CULLEN RESOURCES LIMITED

ABN 46 006 045 790

www.cullenresources.com.au **ASX Symbol: CUL**

# ASX ANNOUNCEMENT – 21 June 2011

## Trenching discovers +10m wide sulphide mineralization at Base Metal property in British Columbia, Canada

Cullen is pleased to announce that a programme of access-clearing and trenching has been completed on mineral concessions (known as Mabel Lake or the "TL Property") in south east British Columbia. The TL Property is subject to a farm-in agreement with a Vancouver-based prospecting syndicate (see ASX release of 8 March, 2011) by which Cullen can earn an 80% interest in the mineral concessions held over this area.

The purpose of this programme is to provide exposure of the bedrock in the centre of a large (~600 x 600m) biogeochemical anomaly (thallium and cadmium) in an unexplored area which lies within a regional base metal district in SE British Columbia, Canada. Earlier work by the Syndicate and Cullen has included hand pitting at the centre of the biogeochemical anomaly. This established the presence of oxidized sulphide near surface and led to the current trenching programme. Limited reconnaissance soil sampling and rock chip sampling was also completed returning copper and zinc concentrations in rockchips to 1027 and 2974 ppm respectively.

The most recent work completed at the TL Property has included cutting an access trail along the slope of a hill side and establishing a small grid. Three trenches, each about 100m long, have been machine-dug to bedrock (1-2m deep) at the centre of the biogeochemical anomaly. Geological mapping of the exposed bedrock and channel sampling of any visible mineralization is being undertaken by geologists from the TL syndicate, Cullen's partner in this project, who are consultants based in Sidney, British Columbia.

The trenches have exposed a 10–35m thick layer of sulphide-rich quartzite which includes a pyrite-pyrrhotite-chalcopyrite zone as part of a gossan that is conformable within a host succession of calsilicate-marble, biotite schist and micaceous quartzite. The mineralized zone has been confirmed over a strike length of 50m, and is open to the south east and north west. As such, the exposed geology fits with the geological characteristics of other stratabound, base metal deposits and prospects hosted by the Palaeoproterozoic Monashee cover assemblage of calcsilicate-marble, quartzite, biotite-garnet-schist and paragneiss. The TL Property is located between and on-trend with the Kingfisher and Big Ledge Lead-Zinc prospects to the northwest and southeast respectively. Cleaning, systematic channel sampling and mapping of the trenches is underway.

Cullen's Managing Director Dr Chris Ringrose, comments: "the exposure of mineralized, gossanous zones in the centre of a large geochemical anomaly is highly promising and confirms the exploration model and approach. The identification of sulphides is encouraging but assays are naturally a vital test and the first of these are expected in 3-4 weeks time."

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Figure: Exposed zone of gossan in trench

Figure: Banded gossan exposed in trench

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## Farm-in to Base Metal property in British Columbia, Canada

## BACKGROUND

### Introduction

Cullen Resources Limited (ASX Code: CUL) (**Cullen**) has signed a farm-in agreement with a Vancouver-based private prospecting syndicate (**Syndicate**) comprising expert Vancouver-based geoscientists, to further examine a base metal prospect and, if Cullen so wishes, to earn an 80% interest in mineral concessions held by the Syndicate.

The mineral concessions offered for farm-in (known as Mabel Lake or the "**TL Property**") are in south east British Columbia, in the region between the Cottonbelt and Sullivan base metal deposits (see following Figure). This region contains the most extensive and highest concentration of base metal mineral showings and mineral deposit types in the Canadian Cordillera. However, mineral exploration in this area has lagged over the past 20 years, partly because of an obsolete (>30 year old) geoscience knowledge base, and, consequently, lack of modern exploration.

Cullen can earn an 80% interest in the TL Property by: Paying the Syndicate a total of $75,000 Canadian dollars (CDN), in installments over three years (CDN$15,000 upon signing of the agreement and CDN$30,000 on each of the first and second anniversaries of signing);Issuing an aggregate of 1,000,000 ordinary shares in Cullen to the TL Property owners within three years; and, Funding an aggregate of CDN$690,000 on exploration and TL Property maintenance costs within a period of three years (with a minimum of CDN$50,000, CDN$270,000 and CDN$370,000 being spent within the first, second and third years respectively). Cullen will be responsible for the design and direction of exploration but will utilize the local geological and logistical expertise of the Syndicate in implementing and conducting exploration on the prospect. Cullen may withdraw from the farm-in agreement at any time prior to having earned the 80% interest. If Cullen earns the 80% interest in the TL Property, Cullen and the Syndicate will be associated in an unincorporated joint venture for the exploration and, if warranted, development and mining of the TL Property. Upon Cullen earning an 80% interest, the Syndicate may elect to convert its 20% interest to 10% interest which will be free carried by Cullen until a decision to mine. Upon the making of a decision to mine, the Syndicate will have the option of converting its joint venture interest to a 2% net smelter royalty.

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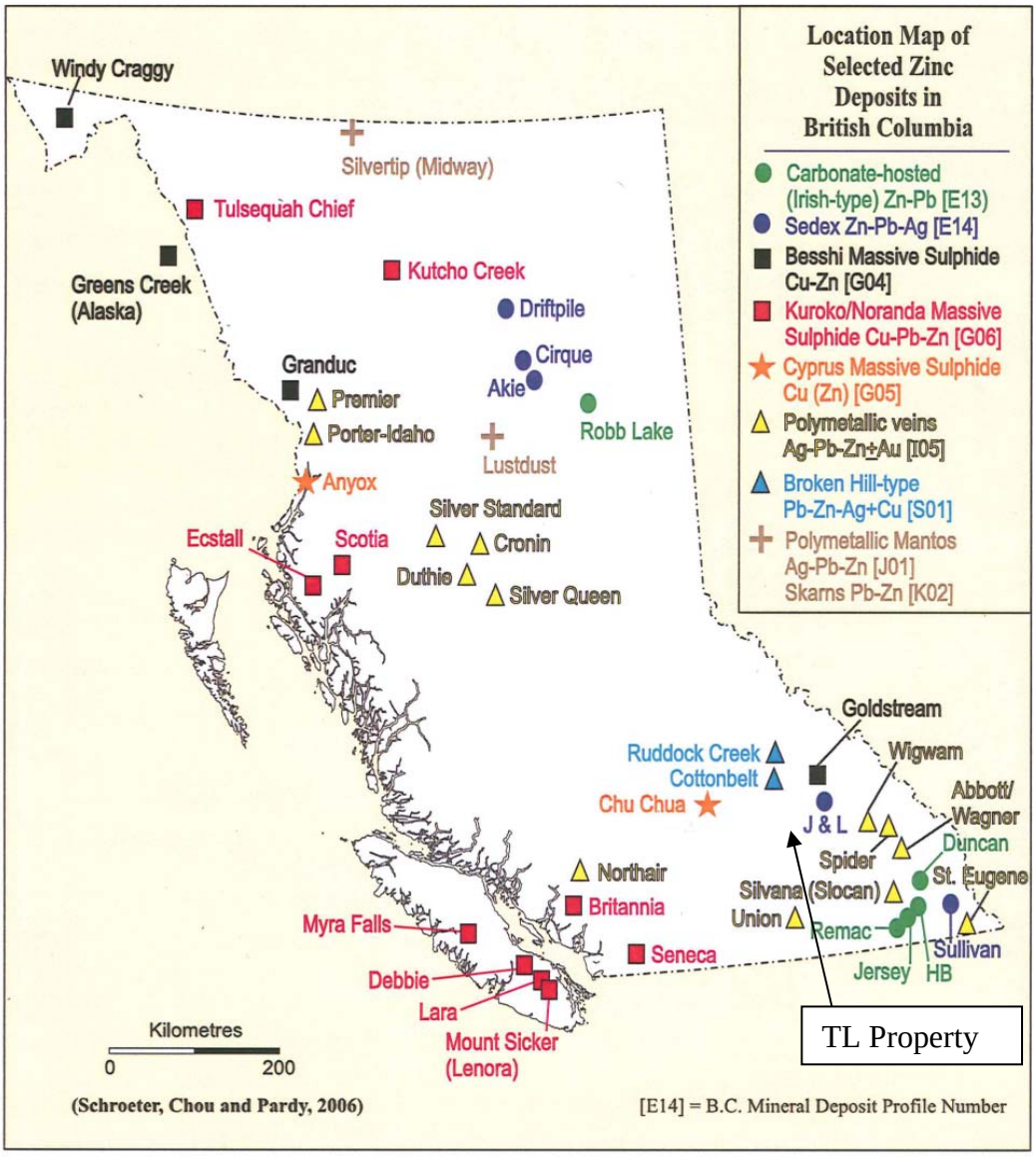
## Geological setting

Six stratabound zinc-lead-silver deposits, called the "Monashee Zn-Pb-Ag" deposits, are known in highly metamorphosed and deformed Palaeoproterozic meta-sedimentary and meta-igneous rocks of the Monashee Complex of southeastern British Columbia. One of these deposits, at Ruddock Creek, owned by Selkirk Metals Corporation, a wholly-owned subsidiary of Imperial Metals Corporation, has a 43.101 compliant resource (using a 4% Pb+Zn cutoff, the Indicated Resource is estimated at 2.3 million tonnes grading 7.79% zinc, 1.61% lead and the Inferred Resource is estimated at 1.5 million tonnes grading 6.50% zinc and 1.26% lead – www.imperialmetals.com), and is in the pre-production permitting phase. Imperial optioned out 50% of the project to Itochu Corporation Ltd and Mitsui Mining and Smelting Co. for $20M of on-going funding, in July 2010.

In all of the six Monashee Zn-Pb-Ag deposits, mineralization occurs within a relatively narrow (~50-100m thick), pelitic schist-calcsilicate-marble-amphibolite-quartzite succession, called the Monashee Cover Sequence. A strong case can be made that the mineralized interval is part of the same stratigraphic interval at all deposit localities.

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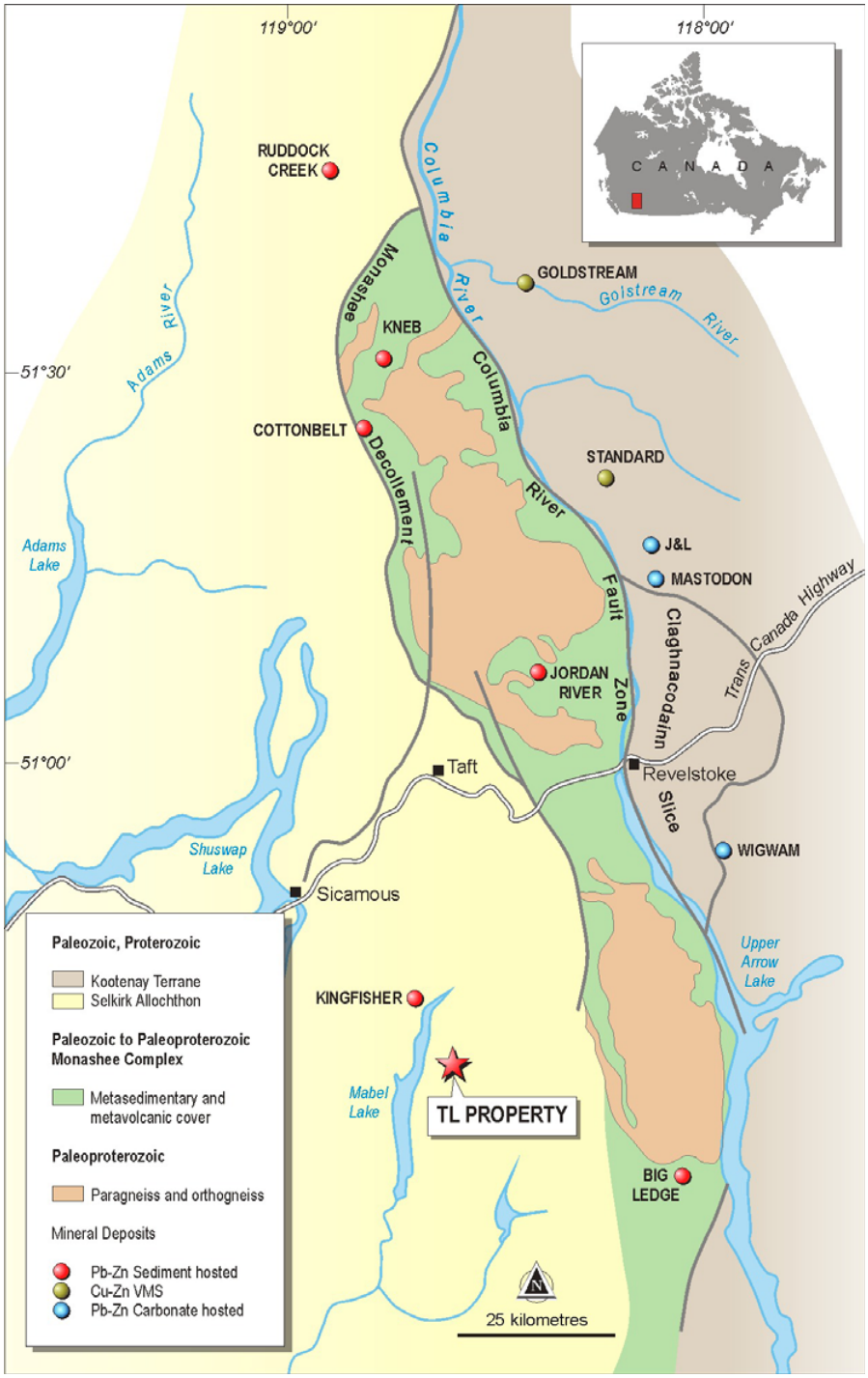


Figure: Regional geological map showing the distribution of stratabound Pb-Zn-Ag deposits around the TL Property (note the Selkirk Allochthon rocks between Kingfisher and Big Ledge, have been remapped as Monashee Cover Sequence).

## Exploration proposed at TL

The exploration and trenching to be funded by Cullen at the TL Property, will be focused on an area of the Tsuius Valley where biogeochemical surveying identified a very large thallium (Tl) anomaly over ~6 strike km by sampling Douglas-fir needles from a helicopter. Thallium and cadmium in plant-based sample material are interpreted to be effective pathfinder elements for base metal mineralization. Follow up tree-bark sampling, substantiated the major thallium anomaly discovered in the regional survey. The survey also highlighted anomalies at “Kingfisher”, where there is known base metal mineralization, (not part of Cullen farm-in) as well as in the Tsuius Valley/Creek, which is unexplored.

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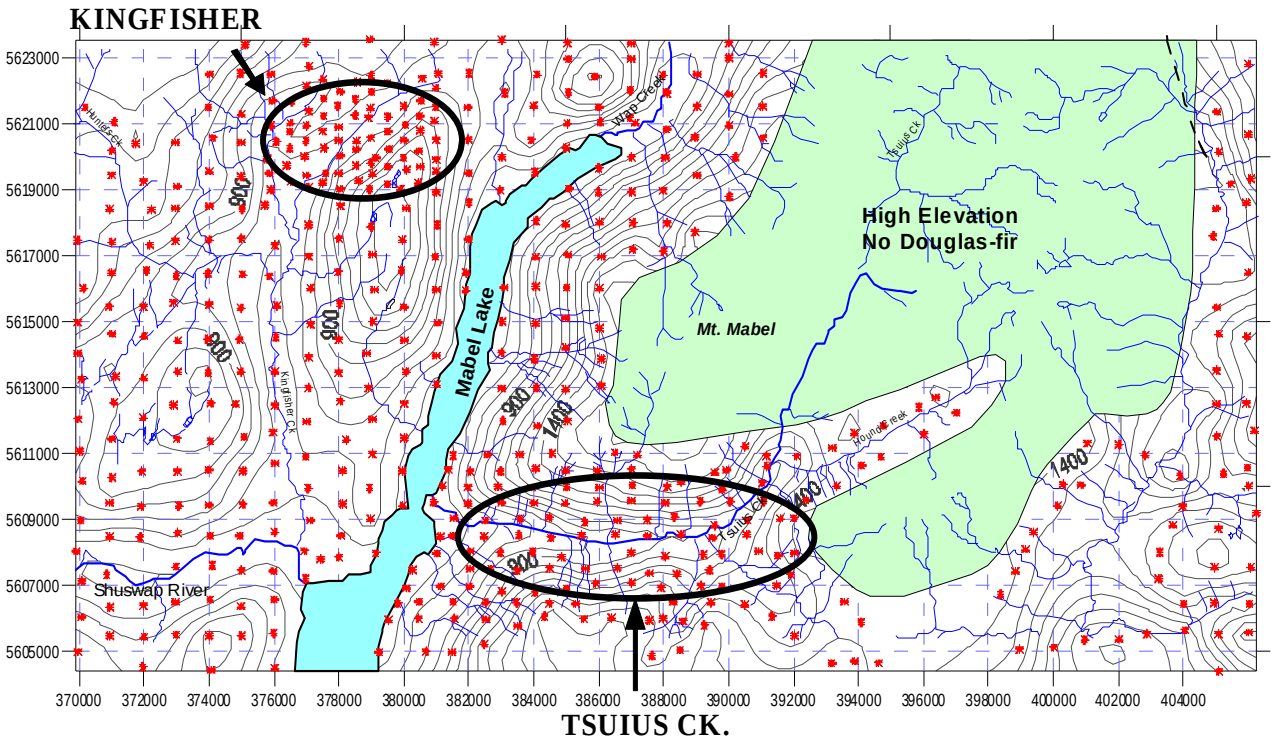
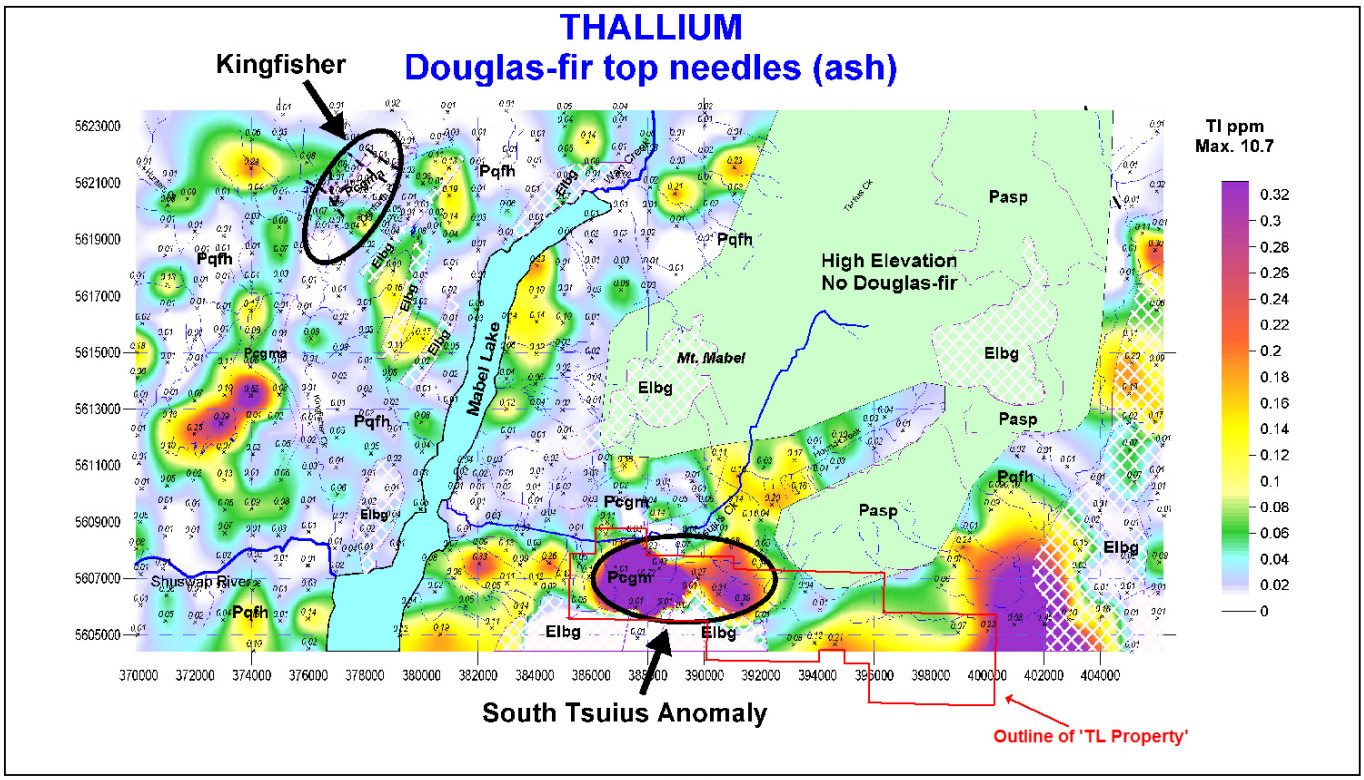



Figure above: Location of geochemical samples using top twigs of Douglas fir (562 samples) collected over a 700 km$^2$ including the Mabel Lake area.

Figures below: Geochemical results - Cadmium and Thallium from ashed fir needles; (Kingfisher Pb-Zn prospect in NW corner provides a comparison with the Tsuius valley anomaly)

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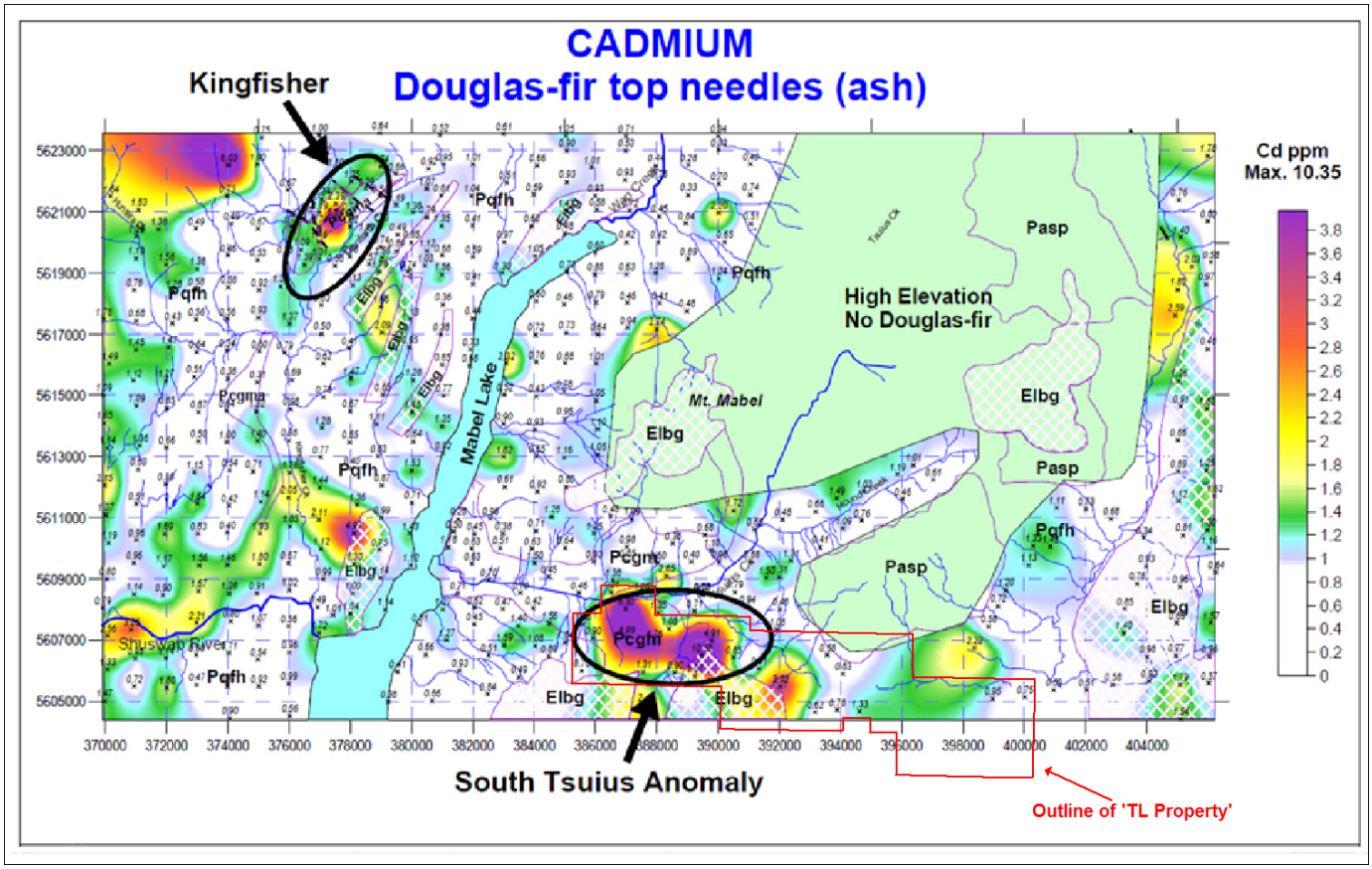


Mapping of the TL Property around the various geochemical anomalies described at the Tsuius Valley, has concluded the bedrock strata are the target Monashee cover sequence. Five of the six Monashee Zn-Pb-Ag deposits mentioned above occur above tree line where direct bedrock observation has been the primary exploration tool. Other deposits existing below tree line can only be detected by prospecting and the type of geochemical surveying undertaken by the TL Property owners.

**Dr Chris Ringrose**
**Managing Director**

For further information contact: Chris Ringrose on (08) 9474 5511

*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 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.*

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