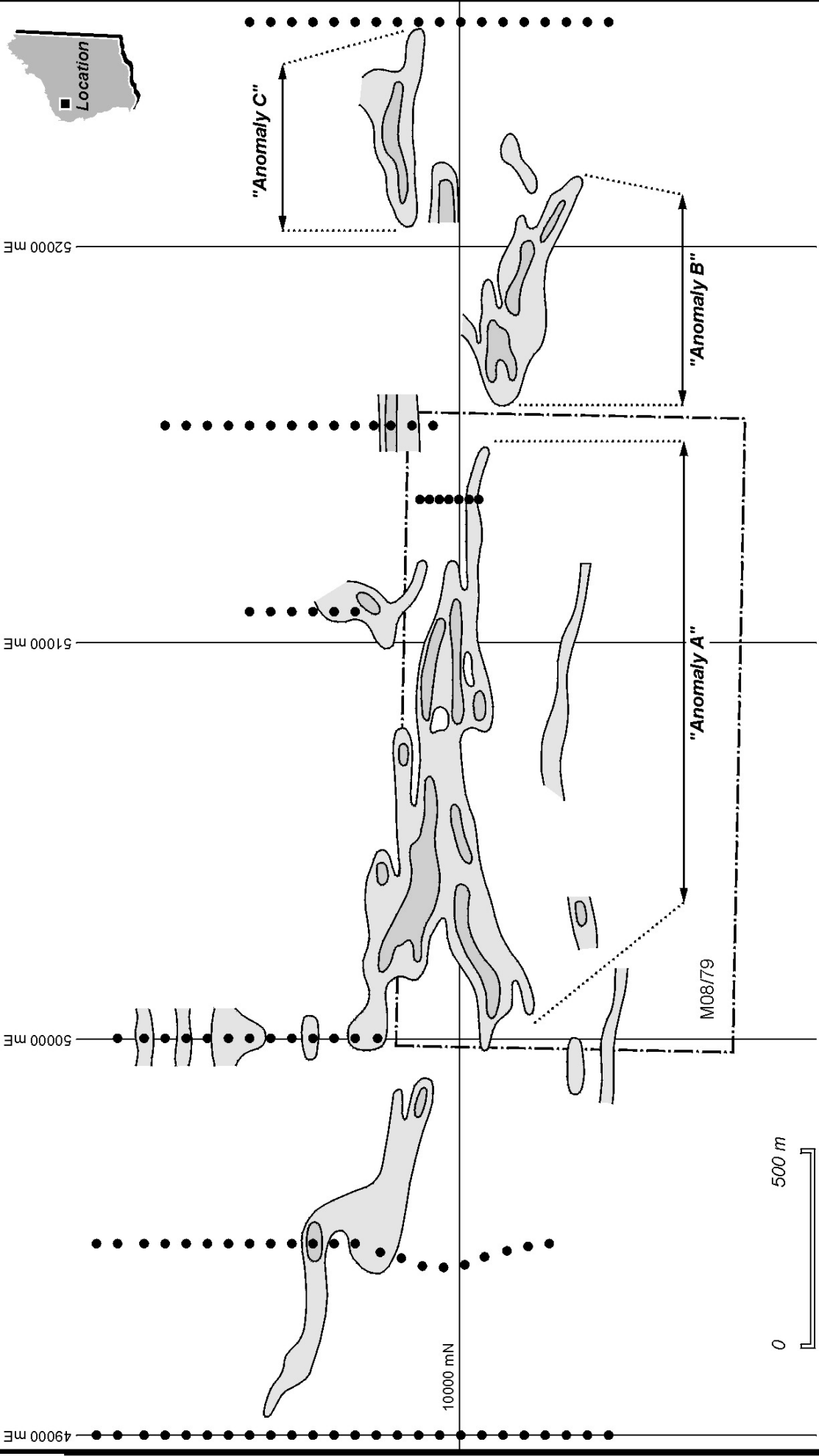




SLATE BORE

LOCATION



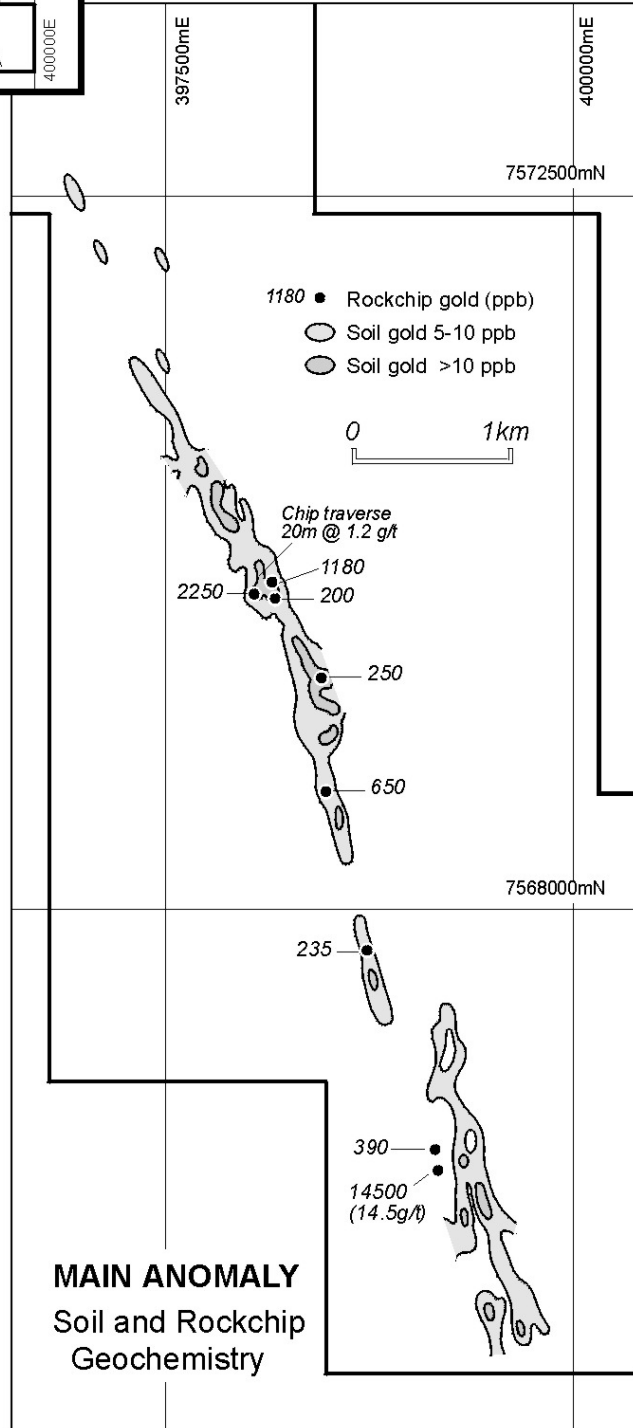
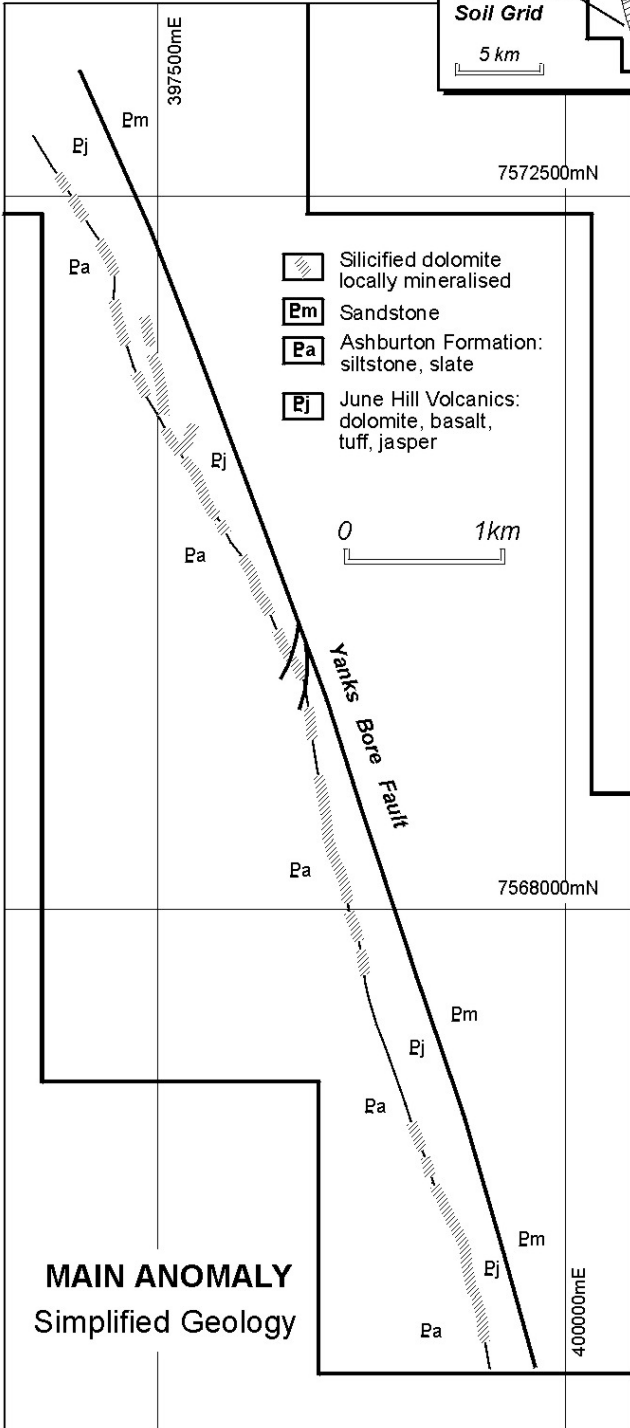
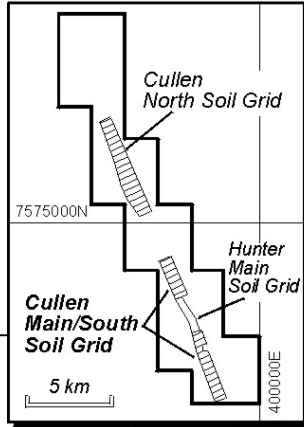


SLATE BORE - Western Zone
SOIL and BEDROCK - INTERFACE GOLD ANOMALIES



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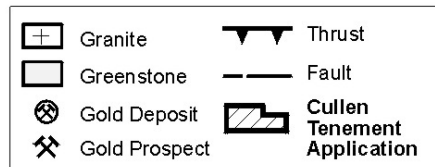
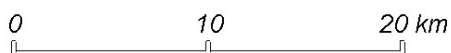
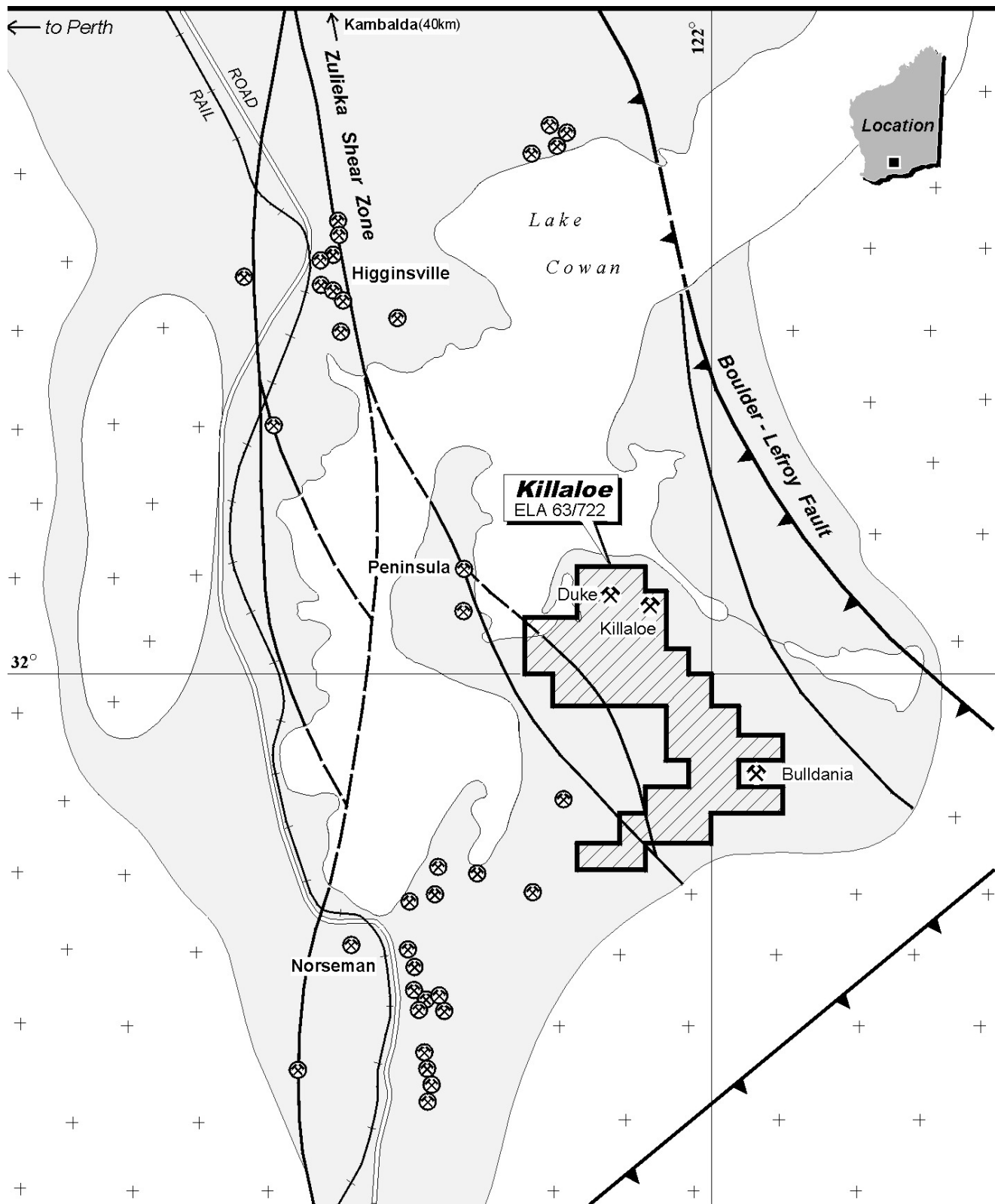
YANKS BORE Soil Sampling Grids



YANKS BORE

TENEMENT LOCATION - GEOLOGY - GEOCHEMISTRY

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KILLALOE PROJECT - ELA 63/722
TENEMENT LOCATION - GEOLOGY

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