



CULLEN RESOURCES LIMITED

A.C.N. 006 045 790
A.B.N. 46 006 045 790

QUARTERLY REPORT FOR PERIOD ENDING

30 JUNE 2004

HIGHLIGHTS

- The Company has successfully continued its strategy to attract suitable joint venture partners for major project areas;
- Agreement of JV terms have been reached with Placer (gold), Minotaur (copper-gold) and Newmont (gold);
- Placer has completed a programme of auger soil sampling and gravity surveying at Killaloe, targeting gold mineralisation;
- The Gunbarrel Nickel Joint Venture reports numerous, thin sulphide stringers (adjudged non nickeliferous with assay checks awaited) in a diamond drillhole testing an EM anomaly at the Gunbarrel Project;
- Independence has reported encouraging soil anomalies from its first programme of soil sampling within the Irwin Bore JV targeting nickel sulphide mineralisation;
- Soil sampling has outlined a ~2 x 1.5 km, gold in soil anomaly over the northern termination of the Yalgogrin Granite ;
- The company is continuing to generate new, “grass roots” projects and has also included a search for more advanced projects in its strategy.

Level 4, 118 Christie Street, St Leonards NSW 2065
Email: info@cullenresources.com.au

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

EXPLORATION ACTIVITIES – WESTERN AUSTRALIA

Northeastern Goldfields

GUNBARREL NICKEL JOINT VENTURE– (Eureka Group : E53/568, E53/535, E53/818, E53/837, Cullen 100%, WMC Resources Ltd 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).

The Gunbarrel Nickel JV reported that diamond drillhole GBD 9 was drilled to re-test surface EM anomaly A4 (303). The hole was drilled at -60° towards the west to a depth of 345m. It passed through a series of basaltic and porphyritic felsic rocks before intersecting the ultramafic contact at 302.9m. The hole intersected numerous, thin, mafic-hosted quartz veins which contained stringer sulphides (namely pyrite and pyrrhotite) over the following intervals : 297.95-298.25m; 301.12-301.38m; and, 301.59-301.73m.

These sulphidic zones correspond to the position of the interpreted surface TEM conductors, however they do not appear to be nickeliferous. The drill core will be sampled and assayed in order to confirm this interpretation. In addition, a downhole EM survey will be conducted to confirm that the source of the EM anomalism is the stringer sulphides. At this stage no further drilling will be conducted on this target.

A helicopter EM (Hoistem) trial survey of 100 line km was flown over the AK47 prospect in the Mt Eureka area. The preliminary interpretation of this data indicates that the survey method was not effective in detecting the AK47 prospect, sulphide mineralisation (intersected in hole GBD2) beneath the 80+ m of conductive cover.

Further geophysical work on the Gunbarrel Project will involve investigating the capability of alternative ground geophysical techniques.

In the current Quarter, the Gunbarrel Nickel JV intends to:

- Commence a review of the geological and geochemical data over interpreted ultramafic belts east, west and north of the Mt Eureka area;
- Identify detailed geophysical techniques to aid target definition, following the unsuccessful Hoistem trial; and,
- Complete rehabilitation of diamond drilling sites.

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 and 1096, Cullen 100%)

As announced previously, a conditional agreement has been reached with Newmont Exploration Pty Ltd (Newmont), a subsidiary of Newmont Mining Corporation (ASX NEM), to form a joint venture (Newmont Joint Venture) covering a portion of Cullen’s Gunbarrel Project tenements (E53/535, E53/568, E53/837 and E53/818) in the Northeastern Goldfields, Western Australia (see Figure). Formation of the Newmont Joint Venture, for gold rights only, is contingent on Newmont’s review of the terms of an existing joint venture between Cullen and WMC Resources Ltd (WMC) for nickel and base metal rights on the same

tenements, and on development of documentation satisfactory to WMC, Newmont and Cullen.

Under the terms of the proposed Newmont Joint Venture, Newmont can earn, at Cullen's election, either a 70% or 75% interest (Options 1 and 2) in the gold rights of the tenements for an expenditure of \$3.5 million over four years, of which \$400,000 is a first year, minimum commitment after which Newmont may withdraw at any time. Thereafter, annual expenditures would be at least \$500,000. Once Newmont has spent \$3.5 million, one of the following will apply:

Option 1 – Newmont earns 70%. Cullen can elect to contribute pro-rata at 30% or revert to a 30% carried interest which would be carried by Newmont to a Decision to Mine based on a Bankable Feasibility Study. The carried interest is capped at \$15 million and is repayable from 80% of Cullen's share of mine cash flow.

Option 2 – Newmont earns 75%. Cullen can elect to contribute pro-rata at 25% or revert to a 25% free-carried interest up to a Decision to Mine based on a Bankable Feasibility Study. The carry expenditure is not a debt to Cullen in this case.

After a Decision to Mine, Cullen may independently fund its share of mine development or Newmont, if requested by Cullen, will undertake to raise such funds to carry Cullen through to production in return for an additional 5% equity in the project.

Newmont Mining Corporation is the world's largest gold mining company, with a strong presence and recognised expertise in the Northeastern Goldfields of Western Australia. It operates the Jundee gold mine in the Yandal Belt, located approximately 100km west of the Gunbarrel Project tenements, and is an active explorer in both the Yandal and Duketon Greenstone Belts.

Cullen initiated work on the Gunbarrel Project tenements in 1997, and has to date built up a substantial ground position and carried out various exploration campaigns. This exploration resulted in the discovery of significant gold mineralisation at the Southern Prospect in 2002, which although sub-economic to the extent of current testing, is an indicator of the greenstone belt's potential.

The 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.

IRWIN BORE JOINT VENTURE - (E53/403, ELAs 53/925 and 981, Cullen 90% - Independence earning 65%) and Mt TATE and NEW TAFFY WELL (ELA'S 53/1040 and 1096 - Independence earning 70%)

As previously announced (20/4/04), Cullen's 90% interest in the nickel rights for the Irwin Bore Project, in the north eastern Goldfields of Western Australia has been farmed out to the Independence Group NL. The Revesco Group Ltd owns the remaining 10% interest which is free carried to completion of a pre feasibility study in the project.

An agreement has also been reached allowing Independence to farm into the nickel rights for Cullen's wholly-owned New Taffy Well and Mt Tate Exploration Licence Applications in the same area.

The Irwin Bore tenements contain prospective komatiites which have only had limited previous exploration for accumulations of nickel sulphides. The tenements contain 16 strike km of at least three komatiite horizons, some of which show cumulate textures.

Independence reported that an initial 604, -2mm size fraction soil samples were collected from the Irwin Bore Joint Venture tenements during the Quarter. The sampling was completed on a grid spacing of 500m x 50m and was designed to cover the interpreted location of the entire ultramafic sequence within the southern portion of the Joint Venture area. The aim of the survey is to enable scheduled ground EM geophysical surveys to focus initially on areas with elevated nickel suite geochemistry.

Overall, the results from the survey were encouraging with eight areas of interest identified. In these areas clusters of samples returned elevated nickel suite assays over areas interpreted to be underlain by ultramafic rocks. Peak soil geochemical responses were: 1050 ppm Ni; 164ppm Cu, 1790ppm Cr, 37 ppb Pd and 34 ppb Pt.

The forward program consists of field checking of areas of anomalous geochemistry in conjunction with regolith interpretation. The aim is to determine areas where the geochemistry may have been ineffective. First pass 200m loop, ground EM surveying of prioritised areas is scheduled to commence during the September quarter. Further infill geochemistry may be completed in selected areas of anomalous EM response to assist drill targeting.

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 has now prioritised a number of targets with nickel and gold prospectivity from an interpretation of previous (limited) exploration results and an interpretation of Landsat and aeromagnetics data. The recent approval of E53/988 will allow efficient exploration of targets adjoining E53/1046.

A programme of first pass air core/RAB drilling(79 holes for about 3,200m) was completed during the Quarter to obtain regolith, bedrock and geochemical information across these targets. The drilling indicated variable depths of transported cover (from 6 – 36m) and a range of bedrocks including ultramafics, basalts and sheared dolerites.

The assay results indicated one area of anomalous gold (66ppb Au) in hardpanned cover over an interpreted NNE trending shear zone. The nearest hole to this anomaly (100m to the west) contained multiple sections of quartz veining and a low level, bottom of hole anomaly of 97ppb Au (2m composite). The association of these gold anomalies with a major cross cutting structure (to the stratigraphy) highlights this area and the structure in general as a target for follow up exploration.

A number of ultramafic rocks were intersected but nickel values were generally low (max 1,100ppm) however the wide spacing of drillholes (100m across strike) does not constitute an effective test and further work in the vicinity of known ultramafic contacts is now required.

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 4,068ppm, Cu up to 3,673ppm, 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.

The data package has been reviewed by a potential Joint Venture partner to advance nickel sulphide exploration at Killaloe and discussions are on-going.

KILLALOE GOLD PROJECT - (E63/722*, E63/765*, Ps 63/1131-1133, 1172-1174, Cullen 100%, PDAP earning 70%, * 7.5% NPI to Xplore Pty Ltd applies to these tenements)

The previously announced conditional agreement with Placer Dome Asia Pacific Ltd (PDAP), a subsidiary of Placer Dome Inc, to form a joint venture covering Cullen's Killaloe Project tenements near Norseman, Western Australia (ASX release 20/5/04) is now unconditional. The Placer Dome joint venture is for gold rights only and Cullen retains nickel and base metal rights for the project area.

Under the terms of the Agreement, PDAP can earn a 70% interest in the gold rights of the tenements for an expenditure of \$4 million over four years, of which \$250,000 is a first year, minimum commitment after which PDAP may withdraw at any time. On PDAP earning its 70% interest, Cullen can choose to maintain its equity, dilute, or convert its 30% equity to a 20% project carried interest to Decision to Mine. At a Decision to Mine, Cullen has the option to convert its interest to a Net Smelter Return royalty.

The Agreement was conditional on formalisation of an Agreement between Cullen and Xplore Pty Ltd giving the Cullen/PDAP Joint Venture the option to purchase a NPI royalty which Xplore holds over two of the Killaloe Project tenements. This has now been achieved and PDAP's exploration is underway.

PDAP has reported that during the Quarter:

- An auger soil drilling program comprising 2,657 samples (of pedogenic carbonate at 1-2 metres depth) was completed; and,

- A detailed gravity program has been completed.

A programme of aircore/RAB drilling is planned for the current Quarter to test targets generated from the auger survey, geophysics and mapping results

Ashburton Gold Province

WYLOO– 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)

The company is seeking to farm out this package of tenements. A number of companies have expressed interest.

YANKS BORE PROJECT – Yanks Bore E08/1022, Cullen 51% and Udu Resources Ltd 49%, diluting; 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 – (E08/1021, Cullen 100%)

The Company handed back M08/79 to the Royalty owners but retains the surrounding EL.

EXPLORATION ACTIVITIES – NEW SOUTH WALES

Central Lachlan

CENTRAL LACHLAN INTRUSIVE-RELATED GOLD PROJECT (ELA 2150-2153, 2156, 2174, 2175, Cullen 100%; option to purchase – EL's 5891 and 6020)

Yalgogrin Prospect Area, Gibson vale EL 6206

The Company has an option agreement with geologist Mr Denis Walsh, registered holder of ELs 5891 and 6020 centred on the old Yalgogrin Goldfield in the Central Lachlan Fold Belt of New South Wales. The tenements cover an area of 3.7 x 1.6km (5.7km²) and are surrounded by Cullen's EL 6206 Gibsonvale.

A programme of detailed soil sampling and preliminary RC and aircore drilling was completed by Cullen in April at the Walsh Prospect, as reported in the previous Quarterly, to confirm the mineralisation, establish mineralised trends and outline targets for more detailed exploration.

The results of this work confirmed the presence of significant levels of gold mineralisation in granite at the Walsh Prospect. Mineralisation appears to be related to minor quartz veinlets and hydrothermal alteration in grey, porphyritic, biotitic granite although the strike and dip of the quartz veinlets and/or altered structures is not yet clear. **Best intersections, as reported previously, include DWRC006; 20m @ 1.48g/t Au; DWRC004, 8m @ 2.4 g/t Au including 1m @ 13.25 g/t Au and DWRC005, 10m @ 1.27 g/t Au. The mineralisation is open at depth and along strike to the south east within granite.**

A detailed soil sampling survey (25 x 25m spacing) was completed over an area of ~400 x 300m centred on the Walsh trenches. Anomalous gold in soils (>25ppb) extend over a 400x500m area. Mineralisation at Walsh's trenches is highlighted by >100ppb Au contours which trend NW-SE. An extensive soil sampling programme over the Yalgogrin Granite and its contacts, encompassing the Scoop Holes, Bursted Boulder and Walsh Prospects was also completed.

Soil sampling (495 samples) was completed on a 100m x 100m grid over an area of approximately 23km²; extending from the Walsh Prospect in the south to the Cherry Tree prospect in the north (a distance of 5.5km), and from the Eureka Prospect in the west to the Scoop Holes prospect in the east (4.2km).

Interpretation of these soil sampling results indicate:

1. Anomalous gold in soils values in broad areas at known prospects such as Walsh, Bursted Boulder, Cherry Tree.
2. A broad zone of gold in soil anomaly (max value 803 ppb) of approximately 2 x 1.5km around the Bursted Boulder prospect and along the western contact of the Yalgogrin Granite with sediments (and away from known mineralized locations first indicated by previous soil sampling by Straits Resources and Equigold.);
3. Structural trends that parallel the alignment of old workings at Scoop Holes (NW), Bursted Boulder – Cherry Tree (NE and NW) and the Walsh Prospect (N, NE and NW).

These soil sampling data, together with ongoing geological mapping and prospecting, suggest that the Yalgogrin Granite in this area appears to be only partially unroofed, with the overlying sediments forming a shallow, undulating, westerly-dipping cap along the western contact. High grade gold veins (50-100 g/t) occur in both sediments and granite along this contact.

Interpretation of available gravity data suggests that mineralisation centred at Yalgogrin lies along the axial zone of the Yalgogrin Granite that extends from Bursted Boulder-Cherry Tree approximately 5.5km NNW to the Pine Grove workings, historically the largest gold producer in the district.

The granite (cupola) contact aureole near Bursted Boulder, Walsh's prospect and strongly anomalous soil results at Walsh South (+2 g/t Au) and east Bursted Boulder (803 ppb Au in soil; 50 g/t Au rock chip in area) provide targets for follow up exploration.

Mount Solitary Prospect ELA 2152

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. These 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 mineralisation 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 planned soil sampling to test across the magnetic anomaly has been further rescheduled in light of more recent results from the further interpretation of available aeromagnetics data.

Modelling of the data in 3D has highlighted that the major, circular magnetic anomaly within Cullen's application, appears to be localised along a NW-SE fault which appears to link to two parallel, N-S trending faults, which also bound the magnetic anomaly. The magnetic anomaly, which may represent an intrusive and/or its contact aureole, is shallowest along the line of the NW-SE fault.

QUEENSLAND

DUCHESS PROJECT AREA – Erle (EPM 11990) and Mayfield (EPM 12395).

The tenements were granted to Cullen in early July 2004 for a period of four years.

Cullen and a subsidiary of Minotaur Resources Ltd have formed the Duchess Joint Venture whereby Minotaur can earn a 70% interest in the tenements for an expenditure of \$3 million over four years, of which \$100,000 is a first year, minimum commitment after which Minotaur may withdraw at any time. Minotaur will carry out a gravity survey over the tenements and follow up any anomalies with more detailed surveys including magnetics.

Mayfield

The Mayfield tenement covers a major flexure on the regionally significant Pilgrim Fault Zone. The area is considered prospective for structurally-hosted, Cu-Au and Au-only mineralisation. The project area lies just to the east of the historically significant Trekelano Cu Mine and just to the north of the high grade Tick Hill Au mine (both mines are inactive). The Mayfield tenement is characterised by Cu-Au mineralisation within intensely altered, carbonate rich Proterozoic rocks (Corella Formation) exposed in a window in Cambrian cover.

Soil sampling by previous explorers has demonstrated a significant strike length of Cu and local gold Au anomalism, in structures within the "red rock" altered metasediments ("Red rock" alteration is the colour staining imparted to the rock due to the iron -mineral hematite). There are numerous occurrences of secondary Cu-mineralisation as joint and fracture fillings in some parts of the prospect area and a number of small Cu-Au diggings, most notably the "HB" Prospect.

Regional exploration has demonstrated that "red rock"- hosted Cu mineralisation closest to the Pilgrim Fault contains higher gold levels (e.g. up to 1-2g/t in rock chips rather than 0.1-0.2 g/t a few kilometres to the west of the fault).

Erle

The Erle tenement has a number of previously-defined target areas that require additional geochemical surveying, and possibly EM surveying to help locate any massive Cu-Au sulphide mineralisation within the host amphibolites.

The south eastern portion of the tenement covers the western section of a major, regional RAB drilling program previously completed by Mt Isa Mines Ltd. This program delineated a number of significant Cu-Au anomalies, one of the most prospective targets of which is “Top Tank”. This prospect is approximately 1400 x 1000m in area with soil gold values (bulk cyanide leach) of up to 360ppb in sheared (mylonitised), carbonate-rich, Corella Formation sediments.

Further prospecting is required along potential host structural zones with soil anomalism and alteration to assess the deeper potential within favourable dilatant structural traps. Detailed assessment of airborne magnetic data is likely to be of value in pinpointing such favourable settings.

CORPORATE STRATEGY

The Company has successfully continued its strategy to farm out major projects to suitable, significant Joint Venture partners during the Quarter. The objective is to maximise exploration activity. Potential partners targeted by Cullen have and will include:

- those with particular exploration expertise and experience in the regions of the Cullen tenement packages being offered for farm out;
- those with expertise in the commodity and ore model type being sought; and,
- those with adjoining tenements and/or mining operations close to the Cullen tenement package.

At this stage Cullen has five major-partner, Joint Ventures in progress or being developed.

The company retains other project areas and mineral rights which it is seeking to Joint Venture:

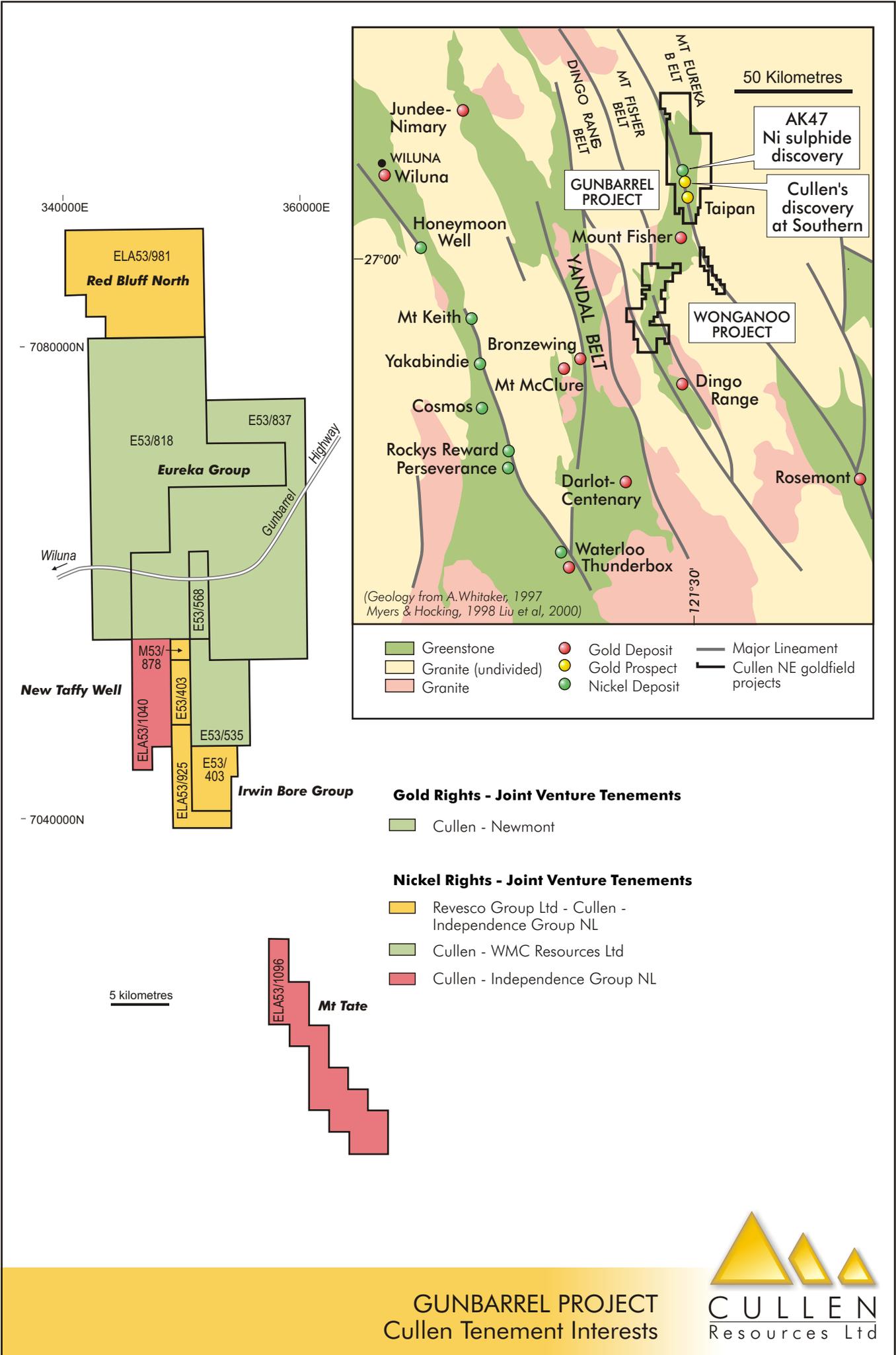
- The Ashburton Projects in Western Australia;
- The nickel rights for the Killaloe Project at Norseman, Western Australia; and,
- The Central Lachlan Projects in New South Wales.

These farm-out activities are complemented by Cullen’s on-going project generation, including reconnaissance level exploration programmes, over selected areas. For example, Cullen continues to build a database for the nickel and gold prospectivity in the Wonganoo Project area, Western Australia, and has undertaken further field programmes and magnetic data interpretation studies over the Yalgogrin and Mt Solitary prospects in New South Wales.

The Company is also seeking a more advanced project (with defined gold resources) for possible acquisition and is considering the desirability of overseas activities as a component of corporate strategy.

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.



GUNBARREL PROJECT
Cullen Tenement Interests

