



HIGHLIGHTS

1. RESULTS OF RIGHTS ISSUE

During the Quarter, Cullen Resource Limited (“Cullen” or the “Company”) successfully concluded a rights issue which closed on 24 November 2015 and raised a total of \$566,180 with 283,090,290 new shares being issued. The issue resulted in a shortfall of a further 406,144,813 shares which the Company is seeking to place before 24 February 2016, in accordance with the terms of the Rights Issue Offer.

2. MT STUART IRON ORE JV, WEST PILBARA (Cullen 30% and contributing)

On 16 September 2015 Cullen reported (CUL:ASX), an updated Ore Reserve estimate of 83Mt at 55.1% Fe, for the Mount Stuart Iron Ore Joint Venture (MSIOJV) - a 19% increase on the previous estimate of 70Mt at 54.8% Fe. The updated MSIOJV Ore Reserve forms part of an updated Ore Reserve estimate for Stage 1 of the broader West Pilbara Iron Ore Project (WPIOP) of 780Mt at an average product grade of 57.2% Fe.

In late December 2015, due largely to the current iron ore market conditions, the APIJV Participants (and Manager of the MSIOJV) decided to discontinue the previously targeted completion of a definitive feasibility study on the WPIOP by mid-2016. Key project approvals and areas of potential value enhancement will continue to be pursued over the first quarter of 2016, with the project work programme and schedule reassessed at the end of the quarter. A revised budget is being prepared for the Jun-16 half to reflect the reduction in feasibility work.

3. MT EUREKA GOLD PROJECT, NE YILGARN (Cullen 100%)

As reported previously (CUL:ASX, Quarterly Report of 30 October, 2015) Cullen completed a first pass programme of 813m of air core drilling in four traverse lines (17 holes) in early October, 2015. A best intersection of **5m at 12.43 g/t Au to the end of hole (45 - 50m)** in “MIA011” was recorded at the Galway prospect for follow up, deeper RC drilling.

4. LITHIUM EXPLORATION IN W.A. (Cullen 100%)

As announced to the ASX on 20 January 2016, Cullen Resource Limited (“Cullen” or the “Company”) has lodged four exploration licence applications over areas totalling ~280km² that it considers prospective for rare metal, tin-tantalum-lithium (Sn-Ta-Li) pegmatite mineralisation for further evaluation and prioritisation.

One Cullen application includes the Kingston lithium prospect (Greenbushes Region) and two others include reported pegmatite mineralisation and “Tin-Tantalum-Lithium (Sn-Ta-Li) Target Group Commodity” occurrences (MINEDEX database) in the Pilbara Region.

Pilbara (~200km²)

Two applications are in the Pilbara Region: one (ELA 45/4626) ~ 30km north east of the Pilgangoora Lithium deposits* where the world’s second largest deposits of spodumene (lithium-bearing pyroxene) has recently been defined; and one (ELA 45/4682) in part immediately west of the Wodgina Mine**, one of the world's largest hard rock tantalum resources, and stretching north along strike and then east-west over a linear zone of pegmatitic granite in contact with greenstone.

South West (80km²)

The other two Cullen applications lie south-east and south-west of the Greenbushes Mine*** in south west W.A. - one of the world’s premium lithium mines. One of these applications (ELA 70/4803) is centred ~ 10km to the south-west of the Greenbushes Mine, the other (ELA 70/4802) includes the “BT020” Sn-Ta-Li surface geochemical anomaly identified by previous explorers but without any bedrock explanation from their limited shallow drilling. This prospect named “Kingston” by previous explorers lies ~ 30 km south east of the Greenbushes Mine.

This set of applications cover prospective terranes which may not have been explored in detail, especially for lithium. The Kingston Prospect in particular is an example of an anomaly in a forested landscape with little outcrop but which offers the real chance of new discoveries.

Cullen’s exploration will begin with data compilation followed by field review where permissible.

***Pilbara Minerals Ltd: ASX-PLS/Altura Mining Ltd: ASX-AJM**

****Global Advanced Metals**

***** Operated by Talison Lithium Ltd: (ASX-TLH)**

MT EUREKA, NORTH EASTERN GOLDFIELDS, W.A. – Gold and Nickel

Cullen Resources Limited (Cullen) holds 100% of ~450km² of approved tenure in the Mt Eureka Greenstone Belt in the North Eastern Goldfields of Western Australia (Fig. 1) which includes multiple targets for gold and nickel sulphides.

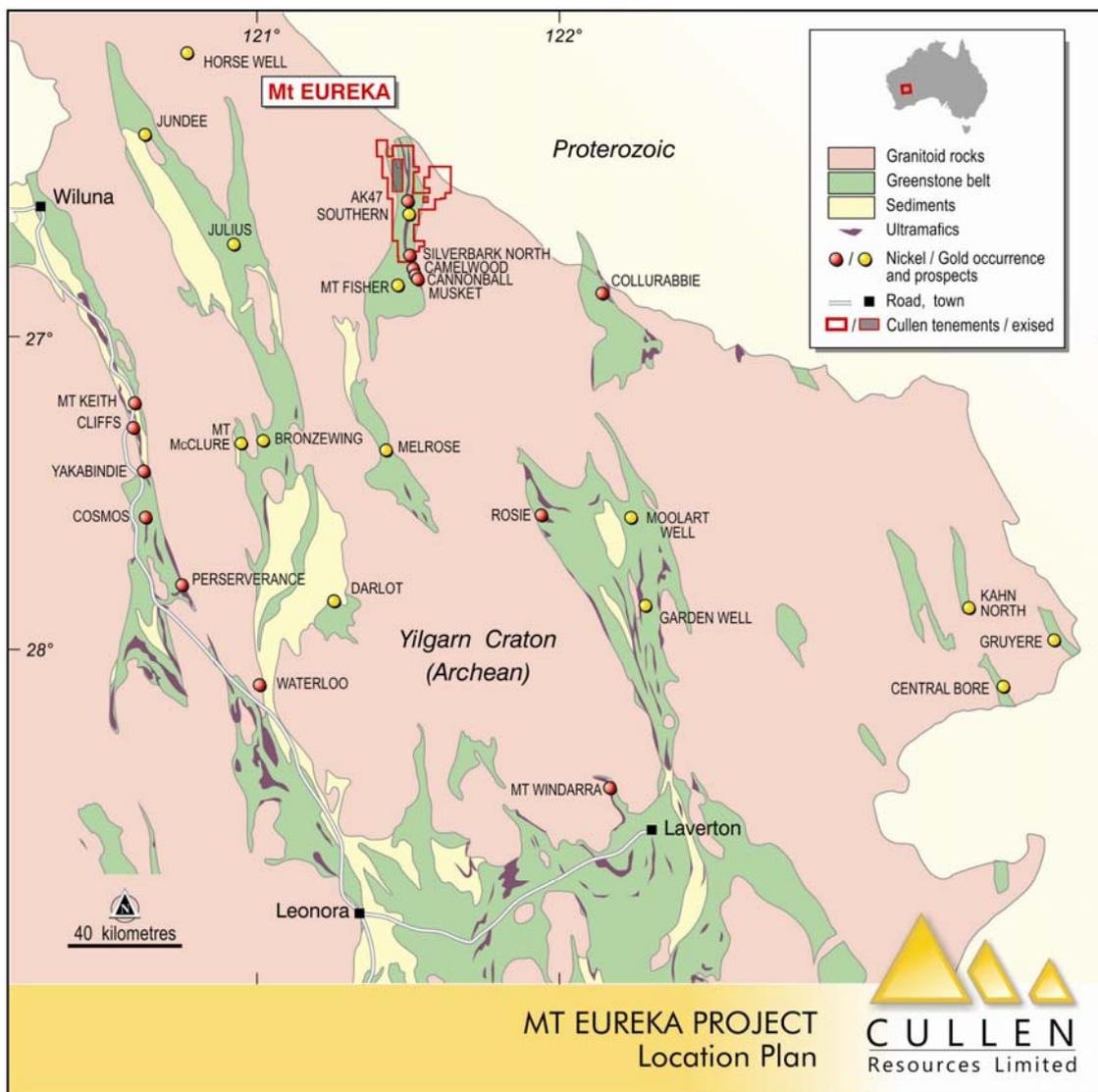


Figure.1: Mt Eureka Project – ELs 53/1299, 1300, 1209, 1630, 1635, 1637- Cullen 100%

In early October 2015, Cullen completed a programme of 813m of air core drilling in four traverse lines (17 holes) to test: the depth of transported cover over a number of favourable structural targets for gold (from aeromagnetics interpretation); and parts of the known Galway gold prospect. The programme was also planned to prioritise these target areas for follow-up work.

This drilling returned an intersection of 5m at 12.43 g/t Au to the end of hole (45 - 50m) at the Galway prospect, part of the large Galway-Southern mineralisation zone where historical drill holes with maximum values greater than 0.5 g/t Au occur across an area of approximately 1200 x 200-400m with air core drill traverse at 50-100m along strike. However, the “roots” to this gold mineralisation have not been sufficiently drill tested and the controls and continuity of higher grade zones are not well understood – local structural complexity suggests that the optimal drill hole orientation across the target area may not have been used in previous drill programmes.

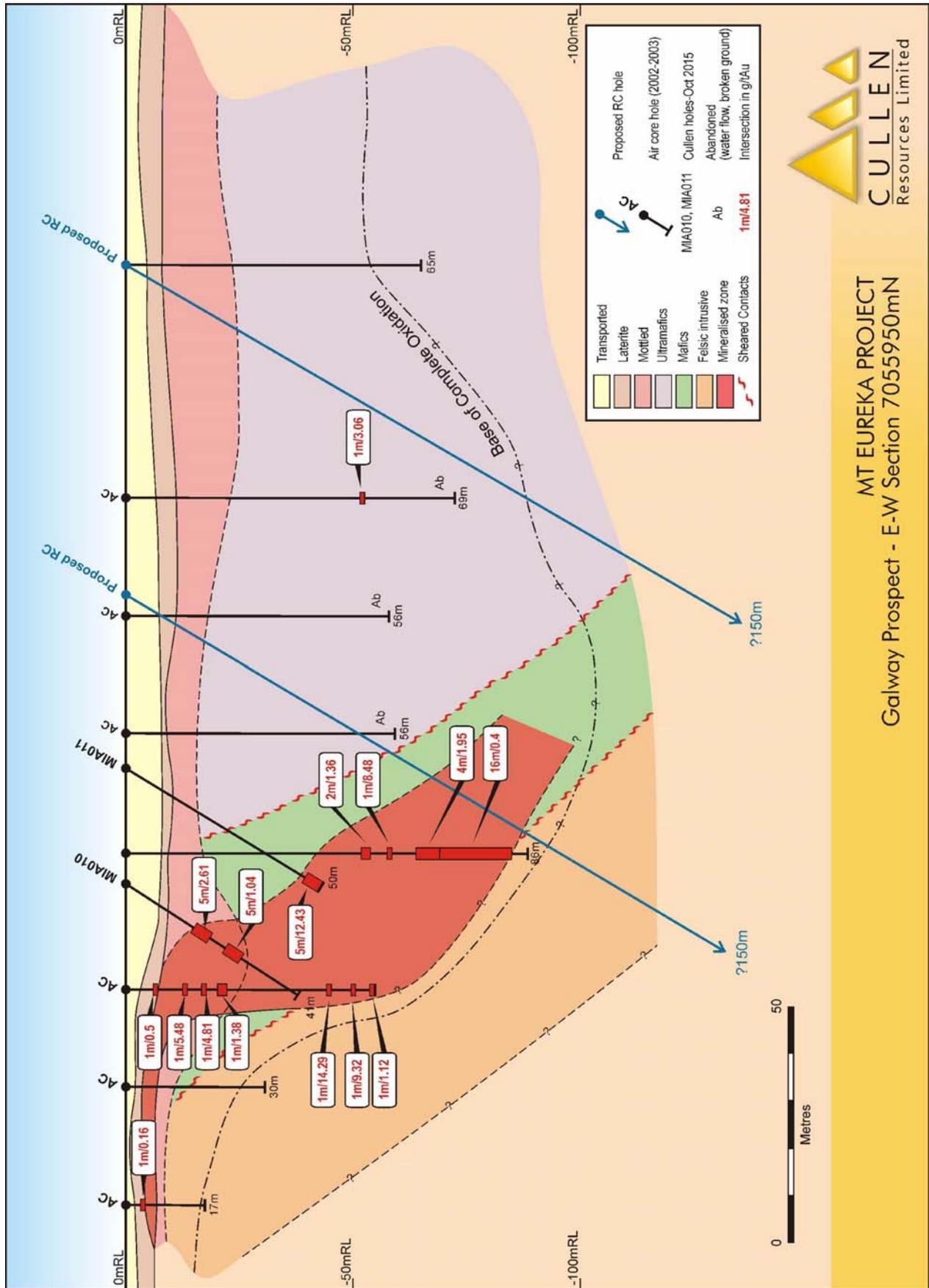
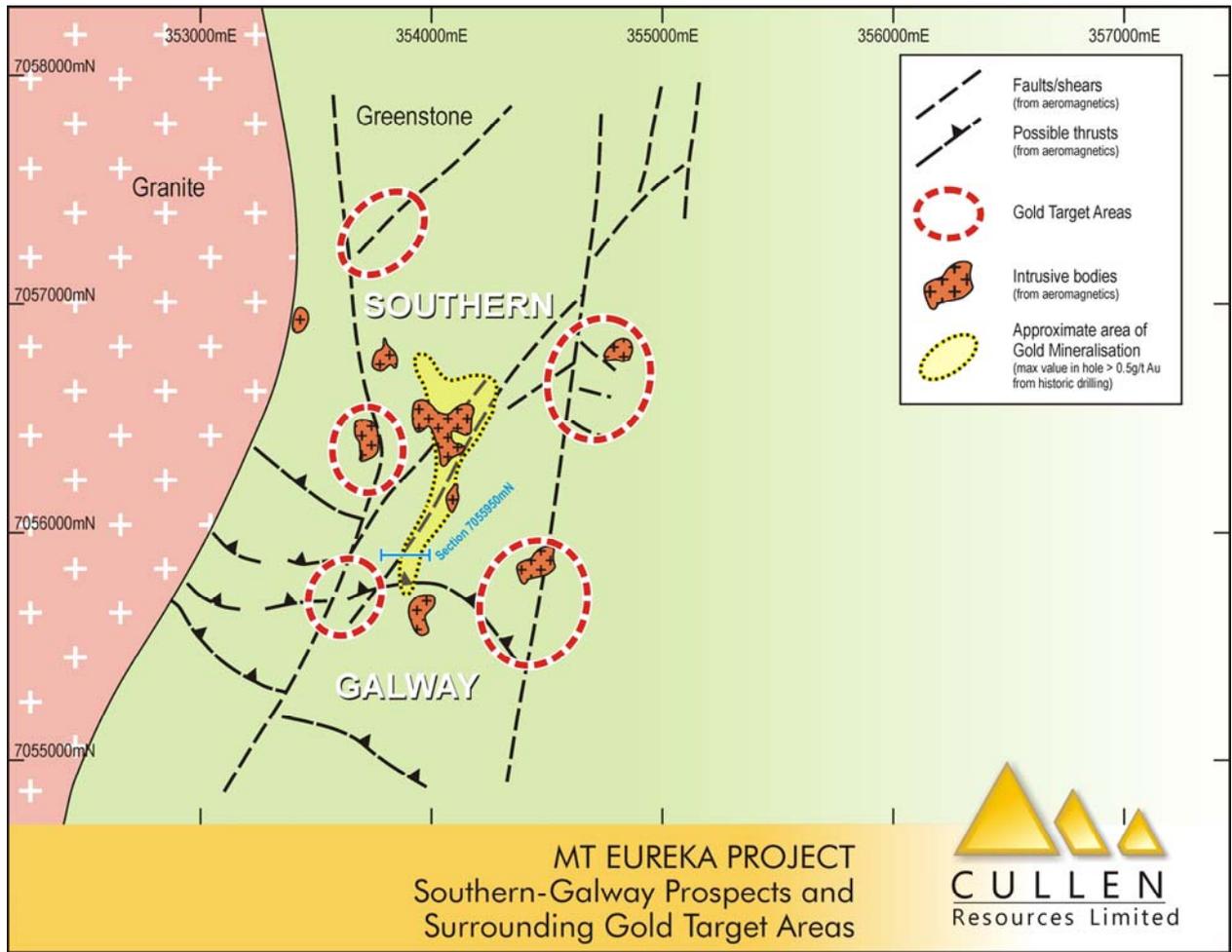
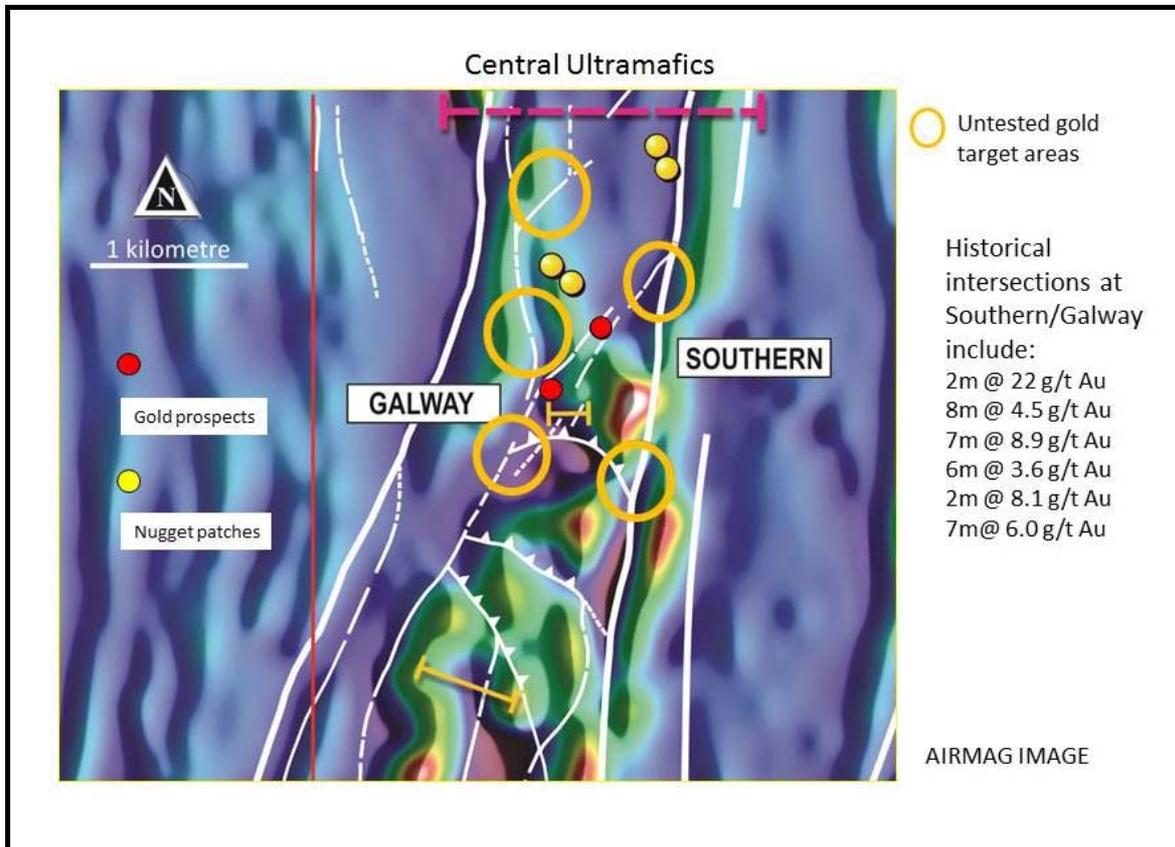


FIG 2.



A



B

FIG 3. A and B - Position of gold target areas surrounding Galway – Southern prospects

WEST PILBARA, W.A. – Iron

The **Mt Stuart Iron Ore Joint Venture** (ELs 08/1135, 1292, 1330, 1341 and ML's 08/481,482 – "MSIOJV" is between Cullen Exploration Pty Ltd (30% and contributing), and API Management Pty Ltd ("APIM") - 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 are: Aquila Steel Pty Ltd 50% (the ultimate owners of which are **Baosteel Resources Australia Pty Ltd** (85%) and **Aurizon Operations Limited** (15%)); and **AMCI (IO) Pty Ltd** 50% (the ultimate owners of which are AMCI Investments Pty Ltd (51%) and **Posco WA Pty Ltd** (49%)). Baosteel and Posco are subsidiaries of major steel producers in China and Korea respectively.

The current WPIOP concept involves iron ore production of 40 million tonnes per annum (dry), transportation of the ore via a new 250 km railway and export to Asian markets via a new deep-water port facility located at Anketell Point. APIM has been conducting a feasibility study on the mining, processing and marketing aspects for the potential development of the WPIOP. A feasibility study relating to the rail and port components of the WPIOP is being undertaken by project partner, Aurizon, a well-established logistics operator across Australia.

In late December 2015, due largely to the current iron ore market conditions, the APIJV Participants (and Manager of the MSIOJV) decided to discontinue the previously targeted completion of a definitive feasibility study on the WPIOP by mid-2016. The approved budget for FY 2015-2016 was \$2.28M with Cullen's contribution to be \$0.68M. A revised budget is being prepared for the Jun-16 half to reflect the reduction in feasibility work. The Manager has provided the following information for the quarter ending 31 December 2015:

"Highlights

- Feasibility work was progressed on the development of the MSIOJV as part of the proposed 40Mtpa development of Stage 1 of the broader West Pilbara Iron Ore Project (WPIOP).
- Feasibility activities on the broader WPIOP during the quarter included exploration, engagement with contractors to provide updated capital and operating cost estimates, the planning and advancement of key project approvals and the signing of Letters of Intent with potential customers in relation to product offtake.
- Due largely to the current iron ore market conditions, in late December the APIJV Participants decided to discontinue the previously targeted completion of a definitive feasibility study on the WPIOP by mid-2016. Key project approvals and areas of potential value enhancement will continue to be pursued over the first quarter of 2016, with the project work programme and schedule reassessed at the end of the quarter.
- A total of 17 RC drill holes for 722m were completed at the Cardo Bore CID prospect, targeting areas of higher grade mineralisation. Assay results are pending.
- MSIOJV expenditure for the quarter totalled \$0.60M compared to budget of \$0.68M. Dec-15 half year expenditure of \$1.1M is below the budget of \$1.5M due primarily to (i) rescheduled / reduced exploration drilling (Cardo), (ii) lower tenement rents than budget, and (iii) change in cost allocation from Sep-15 onwards (13.9% to 10.6%). A revised budget is being prepared for the Jun-16 half to reflect the reduction in feasibility work."

End of Information /Highlights from Manager's Report

Competent Person Statement (for report on MSIOJV)

The information in this report that relates to exploration results is based on information compiled by Mr Stuart Tuckey, who is a Member of The Australasian Institute of Mining and Metallurgy and 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tuckey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

End of Manager's Report

OTHER JOINT VENTURES MANAGED BY PARTNERS

FORRESTANIA, W.A. – Gold

STORMBREAKER AND NORTH IRONCAP JV – ML 77/544 Hannans Reward Limited
80% and Manager, Cullen 20% free carried interest- gold rights only.

On the 12 March 2015, Cullen made reference to the ASX announcement made by Hannans Reward Ltd (ASX: HNR) in relation to the sale of Gold Rights for M77/544.

Cullen is a 20% holder of the gold rights on this tenement via the Forrestania Joint Venture with Hannans Reward Ltd, and has also sold its 20% share to Mine Builder Pty Ltd via the same agreement. Cullen will receive \$200,000 cash as consideration via four instalments to be paid before the end of 2015. Title to the gold rights will be transferred on receipt of the final instalment. No payment under this agreement has been received to date.

No exploration undertaken for the quarter.

CORPORATE

SHARE CAPITAL INFORMATION

The issued capital of the company at the end of the Quarter is as follows:

- 1,661,560,131 fully paid ordinary shares
- 6m unlisted options expiring 31 May 2017
- 20m unlisted options expiring 30 November 2017

The substantial shareholders of Cullen are:

- Perth Capital, Wythenshawe Pty Ltd and Associates – 22.4%, and
- Baosteel together with Aurizon – 6.2%

In late December 2015, Cullen and Bullseye Mining Limited completed documentation, due diligence and satisfaction of conditions precedent whereby Cullen sold its tenement, E53/1611, for \$25000 + GST – a tenement in the Dingo Range, NE Goldfields but peripheral to Cullen's exploration focus.

Cash at the end of the quarter is \$0.58M.

Dr Chris Ringrose, Managing Director

29 January 2016

ATTRIBUTION: **Competent Person Statement**

The information in this report that relates to exploration activities is based on information compiled by Dr. Chris Ringrose, Managing Director, Cullen Resources Limited who is a Member of the Australasian Institute of Mining and Metallurgy. Dr. Ringrose is a full-time employee of Cullen Resources Limited. 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 2012 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.

Information in this report may also reflect past exploration results, and Cullen’s assessment of exploration completed by past explorers, which has not been updated to comply with the JORC 2012 Code. The Company confirms it is not aware of any new information or data which materially affects the information included in this announcement.

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 (Fortescue, APIJV (Baosteel/Aurizon-AMCI/Posco), Hannans Reward, and Matsa), 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, and to pursue further testing of targets itself or farm-out opportunities to larger companies. Projects are sought for most commodities mainly in Australia but with selected consideration of overseas opportunities.

SCHEDULE OF TENEMENTS (as at 31 December 2015)

REGION	TENEMENTS	TENEMENT APPLICATIONS	CULLEN INTEREST	COMMENTS
WESTERN AUSTRALIA				
ASHBURTON / PILBARA				
Mt Stuart JV	E08/1135, E08/1330, E08/1341, E08/1292 ML08/481, ML08/482		30 - 100%	API has earned 70% of iron ore rights; Cullen 100% other mineral rights
Hardey Junction JV	E08/1145, 1166, 1189, 1763, P08/546		20%	Northern Star Resources Limited 80% - tenements surrendered.
Wyloo North		ELA 47/3342		
Paraburdoo JV	E52/1667		100%	Fortescue can earn up to 80% of iron ore rights; Cullen 100% other mineral rights
North Pilbara		ELA 45/4626		
Wyloo SE	E08/2145		100%	
NE GOLDFIELDS				
Gunbarrel	E53/1299, 1300 +/ * E53/1630, 1635		100%	+2.5% NPI Royalty to Pegasus on Cullen's interest (parts of E1299); *1.5% NSR Royalty to Aurora (other parts of E1299 and parts of 1300)
Irwin Well	E53/1637		100%	
Irwin Bore	E53/1209		100%	
Wonganoo	E53/1611		0%	Sold for \$25,000 cash + GST
DUNDAS	E63/1673	ELA 63/1755	100%	
FRASER RANGE	E28/2470		100%	
MURCHISON, Cue	E20/714		100%	
EASTERN GOLDFIELDS				
Killaloe	E63/1018, E63/1199, P63/1672		20%	Matsa Resources Limited 80%
FORRESTANIA				
Forrestania JV	M77/544		20%	Hannans Reward Ltd 80% Gold rights only
NEW SOUTH WALES				
Minter	EL6572		100%	
TENEMENTS RELINQUISHED and APPLICATIONS WITHDRAWN DURING THE QUARTER – 100%				
	E08/1145, 1166, 1189, 1763, P08/546, E53/1611			

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