



ABN 46 006 045 790

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ASX Symbol: CUL

3 August 2015

Tenement Sale and Royalty Agreement

Cullen Exploration Pty Limited (“Cullen”), a wholly-owned subsidiary of Cullen Resources Limited, has entered into an agreement to sell 100% of its interests in a group of tenements, namely EL08/1393, EL47/1154, EL47/1649, EL47/1650, PL 08/556, MLA08/502 and MLA 47/1490, to FMG Pilbara Pty Ltd (“Fortescue”), a wholly-owned subsidiary of Fortescue Metals Group (“FMG”). These tenements are currently the subject of the Wyloo Iron Ore Rights JV with Fortescue in which Fortescue has earned a 51% interest.

Completion of the sale took place on the date of execution of the agreement, being 31 July 2015.

In consideration for the sale, Cullen received:

- \$50,000 cash at completion;
- \$900,000 cash, if and when FMG, or a Related Body Corporate of FMG, or any assignee of FMG's interests in the **Royalty Tenements** (being the sale tenements together with M47/1488 and M47/1489, which are held 100% by Fortescue and are contiguous with the sale tenements), or a Related Body Corporate of such assignee, makes a decision to commence extraction of ore on a commercial basis on any part of the land the subject of the Royalty Tenements (whether or not in conjunction with mining operations on other land); and,
- A Royalty of 1.5% of **Gross Revenue** on up to **15Mt** of any iron ore produced from the land the subject of the Royalty Tenements. **Gross Revenue** is the royalty value:
 - as determined in accordance with regulation 86AD(2)(a) of the Mining Regulations 1981 actually received by Fortescue or a relevant Related Body Corporate during any Quarter, in Australian dollars or Australian Dollar Equivalent, from the sale or other disposal of Iron Ore as described in regulation 86AD(2)(a) of the Mining Regulations 1981, including insurance proceeds received by Fortescue or its Related Body Corporate in the case of loss of or damage to the Iron Ore); or
 - if the iron ore is not exported, sold at arm's length or sold for cash, as determined in accordance with regulation 86AD(2)(b) of the Mining Regulations 1981

WYLOO Iron Ore Rights JV - EL08/1393, ELs 47/1154, 1649, 1650, PL 08/556, MLA08/502 and MLA 47/1490.

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Dr Chris Ringrose, Managing Director

3 August, 2015

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, Northern Star, Matsa and Thundelarra/Lion One Metals), 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), 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

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.