



CULLEN RESOURCES LIMITED

ACN 006 045 790
ABN 46 006 045 790

QUARTERLY REPORT

31 December 2001

HIGHLIGHTS

EXPLORATION

- Ashburton:** Cullen strengthens its extensive strategic land position in the Ashburton, currently an exploration “hotspot” following recent discoveries announced by Sipa Resources International NL. Three new Exploration Licence applications have been made.
- Yanks Bore:** Cullen’s detailed aeromagnetic survey flown in January 2002 highlights prospective structures and alteration zones upgrading the prospectivity of this large regional scale gold property in the Ashburton.
- Killaloe Nickel:** Sipa Resources International NL farms in and commits to spend \$450,000 on nickel exploration by November 2002.
- Killaloe Gold:** Initial drilling by Cullen finds a new anomalous zone over 400m at Baseline and confirms gold zone at Duke (4m @ 3 g/t Au).
- Gunbarrel Nickel:** WMC Resources Limited is encouraged by geology and anomalous geochemistry to proceed to Earning Phase of farm in.

CORPORATE

- Pokrovskiy Gold Project, Russia: (Cullen 2%)** Reported heap leach gold production for twelve months to December 31 2001 was 90,000 ozs. Corporate developments have potential for Cullen to crystallise significant value from its investment.

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

Phone: +61 2 9437 4588 Fax: +61 2 9437 4599
Email: info@cullenresources.com.au
Website: www.cullenresources.com.au

EXPLORATION ACTIVITIES

ASHBURTON GOLD PROVINCE W.A.

- Exploration results reported by the Newcrest-Sipa Joint Venture over the last few quarters are a major breakthrough in the exploration for large tonnage, sediment hosted “Carlin” type gold deposits in the Ashburton, particularly the discovery of gold mineralisation along the Cheela Plains and Ibex (Cairns Hill) trends. The Carlin Trend in Nevada, is arguably one of the World’s most productive gold districts.
- In Cullen’s view, these results greatly increase the prospectivity of Cullen’s Yanks Bore, Hardey Junction properties and recent exploration licence applications.
- Exploration by Cullen at De Courcy shows several targets similar to the nearby Paulsen gold deposit which is currently the subject of a feasibility study by St Barbara Mines Ltd.
- In total, Cullen has approximately 780km² in granted tenements and applications, mostly 100% owned (see attached Ashburton plan). Cullen holds key tenements in this emerging exploration “hotspot” and, as a consequence, has received considerable interest from potential farminees.

YANKS BORE PROJECT (E 08/1022 Yanks Bore, Cullen earning 65% from Udu Resources NL, E 08/1135 Red Hill West, Cullen can acquire 100% from Goldfields Exploration Pty Ltd)

The Yanks Bore property covers 14 strike km of the gold-anomalous silicified structure (Hunter Zone) which extends SSE from Yanks Bore (E 08/1022) into Red Hill West (E 08/1135). At the Kays Bore Prospect (E 08/1135), Goldfields outlined several targets where gold soil anomalies extend over four strike km with values peaking at 500 ppb Au and rock chips to 1.7 g/t Au. The southern 11km extension of this structural target has not been systematically explored. Cullen now has access to approximately 25 strike km of the prospective Hunter Zone.

At Yanks Bore (E08/1022) and Red Hill (E08/1135), a major complex thrust structure intersects favourable rock types (dolomites, siltstones). Hydrothermal alteration (silicification, pyritisation, chloritisation) is evident in lithologies for at least 14km along the structure in E08/1022 and a further 4km (at Kays Bore) into E08/1135. Geochemistry indicates that the entire alteration system is highly anomalous in gold, arsenic and antimony. Scout drilling to date by Cullen in both tenements (11 holes, total 603m) over approximately eight strike km of the Hunter Zone confirms that the feature is a significant gold-mineralised structure. The best individual intersection is 3m @ 2.41g/t Au in YBR 05 (incl. 1m @ 6.65g/t Au) and the widest 14m @ 205 ppb Au in YBR 01. The gold is associated with broad zones (up to 20m down hole) of anomalous arsenic in the range 100 to 2100 ppm As.

A detailed aeromagnetic survey (50m and 100m line spacing) of the 25km long Hunter Zone target zone within E08/1022 and 1135 was completed by Cullen’s contractor UTS during the second week of January 2002 with 2,154 line km flown. Levelling and processing of data are in progress but preliminary results are very encouraging. The major Paraburdoo Hinge Zone structure passing through the area is well defined by the magnetics. Several important structural and stratigraphic features not previously recognised are present in the project area. Previously unrecognised multiple, small scale splays to the major north trending faults may provide new targets for further exploration.

Further drilling along the 25km Hunter Zone within E08/1022 and E08/1135 requires better definition of targets. Closer spaced soil and/or rock chip geochemistry, geological mapping and drilling, based on the detailed aeromagnetics, are planned.

HARDEY JUNCTION (E 08/1145, ELA 08/1189 and ELA 08/1166 –100% Cullen)

No field work was carried out. Cullen's compilation of previous exploration has shown significant soil and rock chip anomalies (to 1.4g/t Au) over Mt McGrath Formation/Duck Creek Dolomite coincident with a WNW fault zone (Station Grid anomaly). Anomalous gold in soil values related to prominent structural breaks in the Snakewood and Mt Edith grids warrant detailed follow up. Prior drainage geochemistry located eight gold anomalous drainage basins in the project area and these require detailed investigations for "Carlin type" gold deposits.

Structural analysis has identified a complex of WNW and NW faults which disrupt ferruginous sediments of the prospective Mt McGrath Formation, the host sequence to Sipa's Waugh discovery. On the project scale, several tens of kilometres of well defined NW and WNW Paraborndoo Hinge Zone faults have been identified which have never been explored for gold.

CATHO WELL NORTH EAST (ELA 08/1291, 100% Cullen)

The application covers 20 strike kms of prospective structures of major NW trending Paraborndoo Hinge Zone Fault and host rocks including Duck Creek Dolomite, June Hill Volcanics and Mt Stuart banded iron formation. The geology and structure of the area are similar to Yanks Bore (40 km to the NNW) and Catho Well NE is considered by Cullen to be prospective for sediment hosted gold deposits. Data compilation has commenced.

SLATE BORE (M 08/79, Cullen 100%, E 08/1021, Cullen 100%)

The project is situated along the Paraborndoo Hinge Zone and characterised by extensively altered and deformed sandstones and slates.

No field work was carried out this quarter. In the meantime, discussions have been held with a potential joint venture partner. Transfer of 100% interest in E 08/1021 to Cullen from Telezon Limited (formerly Min-Tech 8 Ltd) was completed. The 2000/2001 exploration programme was reviewed with the main conclusions as follows:

- Gold and base metal mineralisation is present within a large hydrothermal alteration system (chlorite-sericite) reflected by a 10 x 2km Landsat TM anomaly, centered on M08/79.
- Gold occurs in sulphidic quartz veining hosted by sandstone units.
- Widely spaced RC drilling by Cullen in 2000 confirmed extensive shear related gold mineralisation.
- Potential remains for the discovery of economic gold mineralisation with about 50% of the target zone covered by colluvium and alluvium and unexplored within E08/1021. A programme of bedrock interface RAB drilling is planned for the 2002 field season.

DE COURCY (E 47/874, 875, 903 and 1004, ELA 47/1154– 100% Cullen)

Results of geological mapping and rock chip sampling carried out last quarter over target zones at Metawandy West, Metawandy, Scorodite West and Highway Zone Central were compiled and assessed. Results included strongly anomalous gold in rock chips up to 2.71 g/t Au and indicate new areas for follow up at Metawandy West, Metawandy and Highway Zone Central including soil and rock chip sampling. The 2002 field programme will include a high component of bedrock interface RAB drilling. Discussions are continuing with potential joint venture partners.

Cullen recently applied for open ground covering the NE rim of the Wyloo Dome (Horse Well ELA 47/1154) which contains strong gold values in previous stream sediments and several structural targets.

MOUNT STUART (ELA 08/1292, 100% Cullen)

Cullen has recently applied for a 116km² area 30 km NW of De Courcy to cover a structurally complex banded iron formation which could host gold deposits. The iron formation is known to be highly anomalous in base metals on a prospect scale and regionally anomalous in gold and arsenic. Compilation of open file data is in progress.

NORTHEAST GOLDFIELDS W.A.

GUNBARREL PROJECT (Eureka Group E 53/568, E 53/535, ELAs 53/818, 837, Cullen 100%)

The large Gunbarrel Project is located within the Mount Eureka Greenstone Belt, approximately 130km East of Wiluna, WA, and covers a strike length of 34km. The region is highly prospective for both gold and nickel.

Negotiations to obtain Native Title clearance for the two EL Applications (E53/818, and 837) were delayed in December but have been referred to the Native Title Claims Tribunal.

Gold Exploration

The Eureka North Zone is regarded by Cullen as a major regional target. Cullen's drill results, earlier in the 2001 field season, included a significant intersection in YRB 151 of 20m @ 0.60 g/t Au from 46m to the bottom of the hole at 66m, including 8m @ 1.07 g/t Au from 55m. Regional magnetics indicate an extension of the structure northwards for about 20km into Cullen's EL applications. Base of Hardpan (BoH) and RAB drilling to follow up the Eureka North Zone will be carried out pending grant of the Doyle Bore and Red Bluff EL Applications. BoH anomalies (up to 150ppb Au) were located by Cullen over a similar structure west of Jake Rattle. This confirms the anomalous structural zone extends at least 10km south of the Eureka North Grid.

Nickel Exploration

In November 2001, WMC Resources Limited ('WMC') notified Cullen that it had elected to continue to the Earning Phase of the Gunbarrel Joint Venture. This is regarded as a very positive and significant development for Cullen and highlights the excellent nickel prospectivity of the Gunbarrel Project.

The joint venture, formed in May 2001, provided for WMC to undertake a six month Evaluation Phase investigation of Cullen's wholly owned Exploration Licences E53/535 and 568, and applications 53/818 and 837, before electing whether to continue to the Earning Phase.

WMC's decision permits it to earn a 75% interest in the tenements by sole funding of \$1,000,000 of exploration expenditure over four years. Cullen's 25% interest will then be free carried to a Decision to Mine. WMC's interest relates to nickel and base metal mineralisation only, and excludes all rights to gold mineralisation.

The WMC decision to continue was prompted by the following conclusions from its Evaluation Phase:

- Confirmation of very favourable geology, which WMC considers to be similar to that of the Leinster- Mt Keith Greenstone Belt that hosts several nickel mines;
- Identification of prospective ultramafic units from aeromagnetic survey interpretations;
- Recognition of untested nickel- copper geochemical anomalies; and
- Presence of nickel sulphide occurrences in previous drilling.

WMC has to date identified nine targets with potential for the occurrence of nickel sulphides. Additionally, WMC is planning an airborne electromagnetic survey designed to detect massive nickel and base metal mineralisation. This survey can be expected to generate additional targets. The proposed airborne electromagnetic survey is dependent on the grant of the EL Applications.

During the Quarter, exploration by WMC has included geological and regolith investigations and reconnaissance soil and rock chip sampling. Assays show several rock chips anomalous in Ni and Cu and others with elevated Zn and Cu. WMC reports that element ratios are favourable when compared to productive nickel belts elsewhere in the Yilgarn.

WMC's on-going programme for the granted ELs will include detailed soil/lag sampling on a 200 x 40m grid expanding to 400m x 40m over palaeochannel areas. Results from this work, which is expected to take place in February, will prioritise areas for follow up surface electromagnetic surveying.

GUNBARREL PROJECT (WHITE WELL E 53/645 Cullen 100%)

No field work was carried out during the Quarter. A programme of Base of Hardpan (BoH) drilling is scheduled to test encouraging gold and base metal lag anomalies. This will be carried out in conjunction with the Eureka Group BoH survey.

EASTERN GOLDFIELDS W.A.

KILLALOE PROJECT (EL 63/722*, EL 63/765*, P 63/1131, 1132, 1133, Cullen 100%,*7.5% NPI to Xplore Pty Ltd applies to these tenements; Sipa can earn 70% in nickel and base metal rights)

Killaloe is located 30km NE of Norseman and covers 150 km² of Archaean greenstones between the Zuleika Shear and the Boulder-Lefroy Fault at the southern end of the prospective Norseman-Wiluna Greenstone Belt. The area is highly prospective for both gold and nickel deposits.

Nickel Exploration

Killaloe contains about 27 strike km of ultramafics that are equivalent to rock units hosting the world-class Kambalda and Widgiemooltha nickel mines to the north. Previous nickel exploration (1960 to 1982) was not intensive with no recorded diamond drilling and only limited percussion drilling along these belts. Exploration by Cullen to date has identified nine high priority nickel targets for follow-up.

In November 2001 agreement was reached between Cullen and Sipa Resources International NL ("Sipa") whereby Sipa can earn a 70% interest in the rights to explore for and mine nickel, basemetals and associated platinum group element (PGE) mineralisation at Killaloe. Key terms of the Joint Venture are as follows:

- Sipa will spend \$450,000 within 12 months on exploration comprising a programme of geological mapping, geochemical and geophysical prospecting, RAB drilling with RC percussion and diamond drilling follow-up; and
- Sipa can then proceed to earn a 70% interest in the nickel-basemetal and associated PGE mineral-rights in the tenements by spending a further \$3,500,000 over a period of the next 4 years.

Sipa has commenced work with compilation of previous geological mapping, acquisition of remote sensing and reprocessing of airborne magnetic data underway prior to commencing field programs in the March Quarter.

Gold Exploration

Cullen completed a small programme of shallow RAB and aircore drilling to follow up gold targets developed from its earlier pedogenic carbonate auger sampling. The drilling consisted of three sections of aircore drilling (8 holes -60° grid E 249m) and RAB/RAB hammer drilling on one section (2 holes -60° grid E 61m) at the Duke Prospect, RAB/RAB hammer drilling on 4 sections (20 vertical holes 354m) across the Baseline gold in auger soil anomaly, RAB/RAB hammer drilling on 5 sections (12 holes -60° grid E 207m) to test the Killaloe Prospect North workings and RAB/RAB hammer drilling on two sections (6 holes vertical and -60° grid E 115m) to test workings at Killaloe Prospect East. The aircore and RAB chips were sampled as 4m maximum composite samples and analysed for a broad suite of elements. Geological mapping was completed along the drill sections and over the immediate areas of Killaloe Prospect North and Killaloe Prospect East.

The most encouraging results are from the Baseline auger geochemical anomaly. Strong RAB geochemical Au anomalism has been detected over 400-500m strike coinciding with an unexplored silicified structural zone in peridotite ultramafics which could extend for over 15 strike km within the eastern ultramafic sequence. Best results were 21m of 0.25g/t Au (BR12). Baseline is a new gold target which requires follow up exploration including extension of the auger grid to the south and follow up RAB and RC drilling.

At Duke, gold mineralisation hosted by talc carbonates after peridotites was intersected in most drill holes and is consistent with earlier drilling. Highest values in the supergene zone were in DAC06 with 4m of 3.22g/t Au. The best intercept in unweathered rock was in DAC01 with 6m of 1.09 g/t Au. The zones of anomalous gold correspond with minor disseminated pyrite, very minor quartz and anomalous arsenic (500-1000ppm). The mineralised zone is 12-15m thick dips 75-80°W and extends over about 250m strike – essentially grid N. The Duke mineralisation is restricted in strike extent and is low grade in the shallow area tested. Follow up with deeper RC drilling will be delayed pending further exploration at Baseline and new work by Sipa.

At the Killaloe Prospect North, the strongest intersection was 5m of 0.53g/t Au (bottom of hole) directly beneath one of the cluster of pits and shafts along the 350m strike of old workings. The workings are in a NW zone of irregular bodies of vein quartz in a shear within high Mg basalts. The drilling shows strongly anomalous Au in the saprock/bedrock transition over at least 250m strike. Geological mapping with follow-up RAB drill geochemistry is recommended to investigate this area.

Mt ISA, QUEENSLAND.

DUCHESS PROJECT (EPMA 11990, 11991, 12325 and 12395).

Cullen explored for Tick Hill style gold deposits in a joint venture on MIM Limited's tenements in the Duchess region of NW Queensland, until Cullen withdrew in April 2000. During the term of the joint venture, Cullen applied for four exploration permits (EPMs) within the project area. MIM had to elect whether to retain the tenements or confirm that Cullen would hold the tenements after Cullen had withdrawn from the joint venture.

Cullen was advised in December 2001, that EPMs 11990 and 11991 are to be transferred to MIM (when granted) and MIM has undertaken to pay all costs and lodge such bonds as required by Queensland Department of Mines. Cullen may retain EPMs 12325 and 12395 with no residual interest retained by MIM.

The project area is prospective for Ernest Henry type Cu/Au deposits. The major Pilgrim Fault trends through EPMA 12325 and prior explorers have located anomalous copper and gold in soils adjacent to the fault trace. The old HB mine is located within the anomaly area in a broad area of haematite/albite alteration. The Duchess Project area is subject to a Native Title claim and therefore the tenements are unlikely to be granted within 12 months.

CORPORATE

Pokrovskiy Rudnik Gold Project – Russia (Cullen 2%)

Cullen holds a 2% interest in the Joint Stock Company Pokrovskiy Rudnik (“Pokrovskiy Rudnik”), the Russian company which owns the mining lease and mining assets covering the Pokrovskiy gold deposit in the Amur Region of Russia. UK based Peter Hambro Mining plc owns 53.1% of Pokrovskiy Rudnik and is the major shareholder in the project.

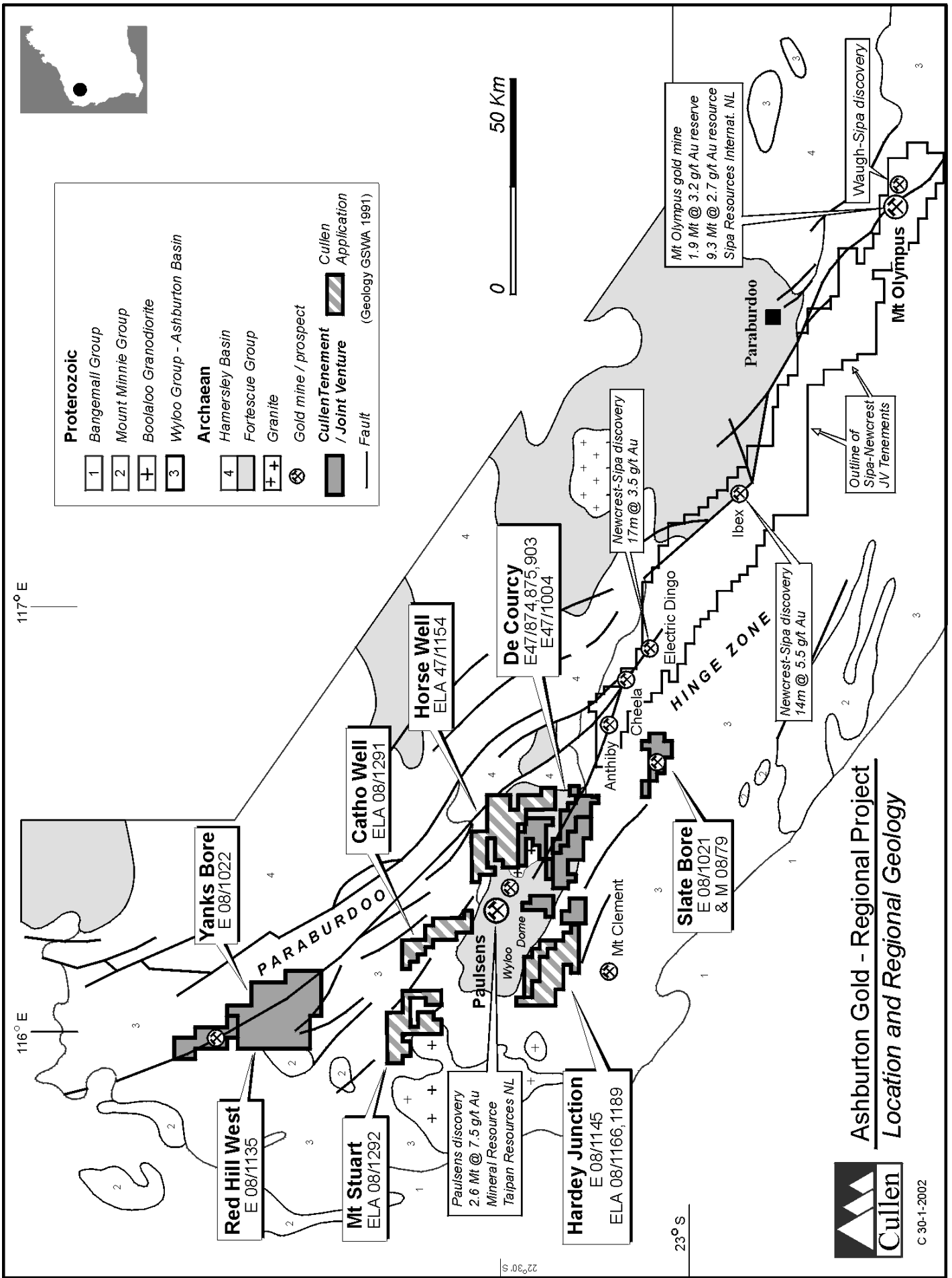
The project is now in its second year of heap leaching and produced approximately 90,000 ounces of gold for the 12 months to 31 December 2001. Cullen is awaiting an update on the resource and reserve estimates which are currently being prepared by the international firm of minerals industry consultants, Micon International Limited.

The mine is being converted from a high grade, low cost heap leach operation to a conventional hard rock mining operation. Construction of a 1MTPA processing plant is progressing well with commissioning scheduled for May 2002.

Cullen has been advised that Peter Hambro Mining plc (“PHM”) is advancing plans to obtain a London listing of PHM in the 2nd quarter of 2002 on the Alternative Investment Market (“AIM”). Cullen has agreed in principle, subject to the listing proceeding and reaching agreement on appropriate valuations, to convert its 2% interest in the Pokrovskiy Rudnik project to shares in PHM.

In the event that PHM is successful in achieving a listing, Cullen may have the opportunity to crystallise a return on its investment in Pokrovskiy Rudnik. Current indications are that this may be significant in the context of Cullen’s current market capitalisation of approximately \$5.0m.

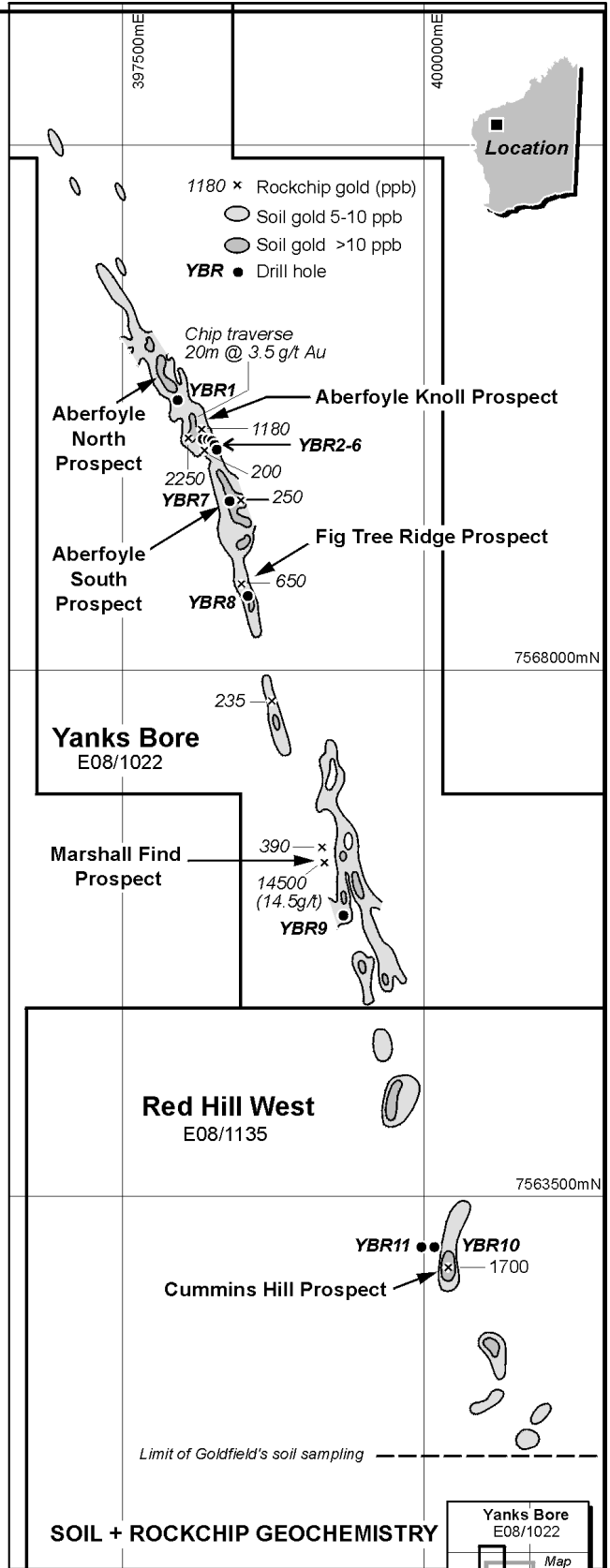
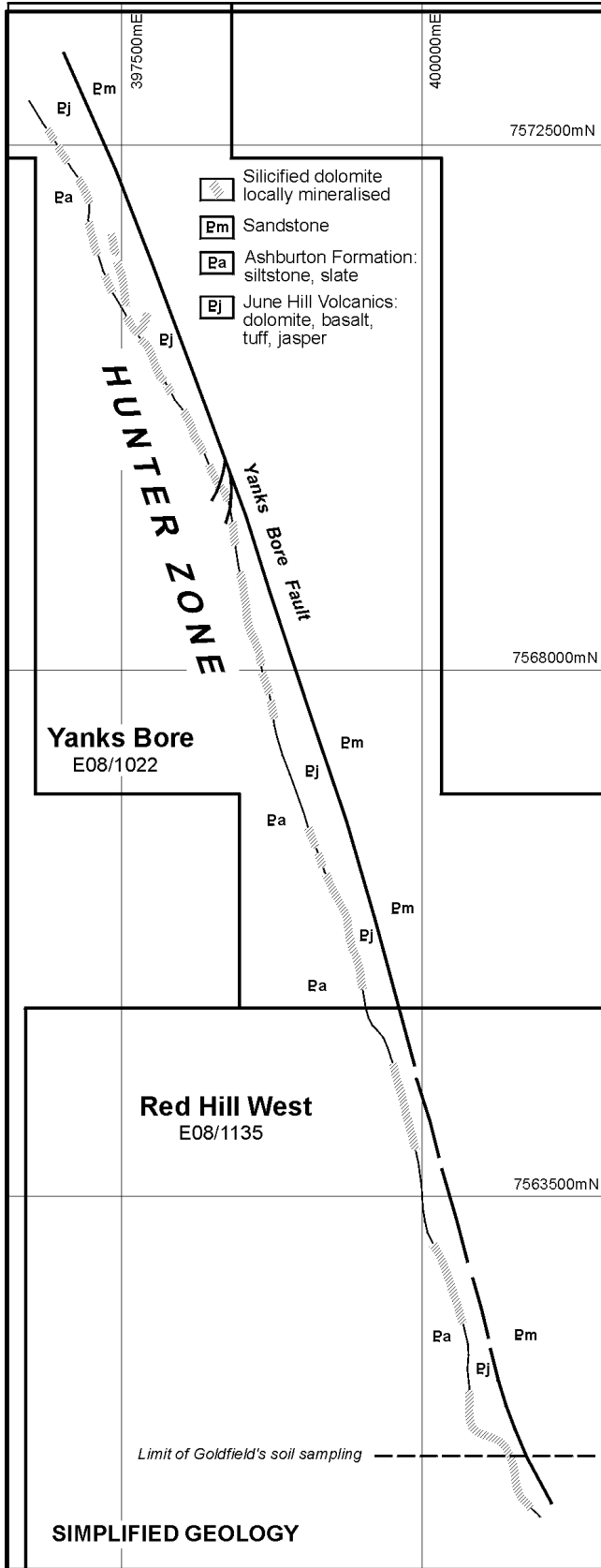
John Horsburgh
Director



Ashburton Gold - Regional Project
Location and Regional Geology



C 30-1-2002

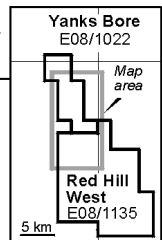


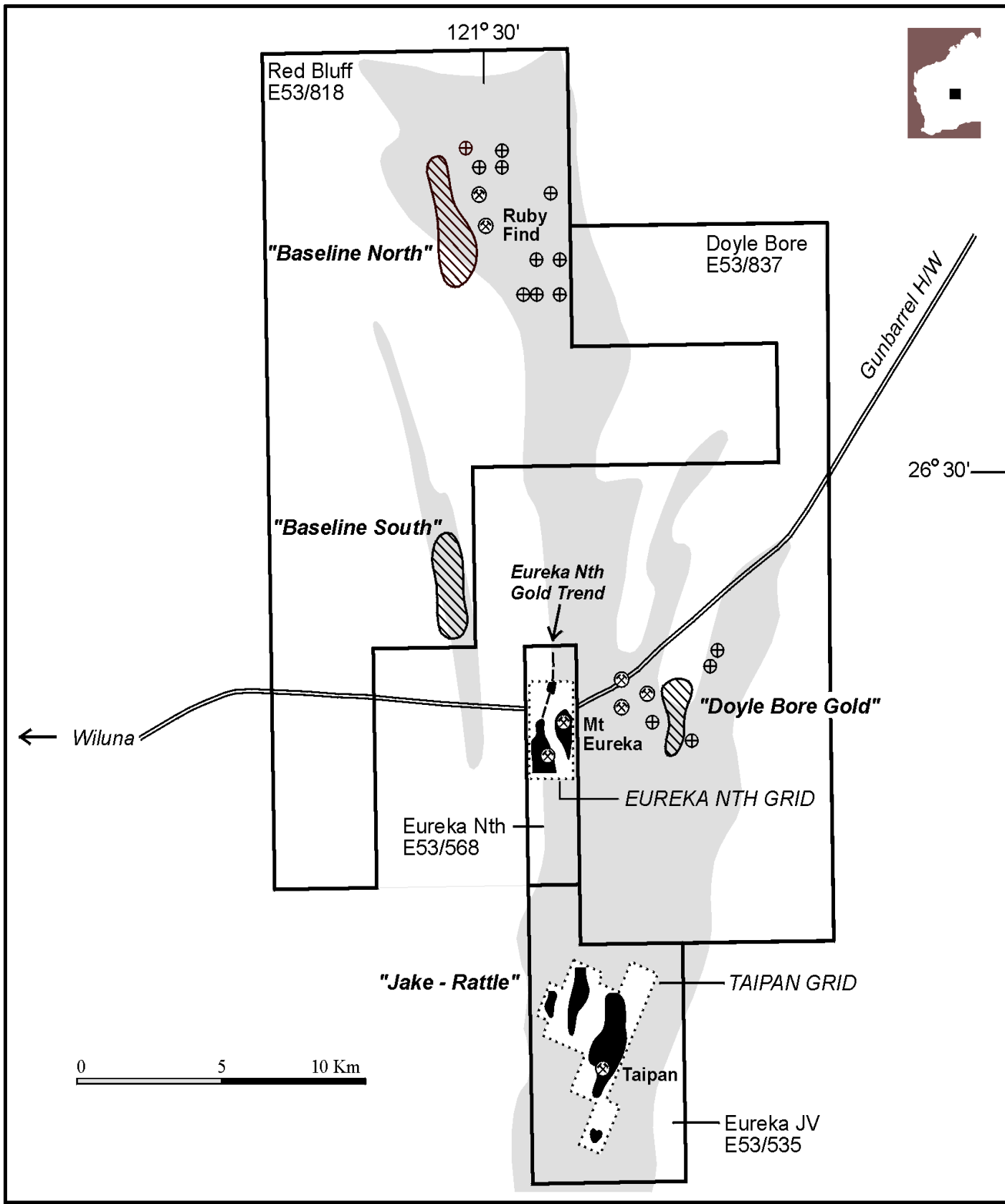
CR 14-7-2001

YANKS BORE - RED HILL WEST

Tenement Location-Geology-Geochemistry

0 1km

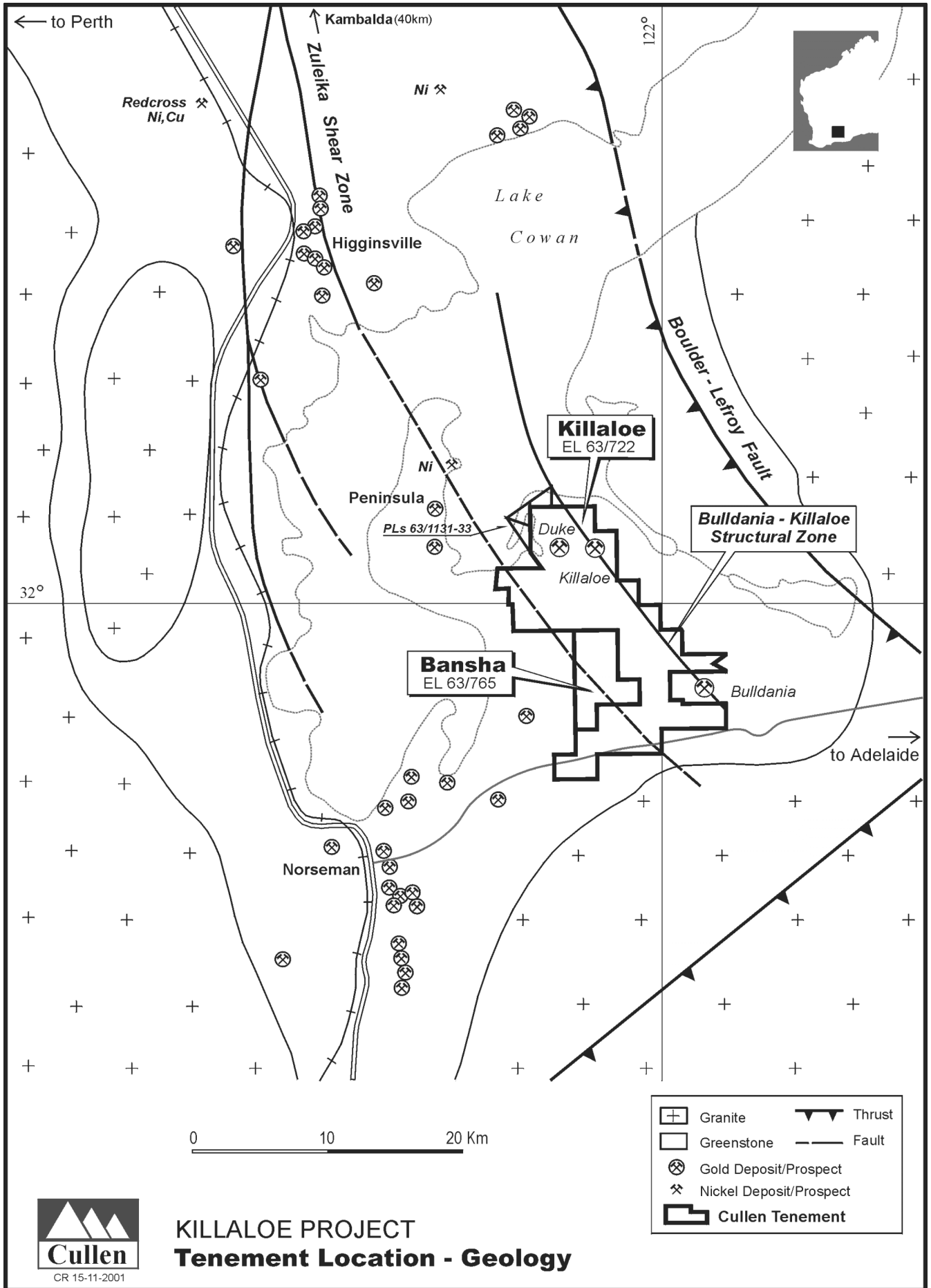


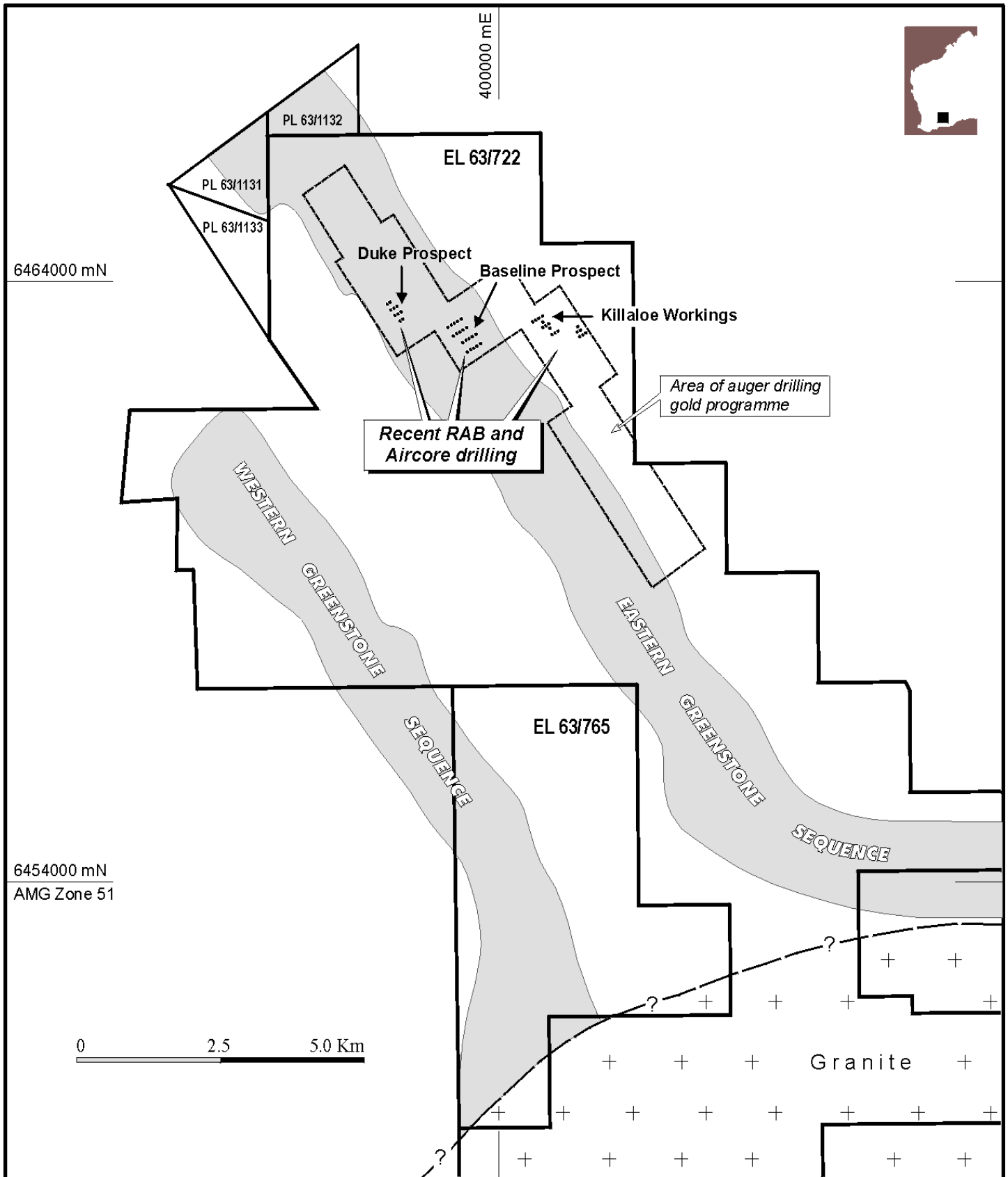


GUNBARREL PROJECT - Eureka Grp
**Exploration Targets -
 Gold + Base Metals**

CR 30-10-2001

-  Gold Prospects
-  Base Metal Prospects (Cu, Ni, Zn)
-  Greenstone
-  Gold Zones (10ppb)
-  Gold Target Zones
-  Outline Prospect grid





KILLALOE PROJECT
Drilling Location

C 30-1-2002

-  Cullen RAB / Aircore holes
-  Area of auger drilling
-  Ultramafic Sequence

