



CULLEN RESOURCES LIMITED

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QUARTERLY REPORT FOR PERIOD ENDING

31 DECEMBER 2003

HIGHLIGHTS

- **Significant massive nickeliferous sulphides intersected at “AK47” prospect, Gunbarrel Nickel Project, WA. Assays are expected mid-February.**
- **Reconnaissance RAB/Aircore drilling at the Gunbarrel Gold Project indicates anomalous gold at Kilkenny, Connemara and Cobra with narrow intercepts at Taipan (up to 1m @ 12.1 g/t Au) and Taipan South (1m @ 2.56 g/t Au).**
- **Consultant group Newexco’s review of the nickel sulphide potential of Cullen’s Killaloe Project and Irwin Bore Joint Venture, WA is highly encouraging.**
- **First pass reconnaissance sampling of several “Intrusion Related Gold” targets in NSW has returned several significant gold assays. Follow up geochemical programmes are planned.**

EXPLORATION ACTIVITIES – WESTERN AUSTRALIA

Northeastern Goldfields

GUNBARREL NICKEL JOINT VENTURE– (Eureka Group : E53/568, E53/535, E53/818, E53/837, Cullen 100%, WMC may earn a 75% interest in nickel and base metal rights by spending \$1M, Cullen’s 25% will be free carried to Decision to Mine).

WMC Resources Ltd (WMC), the manager of the Gunbarrel Nickel Joint Venture, reported that diamond drilling completed late December 2003 intersected zones of massive (up to 0.2m thick) and disseminated nickeliferous sulphides similar to the zone in GBD2 (visual inspection of drill core). Assays are expected in mid-February. The drilling has confirmed that the “A1” EM anomaly is associated with a massive sulphide horizon over a strike length of 180m at the “AK47” prospect.

Five holes tested the “A1” EM anomaly, following the intersection of massive sulphides in hole GBD2 (0.65m @ 0.90% Ni from 139.7m and 2.8m @ 0.39% Ni from 168.0m). Two holes were located 80m to the north (GBD6 & 7), two 100m to the south (GBD4 & 5), and one hole down dip to the east (GBD3) – see Figure 1.

The thin zones of massive sulphides intersected in holes GBD2-7 (Table 1) are interpreted by WMC to be structurally remobilised from the base of a komatiite flow. This setting is evident at a number of significant ore deposits (eg Emily Ann and Cosmos Deeps). The massive sulphide horizon occurs within a structural zone in a basalt sequence and is considered to be stratigraphically below a prospective basal ultramafic (komatiite) contact. The drilling has tested the position of this prospective contact near “A1”. While no sulphides were identified, strike extensions of the contact are targets for exploration, once assay and downhole EM (DHEM) results are assessed. **The identification of a basal komatiite primary mineralized position remains the focus of future exploration at AK47.**

DHEM was completed in holes GBD1-2. It showed a strong in-hole response in GBD2, coincident with the massive sulphide intersection in the drill hole and confirming it as the source of the surface “A1” EM anomaly. No DHEM response was recorded in GBD1, so the source of the surface “A4” EM anomaly” remains unknown. Reconciliation of the drilling and DHEM data with the surface EM data will be completed in the March Quarter.

Hole GBD8 tested a separate surface EM anomaly “A2”, located 1.5 km south of “A1”. It intersected 3.6m of banded pyrite and pyrrhotite in felsic rocks (see Table 1). Visual inspection of the drill core indicates the sulphide intersected is non-nickeliferous, however, assays are awaited. The source of the EM anomaly is likely to be the banded sulphides.

Table 1 – Drill hole summary and results for GBD 3 to 8.

Hole Id	East '94	North '94	Visible Sulphide Intersections	Hole TD
GBD3	354105	7058820	0.15m massive sulphides at 192.95m	309.6m
GBD4	354070	7058720	0.05m massive sulphides at 198.5m	480.6m
GBD5	354105	7058720	0.2m massive sulphides at 152.6m	300m
GBD6	354070	7058900	Minor stringer and blebby sulphides at 155m	300m
GBD7	354105	7058900	0.1m massive sulphides at 190m	331.8m
GBD8	353360	7057365	3.6m non nickeliferous pyrite/pyrrhotite bands in metamorphic felsics at 177m	276m

All holes are diamond core, drilled at -60° to 270°.

The March Quarter will include assessment of drill core assays, DHEM in all recent holes, trial helicopter EM (Hoistem), potential expansion of Hoistem to test other prospective ultramafic horizons and follow up of the AK47 prospective horizon if the trial proves successful. Data reviews of other ultramafic belts at Gunbarrel and prioritisation of regional exploration are scheduled. The Joint Venture covers approximately 35km of strike of the Mount Eureka Greenstone Belt.

GUNBARREL GOLD PROJECT – (Eureka Group, E53/568, E53/535, E53/818, E53/837, MLAs 53/868-870, Cullen 100%; Irwin Bore Group, E53/403, ELAs 53/925 and 981, Cullen 90%, ELA 53/1040, Cullen 100%)

The 664 km² Gunbarrel Gold Project covers 50 strike km of the Mount Eureka Greenstone Belt. Cullen has discovered significant gold mineralisation at the Southern Prospect which has been the main focus of drilling over the last twelve months.

RECONNAISSANCE RAB/AIRCORE DRILLING

Reconnaissance RAB/Aircore drilling (RAB – 26 holes for 1,128m; Aircore – 63 holes for 4,302m) was completed in eight target areas located over more than 8km of strike. Three zones of gold mineralization were tested with follow-up drilling with anomalous gold intersected at two of them:

- Eight RAB holes were completed in the NE part of the **Kilkenny Prospect**, 1.4km N of the Southern Prospect, around a previous intersection of 4m @ 0.57 g/t Au (MER 263) with a best result of 8m @ 0.15 g/t Au from 32m in MER 293.
- Four RAB and two aircore holes were completed at the **Connemara Prospect**, 1km SE of the historical Little Greta Mine, to follow up drillhole MEAC 310 (20m @ 0.74 g/t Au from 8m) along a felsic volcanoclastic/metasediment contact. The drilling returned a best intersection of 4m @ 0.31 g/t Au from 40m and 4m @ 0.69 g/t Au from 52m in MER 282. Mineralization lies on a strike extensive contact which warrants further exploration.

New target areas were tested at or in the vicinity of the Southern, Taipan, Jake Rattle, Boa and Cobra Prospects. Anomalous gold was intersected at Taipan and Cobra:

- At the **Taipan Prospect**, 30 x 20m infill drilling was completed around known gold lodes with reconnaissance drilling undertaken at extensions of known mineralization (44 aircore holes). Results indicate low grade gold mineralization related to a broad, altered shear zone extending for over 3km along strike with occasional intersections of higher grade gold (Table 2). Depth of weathering in this corridor is up to 100m and few holes tested fresh bedrock.
- At the **Cobra prospect**, nine aircore holes tested a series of NW trending structures with a best assay of 4m @ 0.13 g/t Au.

These results support the present interpretation that gold mineralization is developed along several structural corridors at Gunbarrel, such as Taipan, within which more systematic exploration is required.

Table 2 - Anomalous intervals,RAB/Aircore drilling, Gunbarrel Project

Prospect Area	Hole ID	Northing GDA'94	Easting GDA'94	Depth (m)	Interval (m)	Grade (g/t Au)
Taipan Infill	MEAC 314	7050153	355049	36-37	1	12.1
	MEAC 318	7050091	355049	34-36	2	2.07
				39-40	1	2.21
	MEAC 320	7050060	355014	34-35	1	2.11
	MEAC 321	7050058	355029	35-36	1	9.1
	MEAC 322	7050049	355048	54-55	1	2.79
				58-59	1	2.58
				60-61	1	1.86
				67-68	1	2.1
				72-73	1	1.5
				76-77	1	1.45
				105-106	1	2.7
	MEAC 313	7050116	355082	100-101	1	1.48
Taipan North	MEAC 327	7050488	355245	24-25	1	1.04
Taipan South	MEAC 351	7047620	354965	92-93	1	2.56
	MER 293			36-37	1	1.15

All assays by aqua regia digest with AAS finish.

SOUTHERN PROSPECT – RC DRILLING

Two RC holes (for 350m) of a planned five hole RC programme were completed at the Central Zone of Southern to further test the multiple lode system during August 2003. **This programme which was interrupted by drilling problems has now re-commenced with results expected in due course.**

IRWIN BORE JOINT VENTURE (E53/403, ELAs 53/925 and 981, Cullen 90%)

In light of the discovery of nickel sulphides by WMC within the adjacent Gunbarrel Nickel JV, Cullen commissioned Newexco Services Pty Ltd (Newexco), a consulting group with expertise in nickel exploration, to review the nickel sulphide potential within the Irwin Bore Project. Newexco concluded that the komatiites within the tenement area remain untested for accumulations of nickel sulphides, with only limited previous exploration. **The tenements contain 16 strike km of at least three komatiite horizons, some of which show cumulate textures. They are broadly along strike from the AK47 nickel sulphide prospect, and as such possess very high nickel sulphide potential. Cullen is considering a farm out of nickel rights at Irwin Bore.**

WONGANOO GOLD/NICKEL PROJECT – (E 53/1046, ELA’s 53/1030, 1069, and 1083 Cullen 100%, Cullen can earn 80% in E53/988)

The Company is continuing to build the database with an effort to source digital data of previous aeromagnetic surveys for reinterpretation and integration with other data.

Eastern Goldfields

KILLALOE NICKEL PROJECT - (E63/722*, E63/765*, Ps 63/1131-1133, 1172-1174, Cullen 100%, * 7.5% NPI to Xplore Pty Ltd applies to these tenements)

Cullen commissioned Newexco, specialists in nickel sulphide exploration, to review the substantial nickel exploration database.

Newexco’s report has highlighted:

- a number of untested gossans in favourable stratigraphic positions at the base of individual flows in the NE portion of the Eastern Ultramafics Complex. Assays from 16 gossan samples collected as part of Newexco’s review are anomalous and include Ni values up to 4068ppm, Cu up to 3673ppm, Zn up to 4% and up to 61ppb Pt+Pd.
- the occurrence of trace nickel sulphides (3m @ 0.49% Ni, KLC 21) together with the identification of structurally repeated, untested cumulate horizons indicates substantial further nickel sulphide potential within the Western Ultramafics Complex.

Newexco has recommended TEM surveying over some 20km of strike of the Eastern Ultramafics Complex and 10km of strike of the Western Ultramafics Complex in the hanging wall positions of the stratigraphy not tested to date. Cullen is seeking a joint venture partner to advance nickel sulphide exploration at Killaloe.

KILLALOE GOLD PROJECT - (E63/722*, E63/765*, Ps 63/1131-1133, 1172-1174, Cullen 100%, * 7.5% NPI to Xplore Pty Ltd applies to these tenements)

No work was carried out during the quarter. A potential joint venture partner is currently reviewing the database.

Ashburton Gold Province

WYLOO JOINT VENTURE – De Courcy (E47/874, 875, 1004), De Courcy North/Horse Well (E47/903, ELA 47/1154) Hardey Junction (E08/1145, ELAs 08/1166, 1189, 1327), Catho Well (E08/1330) and Mount Stuart (ELA 08/1292)

Activities during the quarter included surface geochemistry at Hardey Junction and Catho Well and RAB/Aircore drilling at Hardey Junction. Rock chip sampling of strongly brecciated silica cap rocks in the Western Area at Hardey Junction assayed up to 193ppb Au, 1,160 ppm As, 22 ppm Sb and 759ppm Ba. Reconnaissance RAB/Aircore drilling tested covered target areas along the Mt McGrath-Duck Creek Dolomite contact zone and an area of complex structure at West Hardey Junction. A total of 82 RAB holes for 2,903m and 8 Aircore holes for 564m was completed in 10 lines. Overall results were disappointing with a best intersection of 10m @ 0.13 g/t Au from 12m in hole HJR45. Barrick has decided to withdraw from the Wyloo Joint Venture. Cullen will review results of the Barrick programme on receiving the data (expenditure by Barrick to date \$558,000).

YANKS BORE PROJECT – Yanks Bore E08/1022, Cullen 51% and Udu Resources Ltd 49%, contributing pro rata; Red Hill West, E08/1135 and Cardo Bore E08/1341, Cullen 100%)

The Company and Udu Resources Ltd are seeking a joint venture partner for this project.

SLATE BORE – (M08/79, Cullen 100%, E08/1021, Cullen 100%)

The Slate Bore Project is located 100 kms WNW of Paraburdoo. It covers a satellite image anomaly which is interpreted to be related to hydrothermal alteration of Ashburton Formation rocks. A small lead prospect is present near the centre of the anomaly and previous work by Cullen and others has demonstrated anomalous base metals, gold and arsenic over 6 km of strike. Anomalous gold occurs in rock chip samples taken from narrow silicified sandstone units with sulphide pseudomorphs.

Numerous rock chip and stream sediment geochemical anomalies, mostly on the extension of the area previously explored and on a parallel zone to the north were followed up. These new target areas show similar geological characteristics to the main prospect area. Potential exists for gold and base metal mineralisation undercover to the east and west along the strike where soil and RAB drilling would be effective.

Results received for 43 rock chip samples and 18 stream sediment samples confirm the presence of a significant stream anomaly (4 samples with values ranging from 20ppb to 1.8 ppm Au) ~6km NW of the main prospect. A detailed soil sampling program within the catchment is recommended.

EXPLORATION ACTIVITIES – NEW SOUTH WALES

CENTRAL LACHLAN INTRUSIVE-RELATED GOLD PROJECT (ELAs 2150-2153, 2156, 2174, 2175, Cullen 100%)

Compilation of open file exploration data is continuing progress and field reconnaissance visits have been made to the application areas (3,200 sq km), located in the Tin-Tungsten Belt of the Central Lachlan Fold Belt. Cullen considers these to be prospective for the intrusion-related class of gold deposits (“IRG deposits”). IRG deposits are located either within or adjacent to granitic intrusions, often associated with tin-tungsten belts. The deposits exhibit a broad range of mineralization styles and are often enriched in bismuth, tellurium and arsenic. The best examples are found in the Tintina Gold Province of the Alaska-Yukon region in North America for example: Fort Knox (169Mt @ 0.93g/t Au, production - Kinross Gold Corp) and Donlin Creek (122Mt @ 2.91g/t Au, development - NovaGold Resources Inc./Placer Dome Inc.); and high grade vein deposits such as Pogo (9Mt @ 18.9g/t Au, development Teck Cominco Ltd/Sumitomo Metal Mining Co.Ltd). (Resource figures are taken from company websites). **The data compilation and field reconnaissance are highlighting several highly prospective target areas:**

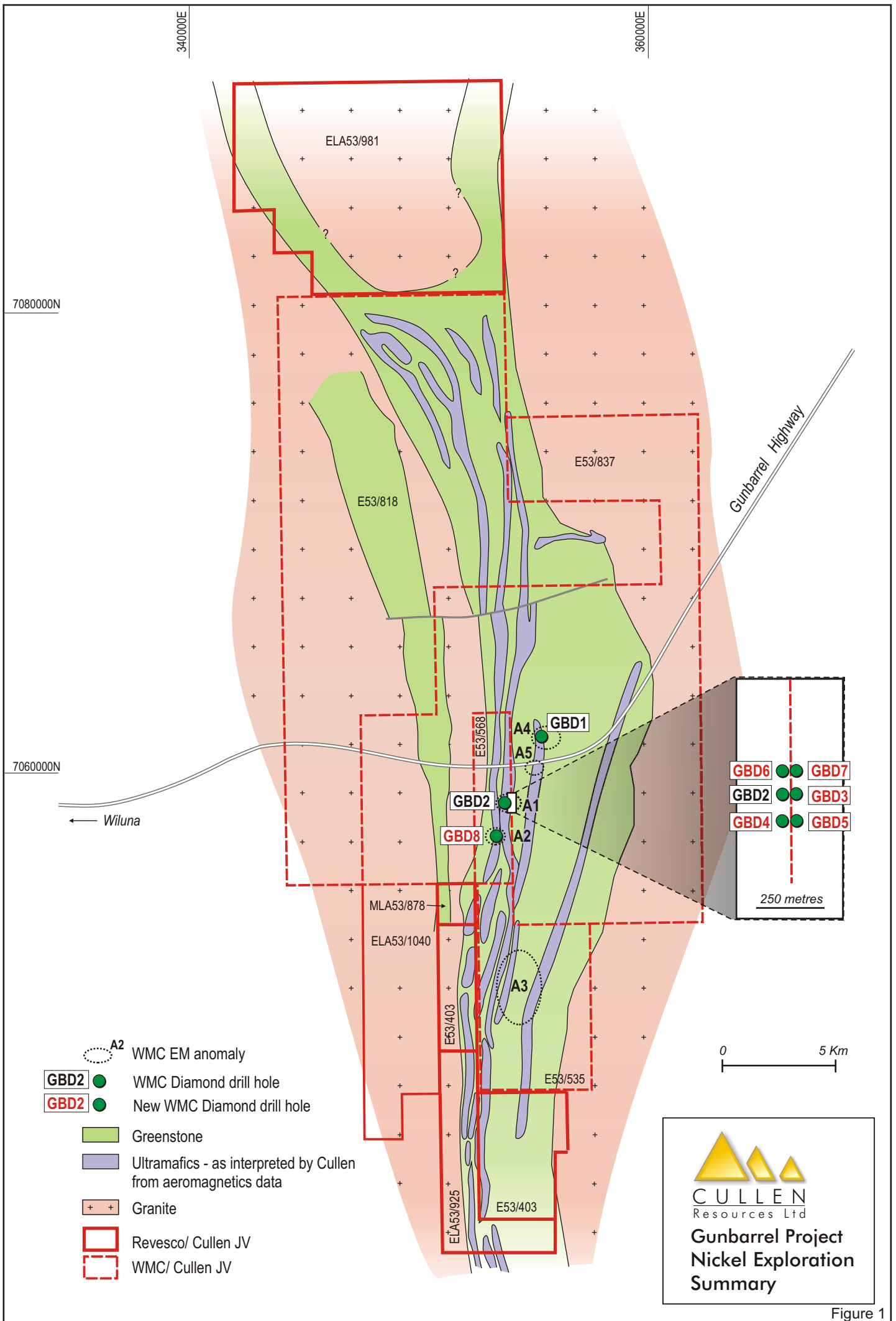
- ELA 2153 “**Ardlethan**” – Includes the **Golden Spray** and **Harry Smith** historic gold mines within the metamorphic aureole of a granite intrusion (16-20,000 ounces of production during the 1890s and late 1930s). Mineralization at these prospects consists of steeply dipping, structure-hosted gold-bearing quartz stockworks and lodes within sandstones and siltstones along a 400m trend. **Previous percussion drill intercepts indicate reasonable widths of mineralization and include 18m @ 0.75 g/t Au, 8m @ 2.46 & 6m @ 2.18 g/t Au, 6m @ 1.35 g/t Au, 13m @ 0.75 g/t Au & 4m @ 1.93 g/t Au,**

31m @ 1.82 g/t Au, and 23m @ 1.97 g/t Au. Compilation of previous drill data is continuing and preliminary evaluation indicates scope for further drilling in the prospect area. The host structure contains a series of other gold workings over a 12-15km strike length developed about the northern margin of the Grong Grong Granite. Cullen has completed a reconnaissance field visit and has commenced soil sampling to test the target trend. Cullen is also planning an early drill test of the main prospect and a follow up of previous drill intersections.

- ELA 2175 “**Minter**” – Compilation of previous tin and tungsten exploration, undertaken between 1978-1984, indicates a corridor of low grade scheelite mineralization hosted both by altered granite and quartz-veined hornfels (thermally metamorphosed sediments) extending over approximately 15km, northwards from the outcrop of the Kikoirra Granite. Only sporadic gold analyses were done in past exploration, but several anomalous rock chips values are reported including up to 23.8 g/t Au in gossanous quartz veins together with highly anomalous As, Sb and Bi. A programme of soil sampling and geological mapping is planned for the March Quarter as a first pass test of the prospective trend.
- ELA 2151 “**Gibsonvale**” - Contains a number of prospects adjacent to the Yalgogrin Granite. For example, at **Bursted Boulder**, 3km NNW of Yalgogrin, a cluster of old workings is located within a 250 x 250m area at the intrusive margin, mostly in silicified sediment country rock. Very high gold assays were returned from dump sampling of quartz veins by Cullen during field reconnaissance. The 7 samples averaged 35.8 g/t Au (3.04 to 104 g/t Au). Previous drilling is limited to shallow RAB drilling along the interpreted trend of the workings in the mid-1990s. Results were significant with intersections such as 28m @ 0.54 g/t Au from 2m, 30m @ 0.62 g/t Au from 0m and 20m @ 0.53 g/t Au from 2m hosted by silicified sandstone. A programme of soil sampling and mapping is planned for the March Quarter.
- ELA 2156 “**Bulgandry**” - Narrow gold-bearing quartz veins hosted by the Goombargana Granite assaying up to 20 g/t Au, were first noted during tin exploration in the early 1980s. These anomalies have not been systematically explored. Rock chip sampling by Cullen gave up to 4.13 g/t Au in a sulphidic quartz vein. A programme of stream sediment and soil sampling is planned.
- ELA 2152 “**Mount Solitary**” – The ELA is immediately south of a trend of gold prospects (Mt Solitary, Mt Solar, Powerline Hill) currently held by Mt Conqueror Minerals NL and Central West Gold NL (published resource 0.26Mt @ 4 g/t Au). These recognised prospects have been intensely explored by major companies during the period 1975-1994 with drill intersections of 57m @ 1.62 g/t Au and 34m @ 3.90 g/t Au reported. Gold mineralization occurs in steep dipping multiple quartz-pyrite-bismuth veins hosted by structurally complex and altered siltstones and sandstones of Devonian age. Airborne magnetics indicate an intrusive body beneath the mineralisation from which hydrothermal fluids may have been derived. Cullen’s adjacent ELA encompasses a similar magnetic anomaly, also interpreted as an intrusive body. In comparison with the Mt Solitary prospect, this area is poorly explored. However, previous RAB drilling of magnetic highs on the SE flank of the main magnetic anomaly intersected granite with minor disseminated pyrite and significantly anomalous gold (0.1ppm Au), bismuth (10ppm Bi) and tin (10ppm Sn). A programme of soil sampling is planned for the March quarter to test across the magnetic anomaly.

ATTRIBUTION

Information in this report which relates to mineralisation is based on information compiled by Grahame Hamilton, a full time employee of Cullen Resources Limited who is a Member of the Australian Institute of Geoscientists and has relevant experience as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves in relation to mineralisation being reported on.




CULLEN
 Resources Ltd
Gunbarrel Project
Nickel Exploration
Summary

Figure 1

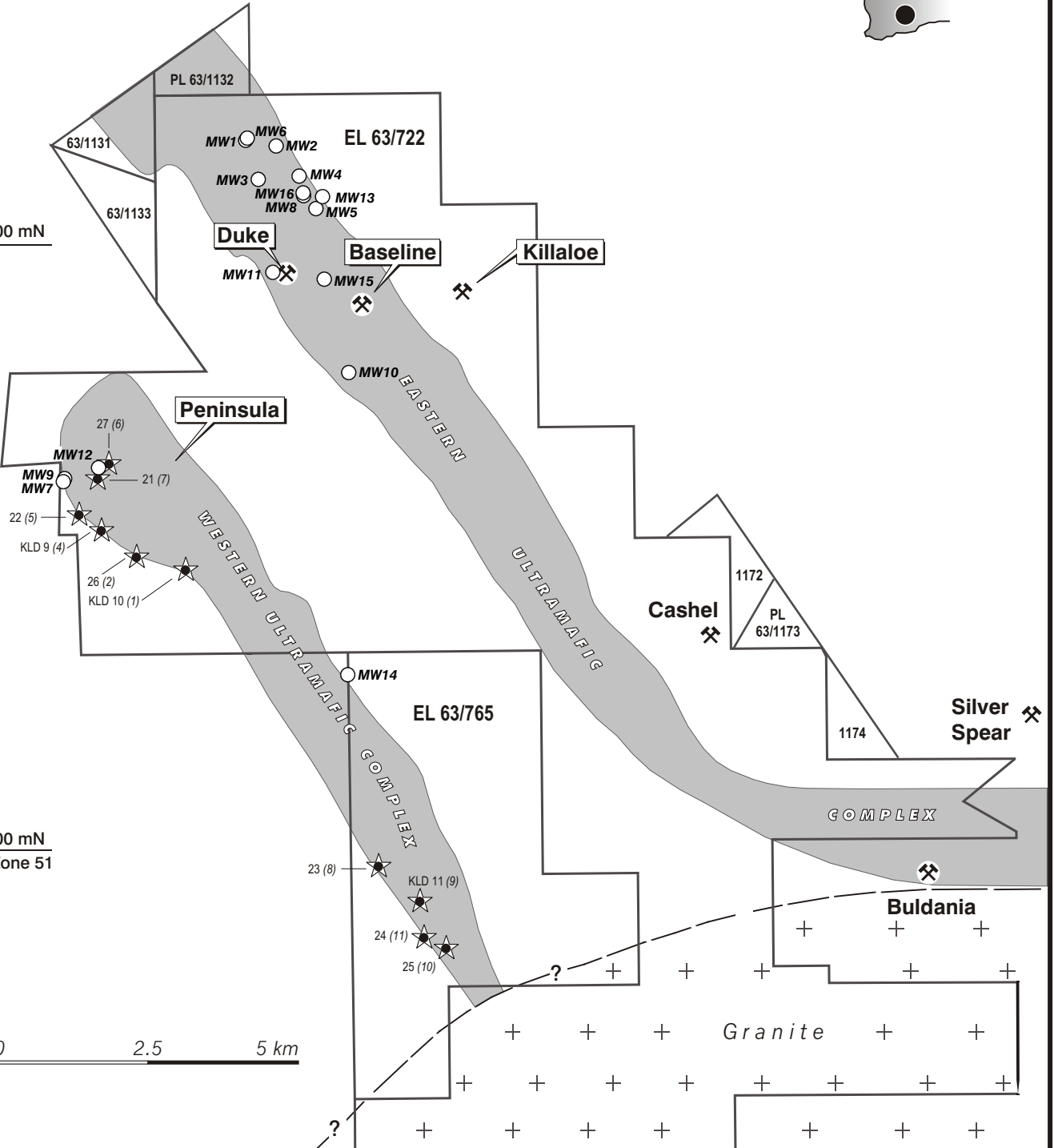


400000 mE

6464000 mN

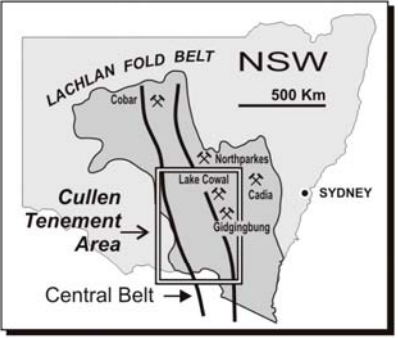
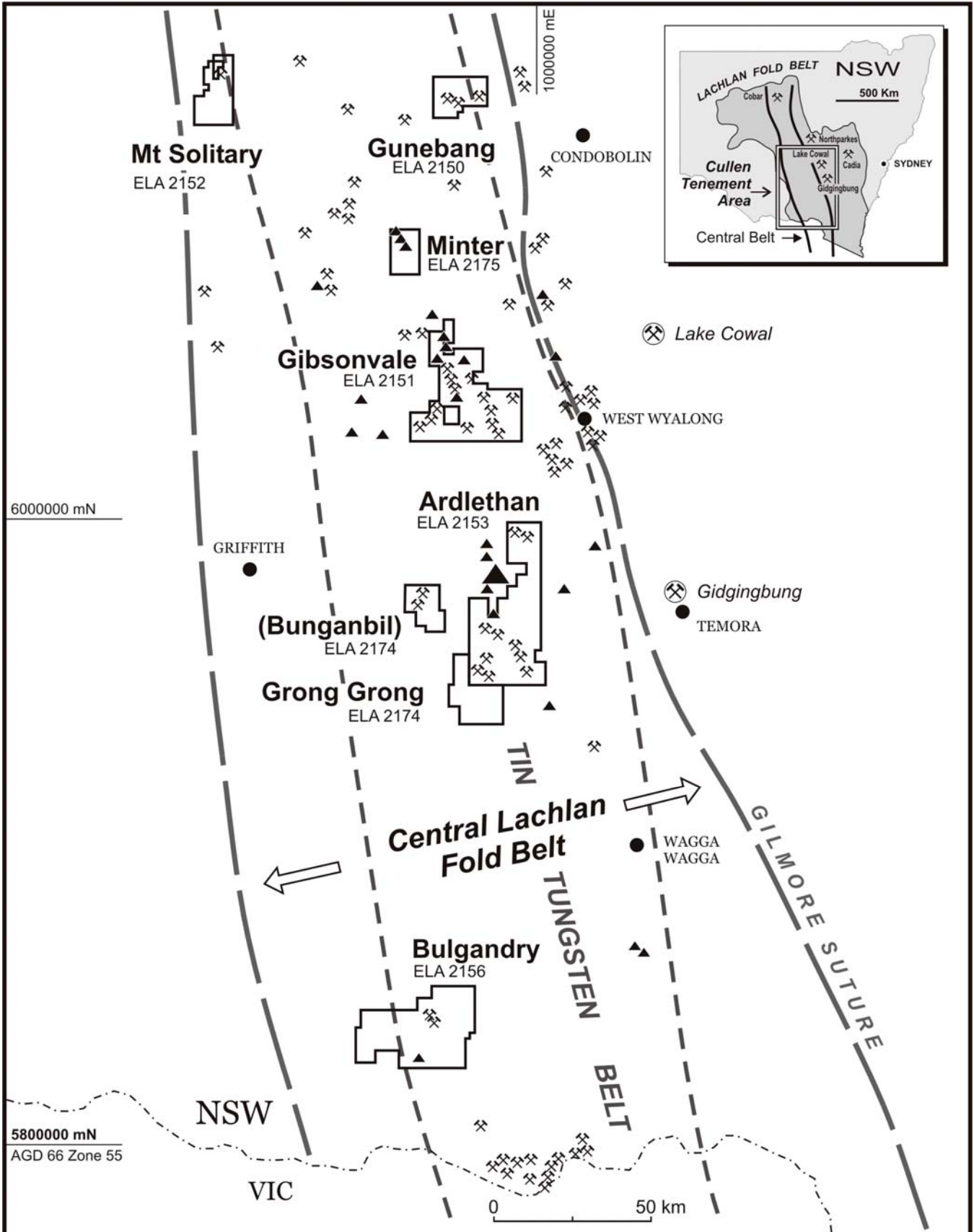
6454000 mN
AMG Zone 51

0 2.5 5 km



KILLALOE PROJECT
Nickel Programme

- (KWC 4) ☆ 2003 EM Anomalies
- Dec 2003 gossan samples
- 2003 drill holes
(D:diamond collar / C:RC)
- ⚡ Mine / prospect
- Ultramafic Complex



6000000 mN

5800000 mN
AGD 66 Zone 55

1000000 mE

0 50 km



Central Lachlan NSW Intrusion-related Gold Project

- ⊗ Gold prospect / deposit
- ▲ Tin and/or tungsten prospect / deposit
- Cullen Tenement Application