



ABN 46 006 045 790

## QUARTERLY REPORT

for the period ended 31 December 2012

[www.cullenresources.com.au](http://www.cullenresources.com.au)

ASX Symbol: CUL

29 January 2013

## HIGHLIGHTS

### ❖ North Eastern Goldfields, W.A. – Ni and Au

During the Quarter, Cullen Resources Limited (Cullen) focused on target identification for **gold and nickel deposits in the Mt Eureka Greenstone Belt** – including ground adjoining and along strike of a new nickel sulphide discovery reported by Rox Resources Limited (ASX:RXL) at Fisher East, located ~3km south of Cullen's tenements.

Priorities for exploration in the current quarter at Mt Eureka are as follows:

1. Completion of an airborne electro-magnetic (EM) survey to the north and along strike from Fisher East;
2. Completion of ground EM, soil sampling and/or prospecting as soon as possible and where required, on any newly-defined (e.g. north of Fisher East) and/or known EM conductors (central and northern areas of Mt Eureka project area) for target prioritization; and,
3. RC drill testing of known and newly-defined airborne EM and/or ground EM conductors for nickel, and air core/RAB drilling of gold targets, upon receipt of statutory authority.

### ❖ Murchison Region, W.A. – Cu and Au

Cullen proposes further testing of VTEM anomalies, initially using ground EM and/or air core drilling, at the North Tuckabianna project.

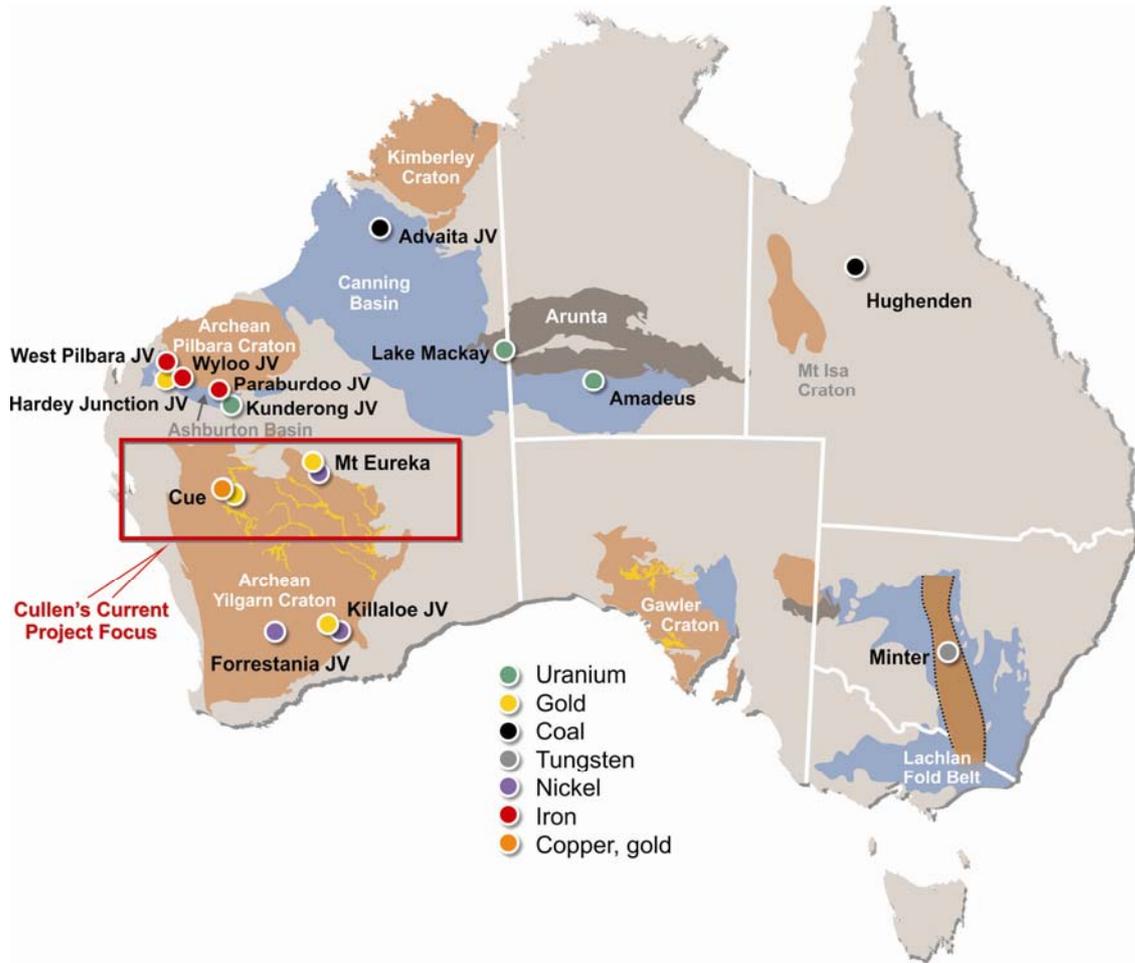
### ❖ West Pilbara, W.A. – Iron Ore

RFC Ambrian Ltd, as corporate advisors, is continuing to assist Cullen in matters relating to funding and/or value realisation alternatives for its interest in the **Mt Stuart Iron Ore Joint Venture (MSIOJV)** project, West Pilbara, W.A., which includes the Catho Well Deposit: **(70 Mt @ 54.81% Fe Reserve, Cullen 30%)**.

REGISTERED OFFICE: Unit 4, 7 Hardy Street, South Perth WA 6151.

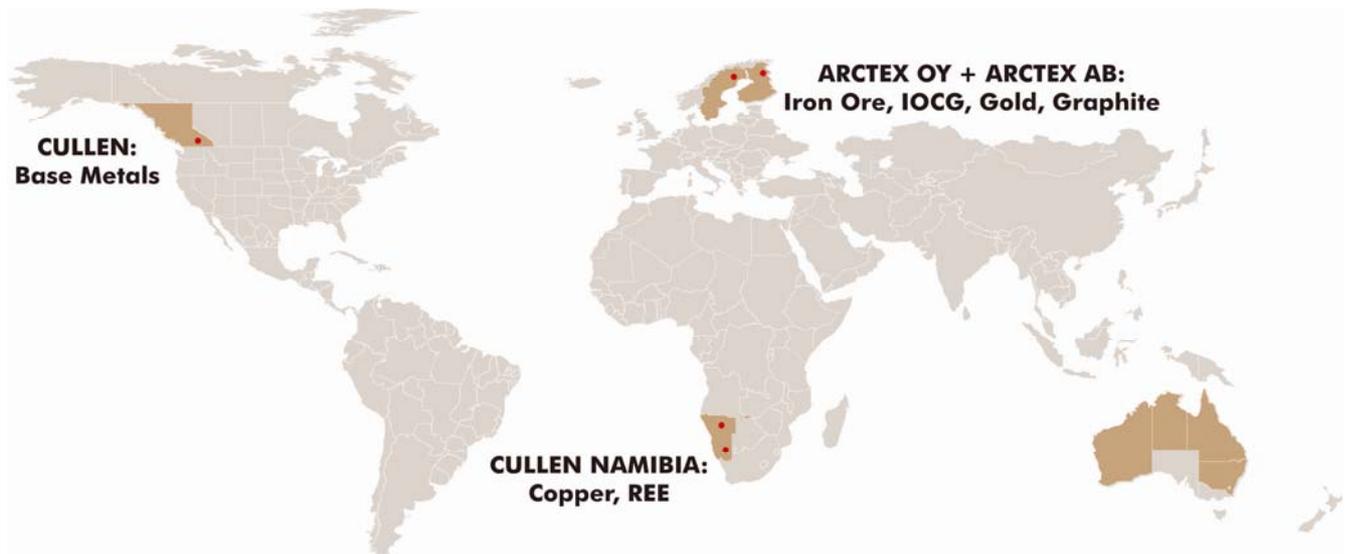
Telephone: +61 8 9474 5511 Facsimile: +61 8 9474 5588

CONTACT: Dr. Chris Ringrose, Managing Director. E-mail: [cullen@cullenresources.com.au](mailto:cullen@cullenresources.com.au)



❖ Overseas

During the Quarter, Cullen received results from its first pass drilling at the TL base metals property in BC, Canada; provided an update for its graphite prospects in Finland; and commissioned a structural interpretation of its target areas near Tsumeb in Namibia. Cullen is planning a field review of targets within the Kalahari Copper Belt in Namibia on Cullen's granted tenure in the current Quarter.



## IRON ORE PORTFOLIO

### WEST PILBARA, W.A. – Iron

**MT STUART IRON ORE JOINT VENTURE (MSIOJV)** – ELs 08/1135, 1292, 1330, 1341, API JV 70%, Cullen 30%. Cullen retains 100% of Other Mineral Rights

The **MSIOJV** is between Cullen - 30%, and API Management Pty Ltd (“API”) - 70%. The shareholders of API are the parties to the unincorporated joint venture known as the Australian Premium Iron Joint Venture (APIJV). The participants in the APIJV, Aquila Steel Pty Ltd (a subsidiary of Aquila Resources Limited, ASX: AQA) 50%, and AMCI (IO) Pty Ltd 50%, have not yet reached an agreement on a proposed budget for FY 2012-2013 for that joint venture and in the interim have moved to minimum expenditure budget which ensures that the interests of the West Pilbara Iron Ore Project are protected.

A programme and budget for the MSIOJV has been provided to Cullen and is on the agenda for the MSIOJV management committee to be held on 5 February 2013.

In addition, as advised by API, during the December Quarter,

- The Catho Well Mining Strategy has been completed;
- Drafting of Native Title Agreement documents was commenced, to support approval of Mining Lease application MLs 08/481 and 08/482, and in anticipation of finalisation of agreements with the groups by mid-2013;
- Compliance obligations related to the existing mining environmental approval continued and secondary approvals were progressed; and,
- Work on a new Mining Reserve for Catho Well continued with planned completion during the June quarter.

No exploration work was undertaken.

#### Corporate Advisors

Cullen has appointed RFC Ambrian Ltd as corporate advisors to assist in matters relating to funding and/or value realisation alternatives in relation to its interest in the **MSIOJV** – see Cullen's ASX announcement of 26 July, 2012.

### WEST PILBARA, W.A. – Iron

**WYLOO JV** – Iron Ore Rights JV with Fortescue Metals Group Ltd (Fortescue) - Fortescue has earned 51% and may earn 80%, Cullen 20%. Cullen retains 100% of Other Mineral Rights - EL08/1393, ELs 47/1154,1649, 1650.

The Wyloo Project lies within Fortescue's proposed “Western Hub” mining centre, and just south of Cullen's, 30% - owned Catho Well Channel Iron Deposit. Fortescue has provided a Maiden Resource Estimate of 16.9 Mt @ 57.11% Fe, for the Wyloo South Bedded Iron deposit, classified as Inferred.

**PARABURDOO JV** – Iron Ore Rights JV with Fortescue Metals Group Ltd (Fortescue), Cullen retains 100% of Other Mineral Rights - EL52/1667

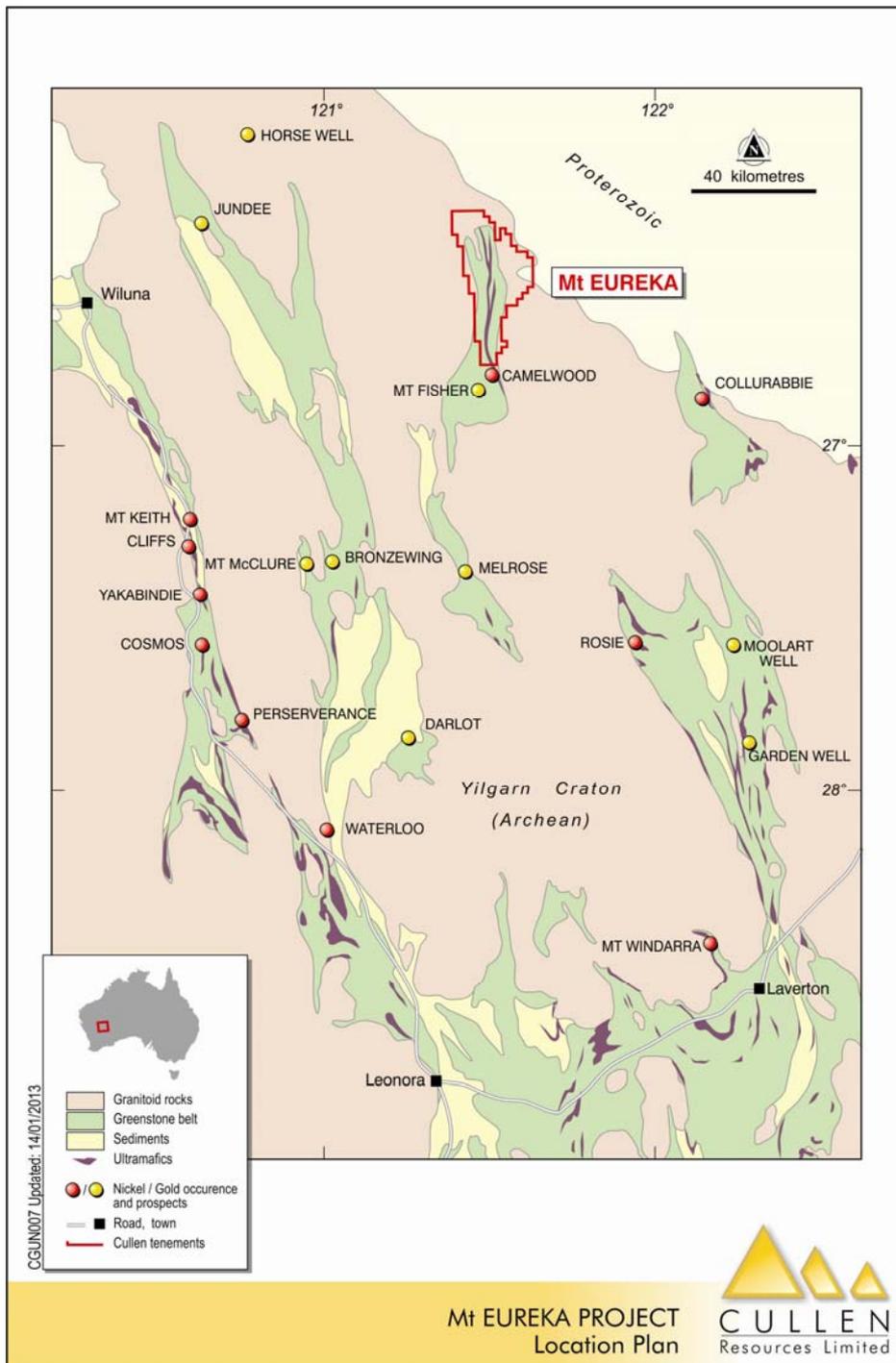
Fortescue can earn up to an 80% interest in the iron ore rights on Cullen's EL52/1667 (Snowy Mountain), located ~ 25km south east of Paraburdoo in the Pilbara Region of Western Australia. The tenement includes potential for bedded iron deposits within the Brockman Iron Formation, along strike from the Paraburdoo and Channar Groups of iron deposits. Further work is planned to follow up this drilling over the next 2 years.

# BASE METALS AND GOLD PORTFOLIO

## NORTH EASTERN GOLDFIELDS, W.A. – Gold and Nickel

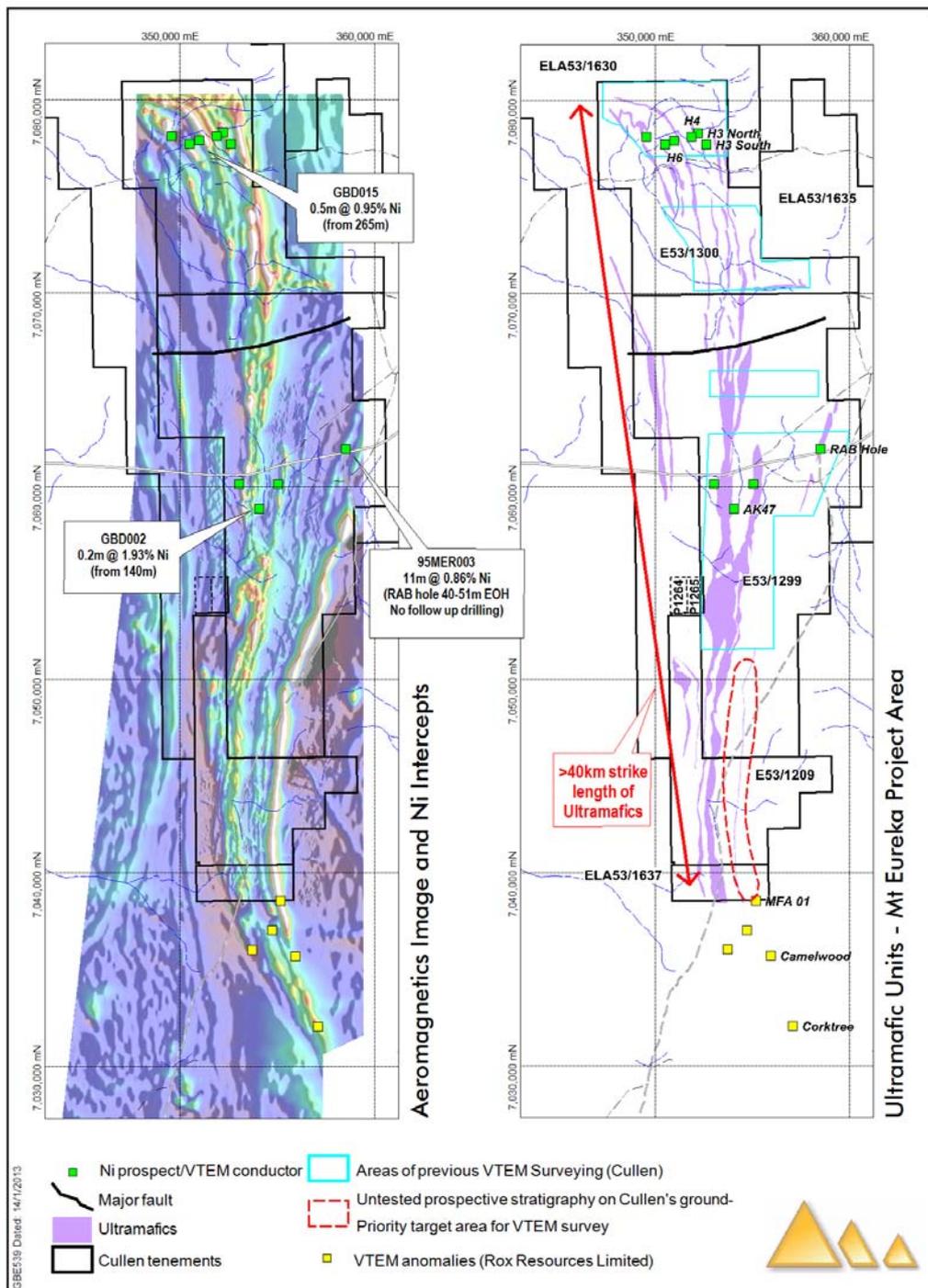
**Mt Eureka Greenstone Belt** – ELs 53/1299, 1300, 1209, ELAs 1630, 1635, 1637 and PLs 53/1264,1265, Cullen 100%

Cullen has progressively reviewed its extensive database, and has undertaken field assessments of the nickel and gold prospectivity of its project (~650km<sup>2</sup>) in the Mt Eureka greenstone belt (see Figure). Regional data and models for new minerals discoveries by others, such as “Rosie” – nickel (Independence Group NL and South Boulder Mines Ltd) and “Garden Well” – gold (Regis Resources Limited) in the Duketon greenstone belt, and at Fisher East (Rox Resources Limited) ~ 3km south of Cullen’s southern tenement boundary, have been taken into consideration when identifying Cullen’s priority target areas (see Figures) as follows.



Nickel targets include (see Figure below):

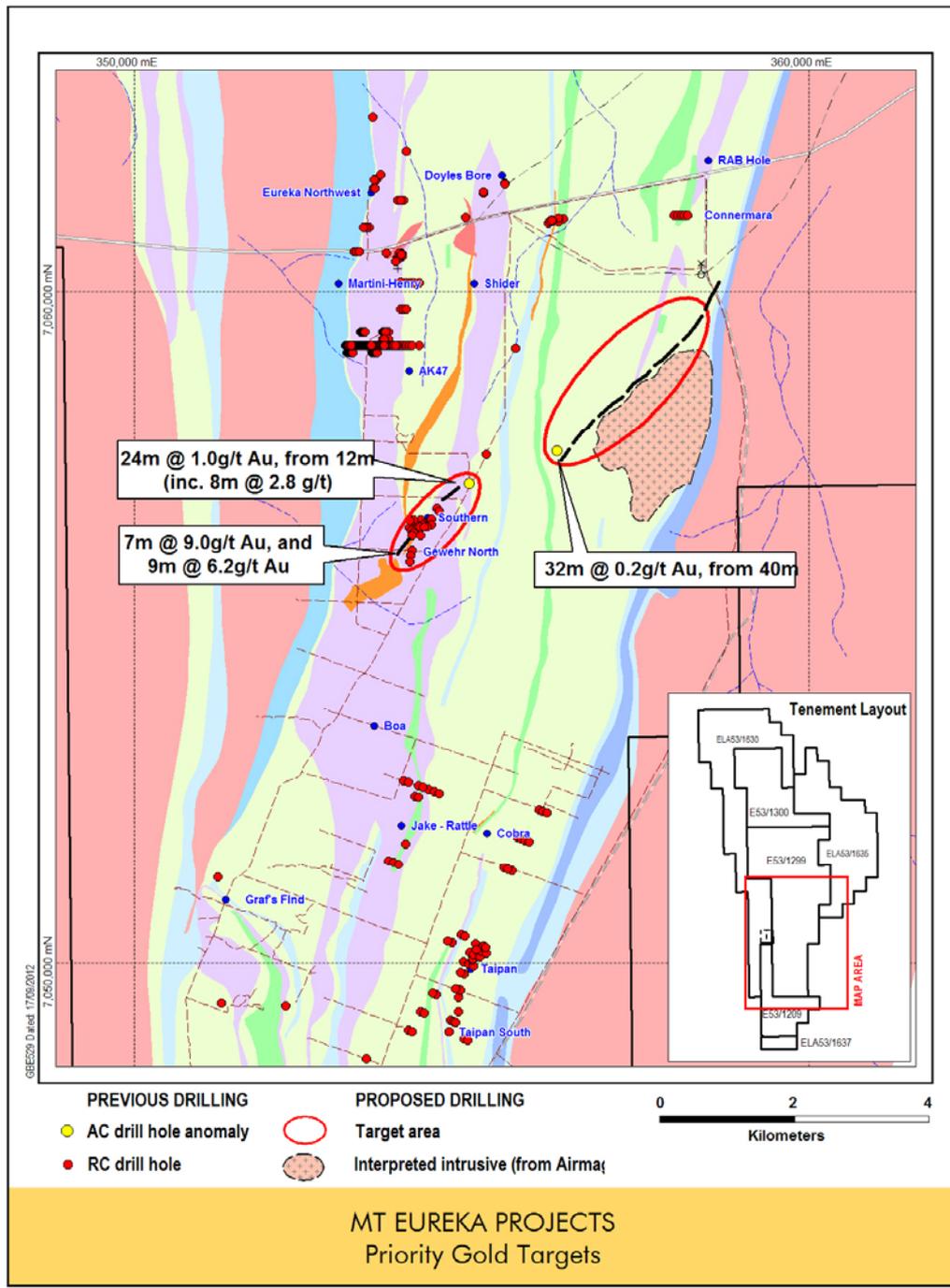
- Some 10km of untested, highly prospective stratigraphy in the southern part of Cullen's tenure adjoining the recent discovery of Ni sulphides by Rox Resources Limited (Rox), including a strong VTEM anomaly ("MFA\_01") on the boundary between Rox's and Cullen's tenure;
- "AK47" (0.2m @ 1.93% Ni from 140m) - where further ground EM and drilling is warranted;
- the eastern RAB anomaly (11m @ 0.86 % Ni) - where ground EM is planned;
- Several VTEM and ground EM anomalies near "GBD 15" (0.5m @ 0.95% Ni) - where further RC drilling is required.



Gold targets include (see Figure below) :

- The northern and southern extensions of the **Eureka North West** mineralisation, where previous intersections of gold in conglomerate include: **8m @ 2.92 g/t Au**. The conglomerate/greenstone contact is interpreted to continue for some 10km to the north and has not been tested by systematic drilling to date;
- The northern and southern extension of the **Taipan** shear zone - the Taipan target area has a best drill intercept of **22m @ 2.1 g/t Au, including 6m @ 5.0 g/t Au**. It is a robust mineralised system of quartz veining, pyrite and carbonate alteration hosted by sheared mafic schists over a strike length of 700m and up to 100m wide (91m @ 0.3 g/t Au in "DDH1" from 133m) and open to the north and south; and,
- The **Southern – Southern Extended** shear zone under cover to the north east including previous drill anomalies in air-core of **24m @ 1.0g/t Au and 32m @ 0.2 g/t Au for follow-up**.

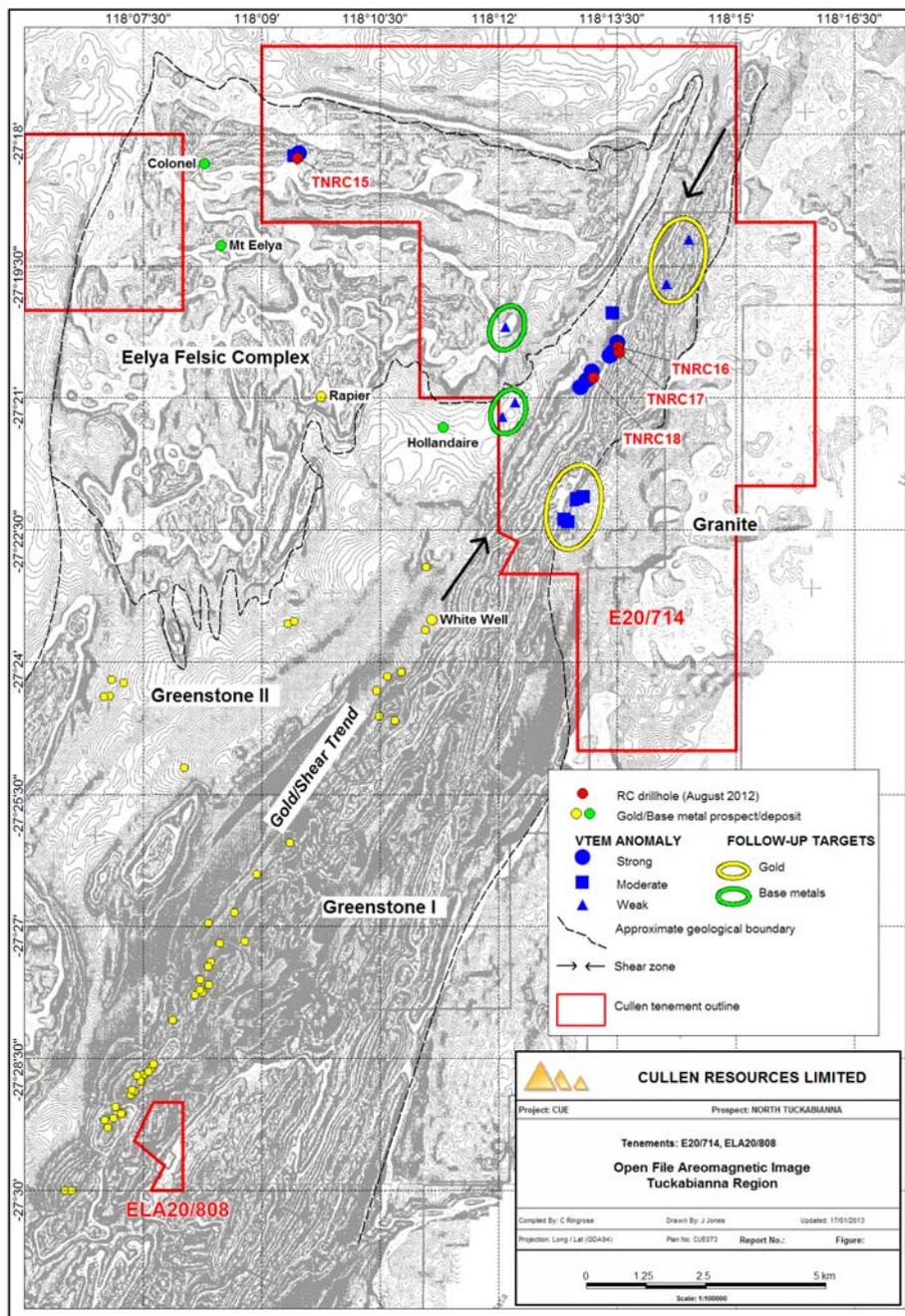
Cullen has commenced the process of obtaining heritage clearance for drilling across these gold targets.



# MURCHISON, W.A. – Gold and Base Metals

**NORTH TUCKABIANNA, near CUE – EL 20/714, ELA 20/808 Cullen 100%.**

Cullen has previously drilled four high priority EM conductors defined from downhole surveying at its North Tuckabianna copper/gold project (EL20/714, ELA 20/808; 100% Cullen). This drilling (TNRC 15 – 18) intersected semi-massive and disseminated sulphide (mainly pyrite and pyrrhotite) in three of four holes, close to the depths of the modelled conductor plates. The host is dominantly felsic to intermediate rock with strong quartz veining and alteration and thin units of mafic to ultramafic rocks and metasediment. Several lower-order VTEM anomalies remain to be tested, initially using A/C drilling and/or ground EM. In particular two “weak” VTEM anomalies located just east of Silver Lake Resources’ (ASX: SLR) Hollandaire deposit, appear to be along strike and in the same stratigraphy (within Cullen’s interpreted “Greenstone II” sequence - see Figure). These anomalies may be deeper-seated conductors. A group of “moderate” VTEM anomalies also occur on the eastern margin of the greenstone belt and close to or within an interpreted Banded Iron Formation and warrant further exploration as gold targets.

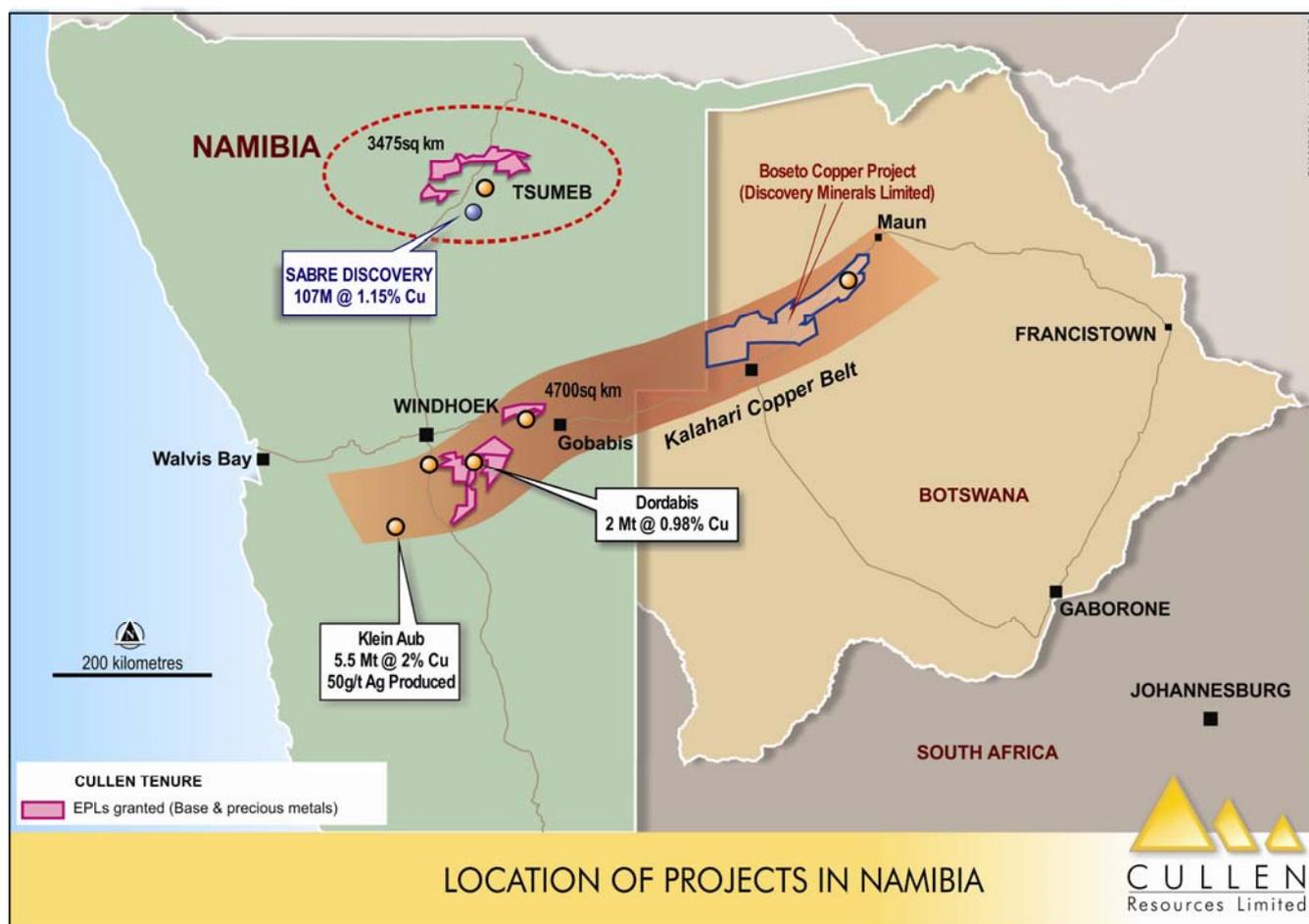


## NAMIBIA – Copper and REEs

Cullen Resources Namibia (Pty) Ltd holds ~8,000km<sup>2</sup> of prospective ground in Namibia targeting: large, sediment-hosted, African copper belt-type deposits; Tsumeb-type base metal deposits; and Rare Earth Elements (REEs) in carbonatites.

In prioritizing targets in the Kalahari Copper Belt (KCB), Cullen has focused on structurally complex areas of the Tsumis Group strata that include the thick (up to 4000m), red-bed clastic, **Doornpoort Formation**. Known copper mineralisation in the Tsumis Group rocks includes the deposits at **Klein Aub**, **Kojeka** and **Witvlei** area, which appear to be generally similar to the copper occurrences in the Botswanan section of the KCB.

Near Tsumeb, aeromagnetic data interpretation by Cullen has identified several significant anomalies for ground follow-up. These targets are prospective for carbonatite-hosted rare earths mineralisation or Tsumeb-style base metals mineralisation. A cost-effective exploration approach involving geochemical sampling across the targets for further prioritization followed by reconnaissance drilling of high-priority targets is planned for the 2013 field season.



## CANADA, TL Property – Base Metals and Graphite

Assays were received for a small reconnaissance diamond drilling programme (six diamond drill holes totaling 463m) completed at the "TL" base metal property in British Columbia, Canada, in which Cullen can earn 80%. Drilling was designed to test a gossan with high-grade zinc and highly anomalous Mo and Re, and the northern section of a discrete magnetic and the "C-03" electromagnetic (EM) anomaly of approximately 600m length.

The drilling intersected semi-massive, disseminated and interstitial pyrrhotite, pyrite and sphalerite in multiple zones up to ~1m thick, in sections about 5-7m thick, within a calcisilicate - graphitic quartzite rock in holes 3, 4 and 5. Best intercepts of zinc mineralisation, are shown below:

Hole ID	Easting	Northing	Azi (Deg)	Dip (Deg)	EOH (m)	From (m)	To (m)	Width (m)	Zn (%)
TLDD-12-01	387820	5606886	060	-60	28	18.00	20.00	2	0.97
TLDD-12-02	387820	5606886	060	-45	21	12.25	15.25	3	0.12
TLDD-12-03	387892	5606894	255	-45	96	9.00	21.00	12	0.29
Including						13.00	14.00	1	1.58
TLDD-12-04	387873	5606924	255	-45	111	10.00	23.00	13	0.76
Including						13.00	15.16	2.16	2.66
And						22.00	23.00	1	2.10
TLDD-12-05	387846	5606952	255	-45	117	12.90	15.00	2.1	2.14
And						20.00	26.00	6	0.76
Including						20.00	22.00	2	1.63

Table: Zinc intervals in drill holes 1 to 5

This drilling has confirmed the presence of zinc mineralisation in massive sulphide beneath the surface gossan zone, but has only tested it to a vertical depth of about 20m. Further drilling is clearly warranted:

- to evaluate the down-dip potential of the Zn zone as well as the potential along strike;
- to evaluate other portions of the large "C-03" magnetic and EM anomaly; and,
- to evaluate a number of other discrete EM conductors and magnetic targets interpreted from Cullen's HeliTEM survey data as possible massive sulphide mineralisation targets occurring within the project area.

## FINLAND – Graphite

In early 2012, Cullen commenced a review of graphite opportunities in Finland following the release of information by Talga Gold Limited (ASX:TLG) concerning the Nunasvaara graphite deposit in northern Sweden.

Cullen has lodged four Ore Prospecting Licence applications (Exploration Licence equivalents) and four Claim Reservation applications over seven graphite prospects in the name of its wholly-owned, Finnish-registered subsidiary company. These prospects have previously been explored for graphite and/or base metals by the Geological Survey of Finland (Geologian tutkimuskeskus or GTK) and companies, mostly in the period 1970-2000. Graphite's metallurgical characteristics for other industrial uses were not, or only partly, investigated. Existing databases for these graphite prospects include aerial and ground geophysical surveys, geological maps and diamond drill cores stored at the Geological Survey of Finland.

In October 2012, a Finnish consultant geologist reviewed certain diamond cores stored by the GTK's at Loppi in southern Finland for Cullen, and photographed and sampled the core for further tests. Cores from the **Polvela, Viistola, Aitoo and Tunturi** prospects were examined with flake graphite observed in the latter three. One or two samples from each section of core examined have been collected for further analysis and testing.

Cullen will continue to investigate the prospect areas it has identified and arrange access in key positions. These are advanced prospects with indications of potential multi-million tonne Exploration Targets<sup>1</sup> of fine to flake-size graphite from work completed to date (from available information, the Exploration Target range is **1 to 5 Mt at 5 to 20% C** of amorphous to flake graphite).

This level of Exploration Target is well-supported by reference to historic drill results, and geological and geophysical maps, and in the case of the **Viistola** and **Polvela** prospects, by reference to a Finnish report which Cullen has reviewed (see below) and contains estimates of tonnages and grade (non-JORC).

Reference: "GRAFIITTIESIINTYMISTÄ JA NIIDEN ENERGIÄKÄYTTÖMAHDOLLISUUSISTA": By O. Sarapää and I. Kukkonen, 1984, published by the Geological Survey of Finland.

**Note: "Flake graphite" is the coarser-grained, crystalline variety (from fine <0.1 mm to "jumbo" flake > 0.4mm). Flake graphite commands a greater price as opposed to amorphous, non-crystalline, graphite.**

### <sup>1</sup>EXPLORATION TARGETS

*The term Exploration Target where used herein is conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code (2004). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.*

## MINTER, N.S.W – Tungsten

MINTER – E6572 (Cullen 100%)

The Minter project in Central Lachlan, NSW, is prospective for intrusive-related vein/stockwork type tungsten mineralisation along the 12km Doyenwae-Orr Trig Trend of hornfelsed sediments, quartz veining and anomalous tungsten in soils and rock, coincident with centres of inferred cupola-related hydrothermal mineralisation.

Encouraging drill assays have been received from selective sampling of diamond core hole CMD001 at the Doyenwae prospect. **CMD001 intersected multiple scheelite-bearing quartz veins in host sandstone and siltstones over the 258m drilled** (see Cullen's Quarterly Report announcement of 31 July, 2012). In addition, disseminated to blebby scheelite occurs in silicified coarse sandstone units adjacent to the mineralised veins.

Initial sampling focused on core with visible scheelite and returned numerous 0.5 to 4.1 m intervals assaying >0.1% tungsten. Higher grade zones included:

- 1m @ 0.55% W (**0.70% WO<sub>3</sub>**) from 131.5m;
- 1.5m @ 0.33% W (**0.41% WO<sub>3</sub>**) from 166.4m;
- 4.05m @ 0.46% W (**0.58% WO<sub>3</sub>**) from 185.1m, including 1.2m @ 1.22% W (**1.53% WO<sub>3</sub>**) from 187.9m;
- 1.4m @ 1.08% W (**1.36% WO<sub>3</sub>**) from 232.7m and
- 0.45m @ 1.05% W (**1.32% WO<sub>3</sub>**) from 243.0m.

A follow-up programme at Minter is anticipated once all results have been assessed.

## COAL PROJECTS

Cullen's interest in coal exploration projects is:

- **A joint venture with Advaita Power Resources Pte Ltd**, who can earn 75% in ELs 04/1932, 1946, and 1930 in the Canning Basin, W.A.;
- Two granted tenements in the name of Montrose Resources Pty Limited, a wholly-owned subsidiary, in **the Galilee Basin, Queensland**, near Hughenden (EPCs 2226 and 2236).

Cullen has withdrawn a number of applications for coal in Queensland, two applications it had over the Gething Formation west of Pink Mountain, British Columbia, and its five Exclusive Prospecting Licenses applications for coal in the Aranos Basin of southern Namibia.

Currently there is minimal activity on these projects, and Cullen is seeking to farm-out its Hughenden project.

## OTHER PROJECTS

Cullen has interests in a number of other Joint Ventures managed by other parties – Cullen has no information to report for the quarter on the projects listed below at this time.

### ASHBURTON, W.A. - Gold

HARDEY JUNCTION JV – ELs 08/1166, 1189, 1763, Northern Star Resources Limited 80%, Cullen 20%.

### FORRESTANIA, W.A. – Gold / Nickel / Iron

STORMBREAKER AND NORTH IRONCAP JV – Hannans Reward Limited 80%, Cullen 20%

### EASTERN GOLDFIELDS, W.A. – Gold / Nickel

KILLALOE JV– Matsa Resources Limited can earn 70%

### ASHBURTON, W.A. – Gold and Uranium

SALTWATER POOL/KUNDERONG JV: ELs 52/1890, 1892, Thundelarra and U3O8 - name changed to Avocet: ASX: AYE -can earn 70%.

## CORPORATE

The **issued capital** of the company is as follows:

718,389,431 fully paid shares

16,000,000 unlisted options exercisable at 7.5 cents expiring on 30 November 2013

6,000,000 unlisted options exercisable at 6.0 cents expiring on 13 March 2014

The substantial shareholders of the Company are:

- Aquila Resources Limited – 14.24%
- Wythenshawe Pty Ltd and associates – 13.53%
- Brisbane Investments I and II, Mende and Kundrun – 7.08%

The Company conducted a Shareholder Share Purchase Plan which closed on 19 October 2012 and raised \$506,000. The \$506,000 represented the issue of 25,300,000 shares at \$0.02 each.

The company had its Annual General Meeting on 27 November 2012 where all resolutions were passed by shareholders.

Cash at the end of the quarter was \$1.409M.

**Dr Chris Ringrose, Managing Director**

**29 JANUARY, 2013**

**ABOUT CULLEN:** Cullen is a Perth-based minerals explorer with a multi-commodity portfolio including projects managed through a number of JVs with key partners (FMG, APIJV (Aquila-AMCI), Advaita, Hannans Reward, Northern Star, Matsa and Thundelarra/Avocet), and a number of projects in its own right. The Company's strategy is to identify and build targets based on: data compilation, field reconnaissance and early-stage exploration (particularly geochemistry). Projects are sought for most commodities mainly in Australia but with selected consideration of overseas opportunities, with current activities in Namibia, Canada and Scandinavia. A number of Cullen's 100%-owned projects have now reached the target drill-testing stage.

REGISTERED OFFICE: Unit 4, 7 Hardy Street, South Perth WA 6151.

Telephone: +61 8 9474 5511 Facsimile: +61 8 9474 5588

CONTACT: Dr. Chris Ringrose, Managing Director. E-mail: [cullen@cullenresources.com.au](mailto:cullen@cullenresources.com.au)

#### Mineral Resource estimate for the Catho Well Channel Iron Deposit

JORC Classification	Mt	Fe %	P %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	S %	Mn %	MgO %	LOI %
Measured	2.00	55.1	0.041	6.61	3.64	0.020	0.058	0.208	9.99
Indicated	73.00	55.1	0.037	6.91	3.16	0.016	0.079	0.178	10.26
Inferred	23.00	54.6	0.037	7.53	3.10	0.015	0.102	0.209	10.40
<b>TOTAL</b>	<b>98.00</b>	<b>55.0</b>	<b>0.037</b>	<b>7.05</b>	<b>3.15</b>	<b>0.016</b>	<b>0.084</b>	<b>0.186</b>	<b>10.29</b>

The Mineral Resource estimate is reported at a 53% Fe cut-off. The resource estimate has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

In December 2010, Cullen reported the maiden JORC Ore Reserve Estimate for the Catho Well Channel Iron Deposit based on the Resource Estimate (see Table below).

#### Mt Stuart Iron Ore Joint Venture Ore Reserve Estimate

Category	Tonnes Mt	Fe %	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	P %	LOI %
Proved	1	55.28	3.33	6.57	0.043	10.03
Probable	69	54.80	3.23	7.23	0.037	10.31
<b>Total</b>	<b>70</b>	<b>54.81</b>	<b>3.23</b>	<b>7.22</b>	<b>0.037</b>	<b>10.30</b>

#### ATTRIBUTION: Competent Person Statements

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Dr Chris Ringrose, Managing Director, Cullen Resources Ltd who is a Member of the Australasian Institute of Mining and Metallurgy. Dr. Ringrose is a full time employee of Cullen Resources Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. Ringrose consents to the report being issued in the form and context in which it appears.

The information in this announcement, insofar as it relates to iron ore exploration activities for the Mt Stuart JV, is based on information compiled by Mr Stuart H Tuckey who is a member of the Australasian Institute of Mining and Metallurgy, and who has more than five years experience in the field of activity being reported on. Mr Tuckey is a full-time employee of API Management Pty Ltd. Mr. Tuckey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tuckey consents to the inclusion in the report of the above matters, based on their information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources for the Mt Stuart JV has been supervised by Mr Stuart Tuckey and Mr Richard Gaze who are members of the Australasian Institute of Mining and Metallurgy. Mr Tuckey is full-time employee of Australian Premium Iron. Mr Gaze is a full-time employee of Golder Associates Pty Ltd. Messrs Tuckey and Gaze have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tuckey and Mr Gaze consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this release that relates to Ore Reserves for the Mt Stuart JV is based on information compiled by Mr Steve Craig, Managing Director of ORElogy (Mining Consultants). Mr Craig is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Craig consents to the inclusion of the matters based on his information in the form and context in which it appears in this release.