



# CULLEN RESOURCES LIMITED

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## QUARTERLY REPORT FOR PERIOD ENDING

**30 JUNE 2005**

### HIGHLIGHTS

- The **Aquila Iron Ore Joint Venture** has reported that field mapping indicates potential for significant Channel Iron Deposits at Cardo Bore and Catho Well tenements.
- The **Gunbarrel Nickel Joint Venture (WMC)** intends to recommence on-ground exploration targeting nickel sulphide mineralization in September – subject to final budget approval.
- The **Gunbarrel Gold Joint Venture (Newmont)** has been finalized with exploration drilling comprising some 500 RAB holes set to commence in August.
- The **Irwin Bore Joint Venture (Independence Group)** plans to initiate drill testing of nickel sulphide targets at Irwin Bore in September subject to the successful completion of Heritage Clearance surveys planned for August.
- The discovery of a **quartz vein with visible gold** at the Cashel Prospect in the Killaloe Project area, has enhanced the project area's prospectivity along the Zuleika shear.
- The Company has applied for three new EL's in an area 100km SE of Paraburdoo W.A. which it considers are **prospective for uranium mineralization of the Ranger-Jabiluka type**.

## **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 has earned a 75% interest in nickel and base metal rights by spending \$1M, Cullen's 25% is free carried to Decision to Mine)**

During the Quarter, work on a refined geological interpretation was commenced and is designed to run parallel to targeting and drilling. The purpose of the new geological interpretation is to produce a structural and stratigraphic framework for the geology of the Gunbarrel project area with the emphasis of highlighting the ultramafic stratigraphy within the framework. Understanding the structural and stratigraphic context of the ultramafic stratigraphic framework is already proving useful in the AK47 prospect area, where the Joint Venture has previously discovered thin zones of massive nickel-bearing sulphide and associated, minor disseminated sulphides.

An exploration program, which will involve drilling and surface geophysical surveys, is now being prepared for management approval, with implementation anticipated in September, 2005.

**GUNBARREL GOLD/NEWMONT JOINT VENTURE - (Eureka Group, E53/568, E53/535, E53/818, E53/837, MLA's 53/868-870, and 1021-1047, Cullen 100%)**

As announced previously, a conditional agreement was reached with Newmont Exploration Pty Ltd (Newmont), a subsidiary of Newmont Mining Corporation, 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). Formation of the Newmont Joint Venture, for gold rights only, was contingent upon development of documentation satisfactory to WMC, Newmont and Cullen. The various agreements are close to finalization.

In preparation for on-ground exploration, Newmont has continued to analyse and review the Cullen database. A gravity survey has been completed across the entire project area, and 3D visualization and modeling has been used to interpret the geology and mineralization at the Southern Prospect.

Collectively, the results of this work have encouraged Newmont to plan diamond drilling to evaluate depth extensions beneath the Southern gold prospect, and plans to initiate

wide-ranging, first pass exploration drilling programs across a number of targets as soon as the documentation is finalized.

**A program comprising approximately 500 RAB holes has been drawn up in preparation for on-ground exploration, with contingency plans for 20 follow up RC holes and up to 2 diamond holes targeted at the deeper portions of the Southern Gold Prospect.**

**IRWIN BORE JOINT NICKEL VENTURE - (E53/403, 925 and 981, Cullen 90% Independence earning 65%)**

Cullen's 90% interest in the nickel rights for the Irwin Bore Project has been farmed out to the Independence Group NL (Independence). The CO2 Group Limited (formerly Revesco Group Ltd) owns the remaining 10% interest which is free carried to completion of a pre-feasibility study in the project.

This Joint Venture is situated immediately south of WMC Resources Ltd's AK47 massive sulphide discovery. Joint Venture manager, Independence Group NL, is systematically testing the strike extension of the AK47 ultramafic stratigraphy for nickel sulphides using a combination of soil geochemistry and surface TEM surveys. Interpreted bedrock conductors and coincident soil geochemical anomalies have previously been reported.

During the Quarter, systematic surface TEM surveying was completed over the target stratigraphy resulting in the identification of numerous bedrock conductors. These conductors have been ranked according to association with known and interpreted ultramafic stratigraphy and previously identified surface geochemical anomalism (up to 1,050ppm Ni).

A total of 9 high priority areas requiring drill testing has been delineated. A work program has been submitted for Heritage Clearance Surveying to enable first-pass aircore drill testing of these targets in the September quarter.

**WONGANOO GOLD/NICKEL PROJECT - (E 53/1046, ELA's 53/1030, 1069, and 1083 Cullen 100%, Cullen 80% in E53/988 with Quantum Resources Limited)**

A lag sampling programme (to comprise ~1000 samples on a 200 x 200m grid) was initiated in July. The sampling will target mainly gold prospective areas: along the western granite-greenstone contact including follow up of low-grade gold anomalies from previous very wide-spaced sampling (800 x 800m); and an interpreted NW-SE shear zone marked by a group of gold anomalies in previous lag sampling (to 9ppb Au).

## EASTERN GOLDFIELDS

### **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)**

From on-going interpretation and exploration work, Cullen has concluded that the Killaloe-Buldania break/shear zone in this project area is an extension of the Zuleika Shear, and that analogy to the Kundana, White Foil and Broads Dam gold deposits are valid targets types. These deposits along the Zuleika Shear, broadly consist of either high grade quartz veins, or moderate grade quartz stockworks and silicified shear zones localized along lithological contacts, often near cross-cutting fault.

The Killaloe/Zuleika Shear extends for over 15km of strike within the Killaloe tenements and includes several prospect areas as follows:

- Killaloe - old gold workings (pits and shafts) and abundant quartz veins localized along a 300° structural trend/splay from the Killaloe/Zuleika shear (330°). This splay is coincident with a linear, aeromagnetic, "low" feature.
- Cashel - where gold mineralization (up to 6m @ 1.32 g/t Au from 30m) has been intersected in previous drilling in quartz veins hosted by sheared basalt close to the Killaloe/Zuleika shear and a series of interpreted N and NNE trending faults; and,
- Windy Hill - where gold mineralization, indicated by previous drilling, is coincident with the Killaloe/Zuleika shear which in this section includes shale and conglomerate lithologies in contact with basalts, and faulting along N-S trends.

Cullen has now completed a short programme of follow up RAB hammer drilling at these three prospects, and two targets within the project area. The programme comprised **41 holes for 1502m** of drilling both beneath and across the positions of shallow, gold anomalies from previous wide-spaced drilling; and drilling beneath and along strike from a visible gold-bearing quartz vein (about 30cm wide) discovered near surface from prospecting within the Cashel soil anomaly .

The best intersection of **2m @ 5.99 g/t Au from 20m** was immediately along strike from a gold-bearing quartz vein at Cashel, with 5m @ 0.38 g/t Au at the Windy Hill prospect. Drilling immediately behind the gold-bearing quartz vein at Cashel did not record any significant gold mineralization, and the occurrence appears to be small and/or structurally isolated.

Although the drilling completed to date at these prospects has not outlined any gold zones of economic interest, the occurrence of significant amounts of visible gold in the thin quartz vein within the Killaloe project area (**at Cashel a sample of the gold bearing**

**quartz vein assayed 960 g/t Au )** is a indication of the high prospectivity of the target structural corridor. The Cashel prospect lies close to the contact of basalt and black shales/siltstones along a major shear corridor in a relatively under-explored (very limited drilling below 50m) region lying 30km south east of Higginsville and 20km north east of Norseman. More detailed exploration in this project area is clearly warranted.

**KILLALOE NICKEL JOINT VENTURE - (E63/722, E63/765, Ps 63/1131-1133, 1172-1174, Cullen 100%, Nickel Australia Ltd can earn 70% of the nickel rights 7.5% NPI to Xplore Pty Ltd applies to these tenements)**

The Joint Venture document has now been finalized and Nickel Australia as Manager plans to initiate on ground exploration in October.

## **ASHBURTON PROVINCE**

Cullen holds a strategic position in the NW sector of the Ashburton Gold Province, including a number of projects areas along the Paraburdoo Hinge Zone - a 300km long set of regional structures which host a number of gold deposits and prospects (see Figure) The Company has in place: a Joint Venture with Aquila Steel Pty Ltd (Aquila), to explore for iron ore on a group of Cullen's tenements; and a farm-in agreement with NuStar Mining Corporation Ltd (NuStar) to explore for gold (see Figures).

NuStar Mining Corporation Limited has now commenced exploration. Similarly Aquila has taken over management of the Joint Venture tenements.

**IRON ORE JOINT VENTURE – (E08/1135; E08/1330; E08/1341; E08/1375 and E08/1292 – Aquila Steel Pty Ltd/API can earn 70% in iron ore deposits)**

A field mapping and sampling program was completed on three tenements, Cardo Bore (E08/1341), Red Hill (E08/1135) and Catho Well (E08/1330).

Field inspection and mapping of the Tertiary paleochannels at Cardo Bore and Catho Well projects indicate that the CIDs (Channel Iron Deposits) are well preserved. The Red Hill CID, which extends over 6 km, is less well preserved.

The Tertiary paleochannels at Cardo Bore and Catho Well occur as semi-continuous breakaway mesas, both approximately 6 km long. The volumes, and hence tonnages, of CID that occur within these tenements may be significant.

The CIDs at Cardo Bore and Catho Well consist of fine to medium-grained granular pisolites (haematite core with goethite cortices and matrix) in addition to minor angular and rectangular haematitic fragments derived from fossilized wood. This iron-rich pisolite is directly comparable with published description of channel iron deposit pisolite at operating mine sites such as Robe River and Yandi. Traverses of surface rock chip sampling indicate that the iron content of the CID averages 53% (Cardo Bore) and 55% (Catho Well) respectively, with moderate silica and alumina and low trace elements.

These results are also comparable to, and consistent with rock chip chemistry of CIDs currently being mined.

**The CIDs on the Iron Ore JV tenements at Cardo Bore and Catho Well may host significant iron deposits. The geology, chemistry, and the potential size of the occurrences make them priority targets for accelerated exploration.**

#### **TUNNEL CREEK PROJECT – ELA’s 52/1890-1892 (Cullen 100%)**

The Company has applied for three new exploration licences in an area approximately 100km SE of the town of Paraburdoo in W.A. These applications, comprising ~600km<sup>2</sup>, cover the faulted and/or unconformable contacts of the Bresnahan Group conglomerates, sandstones and mudstones of Palaeoproterozoic Age, in the vicinity of a number of known uranium prospects and mapped occurrences of uranium mineralization (see Figure). Cullen considers that the general area of this unconformity and associated local faulting is prospective for uranium mineralization similar in style to that of the world class, Ranger and Jabiluka deposits in the Alligator River Region of the Northern Territory

One of the tenement applications includes mapped residual and supergene occurrences of uranium mineralization (GSWA Report 64) near the faulted contact of Bresnahan Group sediments with underlying rocks of the Wyloo Group. This application and a second application is along strike from (and surrounds) “Nobbys Anomaly” with reported drill intersections of 2.2m @ 0.74 % U<sub>3</sub>O<sub>8</sub>.

Cullen will now undertake a detailed review and compilation of previous exploration results together with field reconnaissance and prospecting programmes.

#### **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%)**

There was no field work completed during the Quarter. Joint Venture partner Udu Resources Ltd has been placed in Administration. Cullen has preemptive rights.

## **EXPLORATION ACTIVITIES – NEW SOUTH WALES**

**CENTRAL LACHLAN INTRUSIVE-RELATED GOLD PROJECT (EL's 6168, 6206, 6227 , 6207, 6220, 6235, 6257, 6256, Cullen 100%; option to purchase - EL's 5891 and 6020 from Mr Denis Walsh, Yalgogrin Prospect Area)**

The Company has agreed terms for the sale of its New South Wales tenement package to Condor Mining Corporation Ltd, a proposed new IPO headed by Mr. Martin Blakeman and Mr. Peter Anderton. Subsequently Condor has changed its name to Mantle Mining Corporation Limited, with a portfolio of properties in NSW, Victoria and Queensland with a focus on gold exploration and mining.

The Consideration for the sale of Cullen's tenements, which is subject to a number of terms and conditions, is:

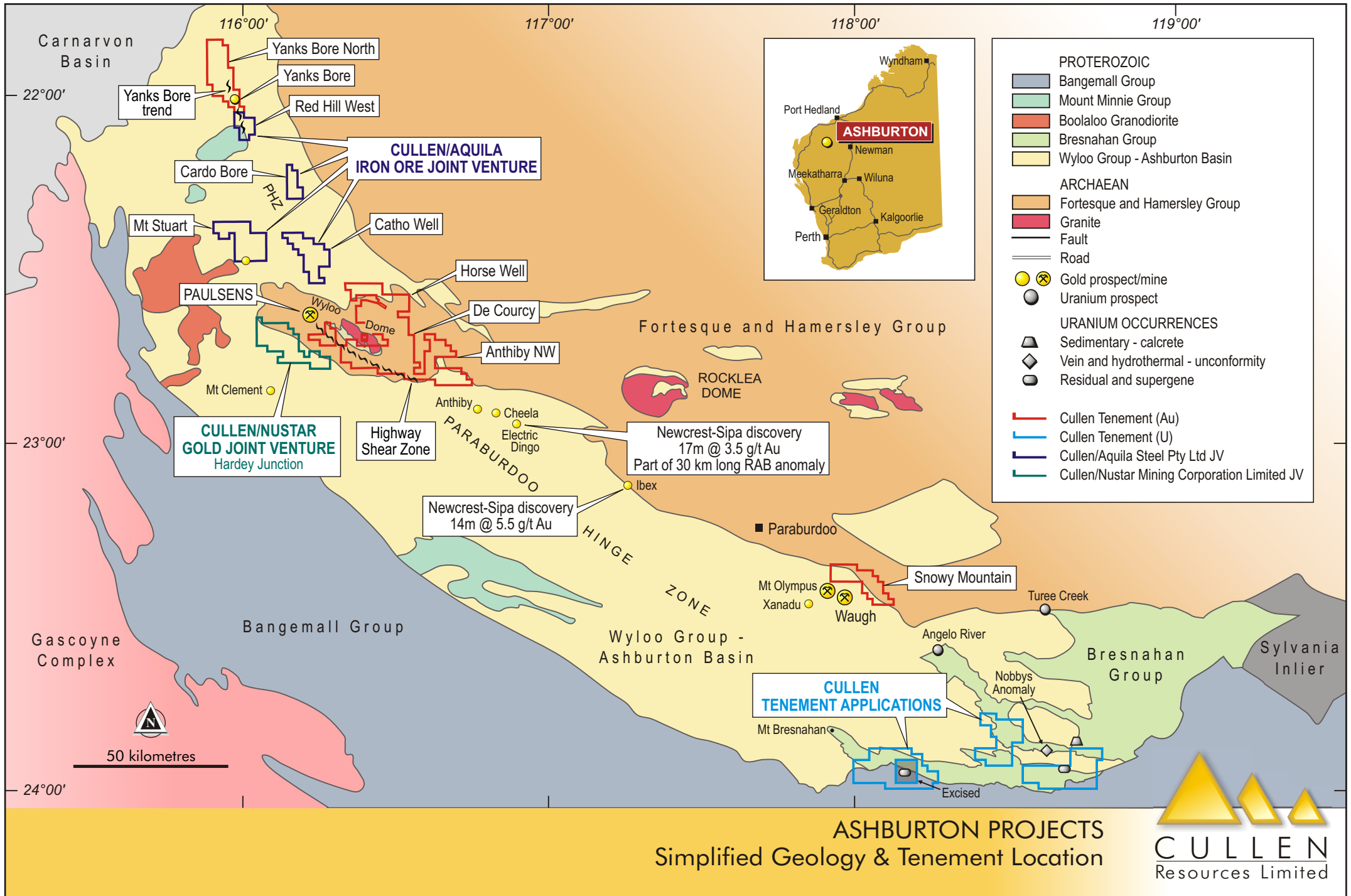
**\$850,000, to be satisfied by the issue of 4,250,000 fully paid ordinary 20c shares in the capital of Mantle.**

Mantle has completed and is now marketing an Information Memorandum to complete a seed capital raising, and plans to seek a listing on the ASX during the last Quarter of 2005.

## **EXPLORATION ACTIVITIES – QUEENSLAND**

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

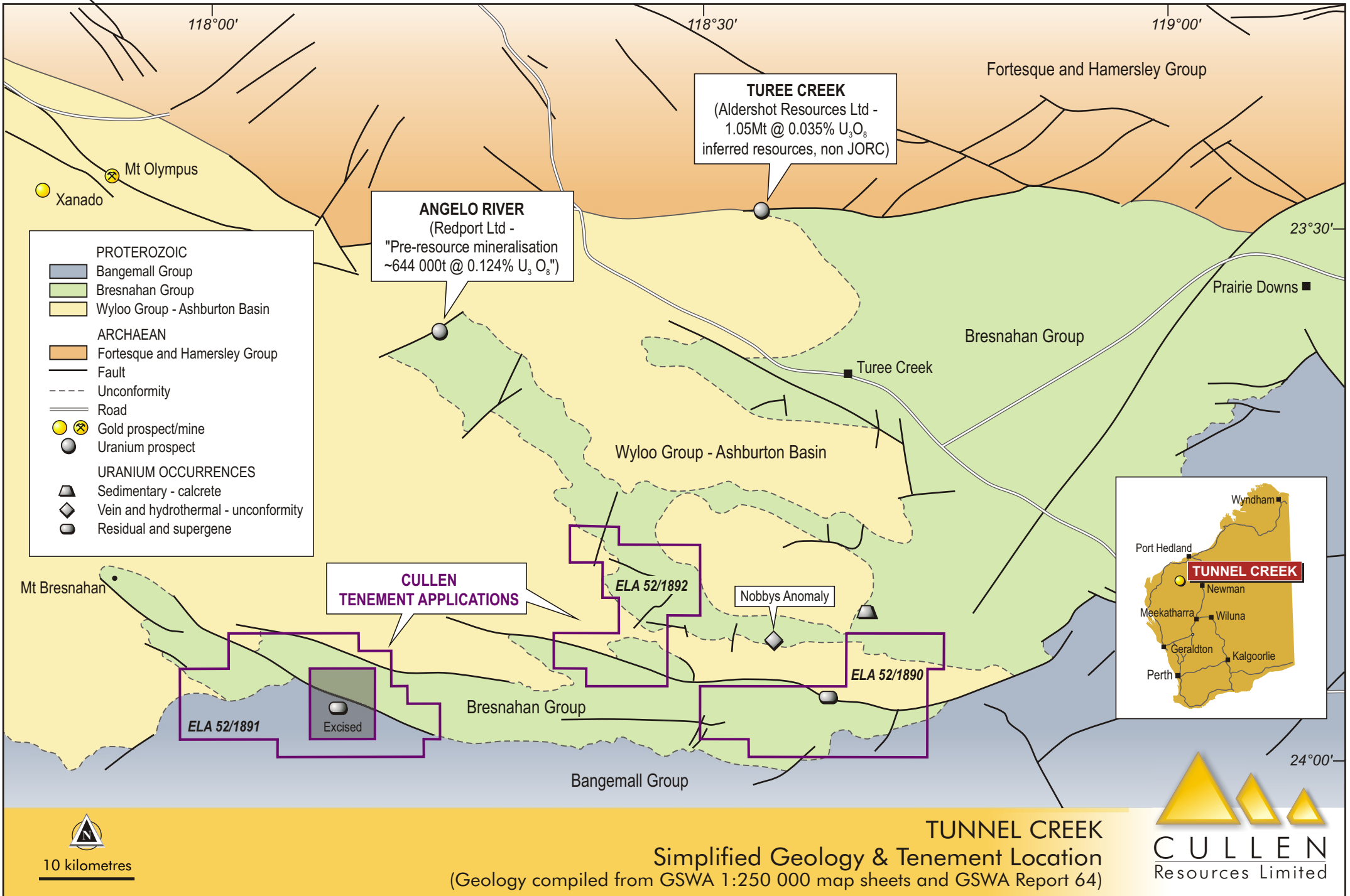
No field work occurred during the Quarter.



**ASHBURTON PROJECTS**  
Simplified Geology & Tenement Location







**TUREE CREEK**  
 (Aldershot Resources Ltd -  
 1.05Mt @ 0.035% U<sub>3</sub>O<sub>8</sub>  
 inferred resources, non JORC)

**ANGELO RIVER**  
 (Redport Ltd -  
 "Pre-resource mineralisation  
 ~644 000t @ 0.124% U<sub>3</sub>O<sub>8</sub>")

**CULLEN  
 TENEMENT APPLICATIONS**

- PROTEROZOIC**
- Bangemall Group
  - Bresnahan Group
  - Wyloo Group - Ashburton Basin
- ARCHAEAN**
- Fortesque and Hamersley Group
- Geological Features:**
- Fault
  - Unconformity
  - Road
- Prospects:**
- Gold prospect/mine
  - Uranium prospect
- URANIUM OCCURRENCES**
- Sedimentary - calcrete
  - Vein and hydrothermal - unconformity
  - Residual and supergene



10 kilometres

**TUNNEL CREEK**  
 Simplified Geology & Tenement Location  
 (Geology compiled from GSWA 1:250 000 map sheets and GSWA Report 64)

