



CULLEN RESOURCES LIMITED

A.C.N. 006 045 790
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QUARTERLY REPORT FOR PERIOD ENDING 30 SEPTEMBER 2004

HIGHLIGHTS

- The Company has successfully continued its strategy to attract suitable joint venture partners for major project areas, with agreement of terms for a new Nickel Rights JV with Nickel Australia Limited at Killaloe near Norseman.
- The Independence Group NL has reported encouraging results from the commencement of ground geophysics at the Irwin Bore JV, targeting nickel sulphide mineralisation.
- The Newexco consultant group has reported high nickel sulphide potential following a review of the Wonganoo Project.
- Two, gold-in-soil anomalies in the Ashburton Project area have recently been drill tested, with assay data awaited.
- Channel samples at the Walsh Prospect returned up to 17m @ 1.74 g/t Au near anomalous aircore drilling and soil Au anomalies over a 100m width.
- RC drilling of the “Scoop Holes” and “Walsh” prospects near Yalgogrin in New South Wales is planned for early November.
- Gravity surveying is planned to commence shortly at the Duchess Project in Queensland.

EXPLORATION ACTIVITIES - WESTERN AUSTRALIA

NORTH EASTERN 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).

During the Quarter, work in progress by the Gunbarrel Nickel JV comprised a review of the geological and geochemical data over interpreted ultramafic belts east, west and north of the Mt Eureka area.

GUNBARREL GOLD PROJECT - (Eureka Group, E53/568, E53/535, E53/818, E53/837, MLAs 53/868-870, Cullen 100%; Irwin Bore Group, E53/403, ELA's 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 North Eastern 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.

During the quarter, the drafting of this documentation progressed well. In addition, Newmont received the full database concerning Cullen's previous gold exploration and target identification for the purposes of drawing up plans to initiate drilling as soon as practicable after the finalisation of documents. It is envisaged that Newmont will commence drilling in the first quarter of 2005.

IRWIN BORE JOINT VENTURE - (E53/403, ELA's 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%)

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.

During the Quarter, Independence commenced ground geophysical surveying. The surveys cover anomalous, nickel-suite soil geochemical targets (up to 1,050 ppm Ni) within prospective ultramafic sequences (see Figure). Initial results are encouraging; however, the survey has been suspended for several weeks to allow pastoral activities to be undertaken in the general area. It is anticipated that first pass and infill geophysical surveying will re-commence during the December quarter following the completion of geophysical programs currently underway at other of Independence's project areas.

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

During the Quarter, consulting group "Newexco Services Pty Ltd" completed a review of the nickel sulphide potential of the Wonganoo Project area. The review comprised: a desk top study of the geology, geophysics, geochemistry, and previous exploration followed by a field inspection of the project area.

The conclusions from this review are that:

- The known nickel sulphides occurrences from the Devine prospect (0.6 to 1.3% Ni as disseminated sulphides), located 35km along strike to the south of Cullen's Wonganoo Project area, and at the AK47 prospect (0.2m @ 1.93% Ni in massive sulphides) located 65km to the north, are important indicators for good nickel prospectivity in the region's greenstone stratigraphy in general;
- Drill testing of magnetic anomalies during previous gold exploration, has revealed the occurrence of two substantial komatiite horizons within E53/988, one of which is of 3km strike;
- Field inspection of drill cuttings from these horizons has established a sequence of olivine cumulates and altered thin flows which are prospective for accumulations of massive nickel sulphides;
- Reinterpretation of drill sections at the Wonganoo North prospect has identified significant geochemical anomalies, **up to 6405ppm Ni and 3525ppm Cu**, on komatiite contact positions on four separate sections;
- Geochemical anomalies of **up to 2536ppm Ni and 781ppm Cu** occur in olivine cumulates at the Wonganoo West prospect;
- Additional magnetic anomalies of similar magnitude to those drilled at Wonganoo North and West occur within E53/988 and west of the Dingo Range within E53/1046, but remain as yet untested by any drilling.

Cullen considers that these untested geochemical anomalies and magnetic features occurring within E53/988 and E53/1046 are significant targets for nickel sulphide mineralization.

Programmes of RAB drilling and ground TEM surveying have been drawn up for the Wonganoo North and West prospects within E53/988, and for the Dingo Range West prospect within E53/1046.

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 is pleased to announce that it has agreed on commercial terms for the formation of a Nickel Rights Joint Venture with Nickel Australia Limited. The companies are now completing documentation, with exploration expected to commence in the near future.

The terms of the proposal are that:

- Nickel Australia can earn a 70% interest in Nickel Minerals with expenditure of \$1.5 million over four years with a minimum expenditure level of \$200,000 in the first year (after which Nickel Australia could choose to withdraw). After Year 1, the minimum annual expenditure level will be \$300,000 by Nickel Australia with the right to withdraw on a pro rata basis.
- Once Nickel Australia has earned its 70% interest, Cullen can elect to either: contribute on a pro rata basis; or revert to a 20% free carried interest to a Decision to Mine (based on a positive feasibility study). Upon a Decision to Mine, Cullen may either contribute at its then Participating Interest or revert to a 2% Net Smelter Royalty.

Nickel Australia was floated in December 2003 with the nickel rights to the Norseman ground held by Croesus as its keystone project. The Killaloe Project Joint Venture area will form a suitable addition to Nickel Australia's Norseman Project portfolio (see Figure). Killaloe contains a 27km strike length of the southern extensions of the Kambalda ultramafic sequence. Previous exploration has confirmed the presence of highly anomalous nickel and pathfinder element mineralisation within gossans developed over the ultramafics.

Nickel Australia is managed by an experienced team with a track record in nickel sulphide discovery. Exploration at Killaloe will commence as soon as practicable after the completion of documentation and will include: surface electromagnetic and geochemical surveys, and aircore, RC and diamond drilling.

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)

Joint Venture Manager Placer Dome Asia Pacific (Placer Dome) has reported the results of a first pass programme of RAB drilling (214 holes for 5459m) at the Killaloe Gold Joint Venture located 35km north east of Norseman.

The results (see Table below) include a best intersection of **6m @ 1.32 g/t Au from 30m** to end of hole in "KLRB092", together with a handful of other, low-grade gold anomalies.

On the basis of these results, the lack of sufficient alteration and no significant, associated trace element anomalies indicative of a "Placer Dome-sized" target, Placer Dome has decided to withdraw from the Joint Venture. Placer Dome completed approximately \$270,000 of exploration expenditure.

It should be noted that Placer Dome's work considered only two specific target areas within the Project Area. Once Cullen has received a full technical report together with an interpretation of the gravity data, and conducted its own field review, it will make a decision on whether the anomalous areas defined by Placer Dome's RAB drilling provide targets of interest to Cullen or any potential other Joint Venture parties.

Summary of anomalous RAB drilling intersections – Windy Hill Prospect , Killaloe

Hole_Id	East_MGA	North_MGA	From (m)	To (m)	Intercept (g/t)	As (ppm)	Geology
KLRB002	399871	6465826	8	16	8m @ 0.54g/t Au	47.5	Quartz-feldspar arenite with minor carbonaceous Shale (upper-lower saprolite transition to fresh rock)
KLRB020	399895	6465355	20	21	1m @ 0.11g/t Au	15	High-Mg basalt (carbonate altered)
KLRB035	400436	6464757	16	23 (EOH)	7m @ 0.14g/t Au	bld	High-Mg basalt (upper saprolite – fresh rock transition)
KLRB042	400993	6464659	28	32	4m @ 0.18g/t Au	20	Upper saprolite (siltstone precursor)
KLRB062	400780	6464265	24	26 (EOH)	2m @ 1.10g/t Au <i>incl 1m @ 0.30g/t Au</i>	22	High-Mg basalt – weakly foliated, phlogopile
KLRB065	401182	6464302	24	32	8m @ 0.41g/t Au	47	Carbonaceous shale (minor siltstone)
KLRB068	401141	6464274	24	32	8m @ 0.41g/t Au	46	Feldspar-lithic arenite (minor siltstone)
KLRB087	405074	6459093	14	15	1m @ 0.19g/t Au	30	High-Mg basalt
KLRB092	405033	6458454	24	30 (EOH)	6m @ 1.32g/t Au <i>incl 4m @ 1.57g/t Au</i>	43	High-Mg basalt; weak to moderately foliated; 2-15% qv (Lower saprolite to fresh rock)
KLRB093	404992	6458425	28	29 (EOH)	1m @ 0.14 g/t Au	26	High-Mg basalt

Note – bld = below detection limit

ASHBURTON GOLD PROVINCE

WYLOO - De Courcy (E47/874, 875, 1004), De Courcy North/Horse Well (E47/903, E 47/1154) Hardey Junction (E08/1145, 1166, 1189, ELA 08/1327), Catho Well (E08/1330) and Mount Stuart (E 08/1292,1375)

A programme of reconnaissance RC drilling has recently been completed to test the Lizzie Prospect - a coincident gold, arsenic and antimony soil anomaly situated on the Highway Shear Zone on the south east portion of the Wyloo Dome (see Figure). The target area is in the “Electric Dingo – Paulsens structural corridor” and comprises an apron of quartz vein detritus resting mainly on lightly weathered, Fortesque Group (Archaean age) basalts, argillites and arenites with quartz vein lenses. A programme comprising 16 holes for 800m was completed to test the bedrock in this structurally favourable site for Paulsen-type, quartz - pyrite mineralization. Drilling was completed towards the end of October with assay results expected to be received and compiled by mid-November.

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%)

Target areas along the Paraburdoo Hinge Zone (PHZ) at the Yanks Bore Project (see Figure) were also drill tested towards the end of October using the “light weight” RC drill rig. A programme of 10 holes for 590m was completed. The PHZ is a regionally important structural control to gold mineralization, and at the Yanks Bore Project, there is over 10km of gold and arsenic soil anomalies associated with quartz veining and altered dolomitic sediments along the Yanks Bore fault.

Previous scout RAB drilling targeting spot highs along the anomalous gold trend, has recorded a best intersection of 3m @ 2.4 g/t Au (Aberfoyle Knoll Prospect). The RC programme has provided further information on the gold anomalous trend at key structurally favourable sites below the oxidation level and has confirmed the interpreted orientation of the mineralized quartz vein and dolomite horizons.

The assay results are expected to be received and compiled by mid-November.

SLATE BORE - (E08/1021, Cullen 100%)

The Company handed back M08/79 to the Royalty owners and has now surrendered the surrounding EL.

EXPLORATION ACTIVITIES – NEW SOUTH WALES

CENTRAL LACHLAN INTRUSIVE-RELATED GOLD PROJECT (E6168, 6206, 6227 , 6207, 6220, ELA’s 2156, 2175, 2248, 2286,Cullen 100%; option to purchase - E's 5891 and 6020,Yalgogrin Prospect Area).

Mount Solitary Prospect , E6277

This prospect lies 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 siltstones and sandstones of Devonian age. Modelling of the Mt Solitary magnetic data in 3D has highlighted that the major, circular magnetic anomaly within Cullen's tenement, which may represent an intrusive and/or its contact aureole, is shallowest along the line of an interpreted NW-SE fault.

Reconnaissance soil geochemical sampling has now been completed over a portion of this interpreted intrusive complex in the southern portion of the tenements on NW trending traverse lines, 500m and 750m apart, and two NE trending cross lines at 1km spacing and 3.6km in length.

Initial interpretation of analytical results shows trace element anomalism associated with deeper magnetic anomalism which is consistent with the Mt Solitary and Powerline Hill prospects located 12 km to the north. The trace element association includes Ag, Pb, As, Ba, Bi, Cu, Hg, Co which is characteristic of the Mt Hope Mineral District. The anomalism extends for 1km between the NE traverse lines and is 500m SE from outcrop of locally sheared, quartz veined sediments exposed in quarries.

Preparation of stacked profiles of the multi-element geochemistry and relating these to the magnetic profiles is in progress.

Yalgogrin

The Company has an option agreement with geologist Mr Denis Walsh, registered holder of E's 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 E 6206 Gibsonvale.

At the Walsh Prospect, gold mineralization 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. Cullen has previously reported best intersections including: 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.

Follow up drilling in the vicinity of DWRC004 is planned to better test the mineralization in relation to major regional structural features interpreted from recent channel sampling in the YAC15 to YAC44 area.

Soil sampling to the east of Walsh Prospect located a strong +50ppb Au soil anomaly (peak 1,250 ppb Au) extending over an area of 500m by up to 100m including several old pits and shafts, and some previous explorers' aircore holes. Structural trends in the area vary from N to ENE in granite. Intersections in YAC15 (14m @ 0.9 g/t Au, including 2m @ 3 g/t) and reports that a deep shaft is located in the anomaly area (now in filled and covered) confirm the prospectivity of the anomaly.

Approximately 200m south of the YAC15 target area, a broad soil gold anomaly of +50 ppb was partially tested by several previous aircore holes including YAC44 (18m @ 0.8 g/t Au). The peak gold soil value is 178 ppb and rock chip sampling of local quartz veined float returned 2.5 g/t Au.

Approximately 150m north of YAC15, a NE trending soil gold anomaly (peak 248 ppb) was partially tested by YAC13 (10m @ 0.95 g/t Au) which is now interpreted to have been drilled parallel to the structural trend. The area comprises numerous pits and shafts reported to be the first in the history of the Yalgogrin Goldfield.

Cullen has completed several continuous channel samples to aid optimum positioning of RC drill holes to further test these soil anomalies and is likely to include: up to three holes (~200m) in the YAC15 area, two holes (~150m) in the YAC44 area and two holes (~150m) in the YAC13 target area.

Preliminary assay results have been received and have identified broad zones of gold mineralisation related to several different structural settings.

In the sampling near YAC15, the entire sample interval of 23m returned an average of 0.4 g/t Au. The geology within the area of sampling comprises altered and veined granite that may be peripheral to a higher grade zone intersected in YAC15. Three RC holes have been planned to test the YAC15 intersection at depth and the peak soil geochemical anomaly of 1230ppb Au.

Two channel intervals were sampled in the vicinity of YAC44. The channel interval immediately north of YAC44 returned **17m @ 1.74 g/t Au** (within a 30m @ 1.08g/t Au zone) in altered, veined and fractured granite that can be related to the intersection in YAC44 (18m @ 0.8 g/t Au). Approximately 40m east, another channel sample returned **20m @ 1.08 g/t Au** (open at both ends) in altered, veined granite in the vicinity of a soil

sample of 178ppb Au. Five RC holes are planned to test the 100m width of the soil and channel sample interval and the extension of this zone 60m north of YAC44.

At the Scoop Holes prospect (~ 2 km NE of Walsh prospect in Cullen's E6206) numerous shafts (to 40m) were developed on a shallow, south dipping quartz lode. Production from the prospect is poorly documented; however, old plans show development along a drive for over 150m down the dip (38°) of the lode. Granite in the dumps is oxidized and strongly altered and the potential for multiple lodes is considered to be high.

At least three RC holes, for a total of ~250-330m, are planned to test the Scoop Hole lode structures at approximately 50m depth below surface along 150m strike of the lodes in the old mine area.

The RC drilling described above, is planned to commence in early November

EXPLORATION ACTIVITIES - QUEENSLAND

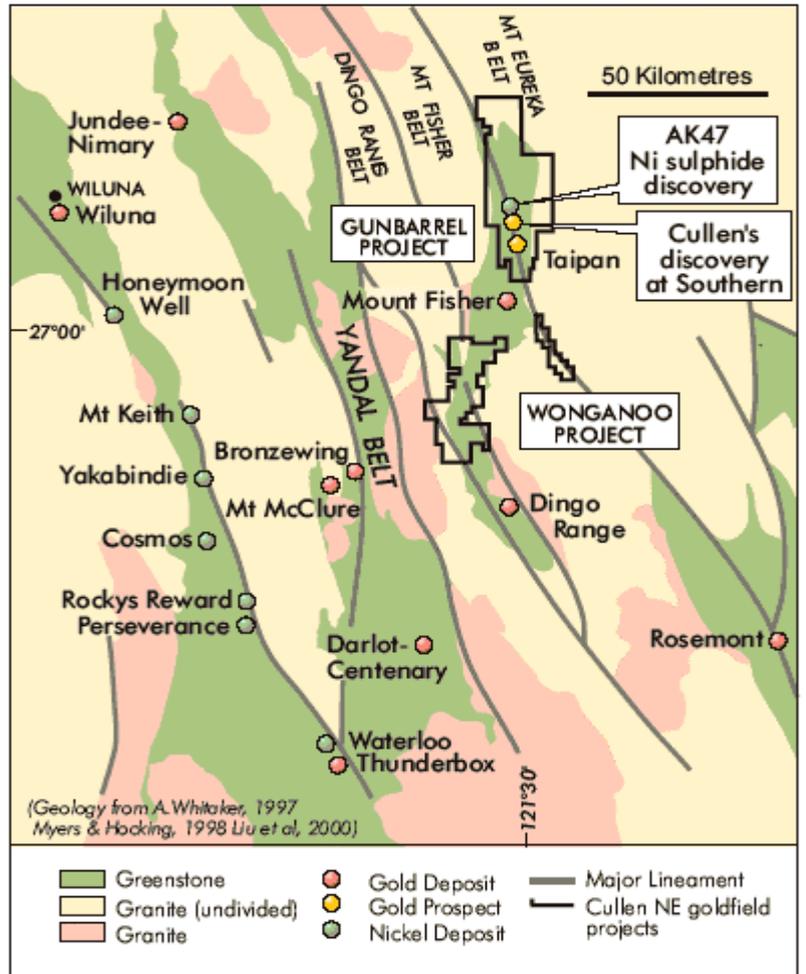
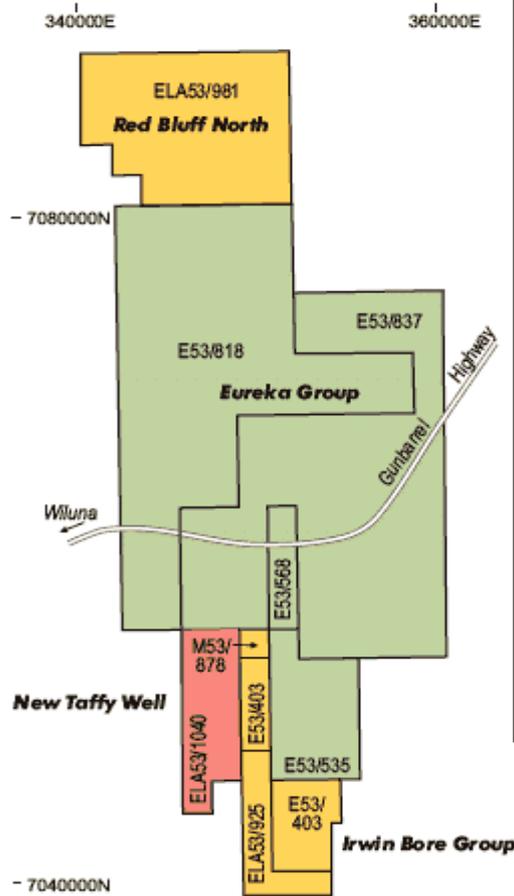
DUCHESS PROJECT AREA - Erle (EPM 11990) and Mayfield (EPM 12395).

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 has reported that an Indigenous Land Use Agreement has been completed with the Kalkadoon and Yulluna Native Title Claimant Groups. Regional and selected sequential infill gravity surveys will be undertaken during the December Quarter.

ATTRIBUTION

Information in this report which relates to mineralization 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 mineralization being reported on.



Gold Rights - Joint Venture Tenements

■ Cullen - Newmont

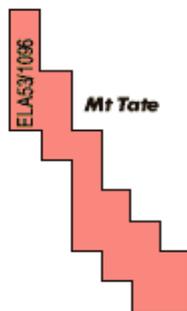
Nickel Rights - Joint Venture Tenements

■ Revesco Group Ltd - Cullen - Independence Group NL

■ Cullen - WMC Resources Ltd

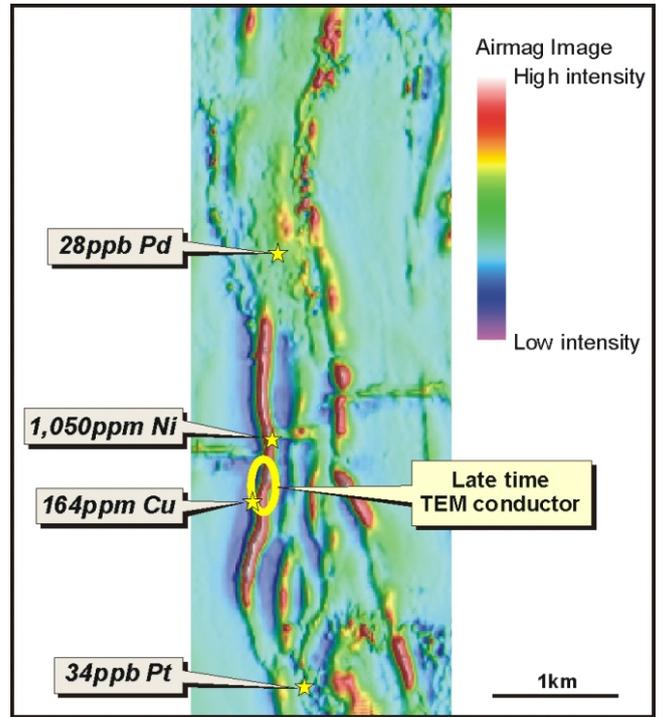
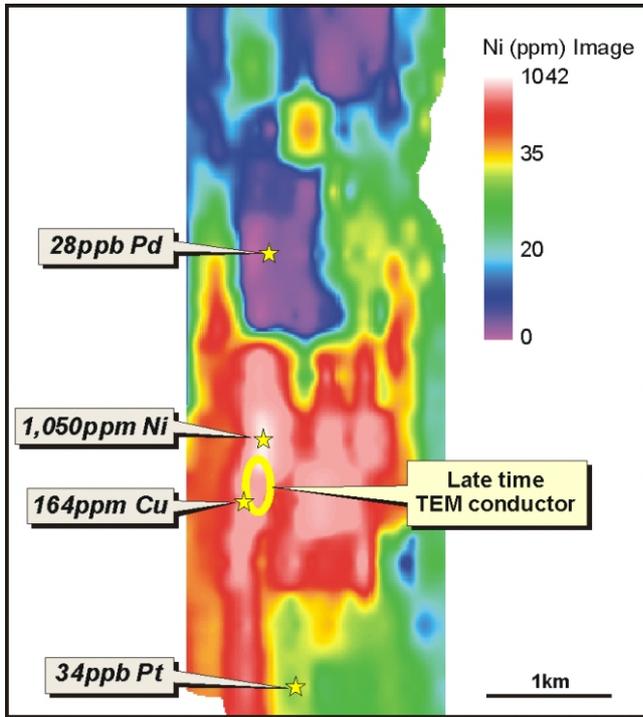
■ Cullen - Independence Group NL

5 kilometres

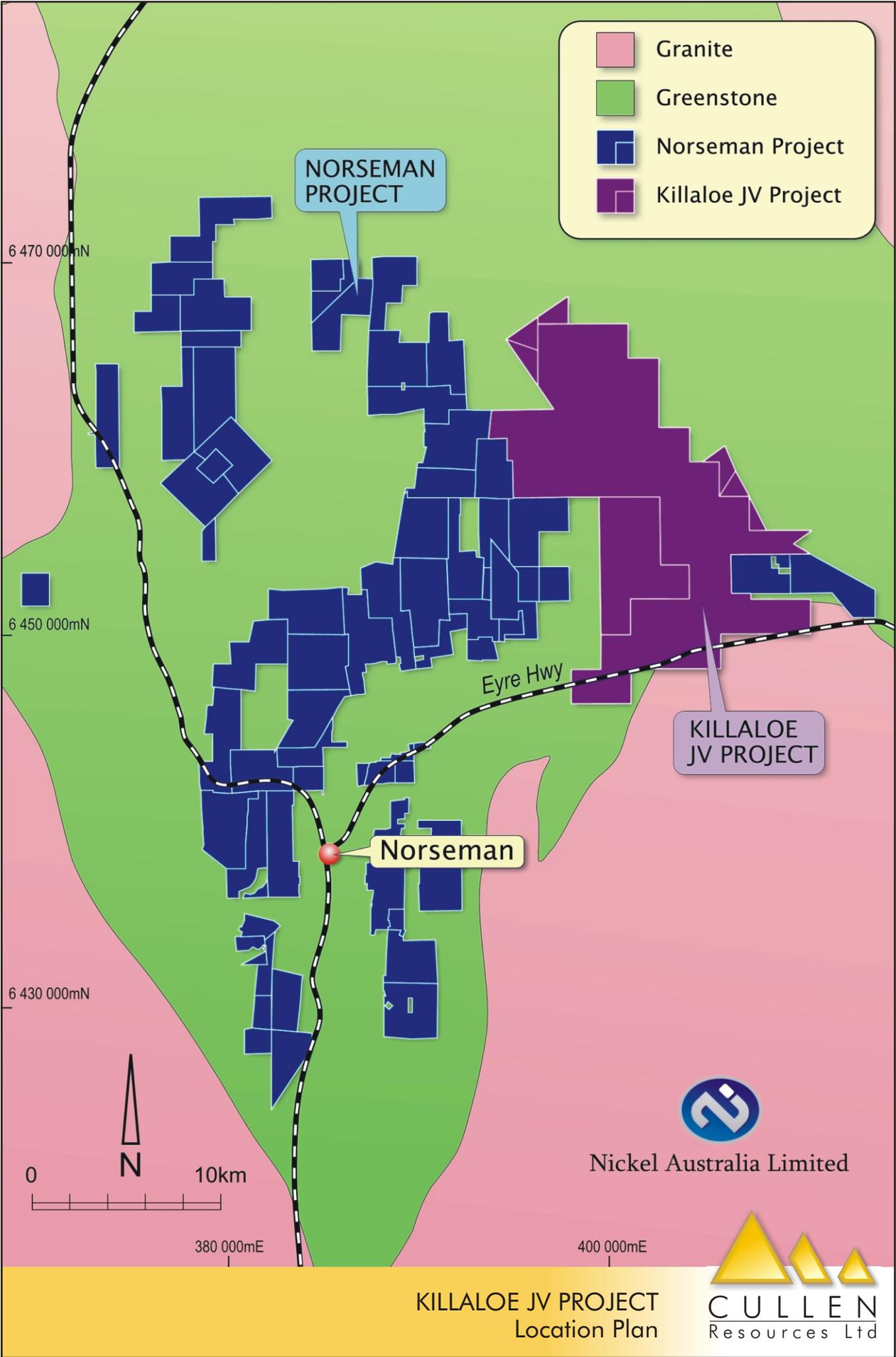


GUNBARREL PROJECT
Cullen Tenement Interests





IRWIN BORE JV
Soil Peak Values & EM Conductor Over Magnetics



- Granite
- Greenstone
- Norseman Project
- Killaloe JV Project

NORSEMAN PROJECT

KILLALOE JV PROJECT

Norseman

Eyre Hwy

6 470 000mN

6 450 000mN

6 430 000mN

380 000mE

400 000mE

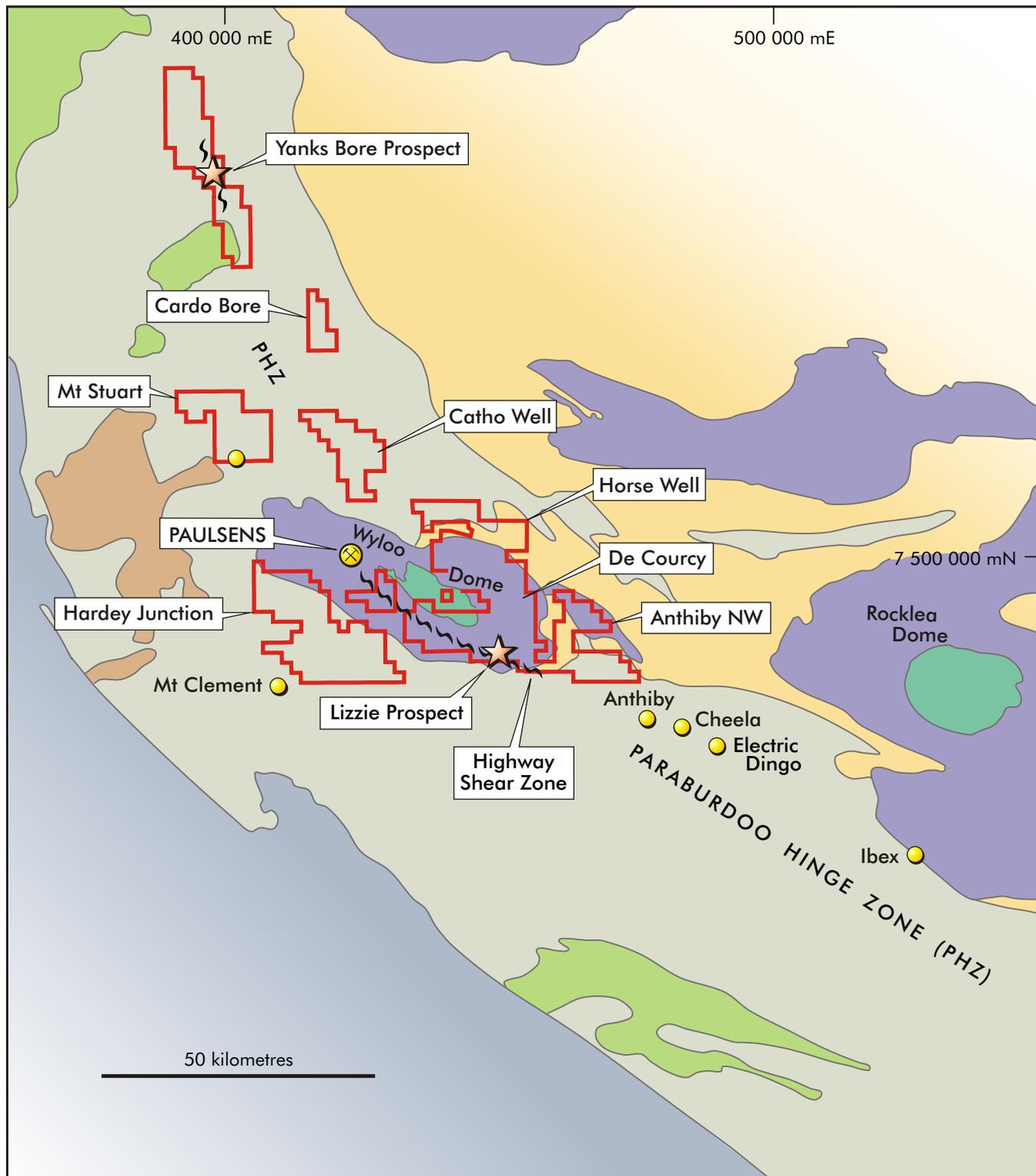


Nickel Australia Limited



KILLALOE JV PROJECT
Location Plan

CULLEN
Resources Ltd



- PROTEROZOIC**
- Mount Minnie Group
 - Boolaloo Granodiorite
 - Wyloo Group - Ashburton Basin
- ARCHAEAN**
- Hamersley Basin
 - Fortescue Group
 - Granite/greenstone

- ⊗ Gold mine
- Gold prospect
- ★ Cullen's recently completed drilling
- Cullen Tenement / Joint Venture

ASHBURTON PROJECT
Recent Drilling Location Plan

