



# CULLEN RESOURCES LIMITED

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## EXPLORATION UPDATE

### 1. NEW URANIUM EXPLORATION JV AND FURTHER EXPANSION OF URANIUM PORTFOLIO

- **Letter Agreement signed for new JV with “Element 92” for Cullen’s Tunnel Creek Project WA**
- **2 large prospective areas applied for in the Amadeus Basin, NT and two others in the Arunta Region**
- **Portfolio for uranium includes 8 tenements in WA and four in the NT (totaling ~5,000 sq km)**

The Company is pleased to announce that it has signed a Letter Agreement with **Element 92 Pty Ltd** (Element 92) a wholly owned subsidiary of **Thundelarra Exploration Ltd** (Thundelarra), for an Earn In and Joint Venture arrangement over its three applications at Tunnel Creek, in the Ashburton Region of Western Australia.

Thundelarra is an active uranium exploration company within Australia with its own in-house uranium expertise, as well as being a major shareholder in Aldershot Resources Ltd (Aldershot), a Canadian-listed uranium exploration company. Aldershot holds the Turee Creek uranium project, the most exciting uranium prospect in the Tunnel Creek area, and is currently negotiating access agreements with a number of native title groups in the area (see Figure).

The terms of the Letter Agreement are that Element 92 will manage the applications through to grant, and will earn a 70% interest in any of the three tenements by spending a total of \$0.5 million on any one tenement within five years of the grant of any tenement, or an aggregate of \$1.5M on the three tenements combined. Element 92 has committed to a minimum expenditure of \$500,000 (\$167,000 each) before withdrawal. Once Element 92 has earned its equity, Cullen may contribute to the Joint Venture, or elect to take a 20% free carried interest to the completion of a Bankable Feasibility Study. At a Decision to Mine, Cullen may participate or take a 2% Net Smelter Royalty.

## **New Tenement Applications**

Cullen has recently further enhanced its uranium exploration portfolio, with the addition of four exploration licence applications in the Northern Territory which it considers are prospective for uranium mineralization. These applications are in addition to the portfolio of exploration licence applications in Western Australia, as summarized in the Company's Quarterly Report to 30/9/06 – see Figure.

### **Amadeus Basin**

The applications in the NT include two large areas of the Amadeus Basin sediments along strike to the west of known sandstone-hosted uranium prospects at Angela-Pamela, Julia, and Nonouba-Daria. The Amadeus Basin is a large, east west trending intra-cratonic basin of Late Proterozoic to Carboniferous marine and continental sediments.

### **Arunta Region**

Two other exploration licence application cover rocks of the Arunta Region, and are located ~100km NE of Alice Springs. These application areas are considered prospective for pegmatite-hosted/vein uranium occurrences and there are also Tertiary channel lignite deposits in the larger application area, which may have potential for roll-front uranium mineralization.

Dr Chris Ringrose, Managing Director of Cullen commented: “We are pleased to have secured these prospective uranium areas, in the face of recent high levels of competition for ground. The farming out of the Tunnel Creek Project to a significant player in the region, is an example of Cullen's business model in action. Cullen's quality uranium portfolio and interests have now reached sufficient size and spread to merit consideration of a spin out, or an asset merger with a peer company.”

Preliminary field reconnaissance is underway on the Yilgarn application areas, and data compilation has started for the NT application areas.

## **2. NORTH EAST GOLDFIELDS – RESULTS FROM EM DRILLING**

Joint Venture Manager Independence Group NL, has reported that neither the two RC drill holes completed at Irwin Bore nor the one hole drilled at Mt Tate contained any significant nickel assays.

## **3. NORSEMAN – KILLALOE NICKEL JV. WA**

Nickel Australia Limited has notified Cullen that it is withdrawing from the Nickel Joint Venture on the ground at Killaloe near Norseman in the Eastern Goldfields. This is part of Nickel Australia's strategy to concentrate its exploration efforts in Mexico.

Cullen will seek a new partner to progress further exploration for nickel sulphides on this project.

#### SUMMARY OF URANIUM EXPLORATION TENEMENTS

PROJECT	URANIUM PROVINCE	TENEMENT APPLICATION	AREA (sq km)	TARGET TYPE	COMMENT
Tunnel Creek	Turee Creek-Angelo River, Ashburton, WA	ELA'S 52/1890-1892	~600	Ranger-type unconformity deposit	JV to major shareholders of Turee Creek project
Far Out	Arunta Orogen and Amadeus Basin, WA	ELA's 80/3506,3507	~400	Calcrete, IOCG, and/or sandstone hosted	Eastern ELA close to major radiometric anomaly on Lake Mackay
Wooramel	Nth Yilgarn - Gascoyne, WA	ELA 09/1364	~200	Calcrete-type	Untested channel (~20km)
Ross Well	Yeelirrie Region, WA	ELA 51/1169	~200	Calcrete-type	"Upstream" from known U occurrences (~20km)
Stirling	Lake Maitland Region, WA	ELA 37/851	~150	Calcrete-type	Same channel as L.Maitland U resource; GSWA soil anomalies in channel (~20km)
Haags	Amadeus Basin, NT	EL25493	~1500	Sandstone-hosted	Targeting Permo-Carb sediments
Hermannsberg	Amadeus Basin, NT	EL25494	~1500	Sandstone-hosted	West of trend of known prospects including Pamela/Angela
Mt Gordon	Arunta NT	EL25620	~400	Tertiary lignite and/or veins	Nearby uranium occurrences and source rocks
The Peak	Arunta NT	EL25716	~30	Vein/alteration structures on amphibolite contact	Nearby uranium occurrences at Yambla (of Deep Yellow Ltd)

#### ATTRIBUTION

*The information in this report that relates to Exploration Results is based on information compiled by Dr Chris Ringrose, Managing Director, Cullen Resources Ltd who is a Member of the Australian 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 mineralization 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.*





