



ABN 46 006 045 790

QUARTERLY REPORT for the period ended 31 December 2016

www.cullenresources.com.au

ASX Symbol: CUL

31 January 2017

HIGHLIGHTS

During the Quarter Cullen Resources Limited (the “Company” or “Cullen”) has:

- ✓ Signed a conditional Sale and Purchase Agreement (CUL: ASX, 29-11-2016) in regards to the Company’s 30% contributing interest in the Mt Stuart Iron Ore JV and the tenements the subject of the JV
- ✓ Selected three undrilled, historical gold geochemical anomalies in the Mt Eureka project for first pass air core drilling, following field reconnaissance and heritage surveying planned for the current Quarter
- ✓ Progressed tenement application ELA 70/4882 (Cullen 90%) in the Wongan Hills greenstone belt - centered on a significant geochemical anomaly (from published research) - with grant of the tenement anticipated in February 2017
- ✓ Continued compilation of geological data for Wongan Hills which Cullen considers supports the prospectivity for gold and base metals mineralisation in Volcanic Hosted Massive Sulphide - type (VMS), orogenic gold and Boddington - type gold deposits
- ✓ A Finland-based geological consultant completed a first pass field reconnaissance within the Rita Reservation (for lithium in pegmatites) and recommended boulder mapping and tracing as a next stage in exploration as outcrop is very limited
- ✓ Maintained project generation activities for copper, zinc, cobalt and lithium in Finland

REGISTERED OFFICE: Unit 4, 7 Hardy Street, South Perth WA 6151
Telephone: 089 474 5511; FAX: 089 474 5588 Contact: Dr. Chris Ringrose, Managing
Director email: cringrose@cullenresources.com.au

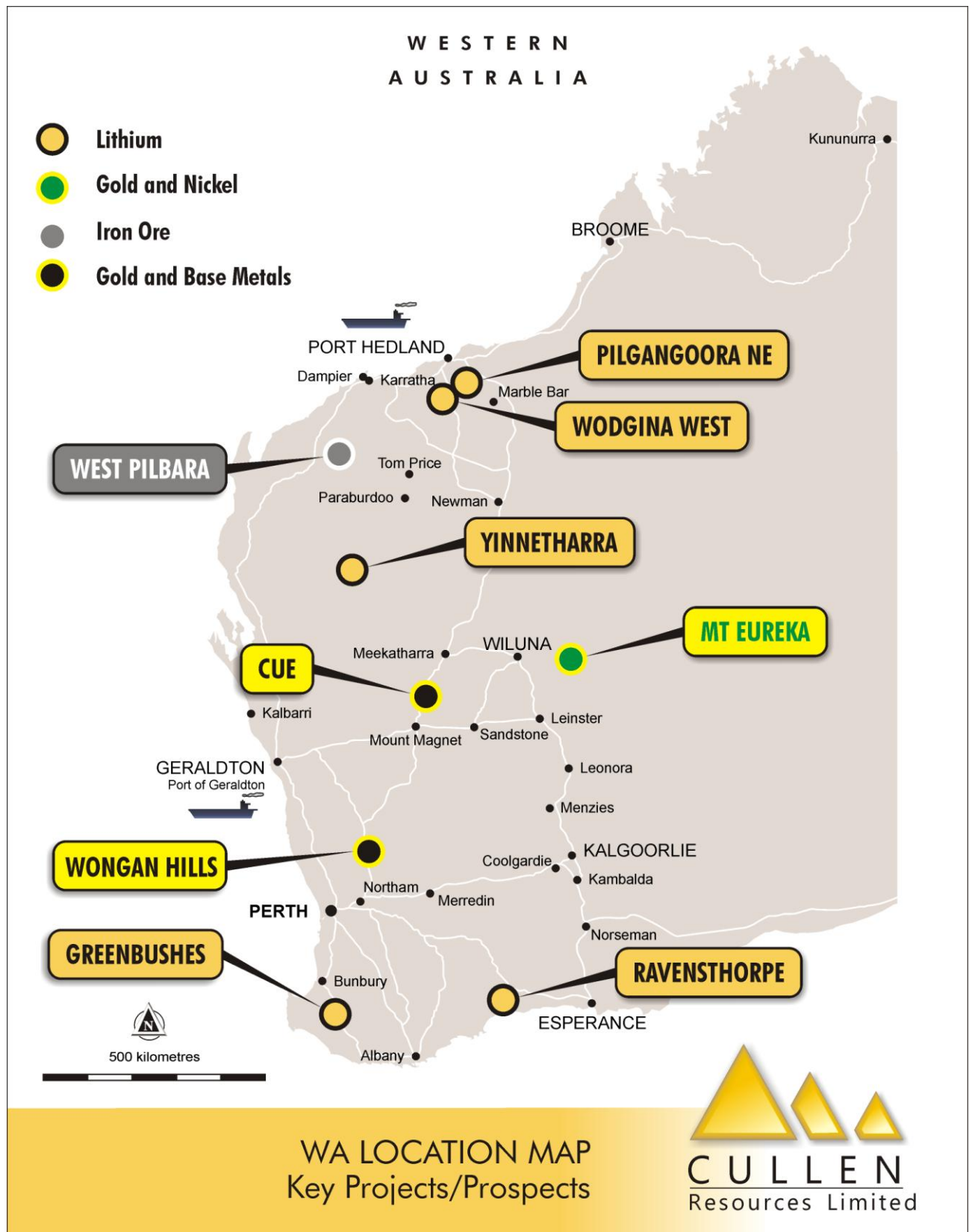


Figure 1.

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

Cullen holds 100% of ~ 450km² of approved tenure and applications in the Mt Eureka Greenstone Belt in the North Eastern Goldfields of Western Australia (Fig. 2) which includes multiple targets for gold and nickel sulphides.

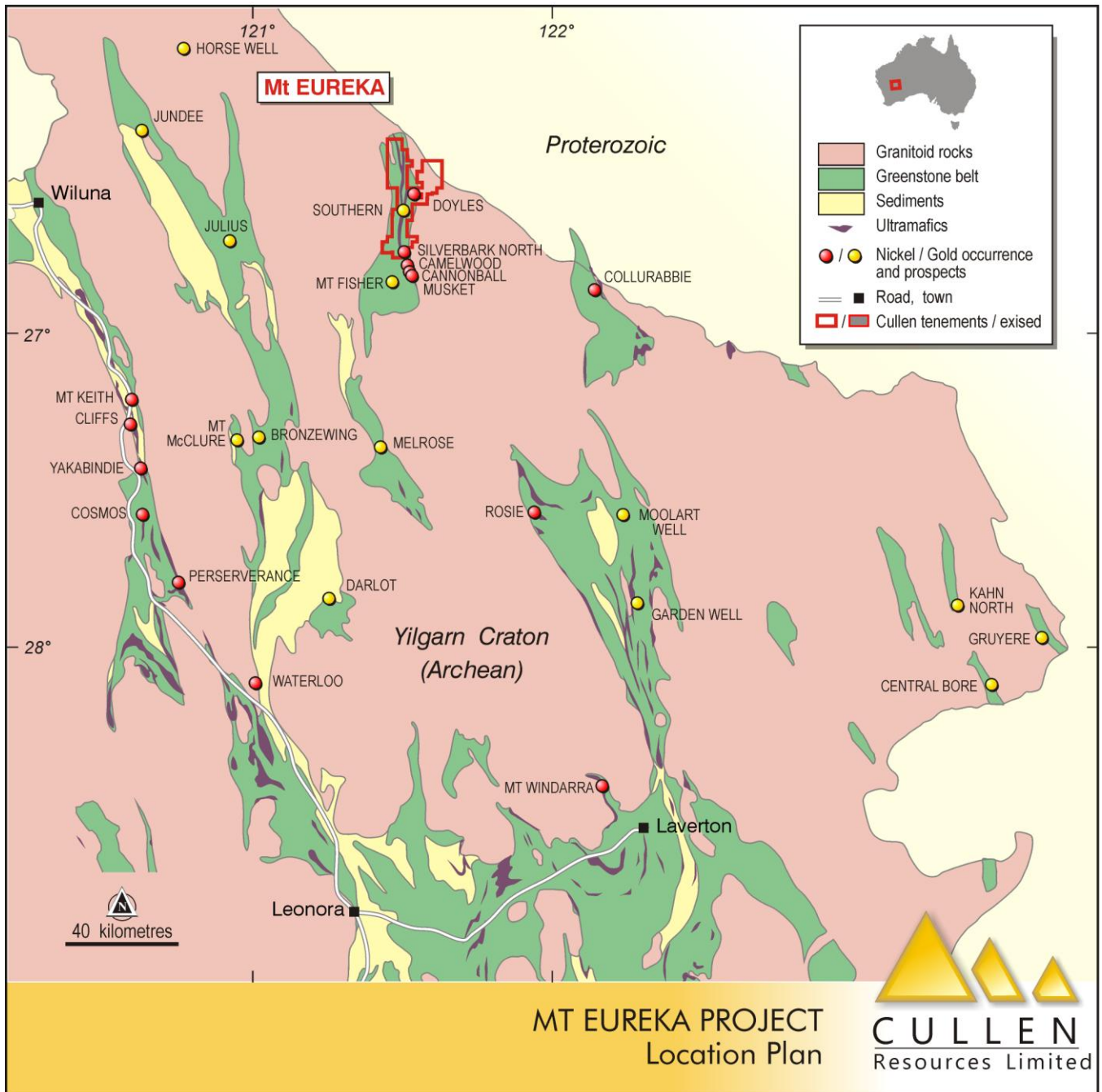


Figure 2: Mt Eureka Project – ELs 53/1299, 1300, 1209, 1635, 1637 and ELA's 53/1892, 1893- Cullen 100%

Cullen has selected 17 gold geochemical anomalies for further exploration in the Mt Eureka project. Most of these are coincident with structural / lithological anomalies, as interpreted from aeromagnetics data, strike persistent, strata parallel N-S shears and thrusts; and/or NW and NE trending shears and thrusts - providing numerous favourable settings for gold mineralisation (Figure 3).

Key target areas include:

- **Galway - Southern** – along NE and NS structures ;
- **Taipan - Cobra** – to the east and west of existing air core drilling, and along an interpreted sediment-volcanic stratigraphic contact heading NE;
- **Irwin Bore North** (south of Taipan) - where an interpreted intrusive lies on the Taipan stratigraphic trend ; and,
- **Graff's Find** - structural and intrusive anomaly (untested to the north – see Figure 3).

Cullen plans to complete field checking and geological mapping of three undrilled, historical gold geochemical anomalies in the coming Quarter (see Figure 3), with air core drilling to follow.

PROSPECT	TARGET	INTERPRETED GEOLOGY
Irwin Bore	Bulk Leach Extractable Gold (BLEG) anomaly in soil coincident with structural target area from aeromag. interpretation. Coherent soil anomaly to 4.45ppb Au, (background 0.5ppb Au), anomaly area approximately 500 x 400m	Sheared ultramafic-mafic contact
Taipan East	Gold in LAG soil anomaly, ~ 800m x 200m , parallel to historical drilling of mineralised Taipan shear zone ~ 400m to the west. This discrete, soil anomaly has never been drill tested to date. Peak value 114ppb Au, background ~ 1ppb Au.	Sheared B.I.F. / mafic or metasediment contact – at major flexure of greenstone belt
Roadside North	Broad BLEG anomaly in soil with peak value of 500ppb Au on-strike from known gold mineralisation drilled in a BIF, ~1.2km to the south. Geochem. anomaly is coincident with target area from aeromag. interpretation.	A Banded Iron Formation (BIF) /chert target, in mafics

Note: Geochemical data from historical surveys, generally between 1995 – 2005.

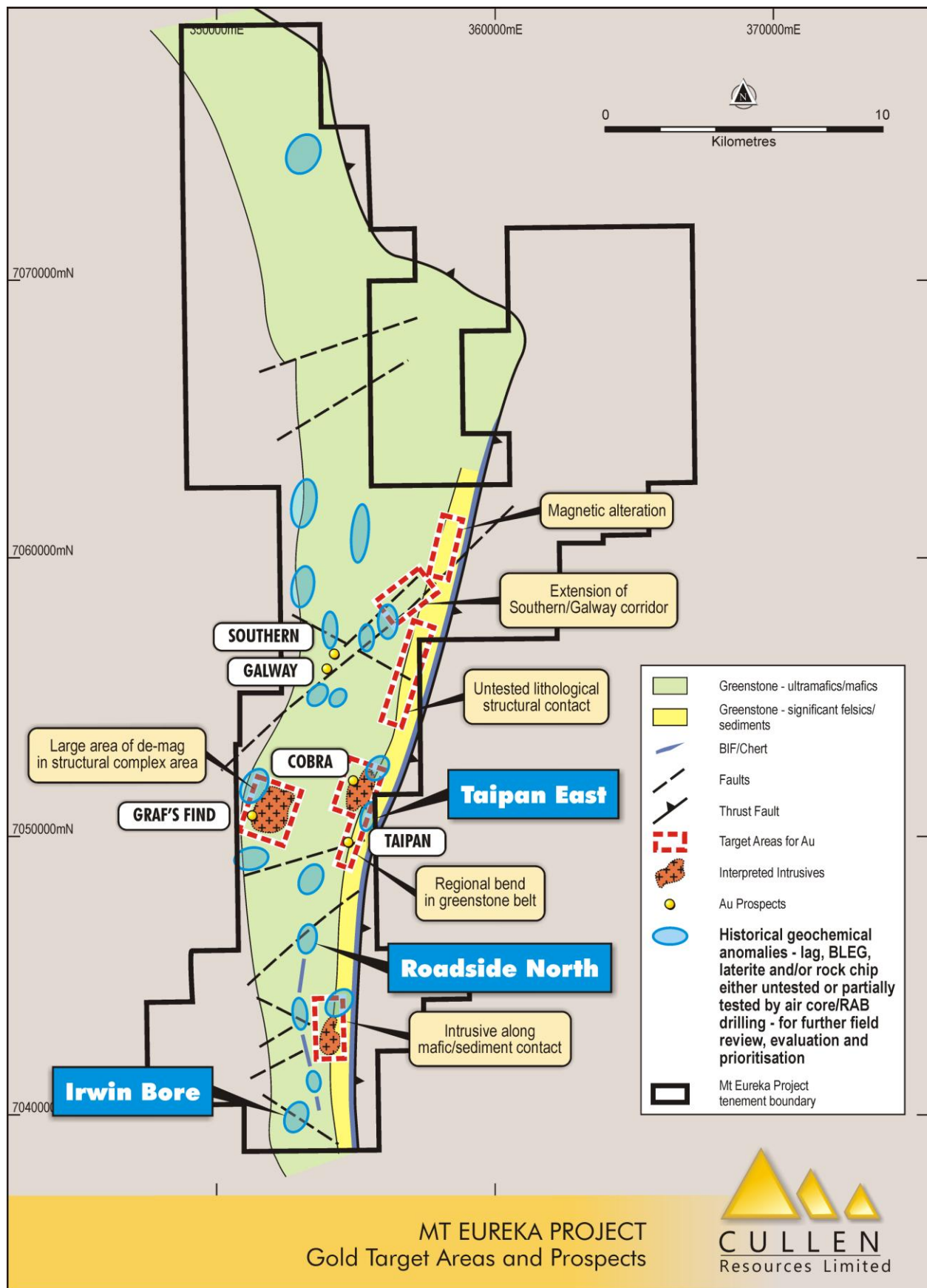


Figure 3 : Location of main gold target areas – from aeromag, soil anomalies and structures – Mt Eureka Greenstone Belt

WONGAN HILLS GREENSTONE BELT, W.A.

Cullen (90%), together with consultant geologist Roger Thomson (10%) has applied for an Exploration Licence (ELA 70/4882) over the northern part of the Wongan Hills Archean Greenstone belt to explore a historical geochemical anomaly in laterite (from published research) for gold and/or base metal deposits. The target occurs within a favourable geological setting in a greenstone belt with known Cu - Au mineralisation which Cullen considers is prospective for gold and base metals mineralisation in Volcanic Hosted Massive Sulphide-type (VMS), orogenic gold and Boddington-type gold deposits - Figure 4.

The targeted geochemical anomaly in laterite at Wongan Hills has a significant multi-element chalcophile index ("CHI6") of 3361 (data from "Laterite geochemical database for the western Yilgarn Craton, Western Australia", Cornelius, M., et al. 2007) - Figure 6. This type of geochemical index was used to map a dispersion halo to the Scuddles and Gossan Hill deposits at the large Golden Grove copper-zinc-gold mine (Smith, R.E. and Perdrix, 1983). The Wongan Hills anomaly Cullen is targeting is comparable in tenor and character to that marking the Golden Grove ore deposits and also coincides with a 3.5km-long Au anomaly in soil as reported by previous explorers (Red River Resources Limited report A71944, dated Jan 2006 on WAMEX) with no record of any previous drilling of this target.

Cullen's proposed first pass exploration to include: nominal 1km-spaced laterite sampling to confirm target extent and character, to be followed by geological mapping, rock and soil sampling, acquisition of existing aeromagnetic data and consideration of a VTEM survey.

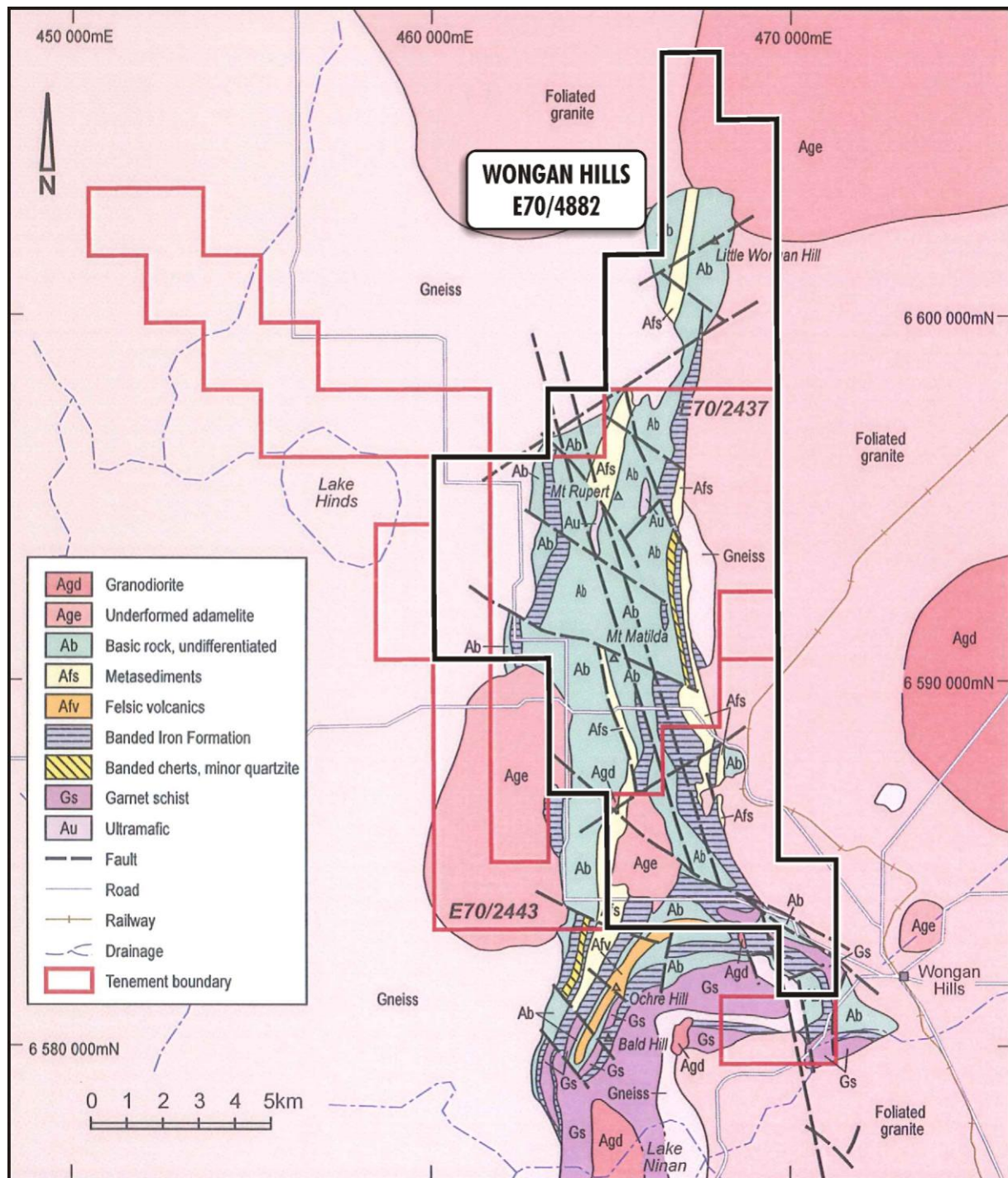
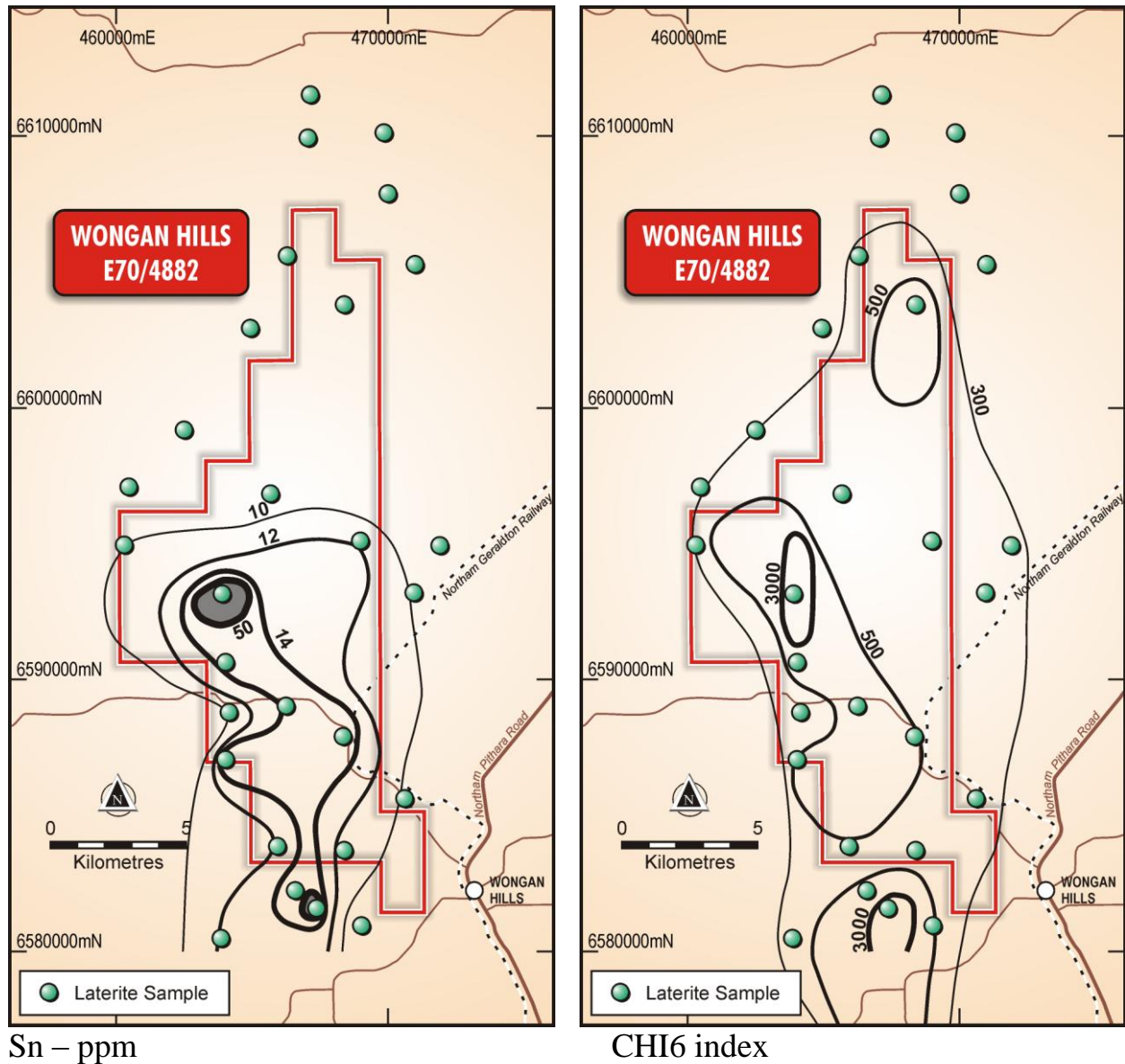


Figure 4

Geological map of the Wongan Hills area (Map Source - Red River Resources Ltd, Annual Technical Report to Dept. of Mines and Petroleum , for year ending January 2006). Note - Red tenement outlines are dead tenements.



Figures 5 and 6: Wongan Hills project geochemical anomalies

Showing contoured tin (Sn) values in laterite samples (left) and the CHI 6 values (right) = $As + 3.56Sb + 10Bi + 3Mo + 30Ag + 30Sn + 10W + 3.5Se$ within the area of ELA 70/4882 (Cullen 90%, Roger Thomson 10%).

Data from public databases:

AGE – CSIRO; Astro – CSIRO; and GSWA West Yilgarn Atlas.

MT STUART IRON ORE JV, WEST PILBARA

Cullen Resources Limited (**Cullen** or **the Company**) and its subsidiary Cullen Exploration Pty Ltd (**Cullen Exploration**) have entered into a conditional agreement with API Management Pty Ltd (**API**)**, the Manager and the holder of the other 70% participating interest in the Mt Stuart Iron Ore Joint Venture (**MSIOJV**), to sell:

1. Cullen Exploration's 30% participating interest in the MSIOJV; and
2. all of Cullen Exploration's other rights and interests in the tenements the subject of the MSIOJV (**Tenements**), including registered ownership of the Tenements.

Completion of the sale is conditional upon satisfaction of a number of matters, including Cullen obtaining shareholder approval, Baosteel Group Corporation approving the transaction and the obtaining of any required FIRB approvals. Cullen has announced (25 January 2017) a general shareholders meeting will be held on 7 March 2017 to seek shareholder approval. On completion of the sale, the MSIOJV and the Co-ownership, Co-operation and Co-ordination Deed dated 8 March 2007 will terminate.

The consideration for the sale consists of:

- i) a lump sum cash payment of **\$1 million AUD** at completion of the sale;
- ii) a further lump sum cash payment of **\$1 million AUD** payable upon API, the participants in the Australian Premium Iron Joint Venture, any person to whom API grants mining rights or any successor in title to the Tenements making a final investment decision to proceed with development of an iron ore mine on the Tenements; and,
- i) an **uncapped 1% F.O.B. royalty***** on all iron ore extracted from the area of the Tenements.

* The **Mt Stuart Iron Ore Joint Venture** (ELs 08/1135, 1292, 1330, 1341 and MLs 08/481,482) – is between Cullen Exploration Pty Ltd (30% and contributing), 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 are: Aquila Steel Pty Ltd 50% (the ultimate owners of which are Baosteel Resources Australia Pty Ltd (**Baosteel**) (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 (**Posco**) (49%)). Baosteel and Posco are subsidiaries of major steel producers in China and Korea respectively.

** API Management Pty Ltd is the manager of three joint ventures: the APIJV; the MSIOJV between API and Cullen Exploration Pty Ltd and the Red Hill Iron Ore Joint Venture (between the APIJV and Red Hill Iron Limited. These joint ventures hold the iron ore rights over a number of deposits that form part of the West Pilbara Iron Ore Project (**WPIOP**), located in the northern part of Western Australia.

*** The **F.O.B. Royalty** is payable quarterly in arrears and calculated on revenue from arm's length F.O.B. sales and other sales that can be converted to the equivalent of an arm's length F.O.B. sale. Where there are no such sales, the royalty is calculated at 1% of the deemed revenue upon which the iron ore royalty currently payable to the Crown under the *Mining Regulations 1981* (WA) is based. If Tenement ore is blended with ore from other WPIOP tenements (as is currently contemplated) to form a blended West Pilbara Iron Ore Project ore product, for the purposes of calculating the royalty, the price per tonne for the ore extracted from the Tenements will be deemed to be the price received for the blended product. If Tenement ore is blended with ore from non-WPIOP tenements, for the purposes of calculating the royalty, the price per tonne for the ore extracted from the Tenements will be deemed to be the price received for the blended product subject to the application of a discount or premium to reflect the value of the blended product compared to that of the ore extracted from the Tenements.

The **Manager** has provided the following information for the Quarter ending 31 December, 2016 for the Mt Stuart Iron Ore Joint Venture, "MSIOJV" (ELs 08/1135, 1292, 1330, 1341 and ML's 08/481,482) - Cullen Exploration Pty Ltd (30% and contributing).

Summary

- Completion of the maiden Cardo Bore Channel Iron Deposits (CID) Mineral Resource Estimate. The Cardo Bore Mineral Resource estimate totals 14.3Mt at 54.3% Fe using a 52% Fe block cut-off. The updated global MSIOJV Mineral Resource estimate now totals 176 Mt at 54.4% Fe (CUL : ASX 8 December 2016)
- MSIOJV expenditure for the quarter totalled \$0.38M. This was below the budget of \$0.39M due primarily to reduced activity leading to lower land management expenditure and lower costs incurred for rates and rental.

LITHIUM EXPLORATION

Cullen has lodged six exploration licence applications in W.A. over areas totalling ~450km² that it considers prospective for rare metal, tin-tantalum-lithium (Sn-Ta-Li) pegmatite mineralisation and which require further evaluation and prioritisation. Two applications are now granted – E74/575 and E47/4803.

These applications are in important lithium regions including Pilgangoora-Wodgina, Greenbushes, Ravensthorpe and Yinnetharra and include a number of reported pegmatite “Tin-Tantalum-Lithium (Sn-Ta-Li) or Industrial Pegmatite Minerals Target Group Commodity” occurrences (MINEDEX database). On 22 July 2016, Cullen reported to the ASX, the results of preliminary field assessment on four of these tenement applications, with encouraging results from ELA 45/4626, 30km NE of the Pilgangoora lithium project, and is continuing to prioritise the tenements for further work.

FINLAND – “ RITA” RESERVATION - (Cullen 100%)

Cullen is also positioned in Finland for lithium, base metal and cobalt exploration with three reservation applications – see Cullen’s ASX announcement of 16 June 2016.

Finland offers a favourable exploration/mining jurisdiction and is very well-positioned in Europe to meet increased demand for lithium and related elements for new technologies going forward. In Finland, Cullen will follow a prospect generator/farm-out business model as practised by the company over the past several years in Australia. This is an appropriate and prudent approach which utilises the excellent public geological databases in Finland and the low tenure costs in the early stages of exploration. Cullen will focus on exploration for lithium, gold, zinc, copper and cobalt. Cullen has had significant previous experience prospecting and exploring in Finland and has good contacts with well-regarded geological consulting groups based in Scandinavia to facilitate efficient operations.

As announced to the ASX on 16 June, 2016, Cullen received notification that its Reservation Notification application* (“Rita”) lodged for lithium exploration surrounding known spodumene-bearing pegmatites with defined resources in Western Finland, has been approved and is valid until 1 May 2018 - see location of deposits owned by Finnish Company Keliber Oy (www.keliber.fi) – see Figure 7.

Cullen has two other registered Reservation Notifications, for a total of ~420km² :

- one , of ~320km², lies within the copper-cobalt (Cu, Co) and cobalt-nickel-copper-zinc (Co, Ni, Cu, Zn) metallogenic areas (www.tukes.fi) near Outokumpu, and surrounds known mineralisation at Kettukumpu (Cu, Ni, Fe, Co, Zn) and Hietajarvi (Zn, Cu, Ni, Co) which are claimed by Finnaust Mining Finland Oy and excluded from Cullen's application.
- The second Reservation Notification application includes a quarry at Kaatjala from where small quantities of beryl and columbite (a niobium ore) have been produced from pegmatites. There are other mapped pegmatites in this area for further exploration.

These applications have now been registered - valid until September 2018.

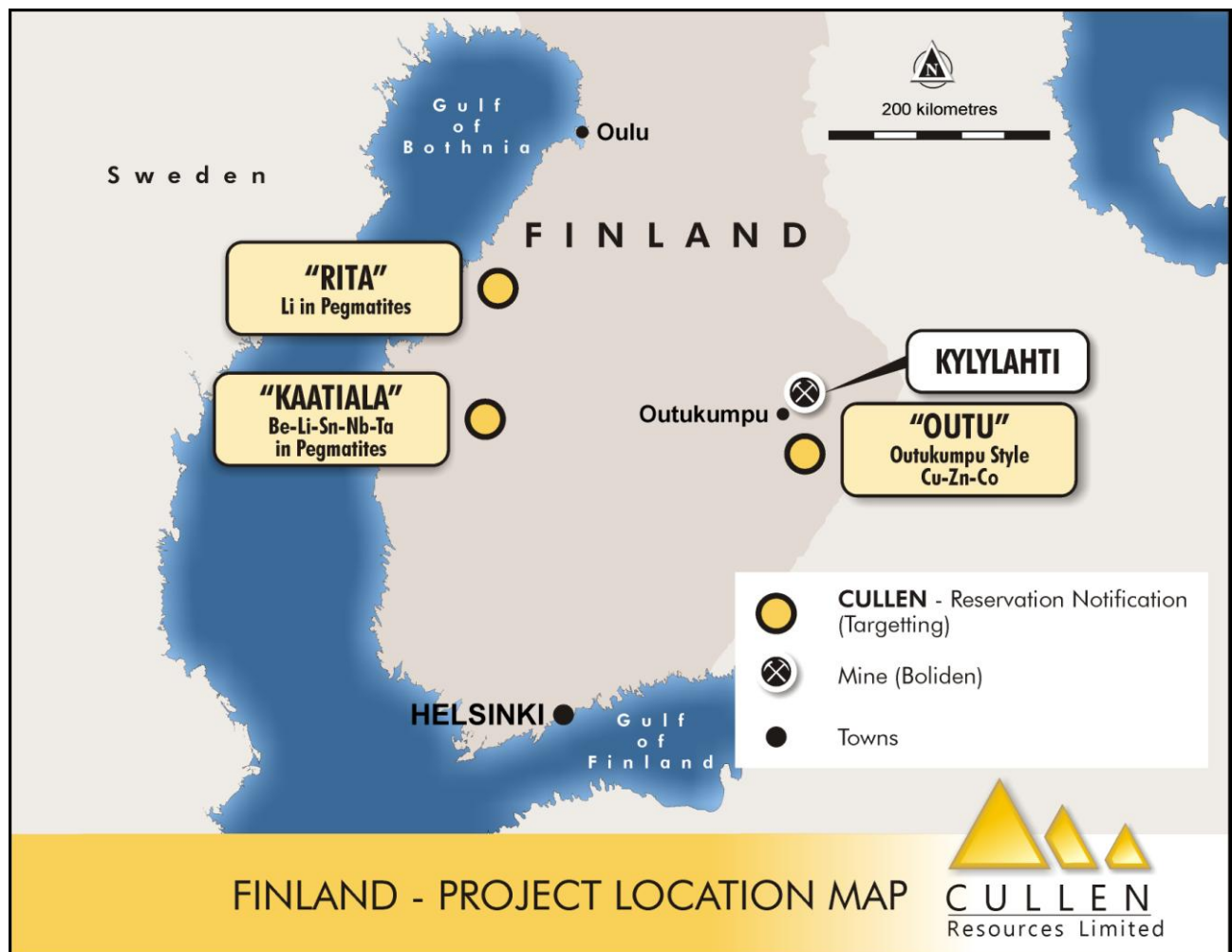


Figure 7

NORTH TUCKABIANNA PROJECT

This project (E20/714 – Cullen 100%) lies along the Tuckabianna gold trend, ~35 km east of Cue, W.A., with prospectivity for gold and base metals. Previous exploration by Cullen has included VTEM surveying, ground EM, RC drilling and downhole EM, plant and rock chip geochemistry, and data compilation. Recent exploration activity by Musgrave Minerals Limited (ASX: MGX) on tenure adjoining Cullen's E714 to the south, has included further drilling at the Mt Eelya and Hollandaire base metal prospects and, in Cullen's opinion, has underlined the good base metal prospectivity of its project area. Musgrave has also made a new gold discovery at their "Break of Day" prospect, comprising high-grade gold in quartz veins hosted in mafics (see MGX: ASX announcement of 27-10-2016).

In October 2016, Cullen completed soil sampling over VTEM anomalies (C07-C09) immediately east of Hollandaire targeting gold and copper; and rock chip sampling of quartz veins in basalts along the eastern granite-greenstone contact for gold. The soil assays (421 samples) did not return any significant geochemical anomalies and there were no significant gold anomalies recorded in rock chips from around C11 and C12 (14 samples).

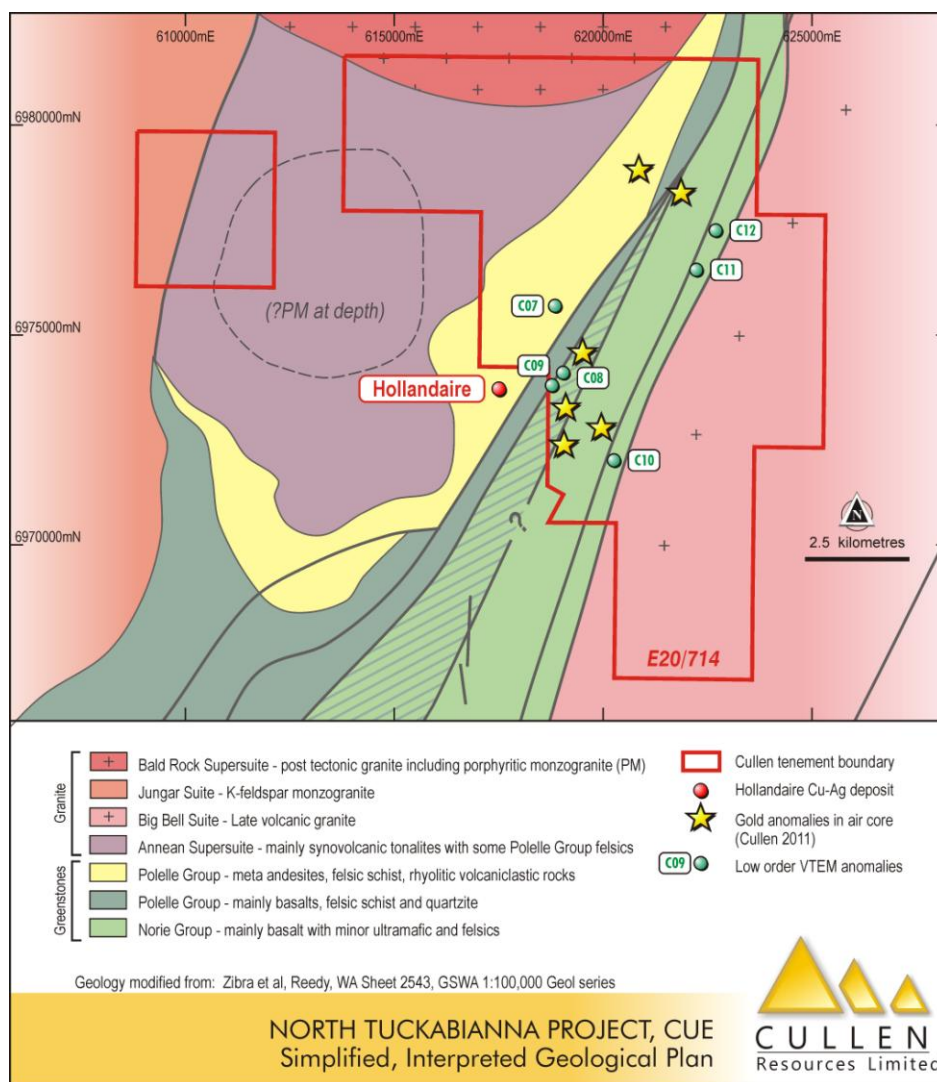


Figure 8

CORPORATE

SHARE CAPITAL INFORMATION

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

- 1,901,560,131 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 – 22.19%, and
- Baosteel together with Aurizon – 5.38%

Cash at the end of the quarter was **\$0.078M**.

On January 27 2017 Cullen announced it had completed a capital raising of \$200,000 (before expenses) by a placement of securities to sophisticated and professional Section 708 investors.

A shareholders meeting will be held on 7 March 2017 to consider the company's proposed sale of its 30% interest in the Mt Stuart Iron Ore Joint Venture. The Notice of meeting and the independent experts report was released to the market on 25 January 2017.

Dr Chris Ringrose, Managing Director

31 January 2017

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 2016)

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
Wyloo North	EL47/3342			
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, ELA 45/4682		
NE GOLDFIELDS				
Gunbarrel	E53/1299,1300 +/- * E53/1635	ELA 53/1892,1893	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%	
MURCHISON, Cue	E20/714		100%	
RAVENSTHORPE	E74/575			
YINNETHARRA		ELA 09/2179		
WONGAN HILLS		ELA 70/4882		
GREENBUSHES	E47/4803	ELA 70/4802		
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%	
FINLAND				
	Rita ,Kaatiala and Outu		100% - Reservation Notifications	
TENEMENTS RELINQUISHED and APPLICATIONS WITHDRAWN DURING THE QUARTER – 100%				

References:

Cornelius, M., Robertson, I.D.M., Cornelius, A.J., and Morris, P.A., 2007. Laterite geochemical database for the western Yilgarn Craton, Western Australia: Western Australia Geological Survey, Record 2007/9, 44p.

Smith, R.E., and Perdrix, J.L., 1983. Pisolithic laterite geochemistry at Golden Grove, Western Australia. Journal of Geochemical Exploration, 22, 193-216.

*Timo Ahtola (ed.), Janne Kuusela, Asko Kapyaho and Olavi Kontoniemi, Geological Survey of Finland, Report of Investigation, 220, 2015: "Overview of lithium pegmatite exploration in the Kaustinen area in 2003-2012").